



# The Future of US-Iraq Relations



Ellen Laipson



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## Preface

We are pleased to present a new study on the future of US-Iraq relations written by Ellen Laipson, President of the Stimson Center and director of Stimson's work on Southwest Asia. This report is intended to inform concerned citizens and policy experts in the United States and Iraq about the evolving relationship as US troops are withdrawn, and as US-Iraq state-to-state interactions resume a more traditional pattern. The report also examines the prospects for broad cooperation that would involve business and civil society, in fields ranging from health and education, energy, and science and technology.

Much has been written about US policy towards Iraq since 2003. It is a difficult and painful chapter in US foreign policy, and Iraqis have barely begun to write their own narratives about the period of occupation and the reinvention of the Iraqi state and its politics.<sup>1</sup> This report is not intended to evaluate that period or to pass judgment on the past. It takes the story from the present – an Iraq where security conditions have improved, but are not yet completely stable, and where a dynamic new political culture is emerging – into the future, trying to imagine US-Iraq relations after US troops are withdrawn, with diplomats and politicians driving the relationship.<sup>2</sup>

This study is part of a series of projects related to US policy towards Iraq that the Stimson Center has undertaken since 2004. Our earlier work on Iraq can be found at [www.stimson.org/swa](http://www.stimson.org/swa). We have engaged with Iraqi civil-society leaders in several capacity-building workshops, assessed the challenges for US policy, and examined changing conditions inside Iraq and in the Middle East region. We hope you will find this latest report useful.

## Acknowledgements

This report benefited from the contributions of many. Research was conducted at the same time that the Stimson Center collaborated with the Centre for International Governance Innovation (CIGI) in Waterloo, Canada, for a series of workshops about conditions in Iraq. We held two workshops in Canada (on societal issues and on federalism) and two in Washington (on regional relations and on security). I am deeply grateful to CIGI's Senior Visiting Fellow, Ambassador Mokhtar Lamani, former Arab League Representative in Iraq, for his partnership, and for his deep knowledge of Iraq and its people.

In October 2009, in Ottawa, we organized a dialogue between Iraqis and Americans of diverse views and backgrounds, and our friends at CIGI were gracious hosts and facilitators of the exchange. We thank Member of Parliament Paul Dewar for enabling us to hold the dialogue at the parliament, and to CIGI colleagues Ambassador Paul Heinbecker, Asfia Tareen, Matt Eason, Daniel Schwanen, and Max Brem.

The dialogue participants Sami al-Askary, Dr. Hassan Bazzaz, Nazar Janabi, Kamran Karadaghi, Dr. Najmaldin Karim, Dr. Abdelhussein Shaban, Dr. Alex Dehgan, Charles Duelfer, Paul Hughes, Dr. Phebe Marr, John D. Moore, Trudy Rubin, and Dr. Nabil al-Tikriti were a wonderfully lively and engaged group. They were open and honest about the challenges and opportunities in US-Iraq relations, listened respectfully, and offered interesting and important ideas. We thank them for taking the time to participate in the dialogue, and for their own work and interest in US-Iraq relations.

In Washington, we consulted a range of people who are engaged in various aspects of US-Iraq relations, from diplomats to NGO officials. They included Rusty Barber, Michael Corbin, Dr. Alex Dehgan, Rend al-Rahim Francke, Laith Kubba, Erin Mathews, Elissa Slotkin, and Iraqi Ambassador Samir Sumaida'ie.

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the planning for a May 2010 trip to Iraq to discuss the themes of this report with diverse Iraqi audiences.

At the Stimson Center, I wish to thank colleagues Barry Blechman, Allen Moore, and Alan Romberg for thoughtful comments. Our hard working interns provided important research for this project – Alex Kazer, Ronan McGee, and Nader Mehran. Our communications team of Alison Yost and Shawn Woodley were very helpful with its design and production.

Most importantly, I thank Elena McGovern, my very able colleague, who was my collaborator on all aspects of this project, from its early concept, through the Ottawa dialogue, its drafting and production, and the outreach activities planned to disseminate its ideas in Iraq and in the United States. She has demonstrated formidable research and organizational skills, and dedication to the topic. We are both hopeful that this report will, in some modest way, create opportunities for Americans and Iraqis to think anew about their relationship, and to find productive ways to work together on issues of shared interest.



# Introduction

An important transition is underway in the official relationship between the United States and Iraq. It began in late 2008, when the Bush Administration and the government of Nuri al-Maliki negotiated two agreements to manage the withdrawal of US combat forces, and the creation of a long-term Strategic Framework Agreement (SFA) for relations between the two countries. The two agreements symbolized the end of one chapter of US engagement, and provided the broad architecture for the future of the relationship.

President Obama has advanced this process. The new administration is using the SFA to promote cooperation in fields including diplomacy, security, economics, energy, health, and environment. In addition, the new administration's policy continues to shift the balance to civilian activities in Iraq, and to an agenda that addresses US interests after the withdrawal of forces, such as the reintegration of Iraq in the region, the needs of returning veterans, and long-term settlement options for Iraqi refugees. In other ways, the new administration has signaled that Iraq is not the centerpiece of US foreign policy, but that its stability and prospects for success remain important for a wide range of American interests in the region and beyond.

This transition has created some friction in the relationship, and among foreign policy experts in both countries. Iraqi officials express concern that the United States is losing interest in their fate and, despite political rhetoric that celebrates Iraqi sovereignty and the end of US occupation, many Iraqi leaders believe that the American presence, counsel, and technical assistance are vital as Iraq continues the reconstruction of the state and the creation of a new and more open political culture. In the United States, some express similar concerns about a loss of attention to Iraq, reductions in aid for some reconstruction and political reform projects, and other signs that the Obama Administration has other priorities and considers Iraq to be a preoccupation of the previous administration. These critics of current policy are concerned that some of the notable achievements in institution building and security sector capabilities could be squandered if US presence and engagement are scaled back too quickly.

Events in Iraq in 2010 contribute to the anxieties and uncertainties. An occasional spike in violence in Iraq that can be interpreted as having a sectarian dimension causes experts to warn about a return to sectarian strife once American troops leave. The run-up to the March 2010 parliamentary elections generated concerns about the quality of democratic practice in Iraq, with the banning of some candidates by officials who were themselves candidates for election. Efforts by the US to offer solutions to the elections eligibility dispute then led to Iraqi complaints about US interference. Getting expectations right about what constitutes a true security or political threat to the stability of Iraq is hard to do. In the short run, signs that Iraq is still prone to violence, sectarian-based or not, or that its democratic culture is very fragile, produce “fight or flight” impulses in the US policy community. Some want to strengthen US efforts to rebuild Iraq’s civil society and infrastructure, while others feel that Iraq’s problems cannot dominate the US agenda, and that lasting solutions to those problems must come from the Iraqis themselves. This debate reflects a difference in views about America’s role in Iraq: are we still the midwife of Iraq’s new political culture, or is it better to pull back and engage with Iraq in a more “normal” state to state fashion?

The future of the relationship will be determined by many factors, some specific to conditions in Iraq, and others that are external to Iraq, such as larger trends in the Middle East and Persian Gulf region, and other demands on US political engagement and resources. The relationship is also fundamentally asymmetric: the US role in Iraq is more important to a wide range of Iraqi interests and actors than Iraq is to American politics or key US interests. Yet the transition now underway from the exceptional period 2003-2008 – from the US decision to topple Saddam Hussein, to the volatility of post-Saddam politics and the unanticipated security crises that drew in American forces to occupy the country for several years – will shape perceptions of American foreign policy and could be critical to how Iraq defines its role in the region and the world.

There is a wider lens through which to view US-Iraq relations and the long-term legacy of 2003. Whether Iraq’s new political culture endures and becomes a positive model of post-authoritarian transitions, many Iraqis believe the United States still does not fully grasp the local and regional consequences of its acts, including the coming to the fore of a new set of leaders who may be motivated less by the rhetoric of “transformation,” and more by deeply rooted historical impulses related to religious and ethnic grievances, and their own quest for

power and control. The modernist, secular émigré Iraqis who helped shape US policy a decade ago are today less influential than traditional power bases in the society that have now moved into the political sphere. Analysis, therefore, of US-Iraq relations that focuses only on short-to-medium term developments and trends may understate the deeper meaning of the change that took place in 2003. Over time, it may be difficult to discern the lasting impact of US efforts to “transform” Iraq and the region, and the trajectory of Iraqi and regional politics could well create long-term realignments that are not compatible with US interests and ideals.

This report, nonetheless, focuses mostly on the short-to-medium term, on the practical dimensions of this important relationship as it moves through an inevitable and potentially positive transition. It considers very briefly the recent past in US –Iraq relations and tries to advance some practical thinking about likely and desirable paths forward. Iraq will continue to be one of the key players in the Arab world and the larger Middle East. The study examines:

- the current state of US-Iraq relations and the transition underway;
- the views of diverse players in both countries about the future of the relationship;
- prospects for a long-term strategic partnership; and
- the challenge of managing the relationship in the context of a volatile region and changing global environment.

## Iraq-US Relations in 2010: A Time of Transition

The Obama Administration has been balancing the strategic goals of its declared policy – to end the war and establish a normal productive relationship with Iraq – with the reality that US engagement in Iraq demands ongoing high-level attention. Iraqi officials are accustomed to frequent interaction with American leaders, and the transition governed by the 2008 agreements require ongoing policy attention and decision-making. The Obama Administration has worked to demonstrate its commitment to the 2008 agreements, drawing in particular on the Strategic Framework Agreement for the structure and content of evolving bilateral cooperation.

President Obama's first overseas trip was to Iraq, in April 2009. He hosted Prime Minister Maliki in Washington twice during his first year in office. The Vice President has made three trips to Iraq, including a trip in January 2010, to consult with the Iraqis about plans and problems related to the March 2010 elections.

At the ministerial level, there have been countless meetings by the Secretaries of State, Defense, Commerce, Agriculture, and others as the administration works to put flesh on the bones of the SFA.

- In October 2009, the administration organized the US-Iraq Business and Investment Conference, with 200 Iraqis in attendance, equally divided between government and private sector. About 700 business people attended, looking for opportunities to invest in sectors including agriculture and water, manufacturing and minerals, housing and construction, oil and gas, transportation and tourism, electricity, and financial and banking services.
- Also in October 2009, US Secretary of State Hillary Clinton and Prime Minister Maliki agreed to establish a joint committee, a framework established in SFA, to assist Iraq in coming out of UN Chapter VII status.<sup>3</sup>

- The US supports Iraq's application for membership in the World Trade Organization – a goal named in the SFA. To date, Iraq is an observer at the WTO, but officials in the Office of the US Trade Representative remain optimistic, and believe that Iraq's application, initially submitted in 2004, is currently "far advanced."<sup>4</sup>

## Security Relations Still Dominant

The security situation remains the most important driver of US-Iraq relations. The continued presence of American forces is widely seen as a stabilizing factor that has helped the Iraqi government maintain order, and has prevented conflicts over disputed territories and political rivalries from becoming violent. Yet the Iraqi government also formally welcomes the drawdown of US forces (total troop presence fell below 100,000 in early 2010), and is sensitive to any appearance that its sovereignty is compromised by the residual American role. At the top, both countries are committed to the planned glide-path that began with the mid-2009 withdrawal of American troops from cities, continues with the mid-2010 departure of all combat-related forces, and ends with the mid-2011 final withdrawal of any remaining US forces, other than those involved in training or the protection of US facilities. The Iraqi government could request a delay in this schedule, and could propose a new agreement to govern new or ongoing missions after 2012.

Overall, the trends in the security picture are favorable. Violent incidents in Baghdad or other major cities are on a steep downward trajectory. Iraqi civilian fatalities per year were highest in 2006 with 34,000. In 2009 that number was down to 3,000, and data through early March 2010 suggests a further halving of the annual number. Figures are similar for US military fatalities: 2007 was the worst year, with 904 deaths. By 2009 the figure was down to 149, and from January through early March 2010, 12 US troops had been killed.<sup>5</sup>

The training of over a half million Iraqi security forces in the armed forces and police has also proceeded apace, with countless ceremonies and rituals acknowledging the transfer of full responsibility for law and order to Iraqi forces. Since mid-2009, American forces operate increasingly in a supporting role, responding only when requested by Iraqi authorities. In testimony from late September 2009, General Ray Odierno reported that the number of contract employees declined by 35,000 to 115,000, and 100 US bases had been closed. By early 2010, six major command facilities were combined into a single

headquarters for US forces, renamed US Forces in Iraq (USF-I). These are only a few of the critical metrics that illustrate a dramatic change in the US security footprint and function in Iraq, as envisioned in the 2008 withdrawal agreement.

But the reality of a significantly improved security environment is still vulnerable to abrupt changes. In the absence of evidence of a true reconciliation of Iraq's main political and ethnic groups, there are legitimate concerns about a renewal of sectarian violence once US forces leave. The pre-elections maneuverings by the Justice and Accountability Commission suggest that some parties and individuals are willing to resort to questionable and non-democratic practices to weaken their political rivals. This does not bode well for Iraqi democracy in the short run, although some interpret the maneuverings up to the March 2010 elections as representing a desperate move by the Iraqis who returned to lead a post-Saddam system, who now see a redistribution of power and the potential reintegration of Sunni elites, at their expense.

Of equal concern are the prospects for disgruntled parties resorting to violence over the election outcomes, or over the complicated issues related to disputed internal boundaries between provinces, and the one legally separate region in Iraq, the Kurdish Regional Government (KRG). This dispute hinges, of course, on the question of Kirkuk, an oil rich governorate with a multi-ethnic city that the KRG would like to see incorporated into their region. Kirkuk is unfinished business from the constitutional process of 2003-2005, which has potentially serious security consequences. It is uniquely complicated, virtually the Jerusalem of Iraq, given its historic significance in Iraqi history, the competing and irreconcilable claims of Arabs, Kurds, and Turkomen, population movements that were sometimes coercive and intended to change demographic balances, and the potential wealth of the region beyond the confines of the city. It may also be a bellwether for the future of Kurdish-Arab relations and the capacity of the parties to alter or revalidate internal boundaries peacefully. It is not beyond imagining armed conflict between the KRG and the Iraqi government or forces in provinces that neighbor the KRG, should UN efforts to resolve the Kirkuk dispute not succeed. Some fear that, without the presence and negotiating capacity of the US forces, such a worst case scenario would be more likely to occur.

The outcome of the March 2010 elections may reveal some of the shifts in voter preferences and in possible outcomes. For now, the UN mission in Iraq works

to manage expectations, and to try to determine when the referendum called for in the 2005 constitution could take place without itself being a destabilizing factor for the country.

Iran's role in Iraq is another important dimension of the security assessment. The notion that the US intervention to oust Saddam Hussein provided Iran with a great strategic benefit – a Shia majority government in Baghdad – is one of the enduring criticisms of US policy and its unintended consequences. A long border, a special relationship with the Shia majority government, and the various assets the Iranians have developed in all parts of Iraqi society and the security community, all contribute to an abiding worry that Iran's influence will only grow after the US withdrawal. This worry persists despite the fact that from the provincial elections of 2009, through the national elections of 2010, Iran's closest political allies have lost seats and influence, and that the emergence of non-sectarian, Iraqi nationalist political groupings may not bode well for Iran's ability to manipulate or influence Iraq's policies.

These concerns about abiding sources of instability must not be exaggerated. The transition to Iraq's empowerment as a fully sovereign state was completed successfully several years ago, and a robust American civilian presence could well play a constructive role in conflict prevention and resolution, even without the presence of tens of thousands of American troops. US and Iraqi officials are in general agreement about the focus and purpose of the training mission, once the combat forces are withdrawn. They are already in transition to focus on leadership and professional development for the armed forces, and capacity building for the police. These ongoing efforts in security sector reform may be an important component of US-Iraq relations in the future, since security cooperation and close consultations on regional security issues will surely be an area of shared interest and responsibility.

## **The Civilian Surge**

The shift from a security-driven relationship to a broader partnership is reflected by the change in the civilian-military balance of the US presence in country. US officials have spoken of a “civilian surge” as the necessary sequel to the military surge of 2007. According to a current US government official, there are currently 900 US civilians performing official functions in Iraq. These range from normal diplomatic activities in Baghdad, to running public-private partnerships in reconstruction, institution building, and other activities involving civil society,

to the provincial reconstruction teams (PRTs), which provide diverse services in major provincial locales, usually co-located with, or embedded in, US military bases and installations.

PRTs, a key component of US civilian engagement since 2005, will remain in key regions of Iraq during the transition, and are proving to be a useful foundation for shaping a more permanent civilian presence there. The original role of PRTs in Iraq was “to assist Iraq’s provincial governments in developing a transparent and sustained capability to govern, to promote increased security and rule of law, to promote political and economic development, and to provide the provincial administration necessary to meet the basic population needs.”

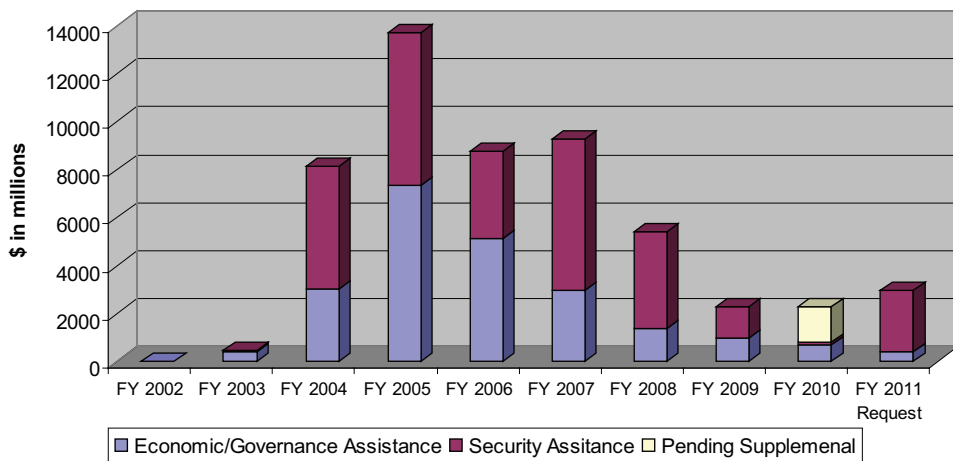
Today there are 18 PRTs in Iraq, with four embedded PRTs within military units (ePRTs) and one Regional Reconstruction Team (RRT) located in northern Iraq. The US Embassy in Baghdad recently has redefined the five roles of PRTs: 1) Support elections and act as a platform for the UN and other international organizations; 2) Serve as “honest brokers” to mediate and manage communal tensions; 3) Assist Iraqi civil society and governmental institutions in strengthening their ability to protect the rule of law, confront corruption, and deliver basic services; 4) Support displaced persons; and 5) Encourage foreign investment and economic diversification. While the number of PRTs has and will continue to decline from the height of the US military surge in 2007, the US government envisions a sustained presence of PRTs in Iraq through December 2011, including in Najaf and Anbar provinces.<sup>6</sup>

The size of the US presence is not the only or most useful metric of US engagement. The US Embassy in Baghdad, physically the largest diplomatic compound in the world, conveys to some Iraqis America’s intention to retain a powerful presence in Iraq. It reminds them of the occupation, even though the embassy was constructed after sovereignty had been returned to Iraq, and the headquarters at the height of the occupation was none other than Saddam Hussein’s palace. But the embassy – its physical characteristics, the difficulty of access to it, and the size of the official US presence – are uncomfortable symbols of the superpower that allow disaffected Iraqis to sustain deep suspicions about US intentions. For American policy, the embassy presents a different set of problems: a legacy of legal and financial headaches that have been investigated and criticized, and a large bureaucratic operation with strict security protocols that do not seem to encourage contact between official Americans and ordinary Iraqis.<sup>7</sup>



US officials in the Obama Administration acknowledge that the State Department has not been able to meet the demand for a sharp increase in civilian officials and are using contractors rather than foreign service officers for many of the new requirements, from managing programs to train the Iraqi police to other reconstruction activities. This state of affairs runs the risk of becoming an irritant in US-Iraqi relations. In recent years, even before the “civilian surge,” many of the positions providing basic security for Americans and staffing various training, reconstruction, and economic activities have been filled by private sector contractors, generating controversy regarding their legal status and continuing sensitivity for the Iraqi government. Several incidents in which contractors killed or injured Iraqi civilians, yet were beyond the reach of Iraqi justice and were acquitted by American courts, have become a political issue for Iraqi politicians and have also been investigated by US Inspectors General.<sup>8</sup>

**US Assistance to Iraq, FY 2002-FY 2011 Request**



Source: Stimson Center's Budgeting for Foreign Affairs and Defense project, [www.stimson.org/budgeting](http://www.stimson.org/budgeting)

Another metric of the transition in US engagement in Iraq is the change in levels of foreign assistance (see chart). In the aftermath of the US invasion in 2003, the Bush Administration requested an unusually large aid and reconstruction package of \$18 billion, which is being spent over a period of years. It has been fraught with controversy due to the absence of normal oversight and accounting procedures, and its status as an off-budget supplemental request to Congress. At present, the Obama Administration is working to sustain funding for civilian activities in Iraq and to increase funds for the Iraq Security Forces Fund, the training program for which management and funding will gradually move to the Department of State. Total requested aid to Iraq for fiscal year 2011 is nearly

\$3 billion, of which \$430 million is requested for economic and governance programs.

As Iraq's oil revenue becomes a reliable and growing source of income, it is expected that Iraq will finance many of its reconstruction and security activities with foreign assistance dedicated to technical assistance in health, education, and other sectors. The US Agency for International Development describes the transition in its programming "from the short-term provision of essential services to long-term, integrated, and Iraqi-led development." For Iraq and US officials engaged in Iraq, the transition also means that Iraq has to compete with other regional and global candidates for US aid dollars.

Part of the civilian presence in Iraq are Americans and international staff working for US non-governmental organizations (NGOs) dedicated to helping Iraq build institutions and a democratic culture. Building on experience over recent decades in post-authoritarian or post-conflict states in Africa, the Balkans, and elsewhere, these NGOs work independently, but their activities largely converge with official US policy goals. In many cases, the work is funded by the US Department of State or USAID, and the largest and most experienced of the organizations – the US Institute of Peace and the National Endowment for Democracy's constituent groups, the National Democratic Institute, and the International Republican Institute – are congressionally funded. Since 2003, USIP and NDI have played particularly important roles in supporting and developing the capacity of Iraqi civil society. These activities form an important part of the US contribution to Iraq's political development.<sup>9</sup>

The movement of official and unofficial Americans in Iraqi society has been constrained by the security environment. Even as security conditions improve, the government and large organizations and companies are reluctant to lift security restrictions and assume greater risks. One important goal or metric of Iraq's stabilization will be the easier circulation of Americans engaged in reconstruction and in civil society activities. These relationships are important for the long term perceptions of US policy and the ability to achieve major policy goals in building institutions and a more democratic culture.

## US Embassy Baghdad

The US Embassy in Baghdad is the largest and most expensive embassy ever constructed. Located on the shore of the Tigris River in the International Zone and with a footprint approximately the size of Vatican City, it was designed to house 1,000 American diplomats and staff, in addition to security personnel and local hires. It opened in January 2009, after being mired by construction delays and scandal stemming from its use of a Kuwaiti contractor accused of illegal labor practices and poor workmanship. It was also significantly over budget.

The embassy was planned and constructed during the height of violence in Iraq. During this time, the well-publicized scale of the facility reinforced fears that the US viewed its patron-client relationship with Iraq as one that would endure for the foreseeable future. Further exacerbating the situation was the interpretation of the embassy's design, which includes a swimming pool and movie theater, as evidence of American arrogance and disconnectedness during a time when most Iraqis lacked basic services and security. Indeed, the heavily fortified and isolating design, coupled with the bland, box-like architecture of the new embassy building itself, seemed to signal to the Iraqis a more security-oriented perspective on the US presence than an outpost of American culture and values, and the conduit through which deeper US and Iraqi societal ties could be fostered.

Today, as a result of the push to civilianize US activities in Iraq, the size of the US embassy staff in Baghdad is set to nearly triple. This rapid expansion is driven by the shift of resources and authority from the Pentagon to the State Department to carry out police training and other security sector capacity building programs. The US has also recognized the need to expand its diplomatic presence beyond the International Zone and Baghdad. The Obama Administration recently has announced plans for the conversion of two Provincial Reconstruction Team (PRT) headquarters into US consulates – one in Basra and the other in Iraqi Kurdistan – to provide better diplomatic and consular services to the Iraqi people.

Due to a number of factors, the most significant of which is the drawdown of US forces, the US Embassy is refocusing some attention to engaging with Iraqi society in a more meaningful way. One recent example is the recent launch of the US Embassy Baghdad Facebook page, aimed at engaging with the Iraqi public, and sharing information about the embassy and its activities. Of particular note was the site's use during the March 2010 Iraqi national elections to easily share information and reporting from polling stations. The embassy staff is also posting information and announcements in both English and Arabic, and are encouraging dialogue in both languages. While only a small initiative, it serves as a platform for, and a symbol of, bilateral societal engagement – a cornerstone of the future of US-Iraq relations.

– Elena McGovern

## The Human Costs of War: Refugees and Veterans

The Obama Administration has identified two other issues that require increased attention during the current transition: more US and international assistance to Iraqi refugees – both those internally displaced, and to facilitate the voluntary return of refugees to Iraq – and more support for returning American veterans of the war in Iraq. This attention to the human costs of war and the collateral damage from what is now called a “war of choice” may be the natural sequence of policy priorities as a war draws down, but it is also a political statement by a new administration that made clear its disagreement with its predecessor on the war itself and how to manage and reduce its costs to US interests.

- The Obama Administration has highlighted the need to find long-term settlement options for the estimated two million Iraqis living abroad as refugees or temporary guests, and the internally displaced inside Iraq. The failure to find solutions for their well-being and safety could be a source of instability in their countries of refuge, and a sign of Iraq's inability to achieve true reconciliation at home. Most refugees reside in Syria and Jordan, and the Organization for International Migration (IOM) estimates that no more than 200,000 refugees and the internally displaced have returned to their homes.

Government programs to provide services and support have not been sufficient to overcome the refugees' concerns about security and economic opportunities. Some small percentage of refugees will find permanent settlement in northern Europe or elsewhere as asylum seekers or immigrants, although recent improvements in security conditions inside Iraq have led to changes in Europe and elsewhere regarding the criteria for Iraqi asylum seekers; fewer will find that channel open for their permanent resettlement.

- At the policy level, the president has assigned two senior officials, one at the White House and one at the State Department, to give more attention to the plight of refugees, and to look at a range of options, from providing more funding for refugee support in the Middle East to engaging other countries to accept more Iraqis for permanent settlement. In the early years after 2003, only a handful of Iraqis made their way to the United States. Since 2007, the numbers have risen and appear to be in the range of 15,000-20,000 per year. Special immigrant visas for Iraqis at risk because of their association with the United States have been approved for about two thousand Iraqis. For Fiscal Year 2011, President Obama requested \$360 million for Iraqi refugees, mainly to support international efforts in Jordan and Syria, a sizeable increase from 2010's level of \$300 million to support Iraqi refugees, conflict victims, and displaced persons inside Iraq.<sup>10</sup> Nevertheless, advocacy groups are concerned that the new administration's early rhetoric about Iraqi refugees has not been matched with the requisite resources and opportunities to migrate to the United States, as refugees or immigrants.

## Efforts to Help Returning Veterans

President Obama's FY2011 budget proposal calls for an \$11 billion increase in funding for the Department of Veterans Affairs from the previous year, including \$4.1 billion specifically allocated for Veterans Affairs medical care. It also seeks to expand care to 500,000 additional veterans by 2013. His proposal recognizes the growing need to support veterans with non-physical injuries, including those suffering from Post-Traumatic Stress Disorder (PTSD) and traumatic brain

injuries; various studies place the rate of diagnoses between 20 and 50 percent of those returning from Iraq and Afghanistan. Obama has also committed himself to the successful implementation of a 2008 law that entitles veterans who served after September 10, 2001, to 36 months of state-school education benefits. The high rate of homelessness among veterans led the White House to announce pilot programs with non-profit organizations to work with those at risk, and dedicate \$799 million to expand services to those already on the streets.

American society will need to do its part to facilitate the return of veterans, many of whom suffered disabling injuries, and many of whom have invisible traumas that sometimes manifest themselves in anti-social behaviors, drug use, or crime. According to the Department of Veterans Affairs, approximately 10 percent of people with criminal records are veterans. Across the country, courts are now experimenting with ways to rehabilitate veterans who commit crimes, rather than sentence them to jail terms where their war-related traumas will not be treated. There are now 22 of these special veterans' courts operating around the country, all of which focus on integrated treatment within the justice system. In Buffalo, New York, where the first of these courts was established, there are currently 120 veterans now enrolled in the program. Of those who have completed it, the recidivism rate has been zero.<sup>11</sup>

- The plight of returning veterans is a US domestic issue with political and social dimensions. Of the almost two million US soldiers who have deployed to either Iraq or Afghanistan, nearly 60 percent are now eligible for benefits provided by the Department of Veterans Affairs. Traditional US programs for returning and wounded veterans run by the Department of Defense and the Department of Veterans Affairs have proven woefully inadequate for the volume of veterans in need. The types of physical, emotional, and psychological problems of returning vets often require life-long care and, moreover, veterans are returning to American society at a time of economic stress, and thus face additional problems of reintegrating into local communities that may have fewer employment opportunities and social services.

- Over time, the veterans, along with civilians who served in Iraq and for whom it was a formative and life-transforming experience, may become an informal interest group that has interests and concerns about US policy towards Iraq. Many veterans from the Vietnam War were motivated by the experience to protest against the war, to support the normalization of relations, and to engage in civil society projects to help Vietnam recover from the war. Returning veterans from Iraq will surely have diverse views about US policy, but they have the potential to affect other Americans' views of Iraq and the US stakes in its future.

## **Iraqi Perspectives on US-Iraq Relations**

Iraqis have diverse and sometimes contradictory views of the United States and of US policy. Attitudes towards the United States may generally follow the fault-lines in current Iraqi politics. Those who support the government in Baghdad may be, by definition or default, more pro-American than many of their political opponents. Sunni politicians and secular groups who are gradually becoming involved in national politics may be pro-American in terms of democratic values and preferences for a modernist, secular approach to politics, but they felt excluded by America's embrace of the Shia forces who emerged to govern after the fall of Saddam. When the United States then launched its counterinsurgency program in 2007 to persuade Sunnis to renounce extremism and cooperate with US and Iraqi forces, the pendulum swung, and some Shia Iraqis feared that the United States intended to reinstate a Sunni-dominant political class. The incumbent government is structurally beholden to the United States, even as it tries to manage and balance other ideological, cultural, and political requirements and impulses, such as Iran's influence and expectations from traditional, religious followers.

Iraqis seem to value, across the political spectrum, the role the US has played in recent years to bring greater stability to the country after the acute sectarian violence of 2006-7. There is anecdotal reporting that even the radical forces of Moqtada Sadr saw some utility in the US presence, and at various times wanted to cooperate with US forces. Kurds indisputably believe a long-term American presence and involvement is vital for their community's well-being and for the stability of the country overall. Sunnis who were displaced physically and politically by the events of 2003 harbor conflictual feelings, but many hope that

a continued US role in Iraq will be of value to their interests, in preventing the return of authoritarianism and/or the predations of Iran.

As Iraq experiences true contests for power and influence, and as elections cause turnover in the country's leadership, the importance and desirability of close ties to Washington may wax and wane. In any event, the perception exists that current elites will favor US policies or positions on specific regional issues, such as the Arab-Israel conflict, or Iran. But it also suggests that deep in Iraq's self-image and self-esteem is a willingness to have a relationship, privileged perhaps, with Washington. Iraq's experience may suggest that they, more than other countries, understand the limits and the downsides of American power, but their net assessment persuades them to view this as a long-term proposition.

## **March 2010 Elections**

The United States did not appear to be a significant issue in the 2010 election campaign. There were occasional frictions, such as when Vice President Biden proposed a solution to the pre-elections crisis over the disqualifying of candidates by the Justice and Accountability Commission, headed by two politicians who were themselves standing for election. But the US presence, and calls for slowing down or speeding up the US withdrawal from Iraq, did not seem to resonate as important factors on the voters' minds. While the outcome of the March elections is not yet known, the process was generally seen as successful. Voter turnout was high, Sunni participation was stronger than in previous elections, violence did not spin out of control, and it appeared that several of the relatively new, cross-sectarian coalitions fared well at the polls.

Iraqis may come to view this election as an important milestone in rebalancing national politics if results show that voters paid less stringent attention to sectarian identity, and were moved by the more nationalist themes promoted by various politicians. Iraqis can rightfully be proud of the dynamic political culture in place, where political factions can form and reform, without the traditional patronage patterns of politics in the region. But the dynamism can also result in long delays in forming governments, building consensus on national problems, and making decisions. The US role in all this is secondary. US policymakers now favor cross-sectarian or non-sectarian parties, after the flawed US policy of imposing or encouraging sectarianism in 2003 as a way of demonstrating the "representativeness" of new political formations. But this time, in 2010, the Iraqis made the transition to a more modern form of politics themselves.



Should Iraq have a complete turnover in its leadership – a new party or coalition in power and a single, new president chosen by the parliament rather than the tripartite presidency – the bilateral relationship will face some challenges as American officials get to know the new players. More important is whether a new government will develop a different approach to the United States. Should a secular cross-communal coalition come to power, one can anticipate some improvements in the tone of the relationship, and the willingness to cooperate on regional issues and reform.

Who will speak for Iraqi foreign policy will also be an important outcome of the March elections. A new foreign minister and/or a prime minister will set the tone. Most likely is a continuation of the largely positive position vis-à-vis Washington: the partnership is still providing security benefits to the government in Baghdad, even indirectly, and none of the top vote-getting parties would wish to see a more rapid drawdown in US forces, resources, or political attention. The next government, however, will need to articulate more forward-leaning Iraqi policies in the region and at the international level, and its willingness to associate with such difficult policy challenges as Iran will also contribute to the tone and attitude in the bilateral relationship.

With the passage of time, the Iraqi narrative of the period of occupation will be written by historians, politicians, and journalists. How Iraqis write the history of 2003-2012, and how it is taught to young Iraqis will surely have an impact on US-Iraq relations. Iraqis are likely to remain divided about the value and impact of the US decision to oust Saddam Hussein, and some will see it as a tragedy that has created lasting harm to Iraqi society and to regional stability. Those views will help shape the public debate inside Iraq about relations with the United States.

The Iraqi media will help determine how the Iraqi public views the United States. Journalism appears to be thriving in Iraq with the rapid expansion of media outlets and internationally supported programs to train journalists and defend press freedoms. By 2004 there were more than 90 television and radio stations broadcasting within Iraq, and over 100 newspapers.<sup>12</sup> Those numbers continue to grow, including the establishment of local papers and Iraqi internet news sites. Iraqis also have access to television stations throughout the Arab World, which feeds regional and international perceptions of their country into the political atmosphere.

## **Americans and Iraqis Debate the Future of US-Iraq Relations**

In October 2009, the Stimson Center organized a dialogue between Americans and Iraqis with diverse professional interests in politics, security, and foreign policy. The US side included academics, journalists, and people who served in Iraq in military missions, weapons inspections, and science exchanges. The Iraqi side included a member of parliament, civil society activists, journalists, and former government officials. The conversation took place at the Canadian parliament in Ottawa, and was facilitated by Amb. Mokhtar Lamani, Senior Visiting Fellow at the Canadian Center for International Governance Innovation and former Arab League Special Representative in Iraq 2006-7, and Member of Parliament Paul Dewar.

The dialogue moved from a broad discussion of how to set the agenda in this period of transition, to more practical arenas for cooperation, including security cooperation after the withdrawal of US troops, building bridges in economics, cultural and technology fields, and assessing where US and Iraqi interests converge and diverge in foreign policy. The dialogue concluded with some reflections on imagining US-Iraq relations in 2015.

### **Areas of Agreement**

Participants from both countries had largely common views of where the relationship is on solid ground, and where there are weak points that need further attention. They agreed that both countries have a deep interest in seeing Iraq emerge from this period as a relatively strong and competent state that can maintain unity, stability and independence and defend itself from predations by its neighbors or other transnational threats. They largely agreed that there is a strong basis for continued American engagement in building institutions in the security and judicial sectors, encouraging reform and democratization, and helping Iraq normalize its situation vis-à-vis the United Nations (lifting its Chapter VII status) and within the region.

On the downside, many participants agreed that the relationship still suffers from a lack of trust, and from the very limited ability of American diplomats to reach out to Iraqi publics in Arabic (or Kurdish). Transparency in how leaders talk to each other and explain US-Iraq relations to their publics is a problem on both sides, although participants thought that Prime Minister Maliki learned a valuable lesson when he won public support for the 2008 bilateral agreements by speaking openly to the Iraqi people.

On security, participants shared their concerns about planning for a gradual buildup of Iraq's conventional forces, without clear missions for those forces. Iraqi procurement patterns will show whether Iraqi leaders are preparing for a capacity to project power beyond their borders, or for defensive and internal purposes. A strong Iraq does not necessarily mean a strong Army, and most want to avoid repeating history where Iraq's military commands such a large portion of the national budget that investments in other critical areas, such as health and education, are inadequate.

### **Iraqi Views**

The history of US-Iraq relations suggests that the absence of trust has been a chronic issue. The only bright period was during the Iran-Iraq war, and despite the huge commitment made in 2003, the United States has demonstrated little real understanding of Iraqi society.

At the end of the Bush era, the Iraqis insisted on two agreements: one addressing troop withdrawals – the chapter in US-Iraq relations that was ending – and one addressing the beginning of a new chapter. The Strategic Framework Agreement outlines cooperation across a wide array of sectors, and was intended by the Iraqis to ensure that there was no gap in official engagement.

A Kurdish participant pointed out that the Kurds are more transparent about their goals and hopes vis-à-vis America than the Arabs. The Kurds openly say they want the United States to remain, and would be glad to host a US base in the KRG. The Arabs have a double language that masks their true preferences vis-à-vis the United States.

Iraqis have divergent views on when it is helpful for the United States to “interfere” in their affairs, and how to gauge the current and potential leverage or influence the US has in Iraq. Many Iraqis believe there are circumstances where Iraqis alone can not overcome an impasse over national issues such as allocation of oil revenue or voting procedures for disputed territories. But once the US engages in a dispute, it invariably is seen as favoring one group or faction over another, and the domestic political climate often turns against such interventions, even when many in the political elite acknowledge that an outside role may be needed.

Other observations included:

- The US Embassy in Baghdad has become a symbol of the occupation period. Best would be to convert it to another purpose, such as an Iraqi university.
- American NGOs engaged in capacity building and reconstruction operated at the behest of the occupying power. For their ongoing role in Iraqi civil society, they will need to demonstrate that they are more independent of US policy.
- Improved US-Iran relations would be helpful for Iraq.

## **US Views**

American participants were concerned about the likely drop in interest in Iraq by the American public and American officials. They called for more effort to create a domestic interest group or lobby by those who are deeply committed to a significant American engagement in Iraq. The question was posed as how can we, and Iraq, develop an effective group of stakeholders in the United States?

US participants also saw a shift in the strategic framing of US policy from an inside-Iraq focus to a regional perspective: Iraq as a regional player, and Iraq as a partner for US goals in the Gulf and beyond, including issues such as freedom of navigation in the Gulf, containing

Iran, and promoting a nuclear free Middle East. This holds the danger of viewing Iraq too much through the prism of US concerns about Iran and Iran's presumed hegemonic ambitions.

The region will become more interested in Iraq as US forces withdraw. Iraq will be seen as "in play" and possibly be subjected to pressures from neighboring states in ways that undermine its national unity and cohesiveness. There was a concern that Iraq is not yet ready to think about, and contribute to, US regional strategies, or to resist pressures from Iran, but that its ability to demonstrate its intentions to do so would win more support and attention for Iraq in US political circles.

Some expressed concern about the limits on US ability to act to influence events in Iraq in the coming years, and called for mutual realism. On issues such as defense procurement and oil and gas infrastructure, Iraq will decide its own course and may not see its choices as always related to its relations with Washington. Iraq will likely pursue a diversification strategy for its most important infrastructure needs, turning to rising Asian powers, as well as technology from the European Union countries. Washington would be wise to not overreact to such developments.

Other observations included:

- The US government has to match its rhetorical commitment to scientific, cultural, and educational exchanges with a more enlightened and flexible visa policy for Iraqis to come to the United States.
- The private sector is under-utilized as a partner of the US government and in Iraqi economic reconstruction. US business has a lot to offer.
- Americans see the return of refugees and internally displaced as a more important issue for Iraqi stability than do Iraqi politicians.

## The Future of US-Iraq Relations: Is Strategic Partnership the Right Model?

The Strategic Framework Agreement of 2008 sets an ambitious agenda for US-Iraq relations, and invokes the notion of a “relationship of friendship and cooperation.”<sup>13</sup> This modest phrase seems to understate the recent past and the potential relationship, but such careful wording may be desirable for the transition.

Over time, more ambitious language and concepts may be invoked. The two parties will want to set realistic and achievable goals and expectations. The United States, in its efforts to assure the Iraqis of their continued importance, should avoid language that conveys binding commitments or refers to Iraq as an “ally.” US engagement in the Middle East has been fraught with concepts of deep partnerships that have not weathered the test of time.<sup>14</sup>

US-Iraq relations are unlikely to become a formal alliance relationship because the basic condition – a binding commitment to come to each other’s aid if attacked – is not desired or politically feasible for either party. While the concept of “alliance” is sometimes used in very informal ways to convey shared values and interests, in formal diplomatic terms, it has a specific security meaning with military implications. The United States could well retain a long-term training mission in Iraq, designed to help Iraq defend its borders and develop other defensive capabilities. But given the uncertainties of Iraq’s long-term political direction, it would be hard to imagine US leaders and the US Congress committing to a binding alliance relationship.

The concept of “strategic partnership” is used to convey something short of alliance, and that phrase is almost implicit in the Strategic Framework Agreement and could be helpful over time. In some cases (South Africa, Egypt) the Clinton Administration invoked the phrase to convey a multi-faceted engagement with a country of regional stature. In the case of China, strategic partnership conveys a desire to work together beyond the bilateral agenda, and addresses cooperation on global financial governance and climate change, for example. In the case of Iraq, the strongest argument for designating official ties as a strategic partnership

would be a willingness of Iraqi leaders to coordinate closely with Washington on regional policies, and perhaps be champions for new processes or structures that could be developed to manage and reduce tensions in the Gulf region.

Iraq's reintegration into the region – mainly its relations to key Arab neighbors – would be a necessary condition for the building of such a partnership. This is a process in which the United States can play only a supporting role. Some would argue that direct US involvement in pressing the Arab states to reconcile with Iraq may be counterproductive, and could undermine the confidence of other Arab leaders that the United States understands their concerns, and how their interests have been undermined by US actions in Iraq.

Parallel to Iraq's reintegration and equally important for the partnership concept is greater clarity about American strategic aims in the region. Iraqi leaders would need to consider how they fit into plans for a US military presence in the aftermath of the withdrawal from Iraq; the priority of Iran; US commitments, implicit or explicit, to Saudi stability and the survival of the monarchy; and the relative importance of resolving the Palestine problem. The Iraqi side would need to consider the compatibility of other US relationships and activities, and whether Washington and Baghdad have a common vision for the daunting political and security challenges in the region.

From the vantage point of 2010, it is not impossible to imagine a period of productive cooperation between Iraq and the United States as Iraq continues to rebuild its institutions of government, expands its infrastructure and capacity as a major oil producer and exporter, and improves its relations with its neighbors and with the international community. Over time, the US bureaucracy is being reconfigured from a period of exceptionalism – when officers dealing with Iraq reported directly to the most senior officials at the White House and the Departments of State and Defense – to a more normal configuration with Iraq integrated into the Middle East bureaus and offices throughout the national security system. Similarly, US government-funded programs created for Iraq's reconstruction are being integrated with global or regional programs for education, health, civil society training, etc. Managers of those programs will face more competition for funding, and beneficiaries of those programs in Iraq are already feeling budget pressure from this gradual transition.

Yet the other stakeholders in the long-term relationship between Washington and Baghdad are not yet fully engaged, in part due to the security environment

and restricted access to Iraq and its society. Over time, more involvement by economic players from a wide variety of sectors, diverse civil society organizations and activities, the media, academic and scientific organizations, and diaspora Iraqis will create a more complex web of relationships that can work to promote shared interests and petition their respective governments to ensure the success of the bilateral relationship.<sup>15</sup> The engagement of business and civil society players will make US-Iraq relations more robust, strengthen and validate the official relationship, and, in the age of public-private partnerships, create opportunities for the US government to work closely with stakeholders in American society.

The legacy of the war and the US occupation of Iraq on American society, however, could well create counter-pressures on US policy. Returning veterans, the large body of work by journalists and scholars dissecting the policy decisions, the conduct of the war, the controversies and scandals about US operations, spending, and errors of judgment, and the way in which Iraq has entered the popular culture through movies and television do not augur well for a deep embrace of US-Iraqi friendship and cooperation. There are many cases, to be sure, of returning veterans and civilians who are dedicated to improving conditions in Iraq and promoting goodwill between the two countries, but Hollywood's discovery of Iraq as a dark and dangerous place does not make the diplomats' work easy.

## **Areas of Promising Cooperation**

The following is a short list of important issues on which the US and Iraqi governments can work together, to benefit Iraq and its citizens directly, to enable Iraq to play a regional role on issues of shared concern, and to benefit America's long-term goals of regional stability and reform. The list is intended to be selective, in the hope that some concentration of effort and resources may have more impact than a longer agenda that would result in more dispersion of resources and attention.

### **Agriculture, Water, and Food Security**

Officials in both countries believe restoring Iraq's agriculture sector, taking into account reduced water availability and new technologies for water management and drought-resistant crops, will be one of the most important investments in Iraq's future. Cooperation is underway between the Ministry of Agriculture and US official and private sector experts. Bilateral agriculture policy coordination is



a success story in current US-Iraq relations. The US Department of Agriculture (USDA) provides support to Iraqi farmers and the Iraqi agricultural sector. US-funded initiatives to support sustainable and profitable farming practices include farming cooperatives with revolving credit systems for farmers, technical assistance for improved water and soil resources management, animal and plant health, and the training and education of public and private sector representatives.<sup>16</sup> Public Distribution Systems for food have also been established, which facilitated the transition from a country dependent upon food rations during the Oil for Food program, to more robust and sustainable food storage and shipment systems. Additionally, bilateral cooperation to improve water resource management aims at finding creative solutions to an increasingly critical set of challenges: the drying up of marshlands and riverbeds in the south, and the a rise in water salinity due to the decrease in river flows, which continue to disrupt agriculture and livelihoods.

## **Education**

The Iraqi government has acknowledged that its professional cadres and its young people have a lot of work to do to catch up with global standards in education and training. Prime Minister al-Maliki has launched an ambitious program aimed at sending up to 10,000 Iraqi students abroad per year through scholarships, particularly to the United States, the United Kingdom, Canada and Australia. Additionally, the Iraqi government recently contributed \$2.5 million towards funding Iraqi Fulbright scholarships to study in the United States – effectively doubling the program and making Iraq the largest recipient country of Fulbright scholarships. Iraqi students, young adults, scholars, and teachers also have the opportunity to participate in Iraq-specific and other region-wide education programs sponsored by the US government, including the Iraqi Young Leaders Exchange Program (IYLEP), the Iraq Women in Engineering and Applied Sciences (IWASE) Program, the MEPI Student Leaders program, and the MEPI Civic Education and Leadership Fellowship.

There is also a significant role for civil society to play in fostering stronger linkages between Iraqis and Americans and other foreign educational and professional opportunities. The Institute for International Education (IIE), for example, hosts an Iraq Scholars and Leaders Program, which provides scholarships for undergraduate, Masters, and Doctoral candidates from Iraq to study a wide range of subjects, with particular emphasis on business, engineering, and geosciences. AMIDEAST, which works to promote understanding between Americans

and the people of the Middle East and North Africa, does important work to promote educational exchanges on the ground in Iraq, ranging from helping to place Iraqis into US government programs to providing English language and the Test of English as a Foreign Language (TOEFL) classes necessary for admission into US universities.

## **Energy**

Iraq's oil wealth should be a source of national power and prestige for the foreseeable future. Independent energy experts believe that under-exploited sources in Iraq may rival those of Saudi Arabia. Iraq today produces about 2.5 million barrels per day and, according to some estimates and ambitious planners, could quadruple that amount over the next decade. A country producing 10 million barrels per day and exporting a large share of it is by definition a major power with great influence on the world economy. It should be noted, however, that reaching such high levels will take time, luck, and strategic investments. Should Iraqi leaders begin to see Iraq as an energy superpower before it is a credible claim, it could create serious distortions in Iraq's spending and its international relations.

Iraq so far is proceeding cautiously. First, there was the problem of the insecurity of its aging oil pipeline system, with insurgents targeting the oil sector and slowing down its much-needed recapitalization. Next was the challenge of finalizing an oil revenue law proposed in 2007 to govern the equitable distribution of oil and gas revenue throughout the country, and in particular to the Kurdish Regional Government, which has made oil exploration and development another thorny issue in their relations with the national government in Baghdad.<sup>17</sup>

Most recently, the government has established a bidding process for foreign firms to respond to government requirements for services, and Iraq has carefully chosen companies representing a mix of countries, including France, China, and Malaysia, to help them develop the oil sector. This approach may have been taken in part to demonstrate that the United States, contrary to popular conspiracy theories, does not control Iraq's oil, and has no special privileges when it comes to this competitive process. At the outset of the bidding process, Iraq's government was firm on this point: "For us in Iraq, it shows the government is fully free from outside influence. Neither Russia nor America could put pressure on anyone in Iraq – it is a pure commercial, transparent competition. No one, even the United States, can steal the oil, whatever people think."<sup>18</sup>

US giant ExxonMobil was part of a consortium with Royal Dutch Shell to develop the highly-valued West Qurna-1 oil field, but the early work of foreign oil companies in Iraq will be more modest than the role the big companies often play in developing the energy resources of other developing countries.

The question of Iraq's oil has been a recurrent sub-theme of US engagement in Iraq over the past decade. There is little or no evidence to suggest that oil was a determinant of US policy in the Bush Administration, other than in the indirect sense. Iraq's strategic importance in the region and beyond is based at least in part on its oil wealth and the way in which that wealth has been used by successive Iraqi governments to assert power and influence.

At present, Iraq's oil production and its future potential as an oil exporter are viewed in the context of Iraq's increasing ability to finance its reconstruction and development, and of its still unfinished legislative work on a hydrocarbon law that establishes Iraqi policy for oil sector development and distribution of oil revenues. Both the Bush and Obama administrations have placed importance on the hydrocarbon law as a measure of Iraq's political progress and its economic future.

## **Health**

The health sector is another area for natural cooperation. Iraqis have acute medical needs from the long years of sanctions when the public health system slowly degraded, and from the deprivations of the post-2003 period, when war and instability caused disruptions and harm to the health infrastructure. Through military channels, cooperation currently exists that relates to some of the war-related injuries to US military personnel and Iraqi soldiers and civilians; probably much more will be needed to improve the long-term health care of people with permanent injuries.

USAID, as well as the World Health Organization (WHO) and UNICEF, has provided extensive assistance to the Iraqi Ministry of Health on a range of health issues, including the prevention and treatment of diseases, nutrition, infant mortality, and women's health. Education, training, and disease surveillance centers have been established. While most of USAID's engagement with the Iraqi health sector ended in 2006, a supportive relationship with the Ministry of Health endures to ensure that many of these initiatives continue.

## Science and Technology

Iraq has great potential to be a science leader in the region but it first has to restore its scientific community by reinvesting in the needed infrastructure such as laboratories and university facilities. It has to renew and refresh the credentials of its scientists, and provide incentives for émigré scientists to return or to collaborate with Iraq's scientific community. The government also needs to establish policy mechanisms to set priorities for research funding on issues that are of greatest need for the rebuilding of the country. Like many countries, it has to find innovative and effective ways to bring the knowledge of its best educated citizens into the policy world, so that government can benefit from that knowledge in its decision-making. It also needs to grapple with issues of transparency and accountability that were paid little heed in the authoritarian period.

The United States has designated Iraq eligible for the “science-redirect programs” first developed for the weapon scientists of the former Soviet Union. Through the Iraqi Scientist Engagement Program, the US Department of State and the Civilian Research and Development Foundation (CRDF) have been funneling Iraqi scientists' expertise into non-military sectors of the economy, including the public health and materials science, while also reintegrating them into the broader international scientific community. The United States has also encouraged Iraq to build linkages to science libraries and virtual repositories of new knowledge across the physical and social sciences. It has opened doors for Iraqis for government and foundation funding, and has urged the Iraqis to establish their own National Science Foundation to fund research and experimentation by Iraqi scientists.

Iraq will set its own priorities, but diplomats who have participated in science exchanges observe that Iraq wants to focus on the newest science issues, such as the genome or nanotechnology, while the United States tries to put greater emphasis on basic quality of life issues, such as access to clean water and the challenge of desertification and water scarcity.

Climate change issues might be a promising area for Iraqi leadership that could have regional benefits. Scientists across the region are looking for ways to share information and understand the regional picture. A US-Iraqi initiative to serve as an information hub on climate change might provide the kind of opportunity to build capacity in Iraq, recognize Iraq's existing scientific community and its potential, and help Iraq find shared interests with its neighbors.

## Regional Cooperation

Over time, one of the most critical arenas for US-Iraqi cooperation will be at the regional level. One approach would be to begin with shared concerns that are not on the traditional security agenda, which requires trust among leaders. It could begin with such transnational policy challenges as water scarcity, climate change, and migration. It cannot be denied that any of these topics could become genuine security problems and produce tensions between states. Regional cooperation can engage non-government experts and scientific communities who are not responsible for security responses but look for ways to prevent the worst case scenarios.

This approach is mutually reinforcing for the bilateral relationship. It facilitates Iraq's reintegration by creating communities of interest across borders, and it provides opportunities for the United States to show its good will and intentions towards the societies of the region by focusing on common concerns that affect the well-being of ordinary citizens.

Over time, the United States and Iraq may turn to the traditional and more sensitive security agenda, although one cannot assume shared interests or approaches on Iran, Palestine, and other chronic regional problems.

Iraq and the United States may also find themselves at odds over the pace and content of reform of the political culture of the Arab world. It is tempting for some Americans to laud Iraq as a vanguard country in setting new standards for democratic practice in the region. Iraqis may agree and derive considerable pride from their political achievements of the past five years, but not all will want to associate this change with the US intervention, or give credit to the United States for jump-starting the process by ousting Saddam Hussein.

At a more strategic level, both US policy towards regional security and Iraq's possible reemergence as a regional power could generate a wide range of scenarios. Much will depend on Iraq's vision of its role in the region, and on the capacity and ambition of its military. At present, Iraq is viewed as a weak player in regional security balances, and US-Iraqi military cooperation focuses on a defensive rather than offensive profile for Iraq. But regional dynamics and Iraqi policy could change over time. Both Baghdad and Washington might find a more robust role for Iraq in managing regional crises, providing security for smaller states, containing Iran.<sup>19</sup>

## Stress Tests – How Will US-Iraq Relations Manage the Bumps in the Road?

The previous section laid out a selected agenda for practical areas of US-Iraqi cooperation that could form the basis of a sustained partnership. Particularly if that agenda includes a strong regional component, it could well make the threshold of a “strategic partnership.” But no one should assume that the United States and Iraq will always have common views of the regional environment, its security threats, or the most effective responses to them. Even within Iraq there may not be an easy consensus about the state’s enduring interests vis-à-vis its key neighbors Turkey, Iran, and Saudi Arabia; nor on the regional agenda, including political Islam, democratization, enduring regional hotspots, and the role of the United States in the region.<sup>20</sup> US and Iraqi interests and policies might well diverge on some strategic challenges ahead. Here are a few possibilities:

### Iran

Iran will continue to be an irritant if not a source of considerable tension in US-Iraq relations. Recent political developments suggest that Iran does not control or call the shots inside Iraq; its closest allies inside Iraqi politics are not gaining momentum and are not likely to lead the next government. Nonetheless, the departure of American forces by 2011 will be heralded in Tehran as a net gain for Iran over the United States in the long-running contest for regional influence, and Iran believes it has enduring strategic interests in its relationship with Iraq.

Iraqis report that, as nationalist sentiment begins to replace the sectarianism of the post-2003 period, the desire to show independence from Iran is strong across the Iraqi elite. In a best case, Iraq’s emerging foreign policy would be clear and consistent on this point, and Iraq would work to balance its relations with Turkey and key Arab states to prevent Iran from exerting too much influence on Iraq’s positions.

But other Iranian scenarios that are plausible could easily create friction in US-Iraq relations. Iraq may try to stay out of the crisis that will ensue if the international community moves toward military confrontation over Iran's nuclear program. While Iraq's national security leaders may concur that a nuclear Iran is a danger for regional stability, they may be unable or unwilling to join in a coalition or to contribute directly to efforts to blockade or further isolate Iran. The fallout from Iraq's decision to not be associated with a strategic American priority in the region could be costly to the relationship.

More disturbing would be deeper cooperation, even an alliance, between an Iraqi government and Tehran, particularly in a circumstance where Iran declares itself a nuclear power and begins to make demands of its Shia allies in Iraq. Should future Iraqi elections produce leaders who believe Iraq's interests are best aligned with Iran, one could imagine the close coordination of those two states on regional issues, such as Palestine, US presence in the Gulf, the stability of Saudi Arabia, etc. Such a stance would alienate some key constituencies inside Iraq and could cause additional members of the Sunni elites to leave the country. A radical anti-Western posture in Baghdad would also affect Kurdish interests, and they could call for a more direct American role in reversing trends in Iraq's policies.

## **China Moves In**

Global geopolitics could also create strain in US-Iraq relations. Given Iraq's growing role as an energy producer and exporter, China will also see Iraq as a country of strategic importance. Iraq could well pursue a foreign policy of diverse relationships, and downgrade the relative importance of ties to Washington. Baghdad will find the Chinese less focused on the evolution of Iraq's political institutions, and decide that less pressure and interference is preferred. Close Chinese-Iraqi ties are not by definition bad for the United States, but a further diminishing of US influence after such a deep engagement will be seen by some as a more general loss for the United States in the region, and Iraqi leaders could well become adept at playing the great powers off each other for Iraqi benefit.

## US Regional Policies Fail

US-Iraq relations would also be damaged by a widely held view that US policies towards the region hold no chance of success. A sustained failure to reinvigorate the Arab-Israeli peace process or to stop Iran's development of nuclear weapons, and continued regional perceptions that US goals for reform, economic development, empowerment of women, etc. were no more than rhetoric, could create a backlash in Iraq against the special relationship with Washington. In such a case, future Iraqi leaders seeking to promote Iraq's interests might find it politically useful to distance themselves from the United States and to join in the regional criticism of Washington's inability to "transform" the region.



## Conclusion

The future of US-Iraq relations holds many uncertainties, but it is sure to be a significant priority for both countries for the foreseeable future. It is possible that future Iraqi politicians and leaders will seek to pursue a national course that repudiates the decade of deep American engagement, or that American officials will articulate their priorities in the region in a way that Iraqis will perceive as neglect. But that is not the most likely course. Iraq and America are likely to continue to see important value in a robust relationship.

The bilateral agenda in the coming years will be full. The security transition will demand attention from senior military officials in the United States. Iraq's lively politics will ensure that it commands attention from senior American diplomats, politicians, and journalists. Our shared interests in energy security and water scarcity issues will build ties between experts. American civil society will be engaged in promoting educational, cultural and scientific exchanges that will bring direct benefit to Iraq's reconstruction and development, and will expose more Americans to Iraqi talent. Interest groups will emerge in both capitals to promote and defend the importance of the bilateral relationship. These sectoral and institutional ties will build an underpinning for a more strategic relationship, should the political alignments in Baghdad and Washington favor it.

Iraq's reintegration into the Middle East region and its potential as a middle power in international politics will be strengthened by a successful partnership with the United States, along side the evolution of its military and political institutions. Iraq's role as a bridge to non-Arab regional powers Iran and Turkey, its role in global energy security, and its return to a leadership role in Arab world politics, will also make the case in Washington that an active, cooperative relationship advances US interests and security needs.

But such a relationship will require nurturing. Iraq and the United States may not be natural allies, given Iraq's need to balance its ties to Tehran and Washington, given the wounds and residual effects of our most recent shared history, and given the prospect, perhaps slim, that Iraqi politics will revert to authoritarianism or to an anti-Western ideology. It is prudent to be cautious, but a friendly, even strategic, partnership between Iraq and America over time is surely achievable.

## Notes

<sup>1</sup> Two examples of Iraqi-authored works on US-Iraq relations and reflections on the 2003 period to the present are: Ali Allawi, *The Occupation of Iraq: Winning the War, Losing the Peace*. Yale University Press (April 9, 2007); and Hassan Bazzaz, *Future American Alternatives in Iraq*, Norwegian Institute of International Affairs (2009)

<sup>2</sup> Information on the policy decisions, the conduct of the war and its aftermath can be found in, but not limited to, this selection of independent sources: *The Iraq Study Group Report: The Way Forward – A New Approach* (2006), by James A. Baker, III, and Lee H. Hamilton, co-chairs; *Iraq and America: Choices and Consequences*, ed. Ellen Laipson and Maureen S. Steinbruner; *Cobra II: The Inside Story of the Invasion and Occupation of Iraq* (2006) by Michael R. Gordon and General Bernard E. Trainor; Charles Duelfer's *Hide and Seek: The Search for Truth in Iraq* (2009); Linda Robinson's *Tell Me How this Ends: General David Petraeus and the Search for a Way out of Iraq* (2008); and Charles H. Ferguson's *No End in Sight* (2008). In addition, the US government has produced a series of reports on conditions inside Iraq, as part of its effort to measure progress in achieving US policy goals. A selection of those reports can be found here: The Special Inspector General for Iraqi Reconstruction (SIGIR), at [www.sigir.mil](http://www.sigir.mil); *Measuring Security and Stability in Iraq*, tri-annual reports by the US Department of Defense, at [http://www.defense.gov/home/features/iraq\\_reports/index.html](http://www.defense.gov/home/features/iraq_reports/index.html); and US Department of State's *Iraq Status Reports*, at <http://www.state.gov/p/nea/rls/rpt/>.

<sup>3</sup> Chapter VII conveys Iraq's non-compliance with its UN obligations and UN member states' authorization to work in a non-permissive environment there. Iraqis are troubled that they are still subject to Saddam-era categorization, even though they have been able to normalize their status at the UN in most other respects. The outstanding issues relate to border and property disputes with Kuwait.

<sup>4</sup> "US Official Says Iraq Progressing on WTO Application," Radio Free Europe/Radio Liberty, February 15, 2010, available at [http://www.rferl.org/content/US\\_Official\\_Says\\_Iraq\\_Progressing\\_On\\_WTO\\_Application/1958895.html](http://www.rferl.org/content/US_Official_Says_Iraq_Progressing_On_WTO_Application/1958895.html)

<sup>5</sup> I. Livingston and M. O'Hanlon, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," Brookings Institute, March 11, 2010, available at <http://www.brookings.edu/saban/iraq-index.aspx>

<sup>6</sup> SIGIR, *Quarterly Report and Semiannual Report to the United States Congress*, January 30, 2010, p. 93 (see Fig. 3.4. "Provincial Reconstruction Teams," pp. 93-95). <http://www.sigir.mil/reports/quarterlyreports/Jan10/Default.aspx>; and, Congressional Research Service, CRS Report for US Congress, Iraq: Reconstruction Assistance, August 7, 2009, C. Tarnoff, p. 16

<sup>7</sup> The US Department of State has announced the conversion of two PRTs into consulates in Iraq – one in Basrah and one in northern Iraq. The establishment of three temporary Provincial Diplomatic Teams (PDTs) was also announced, and they will be located in Kirkuk, Ninewa, and Diyala.

<sup>8</sup> In January 2010, Maliki announced that Iraq would file a suit against Blackwater in both the US and Iraq and the following month, Interior Minister Jawad al-Bolani announced that the Iraqi government would "seize weapons from foreign security firms and expel ex-Blackwater contractors still in the country. Blackwater pulled out of Iraq in May 2009 after the State Department did not renew its contracts. It has since changed its name to Xe Services. Source: W. Fischer, "U.S.: Blackwater's Migraines Multiply," IPS, February 28, 2010, <http://www.ipsnews.net/news.asp?idnews=50482>

<sup>9</sup> Information on USIP, NED and NDI activities can be found online at: <http://www.usip.org/node/4899>; <http://www.ned.org/where-we-work/middle-east-and-northern-africa/iraq>; and <http://www.ndi.org/iraq>

<sup>10</sup> US Department of State, Congressional Budget Justification, Foreign Operations, FY 2010 Budget Request, available at <http://www.state.gov/documents/organization/123415.pdf>

<sup>11</sup> D. Lithwick, "A Separate Peace – Why veterans deserve special courts," *Newsweek*, published February 11, 2010, magazine issued February 22, 2010. Available at <http://www.newsweek.com/id/233415>

<sup>12</sup> I. Piper, "Rebuilding Iraq's media one year on," *BBC News*, April 11, 2004, available at [http://news.bbc.co.uk/2/low/middle\\_east/3610671.stm](http://news.bbc.co.uk/2/low/middle_east/3610671.stm)

<sup>13</sup> The companion agreement related to security is a case in point: it was widely referred to as a Status of Forces Agreement (SOFA), which did not accurately describe its purpose. Its exact title is "An Agreement Between the United States of America and the Republic of Iraq on the Withdrawal of United States Forces from Iraq and the Organization of their Activities during their Temporary Presence in Iraq," as signed on November 17, 2009 in Baghdad; it was put into force on January 1, 2009. In 2010, the US side calls it the security agreement and the Iraqis call it the withdrawal agreement. The formal agreement can be viewed in entirety at [http://georgewbush-whitehouse.archives.gov/infocus/iraq/SE\\_SOFA.pdf](http://georgewbush-whitehouse.archives.gov/infocus/iraq/SE_SOFA.pdf)

<sup>14</sup> In a 2008 report, I discuss the history of US "special relations" with Egypt and Iran that proved unhelpful when internal developments in both those pivotal states led to a weakening or a collapse of the underlying shared purpose; (see: E. Laipson, "America and the Emerging Iraqi Reality: New Goals, No Illusions," The Century Foundation, September 2008, available at <http://www.stimson.org/swa/pdf/America%20and%20the%20Emerging%20IraqiReality.pdf>)

<sup>15</sup> Iraqi Americans probably number less than 100,000, based on the 2000 Census plus recently arrived refugees and immigrants. (sources: For Iraqi refugees and resettlement in US, see: US General Accounting Office, "Iraq: Iraqi Refugees and Special Immigrant Visa Holders Face Challenges Resettling in the United States and Obtaining US Government Employment," GAO-10-274, March 9, 2010, available at <http://www.gao.gov/products/GAO-10-274>. For 2000 US Census figures on Iraqi American population, see: US Census Bureau, "The Arab Population: 2000," Census Brief 2000, issued December 2003, available at <http://www.census.gov/prod/2003pubs/c2kbr-23.pdf>)

<sup>16</sup> US Department of Agriculture, Foreign Agricultural Service, "Rebuilding Agriculture and Food Security in Iraq" Web pages; a full list of USDA reports on Iraq is available at <http://www.fas.usda.gov/country/Iraq/development/iraq.asp>

<sup>17</sup> Under the current law outlined in Iraq's 2009 Budget Law, the KRG is allocated a monthly 17 percent of Iraq's national budgetary funds after national expenditures, while the remaining funds are distributed to all other governorates on the basis of population. The central issue in the stalled legislation has been how to ensure equitable revenue sharing to all Iraqi citizens, the mechanism through which revenue will be collected and distributed, and the extent of foreign participation in oil and gas production. Since 2003, the KRG has signed several oil and gas contracts with foreign companies, as well as passing its own energy investment law in late 2007. (source: Congressional Research Service, CRS Report for US Congress, "Iraq: Oil and Gas Legislation, Revenue Sharing, and US Policy," 7-5700 RL34064, November 3, 2009, C. M. Blanchard.)

<sup>18</sup> Iraqi government spokesman Ali Al-Dabbagh, as quoted in: M. Abbas, “No boon for US firms in Iraq oil deal auction,” *Reuters*, December 12, 2009, available at <http://www.reuters.com/article/idUSTRE5BB18Q20091212>

<sup>19</sup> For further reading on Iraq’s policies and future role in the region, see: The Stimson Center and The Centre for International Governance Innovation, “Iraq’s New Reality: Finding its Role in the Middle East,” March 2010, available at [http://www.stimson.org/swa/pdf/Iraq\\_4\\_FINAL\\_web.pdf](http://www.stimson.org/swa/pdf/Iraq_4_FINAL_web.pdf). Also see: E. V. Thompson, “The Iraqi Military Reenters the Gulf Security Dynamic,” *Middle East Policy Council Journal*, vol. XVI, no. 3, Fall 2009

<sup>20</sup> For a more in-depth discussion of these issues, please see: The Stimson Center and The United States Institute of Peace, “Iraq, its Neighbors, and the Obama Administration: Syrian and Saudi Perspectives,” February 11, 2009; and The Stimson Center and The Centre for International Governance Innovation “Iraq’s New Reality: Finding its Role in the Middle East,” March 2010, available at [http://www.stimson.org/swa/pdf/Iraq\\_4\\_FINAL\\_web.pdf](http://www.stimson.org/swa/pdf/Iraq_4_FINAL_web.pdf)

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An important transition is underway in the official relationship between the United States and Iraq. Since late 2008, relations have been governed by two agreements: one related to the planned withdrawal of US forces from Iraq by 2011, and one that sets a strategic framework for the future of US-Iraq relations and for broad cooperation in fields including education, health, environment, and trade. There are many uncertainties about Iraq's future course, and its foreign policy in the region and towards the United States, but ties between Washington and Baghdad are likely to be a priority for both countries for the foreseeable future. This report examines the recent trends in US-Iraq relations and considers how continued engagement will affect the national interests of both countries. While Iraq and the United States may not be natural allies, with proper nurturing, prudent policymaking, and strengthened sectoral and institutional ties, a friendly, even strategic, partnership between Iraq and America over time is surely achievable.



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