

WHAT CAN THE U.S. DO IN IRAQ?

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WHAT CAN THE U.S. DO IN IRAQ?

EXECUTIVE SUMMARY AND RECOMMENDATIONS

In Iraq, the U.S. is engaged in a war it already may have lost while losing sight of a struggle in which it still may have time to prevail. Its initial objective was to turn Iraq into a model for the region: a democratic, secular and free-market oriented government, sympathetic to U.S. interests, not openly hostile toward Israel, and possibly home to long-term American military bases. But hostility toward the U.S. and suspicion of its intentions among large numbers of Iraqis have progressed so far that this is virtually out of reach. More than that, the pursuit has become an obstacle to realisation of the most essential, achievable goal -- a stable government viewed by its people as credible, representative and the embodiment of national interests as well as capable of addressing their basic needs.

That does not mean the war is over or its outcome predetermined. Nor does it mean, as some have suggested, that the U.S. ought to rapidly withdraw, for that would come at great cost to its own strategic interests, to the Iraqi people and potentially to the stability of the region as a whole. Rather, it means that Washington must grasp the extent to which the ground beneath its feet has shifted since the onset of the occupation and develop a comprehensive strategy and timetable adapted to this reality if it wants a chance to salvage the situation. And it means that the tactical achievements regularly trumpeted -- the re-occupation of insurgent sanctuaries; increased training of Iraqi security forces; formal adherence to decrees passed by the Coalition Provisional Authority and to the Transitional Administrative Law (TAL); the transfer of sovereignty; Prime Minister Allawi's generally pro-American policy and pronouncements; and even the timely conduct of national elections if that happens -- are for the most part Pyrrhic victories in a struggle that has moved on.

Crisis Group has concluded, on the basis of extended field work in Iraq and wide-ranging interviews in Washington, that despite valiant and ongoing corrective efforts, the transition process no longer can succeed as currently fashioned -- that is, as the linear culmination of the process underway since the fall of the Baathist regime. It has become too discredited, too tainted, and too closely associated with a U.S. partner in which Iraqis have lost faith for it to be rescued by minor course corrections. To preserve the possibility of a united, cohesive Iraq rallying around a credible central state, elections -- together with their aftermath, the establishment of a sovereign constituent assembly -- must be perceived by its people not as a continuation of what has occurred so far, but as a fundamental break from it. This is true whether the elections are held on 30 January 2005 as scheduled or postponed until there is greater certainty that Sunni Arabs will participate in sufficient numbers to make the results meaningful.

From a U.S. standpoint, a prerequisite is to agree on and articulate clear goals and the position it wants to be in by late 2005 (the point at which the transitional process is to end) -- in particular the scope of the political and, any, military role the U.S. will still want to play. In the absence of a public statement of goals, both Iraqi and non-Iraqi actors have projected their worst -- and often contradictory -- fears upon the U.S. enterprise. Secondly, the U.S. will need to designate a lead official in Washington given presidential backing to formulate and pursue those objectives.

Beyond that, Iraqis have to be persuaded that they are engaged in the task of building a sovereign, unified and independent state, in order to remove doubt as to the allegiance of security forces, political parties, and average citizens. In many ways, the job the U.S. must now perform is a thankless one. It involves satisfying

the expectations of a population now largely hostile to the U.S. and encouraging the emancipation and independence of Iraqi institutions whose credibility will depend on their distancing themselves from it.

What is now required is *dual disengagement*: a gradual U.S. political and military disengagement from Iraq and, no less important, a clear Iraqi political disengagement from the U.S. The new Iraqi state must define itself at least partially in opposition to U.S. policies or it runs the risk of defining itself in opposition to many of its own citizens.

RECOMMENDATIONS

To the United States Government:

1. Recognise new realities and constraints under which it operates, and in particular that:
 - (a) the insurgency is not confined to a finite number of fanatics isolated from the population and opposed to a democratic Iraq but is fed by nationalist feelings, widespread mistrust of U.S. intentions and resentment of its actions;
 - (b) the current transitional process is not the answer to the legitimacy deficit but one of its sources; and
 - (c) national elections scheduled for January 2005 will change little unless they produce institutions that can address basic needs and prove their independence by distancing themselves from the U.S. and reaching out to all political components.
2. Designate a senior official in Washington with lead responsibility for designing and implementing a transitional strategy for the U.S. in the lead-up to late 2005, and if necessary beyond, ensuring proper coordination between agencies and with the field.
3. Develop an integrated counter-insurrection strategy that:
 - (a) is focused on gaining the population's support rather than on eliminating insurgents; and
 - (b) further subordinates military operations to political and economic initiatives -- including offers of amnesty or negotiated surrender to combatants; establishment of
4. Signal quick acceptance of a fully sovereign Iraqi government both before and after elections by:
 - (a) abstaining from commenting on the desired election date and making clear it would accept a delay decided by the Iraqi government;
 - (b) seeking participation of as many non-U.S. and non-Coalition election observers as possible;
 - (c) abstaining from challenging steps to revisit earlier decrees or decisions made by or in coordination with the U.S. and from interfering on sensitive issues such as economic policy;
 - (d) systematically consulting and coordinating on reconstruction priorities and implementation and involving local and national Iraqi institutions in the management of funds;
 - (e) transferring as soon as possible any prisoners to independent and credible Iraqi judicial authorities; and
 - (f) dealing with the new government as with any sovereign partner, conditioning longer-term support on respect for human rights, financial transparency and anti-corruption steps, and dismantling of militias.
5. Change Iraqi perceptions of U.S. by:
 - (a) commencing immediately and visibly the process of ending co-location of the embassy in the Green Zone with the Iraqi government and by substantially reducing its size;
 - (b) redeploying troops to ensure a more dispersed and less visible presence, while maintaining a rapid intervention capability;
 - (c) entering into transparent negotiations with the Iraqi government over the timetable for a staged withdrawal, including (if that government wishes) a target date for complete removal of all U.S. troops, and repudiating publicly and unequivocally any

elected, empowered and duly funded local government structures; reconstruction; payments to displaced civilians; and compensation for damages.

- intention of establishing long-term military bases;
 - (d) making clear that the military priority is not to destroy the enemy but physically to protect civilians, in particular by limiting military operations that imperil civilians and altering procedures governing arrests, treatment of prisoners and homes searches;
 - (e) continuing transfer, to the extent possible, of full security responsibility to Iraqi forces in areas where Coalition forces would intervene in emergency situations only;
 - (f) refraining from referring to Iraq as a "model" for the region or the new "front" in the anti-terrorism war;
 - (g) adopting a more credible communications strategy by publicly articulating U.S. objectives, admitting setbacks and, in close cooperation with Iraqi counterparts, acknowledging and acting upon U.S. responsibility for civilian casualties by paying compensation and, where appropriate, taking disciplinary measures; and
 - (h) encouraging negotiations with opposition elements who do not resort to deliberate acts of violence against civilians.
6. Rethink the approach to forming Iraqi security forces by:
- (a) ceasing to view them as auxiliaries to the U.S. military;
 - (b) halting recourse to local militias; and
 - (c) contributing to the emergence of an autonomous Iraqi force by putting greater priority on the development of its own logistical and transportation means, standardised recruitment, review and discharge procedures, independent and professional institutions, and national military doctrine.
7. Alter the regional climate hampering efforts in Iraq by:
- (a) engaging with Iran and Syria in a direct and sustained manner that acknowledges they have legitimate interests in Iraq's future; and

- (b) intensifying efforts toward resolving the Israeli-Palestinian and other Arab-Israeli conflicts.

To the Newly Elected Transitional National Assembly and Forthcoming Transitional Iraqi Government:

8. Clearly demonstrate their sovereign independence by:
- (a) reviewing agreements reached between the U.S. and the Interim Government as well as decisions with continuing effect made by the Coalition Provisional Authority;
 - (b) debating openly status of forces arrangements for Coalition troops and negotiating with the U.S. and its partners the criteria and timetable for gradual withdrawal, including a target date for completing that process; and
 - (c) naming a credible independent commission to investigate human rights abuses and violence against civilians since the war began, in particular by Coalition forces, and recommend compensatory damages to victims.

Amman/Brussels, 22 December 2004

WHAT CAN THE U.S. DO IN IRAQ?

I. INTRODUCTION

The run-up to the November 2004 presidential election in the U.S. gave rise to animated and spirited debates on Iraq. President Bush, insisting on the necessity to "stay the course", regularly pointed to indicators that -- despite setbacks inflicted, in his view, by a group of externally-funded determined, fanatic insurgents ("enemies of freedom", "remnants of the old regime", "anti-Iraqi forces") -- Iraq was steadily progressing toward stability and democracy. These included the 28 June 2004 transfer of sovereignty, training and deployment of increased numbers of Iraqi security forces, rising standards of living and material improvements, freedom of speech, and progress toward elections, along with various expressions of the Iraqi people's desire for self-governance and to go to the polls. Of particular significance, the president often noted, was that "at every stage in this process of establishing self-government, the Iraqi people and their leaders have met the schedules they set".¹

In contrast, Senator Kerry called for a "fresh start", painting the picture of an enterprise that had gone awry, with ill-trained and ill-equipped Iraqi policemen, large swaths of the country under insurgent control, and reconstruction assistance that was lost in corruption and red tape and never reached the Iraqi people.²

In their recommendations, however, there was, in fact, little to distinguish the two: more trained Iraqi

policemen and security forces to assist U.S. forces, greater participation by the international community, accelerated reconstruction, improved infrastructure, and intensified efforts to ensure the January 2005 elections and the rest of the transitional process occur on time. Underlying these shared prescriptions was the equally shared notion that a rapidly established elected government would first work alongside, then gradually take over from, U.S. forces in defeating the insurgency.

Many of these are recommendations Crisis Group³ -- among others -- had been making for months; and it is at least arguable that had they been put in practice as recently as a year ago, the situation today would be qualitatively different. But they were not. And at this point, one can no more fast forward to what Iraq should be after all goes right than one can turn back the clock to what it was before so much went wrong. The Iraqi context has fundamentally changed, in ways to which previous Crisis Group reports sought to draw attention. *Baghdad: A Race Against the Clock*, released in June 2003, warned about deepening popular discontent and disenchantment, and about the prospects of a widening armed opposition. In April 2004, *Iraq's Transition: On a Knife Edge* underscored the fragility of the transition process and the fact that Iraqis questioned its legitimacy or significance and called for an urgent course correction at a time when many U.S. and Iraqi officials held to the view that the transfer of sovereignty in and of itself would resolve the legitimacy problem and marginalise armed opponents.

These once nascent trends have become hard realities, and the steps once potentially capable of turning the situation around in all likelihood would no more.

¹ See, for example, President Bush and Prime Minister Allawi Press Conference, 23 September 2004.

² See Remarks by Senator John Kerry, 20 October 2004. An adviser to the Kerry campaign characterised the goal as "getting the post-conflict reconstruction model right", suggesting that -- if elected -- the new president would do what ought to have been done from the outset. Privately, however, he expressed his concern that "this model may not be relevant" anymore. Crisis Group interview, Washington, October 2004.

³ See Crisis Group Middle East Briefing, *Baghdad: A Race Against the Clock*, 11 June 2003; Crisis Group Middle East Report N°17, *Governing Iraq*, 25 August 2003; Crisis Group Middle East Report N°20, *Iraq: Building a New Security Structure*, 23 December 2003; and Crisis Group Middle East Report N°27, *Iraq's Transition: On a Knife Edge*, 27 April 2004.

Investing ever more military and financial resources, the administration is still seeking to prevail in the battle initiated with Iraq's invasion when in reality a new struggle (with a different enemy and a different realistically achievable end-state) has begun. If the administration does not take the measure of what has changed, of the challenges it confronts and the importance of helping set up a government that is, and is widely perceived to be, genuinely independent of U.S. influence, it may well meet its desired end-date (adoption of a constitution by 31 October 2005 and new elections two months later) but at the cost of a highly dangerous end-state.⁴

II. THE WAR'S NEW CONTEXT

A. HOSTILITY TOWARD THE U.S.

Of all the many changes that have affected popular attitudes since the fall of the Baathist regime, perhaps the most notable has been the precipitous drop in confidence in the U.S. This did not occur in a vacuum. The antecedents of America's troubled relationship with the Iraqi people, which predate Operation Iraqi Freedom, have roots in Washington's ambiguous policies of the 1980s -- marked by a pro-Saddam tilt during the Iran-Iraq war, including the provision of intelligence and weapons;⁵ its decision not to help the insurgents it previously had encouraged in 1991, and the imposition over a thirteen-year period of draconian sanctions that hurt the people far more than the regime. As Crisis Group noted on the eve of the war, Iraqis viewed the U.S. with a blend of anticipation and worry -- persuaded that the change to which they desperately aspired would only come from the outside, ready to accept a U.S. presence, yet suspicious of its longer-term intentions.⁶

For the most part, events since the occupation have reinforced latent distrust while dissipating much of the early goodwill. These, too, have been the subject of Crisis Group reports and include failure to restore law and order and prevent widespread looting in the war's immediate aftermath, the deployment of inadequate numbers of troops, excessive use of force in populated areas, over-reliance on Iraqi exiles and heavy-handed selection of the country's leadership, the Abu Ghraib prison scandal, wholesale dissolution of the army and indiscriminate exclusion of senior Baath party members, insufficient and inefficient use of reconstruction funds, and marginalisation of the Sunni Arab community, among others.⁷ Particularly

⁵ According to one of the more widespread conspiracy theories in Iraq, Saddam Hussein was a long-standing U.S. agent.

⁶ Moreover, "while Iraqis' attitudes toward a U.S. invasion currently are shaped in reference to a situation they abhor, tomorrow they will be shaped in reference to the expectations they have formed", expectations that, we noted, were "wildly inflated". Crisis Group Middle East Briefing, *Voices from the Iraqi Street*, 4 December 2002.

⁷ See Crisis Group Briefing, *Baghdad: A Race Against the Clock*, op. cit; Crisis Group Report, *Governing Iraq*, op. cit; Crisis Group Middle East Report N°19, *Iraq's Constitutional Challenge*, 13 November 2003; Crisis Group Report, *Iraq's Transition*, op. cit; and Crisis Group Report N°33, *Iraq: Can*

⁴ This report is based on research by Crisis Group analysts in Iraq over recent months.

when contrasted with the exceptional U.S. military efficiency in conducting the war, these post-war failings gradually were perceived by many Iraqis as purposeful rather than inadvertent, designed to serve Washington's interests to remain for a prolonged period in a debilitated Iraq.

It is not at all clear that senior administration officials have fully internalised the scope of this attitudinal shift. While privately acknowledging missteps and growing impatience with the presence of coalition troops, they also take solace in various indications that progress is being made and that the bulk of the population rejects violence, supports elections and is at worst a passive spectator of -- as opposed to an active sympathizer in -- the insurgents' campaign. Criticising the U.S. and international media's tendency to highlight all that goes wrong, they point in particular to polling results (suggesting, for instance, that some 88 per cent of the people plan to take part in the elections and roughly 76 per cent believe their results are "somewhat likely" or "very likely" to reflect the popular will);⁸ increased enrolment in Iraq's security forces; the apparently successful pacification of Najaf since late August and of Sadr City since mid-October; or the absence of popular demonstrations against the harsh military re-occupation of Falluja in late 2004.⁹

This evidence is, however, ambiguous. It is true that the Iraqi people continue to display remarkable pragmatism and faith in the future while for the most part keeping their distance from the armed

insurgents. But these realities are easily misinterpreted and therefore just as easily misleading. For they are not at all inconsistent with widespread and growing disenchantment with the U.S. or with far-fetched conspiracy theories that are gaining increased currency. As a result, U.S. missteps are largely viewed as intentional, its statements as hypocritical, and its supposed undeclared agenda (long-term domination of Iraq) as responsible for the armed opposition's violence.

In interviews with Crisis Group, an unexpected number of Iraqis -- including many who were both Western-educated and generally well-informed -- accepted the view that Washington was intent on pillaging their country, aiming to destroy rather than reconstruct it. For example, a holder of an engineering doctorate from a Western country confidently asserted that the U.S. objective was to "drag Iraq into a prolonged civil war, to set aside its oil reserves for later use, after other reserves have dried up".¹⁰ Such views, however startling, appear to have become surprisingly commonplace and firm, as many Iraqis now tend to draw a direct line between the thirteen-year embargo and the post-war looting, both of which are seen as evidence of a U.S. conspiracy.¹¹ Other indices of anti-American sentiment abound. On newly established, popular internet sites, the U.S. is regularly denounced; images of mutilated children are shown, with the words "Let freedom reign!" as backdrop, or "The civilized world: click for Abou Ghraib pictures".

Assessing the state of mind of the Iraqi people is, of course, an inexact science; that said, even some of the evidence marshalled by the administration is double-edged. While the U.S. is right to highlight the newfound freedom of expression, Iraqis largely downplay this. Describing it as a "luxury" far less

Local Governance Save Central Government?, 27 October 2004.

⁸ Crisis Group interviews, Washington, October 2004. Commenting on the results of their July-August survey, a pollster for the International Republican Institute remarked: "Recent public opinion surveys conducted by IRI show Iraqis to be surprisingly optimistic about their future and much stronger supporters of democracy than many news reports would lead you to believe". See iri.org/09-07-04IraqPoll.asp. President Bush referred to these polls in his joint press conference with Prime Minister Allawi, Associated Press, 24 September 2004.

⁹ Not all U.S. officials or observers share this view. A U.S. State Department official interviewed by Crisis Group displayed remarkable realism in his assessment of the current situation, noting that the U.S. had become "part of the problem, not the solution". Crisis Group interview, Washington, November 2004. Among analysts, Anthony Cordesman of the Centre for Strategic and International Studies has been notable for consistently insightful and informative assessments. See his "Playing the Course: A Strategy for Reshaping U.S. Policy in Iraq and the Middle East", CSIS, 16 November 2004 (first draft).

¹⁰ Crisis Group interview, Baghdad, September 2004. According to a September 2004 IRI poll, 66.7 per cent of respondents designated the U.S. as the entity (immediate neighbours aside) most likely to foment civil war, far ahead of Israel (22.2 per cent) or al-Qaeda (3.7 percent). Among neighbouring states, Iran was viewed by 50.9 per cent of respondents as the "most likely to instigate a civil war", well ahead of Syria (17 per cent), Turkey (13.2 per cent), Kuwait (11.3 per cent), Saudi Arabia (3.8 per cent) and Jordan (0 per cent). See Michael O'Hanlon and Adriana de Albuquerque, "Iraq Index", The Brookings Institution, 27 October 2004.

¹¹ The wholesale disbandment of the 82-year old Iraqi army, along with that of the former regime's security apparatus, also was interpreted by many as evidence of a plot to weaken the country; other steps are seen as deliberately encouraging sectarianism. Crisis Group interviews in Iraq, April 2003-September 2004.

important than law and order, many now ironically refer to their "total and absolute freedom" (*hurriya kamila wa mutliqa*) -- by which they mean total and absolute chaos. The September 2004 re-opening of the Tikrit bridge, which had been bombed in March/April 2003, gave rise to large-scale and well-publicised celebrations attended by many Iraqis. Tikritis, joyous at the return of this vital infrastructure and tired of warfare and destruction, eagerly participated. But their satisfaction was tainted by conviction that the all-powerful U.S. had deliberately delayed reconstruction.¹² Polls showing support for the political process also demonstrate important geographic disparities and a striking decline in popular confidence about the future.¹³

The October 2004 Sadr City disarmament campaign is another example. Celebrated by the administration, it is widely discredited in Iraq and the subject of heavy sarcasm: Sadr City inhabitants joked to Crisis Group about militants handing over old, damaged and often unusable material before turning around and purchasing higher quality arms on the black market. Only token searches appear to have been conducted, and militia seem to be waiting for the outcome of the January 2005 elections before deciding whether to resume their armed opposition.¹⁴

Due to its tendency to underestimate the degree of popular mistrust and to ascribe it to lack of knowledge of actual improvements, the administration has placed inordinate faith in its capacity to reverse the situation through both incremental progress and improved publicity for its achievements.¹⁵ Whereas official pronouncements suggest slow but steady advances, Iraqis interviewed by Crisis Group were more likely to accentuate the feeling of stagnation and reconstruction insufficiencies.¹⁶ This disparity is due

not so much to the absence of any progress -- there clearly has been some -- as to the absence of progress that is lasting and cumulative.¹⁷ Moreover, cycles of excessive expectations followed by widespread disappointment have been replicated since the fall of the Baathist regime, each making it more difficult to persuade Iraqis of the durability of any improvement. In the words of a U.S. counter-insurgency expert, "there is no permanency. We've bankrupted our credibility".¹⁸

B. DISENCHANTMENT WITH THE TRANSITION PROCESS

Each step of the political transition process -- from the July 2003 formation of the Interim Governing Council, to the 15 November 2003 agreement, to the establishment of a sovereign government in June 2004 -- was intended to convince the Iraqi people that their representatives gradually were taking over responsibility from occupying powers. They have not been persuaded. Instead, a series of missteps undermined the credibility of the transition process. The administration's determination to adhere to a formal calendar, regardless of the fact that actual Iraqi empowerment and legitimisation of institutions lagged far behind, has emptied these symbolic dates of much of their meaning. As Crisis Group anticipated in April 2004:

In the time that remains, it is difficult to envisage the emergence of a credible, representative and truly sovereign government, only -- at best -- a hodgepodge of either relatively more competent or slightly more representative Iraqi figures. Without such a government, Iraq's security forces -- paltry as they are -- will lack the legitimacy to tackle the various and growing insurgencies. An unrepresentative Iraqi government that called upon U.S. forces to quell them would further undermine its own standing and fuel popular resentment. To claim

¹² Many compare the time it is taking with the spectacular recovery produced by Saddam Hussein after the 1991 Gulf war. Crisis Group interviews in Iraq, April 2003-September 2004.

¹³ Within regions described as "Sunni areas", as well as in the Mosul/Kirkuk area, the percentage of respondents believing Iraq was on the wrong path jumped from 40 to 75 between late May and late September 2004. See O'Hanlon and de Albuquerque, "Iraq Index", op. cit.

¹⁴ Crisis Group telephone interviews, November 2004.

¹⁵ Crisis Group interviews, Washington, October 2004.

¹⁶ Iraqis complain that although salaries have increased, so, too, have the price of basic goods and the overall cost of living. Recent fuel shortages have caused sharp price increases with black market rates reportedly reaching 1,000 Iraqi dinars per litre compared to the official rate of 20 dinars. See *The Guardian*, 13 December 2004. Malnutrition among children is

another serious problem. Crisis Group interviews, Baghdad, September 2004; see also *The Washington Post*, 21 November 2004.

¹⁷ In its study of various key sectors -- security, governance, services, economic opportunity, health care and education -- CSIS found a non-linear evolution, concluding that "Iraq is not yet moving on a sustained positive trajectory toward the tipping point or end state in any sector". CSIS Post-Conflict Reconstruction Project, "Progress or Peril? Measuring Iraq's Reconstruction", September 2004.

¹⁸ Crisis Group interview, Washington, October 2004.

that such a government is fully sovereign could do damage to the very notion of sovereignty.¹⁹

In the eyes of Iraqis interviewed by Crisis Group, this is precisely what has occurred. The Iraqi government is seen as a poor appendage to the occupation forces, lacking genuine security forces, institutional capacity, or independence. Ministers, rather than technocrats chosen on the basis of expertise, are seen as selected to perpetuate the distribution of power to former exile parties and allocate positions on a sectarian basis. Reports of rampant corruption further tarnish the new leadership,²⁰ while a legacy of bureaucratic apathy, nepotism, and clientelism thwarts performance of ministries. Notwithstanding the formal end of the occupation, a series of decrees issued by the Coalition Provisional Authority (CPA) remain in effect. In this context, the notion of sovereignty has rapidly lost credibility and the milestones on the path toward its achievement have lost meaning.²¹ The process of transition -- seen in theory as a cure to the U.S. lack of legitimacy in Iraqi eyes -- itself suffers from the same infirmity and, indeed, aggravates it.

C. A METAMORPHOSED INSURGENCY

Of all the indicators touted by Washington, lack of support for the insurgency arguably is the most deceptive. Given the revolting methods to which militants have resorted, the insurgents' terribly damaging impact on reconstruction efforts, and their failure to articulate any realistic political program, popular passivity ought to be read as a worrisome rather than hopeful sign -- a symptom of resentment toward the U.S. and of lack of faith in the restoration of sovereignty.

In a series of visits to Iraq over the course of the past year, Crisis Group was struck by the degree to which citizen inertia had allowed the armed opposition to transform and develop itself. For the most part, it began as a grab-bag of poorly organised, isolated and divided groups facing a sceptical population aspiring to calm and ready to give the U.S. a chance. Iraqis condemned the methods and motives of home-grown insurgents, even when they were seen as settling scores with a foreign invader, and militants, therefore, were compelled to maintain a low profile. Islamist militants from abroad often stood accused of acting against Iraqi interests and feared being turned in at any time.

But the fear insurgents once felt has progressively declined, and they now operate with increased ease among a supportive or subdued population. Today, the insurrection is relatively well coordinated and structured, at least in its Arab-Sunni dimension; even those groups that don't work together communicate; even those that don't share the same background have agreed to join in a similar religious, Islamist discourse. For increasing numbers of Iraqis, disenchanted with both the U.S. and their own leaders and despairing of their poor living conditions, solace is found in the perceived world of a pious and heroic resistance. CDs that picture the insurrection's exploits can readily be found across the country, new songs glorify combatants, and poems written decades ago during the post-World War I British occupation are getting a new lease on life.²²

The ease with which insurgents operate in cities such as Baghdad and their ability to re-deploy outside sanctuaries reoccupied by coalition forces illustrates the degree to which they can move around and find refuge within the civilian population.²³ During a

¹⁹ Crisis Group Report, *Iraq's Transition*, op. cit., p. 14,

²⁰ Uncertainty about the future reportedly has led some high-level officials to protect their personal interests. As one Iraqi explained, the expression "*ani moo abu taweela*" -- literally, "I am not among those who last" -- increasingly is being used by ministers and senior officials to justify graft. Crisis Group interview, Baghdad, September 2004.

²¹ The trajectory followed by the Allawi government in many ways parallels that of the Interim Government. In November 2003, 63 per cent of Iraqis expressed confidence in the Interim Government according to a CPA poll; by May 2004, that figure had collapsed to 28 per cent. An IRI survey suggested that the transitional government was viewed as "very effective" or "somewhat effective" by 63 per cent in July 2004; by September the number had declined to 43 per cent. See "Iraq Index", op. cit.

²² A 1941 poem on Falluja written by Maaruf al-Rusafi has been rediscovered. Crisis Group also noticed a strange and morbid fascination among young Iraqi men who openly and obsessively consulted the www.ogrish.com internet site for new footage of decapitations. More generally, insurgent videos are widely distributed in mosques and readily available in most Baghdad movie-stores. Crisis Group interviews, Baghdad, September 2004; telephone interviews, November 2004.

²³ Crisis Group interview with Iraqi analyst, Amman, 9 December 2004. A comparison between the two coalition efforts against Falluja is edifying. In April 2004, the siege of the city was widely condemned among both Sunnis and Shiites, yet it gave rise to only limited fighting elsewhere in the country. In contrast, the November 2004 military assault was greeted more passively by a population repulsed by some of the insurgents' methods and resigned to a long-anticipated offensive, yet it generated multiple combat zones, testifying to

September 2004 visit, Crisis Group witnessed sustained mortar attacks against the Green Zone launched with impunity from the Baghdad neighbourhood of Karrada on the other side of the Tigris river. Whereas at first insurgents would quickly disperse after their attacks, they gradually gained confidence, as if increasingly secure in the support or more likely silence of ordinary Iraqis. The horrific fate of those kidnapped in broad daylight by well-equipped armed groups and then passed on from one cell to another is yet additional proof of the insurgents' freedom of action and potency.

In turn, the continued and expanded capacity of the armed opposition to operate undermines the credibility of both official claims of progress and the transition process itself. In perverse fashion, it even validates conspiratorial interpretations of the U.S. intent: a particularly prevalent theory sees the armed opposition as a wilful U.S. creation designed to justify its indefinite military presence.²⁴

III. SHAPING AND CONSTRAINING U.S. ACTIONS

These significant shifts in the political environment have ripple and self-reinforcing effects. The strength of the insurgency impedes reconstruction projects and compels dependence on and use of greater U.S. firepower, thereby undermining the credibility of the transition process and facilitating recruitment by the armed opposition. The new government's legitimacy deficit complicates the task of forming a reliable Iraqi security force. Continued U.S. military involvement entails increased U.S. casualties, weakening domestic support for the war effort; by the same token, deteriorating conditions coupled with lingering questioning of the rationale for the war, attract intense media focus on every failing, casting it in the worst possible light. As a U.S. military analyst commented, "we are operating in a fishbowl, where any misstep is dramatised".²⁵ Together, both phenomena seriously reduce Washington's flexibility and margin of manoeuvre.

Thus, suggestions periodically floated in the U.S. -- considerably augmenting the number of American troops or, at the other extreme, swiftly withdrawing them -- no longer appear practical because of the drop in political support in Iraq and the U.S. The first option may well have made sense at an earlier point as a means of correcting the flaws of the occupation by essentially reoccupying the country; indeed, it is now widely agreed that the number of troops deployed is insufficient to provide law and order throughout Iraq.²⁶ By now, however, given popular

the insurgents' enhanced mobility. While mobility does not necessarily equate with active popular support, it is at the very least an indication of passive acquiescence -- often inspired by fear -- that undermines the primary U.S. objective of winning hearts and minds.

²⁴ Abu Mus'ab al-Zarqawi is believed by many Iraqis -- including well-educated and well-traveled ones, such as the son of a current Minister -- to be a U.S. fabrication. Crisis Group interviews, Baghdad, September 2004.

²⁵ Crisis Group interview, Washington, October 2004.

²⁶ "We would have to do what we did in Falluja all across Iraq -- and we would need a U.S. soldier on every street corner". Crisis Group interview with U.S. official, Washington, November 2004. Evidence of insufficient numbers of troops abounds. Thus, the fighting in Najaf up to late August 2004 required participation of troops from as far away as Mosul, creating security vacuums in other areas, such as Latifiya, which armed insurgents quickly invested. A military analyst also remarked on the connection between troop levels and reconstruction efforts: "there are insufficient military resources to even keep contractors safe". Crisis Group interview, Washington, October 2004. The debate about the appropriate number of troops is a recurring one that began at the war's outset. General Shinseki, General Abizaid, and even Paul Bremer at one point or another stated their views that far more troops were necessary in the immediate post-war period. While objections often were couched in technical terms -- with some observers questioning whether enough troops were available -- military analysts tend to agree that at a minimum a

sentiment among Iraqis and the commitment that was made to transfer sovereignty, it almost certainly has become politically unfeasible. For analogous reasons, a U.S. statement of intent to remain in Iraq for a prolonged period of time has become virtually unsaleable. In other words, even though the administration may still have considerable military and financial resources at its disposal, its ability to expend them is critically limited by its dwindling political capital. As for proponents of a rapid withdrawal, they, too, fail to take full account of the existing context.²⁷ Given their extreme frailty, Iraqi institutions would probably not survive a precipitous disengagement, handing the insurgents a significant victory. A swift withdrawal also could imperil broader U.S. interests in the region and further destabilise the region as a whole.

Moreover, U.S. officials are driven to pacify Americans' restlessness (by, for instance, stressing Iraq's role as a more convenient front in the war against terrorism; publicising good news stories that clash with the situation on the ground) in ways that play negatively with their other -- Iraqi -- audience. The worse the situation, the wider the gap between Iraqi and U.S. popular perceptions, the more daunting it becomes for the administration to cater simultaneously to these dual audiences.²⁸ Meanwhile, the severe situation in Iraq is unlikely to encourage the type of international participation regularly mentioned as an important way to improve it.

Forced to react to these intensifying and at times competing pressures, the U.S. has been pushed toward short-term, often short-lived, ad hoc responses that have done little to change the fundamental dynamics of the conflict.

more robust deployment coupled with some restructuring in existing deployments elsewhere was feasible. Crisis Group interviews, Washington, October 2004.

²⁷ See, for example, "Exiting Iraq: Why the U.S. Must End the Military Occupation and Renew the War Against Al Qaeda", Cato Institute June 2004; Stanley Hoffmann, "Out of Iraq", *The New York Review of Books*, 21 October 2004.

²⁸ "In Iraq, it was never clear what strategic communications meant: information operations, extension of the battlefield, a press operation, an adjunct to the political campaign in the U.S., etc. Was it the U.S. or Iraqi populations, the White House, Coalition partners, or the world community? Or all of them? Without a clear articulation of goals and audiences there was no way to target any message. Therefore, no one received any consistent message". "Planning for Post-Conflict Reconstruction: Learning from Iraq", Institute for National Strategic Studies, 29 July 2004.

A. ACCELERATING THE TRANSITION TIMETABLE

With growing disenchantment in the U.S. and in Iraq, the administration hastily decided to speed up the transfer of sovereignty. "Iraqifying" the conflict was seen as the best response to the deteriorating security situation and to the CPA's rapid loss of legitimacy and control. The 15 November 2003 agreement and the TAL dictated that a fully sovereign government be established by 30 June 2004 and early elections be held -- for a constituent assembly -- by the end of January 2005 and nationally, based on the new constitution, by 31 December 2005.

To date, and at every stage, the transition process has failed to deliver anticipated results. The Interim Governing Council was not a representative body; the current government has not been in a position to exercise actual sovereignty since June 2004; and Iraq's security forces will not be capable of ensuring security by January 2005. Politically, whatever grace period Prime Minister Allawi once enjoyed seems a thing of the past. Too tough for some, insufficiently so for others, and overly dependent on the U.S. for most, he is bereft of genuine political backing, social basis or functioning institutions. Worthy as it was, the attempt to broaden political participation through a national conference was taken over by the formerly exiled opposition, depriving it of credibility and long-term relevance.

Yet, while the political timetable bears little relation to reality, it has become essentially unalterable: given the huge mistrust developed since April 2003, any significant modification, however sensible, would probably be viewed as a U.S. attempt to perpetuate the occupation.²⁹ Given the de facto equation of a successful transition process with adherence to a formal calendar, moreover, any such alteration also would be viewed as a major setback. Delaying the transfer of sovereignty until such time as it could actually be exercised, or postponing elections until they could be truly inclusive,³⁰ carry such high political costs because of the worsening situation -- in other words, *for the precise reason that delay and postponement would make sense*.

²⁹ See Crisis Group Report, *Iraq's Transition: On A Knife Edge*, op. cit.

³⁰ On the issue of elections and a proposal for delaying them at lesser cost, see Crisis Group Report, *Iraq: Can Local Governance Save Central Government?*, op. cit.

As a result, the formal transition steps will continue to be implemented, even if they do not achieve the desired effect. The administration has become the prisoner of a calendar both divorced from the situation on the ground and inconsistent with its own stated objective of a sovereign and stable Iraqi government.³¹ As described by a U.S. counter-insurgency expert, "we don't really have a clear strategy. To have one requires patience and time. And those are precisely things we can't afford".³²

In this respect, the forthcoming national elections and their aftermath are of critical importance. Because so much has been invested in them, because they represent a shift to an elected government and embody hope for real improvement, the effect will be all the more devastating were they -- like so many prior steps -- to produce little change.

The compressed timetable has had another, more subtle effect. While ultimate decision-making power still resides in the U.S., particularly on security and reconstruction matters, it would be wrong to dismiss the influence of Iraqi actors or the perception in Washington that power actually has been transferred to them. As a White House official told Crisis Group prior to the November 2004 Falluja assault, "it is inconceivable that U.S. forces would enter Falluja without the Iraqi government's assent".³³ Any indication by the Iraqi government that it does not control basic decisions would expose both it and the U.S. As a result, Washington, once again due to its tenuous position in Iraq and the degree to which it now depends on progress in the political process, has become reliant on Iraqi actors, such as Allawi, "whose very weakness gives him strength: He could just walk away".³⁴ Paradoxically, Allawi's relative independence -- experienced by Washington yet disbelieved by most Iraqis, who still see him as a paid agent -- constrains the U.S. practically without

helping it politically.³⁵ Ayatollah Sistani's extensive influence, amounting in some cases to a virtual veto power over U.S. decisions, also has been witnessed time and again. In short, there is neither genuine Iraqi autonomy nor actual U.S. omnipotence, but rather an uncomfortable blending of the two that leaves the U.S. burdened and Iraqis unsatisfied.

B. ACCELERATING THE DEPLOYMENT OF IRAQI FORCES

The decision to disband the former army generated an immediate and far-reaching backlash, leaving:

Hundreds of thousands of former soldiers, most of whom had displayed no loyalty to the [Baathist] regime and many of whom were too young to have participated in the atrocities in which the army had played a part...without pay, future and honour.³⁶

Pressed by immediate security demands, the CPA sped up formation of Iraq's security forces and relied on politically-affiliated militias. As Crisis Group commented in late 2003, the rushed, haphazard and often improvised effort, dictated in large part by the urgency of showing progress in the "Iraqification" of security, ironically undermined any notion of a credible, legitimate national institution. Instead, Iraqis viewed their security forces as either subordinate to the U.S., atomised and politicised outgrowths of tribes and militias, or both. Crisis Group warned:

A military viewed as neither credible nor national and that is poorly trained, divided along ethnic and sectarian lines and in which politicised militias play a part is not the ideal foundation upon which to construct a stable, legitimate political system. The CPA's relatively cavalier approach to the old and new armies and the security structure as a whole sends the wrong message as to how seriously it reads the transfer of sovereignty.³⁷

The effects of costly decisions taken for reasons of short-term expediency continue to be felt. Defections

³¹ This disconnect from Iraqi perceptions was noted in an earlier Crisis Group report, which in April 2004 cautioned: "The message coming both from the mounting insurgency and the Iraqi people's reaction to it, is that the political process has failed to create credible institutions and has lacked sufficient input from the Iraqi people....In seeking to micro-manage politics and steer them in a direction to its suiting, the Coalition has left the political process disconnected from realities on the ground". *Iraq's Transition*, op. cit., p. 7.

³² Crisis Group interview, Washington, October 2004.

³³ Crisis Group interview, Washington, October 2004.

³⁴ Crisis Group interview with U.S. official, Washington, October 2004.

³⁵ Referring to Allawi's past as a CIA asset, a U.S. official caustically remarked: "Just because we paid him doesn't mean we bought him". Crisis Group interview, Washington, October 2004.

³⁶ Crisis Group Report, *Iraq: Building a New Security Structure*, op. cit.

³⁷ Ibid, p. ii.

from various security branches, particularly when Iraqis are confronted with insurgent assaults, continue at an alarming rate, whether in Falluja or Najaf during the mid-2004 battles, or more recently in Mosul.³⁸ Over reliance on political party militias also has proceeded apace, driven by the perceived urgency of fielding more Iraqi forces. Resort to Kurdish *peshmergas* -- affiliated with the two principal Kurdish parties -- to fight in Arab areas has been particularly widespread, and acutely resented, most notably in Mosul where ethnic tensions already are raw.³⁹ Following the deployment of Kurdish fighters as part of rudimentary Iraqi forces during the (aborted) assault on Falluja in April 2004, Kurdish residents of that city (who had been compelled to settle there by the Baathist regime after the collapse of Mulla Mustafa's Kurdish insurgency in 1975) were forced out.⁴⁰ Separate units of Iraqi combatants also have been set up by the U.S., leading to situations in which exclusively Shiite forces, paid by the U.S. and wearing U.S. uniforms, are deployed against predominantly Sunni insurgents, with serious consequences for inter-sectarian relations.⁴¹

U.S. officials in Iraq evidently are aware of these difficulties. General Petraeus, who was put in charge of setting up Iraqi forces, by all accounts has done a remarkable job seeking to address problems, focusing in particular on recruitment and training improvements. But at this point the problem runs far deeper and relates to the overall context of the war and the lack of credibility of the transition process.

Even assuming vastly improved training, Iraqi forces will operate in an environment in which there is, as of now, no national cohesion, loyalty to a central state, or belief in an independent political structure and in which basic security decisions (from recruitment criteria to rules of engagement to military doctrine) continue to be made by the U.S.

This has led to two, seemingly paradoxical results: on the one hand, a tendency among recruits to mimic their American counterparts (in terms of what they wear, how they carry their firearms, even how they speak),⁴² reinforcing the feeling that Iraqi forces, rather than protecting national interests, are an extension of the U.S. military; on the other hand, uncertain loyalty among all ranks of the security and intelligence services. The coalition and Iraqi government tend to blame the disloyalty of security forces on infiltration by insurgents and former regime loyalists, and there certainly appears to be some of this.⁴³ But it is not so much penetration by hostile recruits as it is the recruits' ambivalence toward the occupation forces and the political transition as well as the absence of credible military and political institutions to which their loyalty can be directed.

³⁸ In November 2004 three quarters of Mosul's police force reportedly abandoned their posts when faced with a sudden increase in insurgent activity. See, for example, *The Telegraph*, 24 November 2004. The head of the police force later was arrested for alleged ties to the insurgents. Earlier in 2004, clashes between coalition forces and insurgents in Falluja and Najaf led to similar walkouts.

³⁹ See, for example, *The Independent*, 17 November 2004. The 36th battalion of the Iraqi Civil Defence Corps -- later renamed the Iraqi National Guard -- initially comprised of militia linked to various political parties, boiled down to a hard core of Kurdish *peshmerga* after most other recruits defected in April 2004. Headed by Fadhil Jameel, a former *peshmerga* commander, and praised for its battle-field performance, the battalion was systematically used during operations in Najaf, Samara, Ramadi and Falluja. For an example of ensuing Sunni Arab resentment, see the *The New York Times*, 13 October 2004.

⁴⁰ These families moved to the Kurdish governorate, where they found neither homes nor services. Crisis Group interviews with several of the families, Kalar, June 2004.

⁴¹ See, for example, the *Los Angeles Times*, 27 November 2004; Reuters, 27 November 2004; *U.S. News and World Report*, 4 October 2004.

⁴² This is especially true of younger recruits, who owe their position, training and at times rapid promotion to the U.S. The Iraqi uniform differs slightly from that of U.S. soldiers but the nuance often escapes average Iraqis. Iraqi troops have started to carry their Kalashnikovs in the same manner as U.S. troops handle their M16s -- a phenomenon that amused or bemused the local population. Many also have taken to wearing sunglasses, a practice that is profoundly at odds with both Iraqi military tradition and social codes. Crisis Group interviews, Baghdad, September 2004.

⁴³ This appears to be the case particularly among members of the intelligence services, who often are former agents of the Baathist security institutions. Some told Crisis Group they had been recruited under duress; agents who belonged to the Baathist regime's Iran intelligence section allegedly were warned they would be turned over to their former SCIRI enemies if they refused to help the new government. Crisis Group interviews, Baghdad, December 2003. Others long hesitated between joining the government or insurgent camp, and their ultimate allegiance remains questionable. Crisis Group interviews, Baghdad, September 2004.

IV. MEASURING SUCCESS: PYRRHIC VICTORIES IN A CHANGING WAR

While conditions under which the war is waged have fundamentally changed, the U.S. measurements for success have not. The yardsticks -- adherence to the formal political timetable; number of Iraqis recruited and insurgents killed; reconquest of "enemy" territory; political orientation of the new government -- are largely unconnected to the stakes of the current battle and by no means indicative of its trajectory. Of course, material improvements, new schools, increased electricity services and the like are steps in the right direction. But for the most part the successes that are extolled reflect ephemeral victories, short-term advances masking longer-term setbacks and that, at a minimum, are not carrying the U.S. significantly closer to its stated objectives.

A. SEEKING AND DESTROYING THE ENEMY

From the outset, the U.S. has focused attention on the physical elimination of hostile elements, defining the struggle as one opposing average Iraqis to forces external to the body politic -- either literally (the foreign insurgents) or figuratively (the "anti-Iraqi" former regime loyalists). Success, therefore, has been measured by the coalition's ability to seek out and destroy individual embodiments of an alien insurgency: Saddam Hussein's ouster was supposed to put Iraq back on its feet; the killing of his two sons was celebrated as "a great day for the Iraqi people" that would have a significant effect;⁴⁴ Saddam's subsequent capture was "a great day in the history" of the Iraqi people, whose "future has never been more full of hope";⁴⁵ the focus then shifted to the foreign insurgents and to Abu Mus'ab al-Zarqawi in particular, as key figures whose defeat would break the backbone of the armed opposition.⁴⁶ All along, the physical elimination of insurgents has been presented as the best way to reduce a presumably finite number of armed opponents. In the words of a U.S. counter-insurrection expert, "We always think that the next watershed initiative will wipe things clean".⁴⁷

Yet, not one of these events has had a durable, overall impact on the insurgency; in fact, as Iraqi experts have long concluded, heavy-handed tactics to eliminate insurgents simultaneously redouble their motivation and provide them with additional recruits.⁴⁸ Defending their actions, U.S. officials assert that were they not to eliminate violent insurgents in Iraq, they would attack the U.S. at home. As President Bush explained, "if we stop fighting the terrorists in Iraq, they would be free to plot and plan attacks elsewhere in America and other free nations"⁴⁹ -- an observation both strikingly a-contextual (in that it assumes a finite set of insurgents and that the war has had no role in *producing* them) and remarkably oblivious to its impact on Iraqis understandably preoccupied above all with their personal security, not Americans'.

The effort to re-occupy "insurgent sanctuaries" springs from the same logic and suffers from the same flaw. In fairness, the U.S. undoubtedly has corrected and thereby improved its overall performance. Referring to operations in Samarra and Falluja, a U.S. military analyst commented: "Going on the offensive with a relatively coherent plan was a very important change".⁵⁰ Learning from previous mistakes, coalition forces gradually increased the number of Arabic-speaking personnel, took account of cultural factors, reduced resort to the most aggressive tactics, synchronized military operations and economic reconstruction plans, and, after John Negroponte's appointment as ambassador and General Casey's as military commander of the Multinational Force, harmonised relations between civilian and military authorities in Baghdad.⁵¹ The takeover of Falluja itself reflected several of these improvements, specifically the combination of, military, political (negotiations prior to the attack and some forward planning to establish local government structures in its aftermath), and economic (some forward planning to compensate citizens and rebuild the city) components.

But above all, Falluja is an example of an imperfect strategy. Valid reasons underlay its retaking: it had become an insurgent safe haven, boosting the operational capacity of armed groups by providing them with a place to rest, regroup, and reorganise and from which they could mount deadly attacks throughout the country. The April 2004 confrontation

⁴⁴ General Sanchez, quoted by BBC, 23 July 2003.

⁴⁵ Paul Bremer, quoted by BBC, 14 December 2003.

⁴⁶ See David Baran, "Terre Brûlée à Fallouja", *Le Monde Diplomatique*, December 2004.

⁴⁷ Crisis Group interview, Washington, October 2004.

⁴⁸ Crisis Group interview, Paris, December 2004.

⁴⁹ Bush and Allawi press conference, op. cit.

⁵⁰ Crisis Groups interview, Washington, October 2004.

⁵¹ The Negroponte/Casey tandem is generally viewed as far more effective than its Bremer/Sanchez antecedent.

-- during which U.S. forces first attacked then stepped back, granting their opponents a significant if short-lived victory -- transformed it from city to symbol, as considerable financial and human resources poured in to buttress the insurgents. In the meantime, many ordinary Falluja citizens were living in an unsustainable situation, caught between the threat of armed groups and incessant U.S. bombing, lacking basic services for months, and waiting desperately for something to change. There was some justification, too, in seeking to pacify territory in anticipation of forthcoming national elections.

Yet, while arguably necessary, the re-occupation of Falluja -- whose very establishment as a sanctuary derived in no small part from early U.S. mistakes -- also was essentially futile, as evidenced by the rash of deadly bombings that accompanied and followed an operation officially said to have "broken the back"⁵² of the insurgency. The offensive reflected once more the dominant notion of a numerically fixed and, in this case, territorially-confined, enemy that is inherently external to the population and whose

physical destruction is equated with the insurgency's defeat. Instead, the devastation of city infrastructure, failure to immediately resettle and compensate civilians fleeing impending hostilities,⁵³ the use of tactics reminiscent of Israeli ones to most Iraqi minds, and the indiscriminate handling of all men between the ages of fifteen and 55 during the offensive (denied exit,⁵⁴ water, electricity and aid⁵⁵) risk both further alienating the town's citizens (supposedly among the intended beneficiaries of the operation) and being used by insurgents as propaganda tools in the battle for hearts and minds (purportedly the principal target of any counter-insurgency war).⁵⁶ To this day, food is missing in refugee camps where Fallujans experience scant governmental assistance, the relocation of those who fled has been delayed and hampered by draconian security measures, and Iraqi security forces initially meant to secure and police the city remain unprepared. What is more, thousands displaced from the city and camping out in Baghdad mosques have become prime targets for insurgent recruiters.⁵⁷

The emphasis on defeating insurgents rather than addressing the overall context of the insurgency runs directly against counter-insurgency warfare doctrine, as well as operational guidance provided to U.S. Marines before they left for Iraq:

Both the insurgency and the military forces are competing for the same thing, the support of the people. The center of gravity of the insurgency...is its support infrastructure and the

⁵² Lt. Gen. John Sattler, the top marine officer in Iraq, quoted in the *Washington Times*, 19 November 2004. How Falluja became Falluja and what the U.S. expects out of its re-conquest are emblematic of the growing divorce between tactical victories and strategic reversals. Nothing in Falluja's history pre-ordained its status as insurgent sanctuary. A small, highly conservative town, it suffered from Baathist brutality due to its religious tendencies when, in the early 1970s, the regime launched attacks against the local Moslem Brotherhood branch. Although some of its tribes were co-opted in the 1980s and 1990s, they were the subject of regular purges; others paid a price for non-compliance (the Albu Nemer, one of the tribes most vehemently hostile to Saddam as of the mid-1990s, come from the Falluja neighbourhood). The image of Falluja as a hotbed of Baathist loyalists, therefore, has little basis in reality. Falluja -- together with much of what has come to be known as the "Sunni triangle" -- was assumed by the U.S. to be an enemy before it became one. In April 2003, as Baghdad fell and the regime's security apparatus dispersed, city elders gathered in an effort to maintain peace and order and to surrender officially to the coalition. Eyed with suspicion and subject to harsher treatment than cities in the South (U.S. bases were set up in the heart of the city and amidst conservative neighbourhoods, while Fallujans were subject to aggressive foot or armoured vehicle patrols and to low-flying helicopter surveillance, etc), the population responded in kind. In April 2004, the killing of four U.S. contractors and the appalling treatment of their corpses triggered collective reprisals as Coalition troops besieged the town. From the outset of the occupation, in other words, U.S. forces saw validation of their preconception of Falluja as enemy territory and acted accordingly, while Falluja citizens saw confirmation of their presumption of the U.S. as arrogant and unjust occupier, and did the same. See Baran, "Terre Brûlée à Fallouja", op. cit.

⁵³ See *The New York Times*, 18 November 2004.

⁵⁴ Once the offensive began, all Fallujans of fighting age were turned back at checkpoints and trapped inside the besieged city. Available technology to test individuals and verify whether they had manipulated explosive devices was only introduced at a later date.

⁵⁵ The local hospital, which according to U.S. officials had played an important role during the April offensive by graphically displaying Fallujans' suffering and therefore fueling popular indignation, was taken over by Coalition and Iraqi forces at the outset of the second attack. Iraqi and foreign NGOs systematically were denied access to Falluja until well after the operation as were ambulances on the ground that insurgents had used them for military purposes. Crisis Group e-mail interview with NGO officials in Amman and Baghdad, November 2004.

⁵⁶ As Baran writes: "Alongside the myth of heroic resistance has developed a mythology of victimhood . . . Falluja is seen as having sacrificed itself courageously in the name of Islam. This vision feeds numerous videos and internet sites whose distribution extends well beyond the town itself". Baran, "Terre Brûlée à Fallouja", op. cit.

⁵⁷ Crisis Group interview with Iraqi analyst, Amman, 9 December 2004.

support of the local population....If the military just targets the "insurgents" instead of the "insurgency" then it will fall into the "cycle of violence" which sees the military continually retaliate against the insurgency.⁵⁸

Because the priority has been to destroy the enemy physically by resorting to overwhelming force⁵⁹ -- the political target appearing to be primarily a U.S. rather than a local audience:

Falluja could...become the symbol of the occupiers' "brutality" and of their Iraqi partners' submissiveness, rather than a showcase of what can be achieved in the absence of the "terrorists".⁶⁰

The timing and procedural aspects of the Falluja operation also probably fell short of initial ambitions. At every step, U.S. forces showcased their close coordination with the Iraqi government, aiming to persuade Iraqis that this was the sovereign decision of a sovereign entity. In fact, Prime Minister Allawi's ostentatious "green-light", coming atop existing

public doubt as to his actual independence, likely reinforced that scepticism.⁶¹ Iraqis interviewed by Crisis Group saw in the coincidence between the operation's timing and President Bush's re-election further confirmation of Baghdad's subservient status and in protracted Iraqi negotiations with representatives of the armed movements the means used to delay the attack until it fitted Washington's political calendar.⁶² In fact, negotiations never seemed designed to win over Falluja inhabitants most receptive to the insurgency: by insisting on Zarqawi's rendition, the departure of "foreign terrorists"⁶³ and freedom of movement for Coalition forces, Allawi appeared in the eyes of his citizens to be relaying U.S. demands rather than strictly reflecting a national agenda.⁶⁴ The comparatively small number of victims among Iraqi forces corroborated the image of a predominantly U.S. operation, further undercutting official accounts of a large Iraqi role.⁶⁵

B. POLITICAL ACHIEVEMENTS

As seen, compliance with the transitional process and its calendar typically are viewed as important yardsticks of success. From the formation of the Interim Governing Council, to the transfer of sovereignty ("not only on time, but ahead of schedule"),⁶⁶ to adoption of the Transitional Administrative Law and, now, to the January 2005 elections, steps along the formal political path are

⁵⁸ U.S. Marine Corps Security and Stability Operations (SASO) Conference, 1st Marine Division (later deployed to Falluja), 19 December 2003 (transcript obtained by Crisis Group). The centrality of non-military components in any counter-insurgency strategy is a recurrent theme in U.S. counter-insurgency doctrine. The "Small Wars Manual", published as early as 1940 and which emphasises the primacy of the political struggle, inspires the U.S. Marine Corps approach to counter-insurgency to this day. The U.S. Army has endorsed the same basic premises in a document based in part on a lessons-learned exercise from Iraq. See, for example, U.S. Army Headquarters, "Counterinsurgency Operations" (interim field manual), October 2004. Summarising the core principles of counter-insurgency warfare, Andrew F. Krepinevich, writes: "Counterinsurgency warfare is almost always protracted in nature....The center of gravity in counterinsurgency warfare is the target nation's population, not the insurgent forces....Key to defeating an insurgent movement is winning the 'hearts and minds' of the local population. Counterinsurgent forces that focus on engaging and destroying insurgent forces and accord low priority to providing security risk defeat". "The Iraq War: The Nature of Counterinsurgency Warfare", Centre for Strategic and Budgetary Assessments, 2 June 2004. The primacy of political and economic factors is evident to U.S. forces on the ground. A U.S. officer told Crisis Group of the perfect correlation in Sadr City between the most violent areas and those that had not benefited from any reconstruction project. Crisis Group interview, Washington, October 2004.

⁵⁹ In the words of a U.S. counter-insurgency expert, "if we can retake Falluja, we can create the impression that the insurgents are losing". Crisis Group interview, Washington, October 2004.

⁶⁰ Baran, "Terre Brûlée à Fallouja", op. cit.

⁶¹ Despite repeated assertions by Iraqi and U.S. officials that the assault came only after good faith negotiations failed, Iraqis anticipated the offensive for weeks and interpreted daily strikes on the city, the U.S. military buildup, and the Iraqi government's tough negotiating stance as evidence of a determination to resort to force at a politically appropriate time. Crisis Group interviews in Iraq, October 2004; telephone interviews, December 2004.

⁶² Crisis Group telephone interviews, December 2004.

⁶³ As official U.S. documents were later to establish, the enemy that Coalition and Iraqi forces confronted in Falluja was essentially home-grown. See www.military.com/NewContent/0,13190,GH_Fallujah_112004-P5,00.html.

⁶⁴ Crisis Group telephone interviews, December 2004.

⁶⁵ During the offensive, Iraqi forces, far less well-equipped and trained than their U.S. counterparts, suffered roughly ten losses, as compared to approximately 50 Marines.

⁶⁶ Bush and Allawi press conference, op. cit. This assessment was symbolised in the now famous exchange of notes between the president and his national security adviser during the 28 June 2004 NATO Istanbul summit. Upon receiving news that the transfer officially had taken place, Rice wrote: "Mr. President, Iraq is sovereign. Letter was passed from Bremer at 10:26 Iraqi time", to which Bush responded: "Let Freedom Reign!"

equated with steps toward the ultimate objective of a stable and representative government. The principal goal, therefore, is to move steadily on this course, adherence to the official timetable itself being considered a measure of forward movement. As a result, holding elections on 30 January 2005 and ensuring widespread participation have become the next critical barometers of success. "The one thing going for us is that the political process is moving along. If we manage to hold elections that are reasonably free and fair, the problem of legitimacy basically will be solved".⁶⁷ In President Bush's words, "the terrorists know that events in Iraq are reaching a decisive moment. If elections go forward, democracy in Iraq will put down permanent roots, and terrorists will suffer a dramatic defeat". Stated otherwise, "Plan A must succeed because we don't have a Plan B. All we have is this one track".⁶⁸

Yet, because the process has been tainted in Iraqi eyes, there appears to be little if any correlation between progress in the political transition and faith in the process or in the institutions it has created. What Iraqis appear to want, and what so far has been lacking in spite of the transitional process is a genuine sense of ownership of the political process and normalcy in their daily lives and hope. At this point, elections in and of themselves are unlikely to produce any of these in a widespread and sustained manner; holding them without a significant overall political change -- primarily regarding the U.S.-Iraqi relationship -- may well worsen the situation by once again failing to meet expectations.

Early indications are inauspicious. Given the security situation, there is a strong risk that voting rates in predominantly Sunni Arab areas will be significantly lower than elsewhere. As discussed above, there are clear risks to postponement -- the security situation may not improve, U.S. credibility may further erode, and the Shiite community may rebel. Still, as Crisis Group pointed out in a previous report, if there are no changes in either the electoral system -- single constituency national proportional representation -- or the security circumstances, holding elections on 30

January could have devastating political consequences. Because under this system seats cannot be set aside, Sunni Arabs might well end up substantially disenfranchised, under-represented in the resulting assembly and further alienated, with the insurgency boosted, and the constitution (meant to emerge from the elected assembly) fundamentally discredited.⁶⁹

Even for Iraq's Shiite and Kurdish communities, who certainly would celebrate the first free, pluralistic national elections in their history, it would be a mistake to assume that the mere fact of elections will in and of itself turn the corner. At a broad level, the population has proved for the most part pragmatic, which means the real test for the elected Assembly and Transitional Government will be less who is elected than whether they can address basic needs. Moreover, Iraqis interviewed by Crisis Group made clear they had very little understanding of either for whom or for what they are to be voting in January, and there appears to be very little by way of vigorous political or ideological debate. That, plus the single constituency national electoral system (which dilutes the importance of local or regional politics) and the process through which electoral lists were put together -- last minute backroom deals for the most part made between formerly exile political parties -- lessen chances that the assembly will be viewed as genuinely representative and increases the risk that citizens will vote on the basis of ethnic or sectarian identification.

Other, analogous benchmarks of U.S. success similarly have been essentially emptied of meaning. Adoption of the TAL, presented as an interim constitution and lauded by the U.S. as the most democratic document of its kind in the Arab world, is perceived quite differently by many Iraqis -- assuming they know what it is -- for whom it is an alien and even illegitimate document forced upon them by the occupation.⁷⁰ That Prime Minister Allawi, in decreeing a state of emergency on 7 November 2004, effectively nullified some of its most important provisions, further undermined credibility of the exercise. However welcome to U.S. ears, Allawi's September 2004 speech in Washington -- which in its

⁶⁷ Crisis Group interview with U.S. analyst, Washington, October 2004. Asked about possible U.S. strategies, an expert in post-conflict management conceded that at this point, "other than staying the course and keeping on track, it is difficult to say.... One of the things we really have to do is do what we said we were going to do". Crisis Group interview, Washington, October 2004.

⁶⁸ Crisis Group interview with U.S. official, Washington, October 2004.

⁶⁹ See Crisis Group Report, *Iraq: Can Local Governance Save Central Government?* op. cit.

⁷⁰ Many Iraqis ignore the TAL's contents and practical implications. Even the January 2005 elections, mandated by the TAL, remain an object of mystery among Iraqis, many of whom believe they will be directly electing a president or prime minister. Crisis Group interviews in Iraq, November 2004.

themes and language virtually duplicated that of President Bush -- was largely interpreted in Iraq as another sign of his government's subservient status.⁷¹

In short, whereas U.S. strategy appears fixated on the need to persevere along the stated path, that path has become part of the problem. Acutely disillusioned, Iraqis seem much less interested in prolonging the process than in breaking away from it.

C. TRAINING IRAQI FORCES

Increased coalition casualties and growing impatience in the U.S. coupled with Iraqi resentment at the presence of foreign troops have built pressure to form an indigenous army expeditiously. Throughout the U.S. presidential campaign, debates about the numbers of trained Iraqi forces raged, each side endorsing the principle that this was an important barometer of success. Yet, as discussed above, while important, the sheer quantity of trained troops hardly constitutes a reliable measure of progress. The objective ought not to be to put an Iraqi face on coalition operations but rather to alter popular perceptions of those operations. Even assuming proper training, so long as Iraqi troops are being formed for the express purpose of supplementing coalition forces and alleviating their burden -- rather than as the expression of a nationally-defined project -- this will remain a serious problem. The U.S. "needs to get over the idea that one trained and equipped Iraqi soldier can replace one U.S. soldier....We need to support them rather than see them as supplementing or supplanting U.S. forces".⁷² Without an overarching cause to defend -- an independent and sovereign Iraqi state -- and faith in a better future, Iraqi troops are likely to advance their own parochial interests and evince at best an erratic sense of allegiance.

V. ELABORATING PLAN B

Far from being oblivious to its mistakes, the U.S. has repeatedly sought to rectify its political, military and reconstruction policies. However, none of these often crisis-driven adjustments appears to have taken account of the war's dramatically transformed context, and none has done more than improve upon and perpetuate the current transitional process. More radical steps are urgently required.

A. DEFINING AND PUBLICLY ARTICULATING U.S. GOALS

Ambiguity concerning U.S. objectives is having profoundly damaging effects. These are primarily being felt in Iraq, where confusion feeds all sides' suspicions simultaneously, from Shiites convinced that the goal is to deprive them of majority rule, to Sunni Arabs persuaded that it is to marginalise them, and even to Kurds unsure of how far U.S. solidarity will go when faced with regional pressures. The belief among large numbers of Iraqis that the U.S. is determined to remain in Iraq, shape its policies, manipulate its politics and exploit its resources is all the more rampant in the absence of credible statements of U.S. goals and of visible steps to demonstrate their sincerity.

Uncertainty also affects the regional climate, with obvious repercussions in Iraq. Tehran fears a strategy of encirclement, providing greater ammunition to those in its leadership who wish to destabilise Iraq in order to lessen pressure on Iran. In contrast, Washington's traditional allies in Amman, Riyadh, Cairo and Kuwait City worry openly about the creation of a Shiite axis extending from Tehran to Baghdad to Damascus and Beirut.⁷³ Besides encouraging suspicion toward the U.S., this is causing Sunni-led governments, particularly in the Gulf, to project onto their Shiite populations irredentist sentiments they almost certainly do not possess.⁷⁴

⁷¹ Crisis Group telephone interviews, September 2004.

⁷² Crisis Group interview with U.S. post-conflict expert, Washington, October 2004.

⁷³ Jordan's King Abdullah warned of the formation of a "crescent" of Shiite movements or governments stretching from Iran to Iraq to Syria and Lebanon. *The Washington Post*, 8 December 2004.

⁷⁴ Crisis Group interview with Iran and Gulf analyst, Paris, December 2004. Shiites in Saudi Arabia have repeatedly been forced to fend off suggestions that they are taking advantage of events in Iraq to promote their parochial interests or that they are acting on behalf of a foreign party.

Finally, in the absence of a clearly-set target -- and, what is more, in the absence of a lead senior official charged solely with the Iraq file -- policy-makers in Washington are incapable of functioning effectively. Whereas many in the State Department and the Pentagon concede that it has become necessary for the U.S. to draw down its military and political presence in Iraq significantly and to aim for an almost full withdrawal by late 2005/early 2006, White House officials are not always on the same page, with some acting as if the U.S. could and should micromanage Iraqi decision-making for years to come in order to ensure a successful mission. A State Department official lamented:

We have to decide now whether our desired end-state for late 2005 is to see the U.S. military for the most part out of Iraq and our embassy converted from a de facto parallel government to an important post-conflict mission. That is our view -- but in the meantime, White House officials are still sending daily memos to Baghdad regarding minute military and operational issues. That's a recipe for internal paralysis.⁷⁵

Achieving an internal consensus as to the desired U.S. position by late 2005, and appointing a lead Washington official to more specifically define that objective and implement it in coordination with the U.S. ambassador in Iraq, should be a priority for the new administration.⁷⁶

B. ALTERING IRAQI PERCEPTIONS

As seen, growing numbers of Iraqis are persuaded that the U.S. wants to maintain its military presence indefinitely and, therefore, tolerates, uses, or even encourages the armed opposition to that end, oblivious to the harm inflicted on the civilian population. In other words, it is not so much the mere presence of U.S. troops as Iraqi perceptions of their

actions and intentions that have nourished opposition dynamics. Urgent steps are needed to begin reversing perceptions that, left unchallenged, virtually negate any potential achievement:

- ❑ *Minimising visible U.S. military presence.* As a firm indication of future intent, U.S. troops should become less visible, all the while maintaining necessary rapid response capacities. Security responsibility should be transferred as soon as feasible to Iraqi forces; indeed, in some pilot areas, they could be provided full responsibility, to be assisted by coalition troops only in crisis situations. The U.S. also should make it absolutely clear that it has no intention of seeking long-term bases in Iraq.
- ❑ *Modifying rules of engagement.* Key to any successful strategy will be marginalising the armed opposition and convincing the vast majority of Iraqis that it alone is responsible for insecurity and civilian loss of life. That is not the case today; many forms of violence perpetrated by the insurgents are considered legitimate by Iraqis, while many counter-insurgency tactics are not. Remedying this means addressing the widespread conviction -- grounded in concrete experience -- that the primary purpose of U.S. military action is to eliminate insurgents rather than defend civilians. Civilian protection should become a guiding military and political principle, shaping troop presence and conduct, target selection and methods employed. In particular, the military benefits of forceful conduct that imperils civilians and carries high risk of collateral damage -- shelling of locations on the basis of shaky intelligence; sweeping attacks against insurgent sanctuaries; large-scale arrests; poor treatment of prisoners, including torture; aggressive searches often involving seizure of private funds and destruction of property -- should systematically be measured against the lasting political damage it provokes.
- ❑ This cost-benefit analysis should take into account the fluid nature of an insurgency that is not territorially-based, feeds on the frustration of civilians angered by perceived U.S. indifference to their fate, and for those reasons appears capable of sustaining heavy losses. Systematically revising rules governing home searches to take account of cultural and religious sensitivities and neither terrify nor humiliate families is of paramount importance.

The belief that Saudi Shiites -- who make up the majority of the population in the oil rich Eastern Province -- seek independence has grown increasingly common inside the Kingdom, both evidence of and further fuel for sectarian distrust. Signs of simmering sectarian tensions are emerging elsewhere in the Gulf, often as a direct result of the Iraq war.

⁷⁵ Crisis Group interview, Washington, December 2004.

⁷⁶ The 5 November 2004 resignation of Robert Blackwill -- the NSC official previously responsible for Iraq -- has left a costly vacuum in this regard. Crisis Group interview with U.S. official, Washington, December 2004.

- ❑ Prior to engaging in military operations, and wherever feasible, the U.S. should, in coordination with the Iraqi government, make credible efforts to negotiate with the armed opposition, thereby both demonstrating its good faith and compelling the insurgents to publicly articulate demands and propose alternative solutions. Should it engage in offensives aimed at reoccupying insurgent sanctuaries, the U.S. should immediately resettle those forced to flee, compensate those who suffer damages, and -- even before security conditions become ideal -- prioritise reconstruction and establish democratic local government structures.
- ❑ *Minimising U.S. political presence.* The presence of a massive U.S. embassy -- by far the largest in the world -- co-located in the Green Zone with the Iraqi government is seen by Iraqis as an indication of who actually exercises power in their country. Washington should go beyond a public announcement of its intention to move its embassy and significantly reduce its size, openly negotiating a new location in close consultation with Iraq's authorities notwithstanding any prior agreement with the Allawi government. Construction work on a new embassy site -- for example in Mansour's "Embassies Street", located between the city and the airport and already host to some of the largest missions -- should begin as soon and as visibly as possible.
- ❑ *Modifying U.S. communications strategy.* U.S. credibility will depend in part on changing a public relations strategy that to date has mainly targeted a U.S. audience. Besides articulating clear end-state goals, more candid assessments of the situation, avoidance of triumphant pronouncements or predictions, prompt notification to families of detainees and development of visit procedures, rapid acknowledgment of missteps (especially those involving the loss of innocent life), and, in close consultation with relevant Iraqi authorities, immediate compensation to victims of such missteps, all will be critical. The U.S. should promptly investigate and, if necessary, sanction military misconduct -- and proactively reveal what it has done rather than await international media attention.
- ❑ *Modifying U.S. discourse and vocabulary.* To mitigate the firm notion that U.S. policy is essentially instrumental -- in other words, that its actions are guided not so much by concern for

the Iraqi people as by the promotion of its own broader interests -- Washington should cease referring to Iraq as a "front" in the war against terrorism (particularly if that front is intended to minimise casualties in the U.S., notwithstanding the cost to Iraqis) or as a "model" for the region.

C. THE NEED FOR MUTUAL U.S./IRAQI DISENGAGEMENT

In its definition of the enemy, the U.S. administration has adopted the term "anti-Iraqi forces". This both reflects a fundamental misunderstanding of the insurgency and has led to a deeply flawed approach toward it. At the most basic level, the U.S. should accept and digest the reality that violence is not being perpetrated solely by a small group of fanatics irrevocably opposed to democracy or the successful establishment of a central state; while some foreigners and Iraqis may be so motivated, to a large extent the insurrection appears driven by deepening hostility to the U.S. and suspicion of its intent and, indeed, by anger at the *absence* of a credible, sovereign central state. As a corollary, the political transition process as currently designed, far from representing a solution to the crisis, has become part of the problem, precisely because it deepens the association between the U.S. and Iraq's authorities.

Such powerful and widespread anti-U.S. suspicion and, perhaps most important, the fact that no sense of national loyalty toward a central state has yet to emerge, dictates a fundamental revision downward of Washington's initial, lofty expectations. For now, a secular, free-market oriented, democratic government close to the U.S. and not openly hostile to Israel, possibly home to long-term U.S. bases, and an inspiring model for the region, is no longer achievable. Instead, the goal -- itself ambitious under present circumstances -- should be to encourage emergence of a stable government viewed by its people as credible, representative, and the embodiment of national interests, and that is capable of addressing basic needs and protecting the country's territorial integrity, while not presenting a threat to its neighbours.

Key to this process will be for Iraqis to recover a sense of national allegiance which, in turn, requires the emergence of a convincingly sovereign and independent central state. For the U.S., this will have to entail, for the time being at least, a thankless task of redefining the three-way relationship between the U.S., Iraqi authorities and the Iraqi people: satisfying the aspirations of a population now largely hostile to

the U.S. and encouraging the emancipation of Iraqi institutions that will only be credible once emancipated from it.

Regaining credibility and respect in the eyes of the Iraqi people will necessitate a *dual disengagement*: a gradual and negotiated U.S. military disengagement from Iraq and, no less important, a clear Iraqi political disengagement from the U.S. These are bitter pills for the U.S. to swallow, but the alternative is far bleaker. At the current rate, the Iraqi government and security forces risk being established *against* a sizeable portion of their people.

In this sense, the forthcoming national elections, whenever they occur -- and, as Crisis Group has argued, delay would be preferable unless the security situation permits nation-wide voting -- would be best viewed not as the *culmination* of a discredited transition process but as a clear *break* from it. This means that even some decisions made jointly by U.S. and Iraqi authorities during the preceding months and that Washington considers legitimate and binding should be open to reconsideration. The transformed process will not be credible, no matter how many solemn prime ministerial pronouncements or joint military operations, until Iraqis are seen as negotiating the terms of the U.S. presence, its duration, prerogatives, and rules of engagement, as well as basic policy decisions -- even, indeed especially, when these directly contradict the legacy of the CPA.

The following steps should be taken:

- ❑ *Abstaining from interference in elections-related decision, such as its timing.* Any statement of U.S. preference concerning the elections is counterproductive. All sides suspect Washington of hostile intent and are playing on that sentiment: several Sunni Arab parties are calling for a boycott because of the U.S. presence, while Ayatollah Sistani is justifying his call for broad participation in order to counter-act U.S. desires to remain in the country.⁷⁷ President Bush's unequivocal position that elections must take place on 30 January 2005⁷⁸ is, in this respect, both substantively suspect (because the harm caused by elections in which large numbers of Sunni Arabs do not participate outweighs the

harm caused by delay) and politically unwise (because Washington should not be seen as micromanaging this issue). The decision should be left in the hands of Iraqi authorities and be perceived as such. Likewise, it will be important on election-day to maximise the presence of observers from non-Coalition countries.

- ❑ *Establishing the new institutions' independence.* It is essential to erase, or at a minimum openly debate, the political legacy of the occupation and the CPA. To that end, the new government and parliament should take steps to assert their independence, not hesitating to debate openly and, if the perceived need arises, to nullify decrees ratified by former Iraqi institutions and the CPA. This could even extend to an eventual sovereign Iraqi decision to amend or annul the TAL. The legal standing of those earlier decisions in view of Iraq's ambiguous status remains at the very least suspect; their political standing even more so. Should the sovereign institutions take any such step, the U.S. should not challenge them, publicly or privately.
- ❑ The U.S. also must recognise that the new parliament may investigate and, depending on its findings, demand reparation for, harm perpetrated by the occupation forces, in accordance with international law. Finally, the U.S. should promptly transfer prisoners to national judicial authorities, so that they become accountable to the Iraqi population and not to the foreign military presence.
- ❑ *Establishing and respecting Iraq's economic independence.* In its statements and actions, the U.S. should convince Iraqis it will not seek to derive economic benefits from the war, most importantly, to profit from Iraqi oil. Measures by the new authorities to reverse decrees related to economic and energy policy or revisit contracts favouring U.S. companies (in particular if these were funded with Iraqi oil revenues) should not be resisted.⁷⁹

⁷⁷ Crisis Group interview with Iraqi politician close to Ayatollah Sistani, Paris, December 2004.

⁷⁸ "I assured [Iraqi interim President Ghazi al-Yawar] that it is necessary for the Iraqi people to vote on January 30", *Daily Times*, 16 December 2004.

⁷⁹ Immediately prior to its dissolution, the CPA approved the expenditure of nearly \$2 billion from the Development Fund for Iraq to finance contracts, chiefly for U.S. companies. See Iraq Revenue Watch, "Iraqi Fire Sale: CPA Rushes To Give Away Billions in Iraqi Oil Revenues", June 2004. Among CPA decisions that have stirred controversy is decree number 81 ("Patent, Industrial Design, Undisclosed Information, Integrated Circuits and Plant Variety") pursuant to which Iraq farmers must purchase seeds from large, international corporations. See <http://www.grain.org/articles/?id=6>.

- ❑ Going further, reconstruction funds allocated by the U.S. Congress ought to be the subject of discussion with the new Iraqi government, considered less as a strictly U.S. decision and more as a bilateral endeavour in which priorities, planning, and the selection of contracting companies, among other things, are to be jointly agreed. U.S.-funded projects should be conceived of as a means of empowering Iraqi institutions, including at the local level, by directly involving domestic actors in their management and implementation.⁸⁰
- ❑ *Establishing an indigenous security force and negotiating the U.S. military presence.* U.S. and Iraqi authorities should openly discuss the criteria and stages of a gradual U.S. withdrawal (with an emphasis on visible manifestations of disengagement and at least a target date for the completion of that withdrawal), coalition forces rules of engagement and accountability.
- ❑ Beyond that, Iraq's security forces no longer should be viewed as coalition forces with an Iraqi face -- an extension of or supplement to U.S. troops. Iraq will have to develop its own national security and military doctrine and rules of engagement; it should possess its own autonomous and independent logistical and transportation means, standardised recruitment process, and review and discharge procedures led by independent, professional institutions. As a first step, the U.S. should halt reliance on local militias -- *peshmergas* or other, some of whom are directly paid by the U.S. and wear its uniforms.
- ❑ Of equal import, the new Iraqi authorities should avoid mimicking U.S. designations or definitions of the enemy: forces hostile to the U.S. are by no means necessarily or universally hostile to the establishment of a sovereign state. *A primary objective for Iraq's government over the coming period must be to clearly distinguish between the two attitudes*, so that even those opposed to the U.S. presence can participate in the state-building effort; adopting U.S. phraseology -- and, more specifically, lumping together groups opposed to the U.S. and groups intent on thwarting any Iraqi endeavour under the broad designation of "anti-Iraqi forces" -- can only complicate that task.

- ❑ *A relationship between sovereigns.* Paradoxically, if and when the dependent relationship recedes, genuine normalisation of bilateral relations ultimately will mean dealing with the Iraqi government as ought to be the case with any sovereign partner, conditioning the depth of support on issues such as respect for minority and human rights, financial transparency, anti-corruption efforts, the dismantling of armed militias, no support for violent actors abroad and, in the case of Kurdish parties, commitment to the country's territorial integrity.

D. ALTERING THE REGIONAL CLIMATE

While events in Iraq are to a very large extent domestically-driven, the regional environment undoubtedly has played a part. As mentioned above, each of Iraq's neighbours harbours fears about U.S. policy, though for different and often contradictory reasons. This gets translated into all kinds of direct and indirect involvement by states seeking to defend their interests -- assistance to certain political, ethnic sectarian groups, lax border controls, statements, and the like -- that hampers the task of building a cohesive national entity. The problem is most glaring in the case of -- though it is not unique to -- Iran: the U.S. cannot bank on the cohesion and constructive attitude of Iraq's Shiites while at the same time antagonising and threatening the country that enjoys the greatest influence over them. If "success" in Iraq is the priority, in other words, the U.S. will have to adopt a more flexible policy of engagement and dialogue on other fronts, notably regarding Iran and Syria.

More broadly, hostility and suspicion toward the U.S. in Iraq cannot be wholly divorced from its image in the region as a whole, and in particular from its image in relation to the Israeli-Palestinian conflict. Conspiracy theories about U.S./Israeli designs to dominate their country are rife among Iraqis and are fed in part by perception of blanket U.S. support for Israel and of a double standard toward the Arab world. Given developments in Israel and Palestine, the opportunity for renewed U.S. peace efforts exists. Improving the situation in Iraq is an additional reason to seize it.

Amman/Brussels, 22 December 2004

⁸⁰ See Crisis Group Middle East Report N°30, *Reconstructing Iraq*, 2 September 2004.

APPENDIX A

MAP OF IRAQ



APPENDIX B

ABOUT THE INTERNATIONAL CRISIS GROUP

The International Crisis Group (Crisis Group) is an independent, non-profit, multinational organisation, with over 100 staff members on five continents, working through field-based analysis and high-level advocacy to prevent and resolve deadly conflict.

Crisis Group's approach is grounded in field research. Teams of political analysts are located within or close by countries at risk of outbreak, escalation or recurrence of violent conflict. Based on information and assessments from the field, it produces analytical reports containing practical recommendations targeted at key international decision-takers. Crisis Group also publishes *CrisisWatch*, a twelve-page monthly bulletin, providing a succinct regular update on the state of play in all the most significant situations of conflict or potential conflict around the world.

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