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IRAQ UPDATE: THE PROSPECTS FOR PEACE, RECONSTRUCTION, AND THE JANUARY ELECTIONS

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P R O C E E D I N G S

MR. STEINBERG: Good morning and welcome to Brookings.

This morning we'll have another in our ongoing series of discussions about the situation in Iraq. We've seen a lot of activity as we move towards the elections, and we want to focus today on not only the general question of how we're doing and how the process of political, military and economic reconstruction is going on in Iraq, but in particular how to think about the environment leading up to the elections and what it will take to make them be successful, and what that might mean for the longer term of both the U.S. presence and U.S. objectives in Iraq.

With us to discuss these issues today are two familiar faces, Ken Pollack, the Director of Research at the Saban Center here at Brookings; Michael O'Hanlon, a Senior Fellow here.

But we're particularly fortunate to have two individuals who are both scholars and practitioners to give us some firsthand insight into what's going on. Peter Khalil, who is a visiting fellow here at the Saban Center, has recently come back from a job as the Director of National Security for the CPA in Iraq, and he's got firsthand experience with the broader problem of security and establishing a security presence in Iraq. He's going to talk about those issues. Peter, before joining the CPA, had a distinguished career in Australia as part of the Iraq Policy Task Force in the Australian Ministry of Foreign Affairs and also worked for a number of years at the Australian Ministry of Defense.

We also have Raad Alkadiri here, who's now with PFC Energy, but Raad had been the Special Adviser to the U.K. Special Representatives in Iraq, to both Jeremy Greenstock

and David Richmond, and brings a very different or complementary perspective from the British side about our overall efforts there, and is particularly going to talk about the issue of elections in addition to his work there, and now with PFC Energy. Raad also has a distinguished scholarly background, degrees from St. Anthony's and St. Andrew's, and has also spent some time at SAIS if I've got it right, and so from the neighborhood.

So we're going to begin first with Ken and Mike to give an overview, Ken giving a broad picture of the situation there, and Mike, the keeper of the Iraq Index and some of the issues that that index raises. So Ken will start it off.

MR. POLLACK: Thank you, Jim.

I thank all of you for coming out this morning. I'm going to try to keep my remarks brief, because in all honesty, I don't really want to hear what I have to say. I'm much more interested in hearing what Peter and Raad have to say, so I'm going to try to keep my remarks brief to give them the balance of my time.

There were two areas that I wanted to focus on, and I wanted to focus on them because I think that they are getting a little bit lost in the heavy media coverage of our own election and in the media coverage of kind of the day-to-day affairs in Iraq. I think we are losing sight of some of the big picture.

Now, first is the election, and obviously the media has been focusing on the election, but my concerns about the election are effectively threefold. First, I am very concerned that the elections can't come off because of the current security environment. I just don't see how that is going to possibly happen. Even if we're able to stabilize a number of the areas, the fact of

the matter is, as Donald Rumsfeld has suggested, we could have elections in three-quarters of the country, maybe four-fifths of the country. I don't know how you have elections on a proportional representation system in less than 100 percent of the country. I've never seen that happen before. I don't know what it would look like. Personally, I think it's impossible to do that. Proportion representation requires you to have the entirety of the country able to vote. Otherwise, you would badly skew the different party results. I think that the likelihood that we are going to be able to get ourselves into a situation where we're going to be able to have those kind of free and fair elections across the country is increasingly remote.

A second issue about the elections: I think that we are failing to recognize the potential problems of the proportional representation system for Iraq. That's another reason why I personally would like very much to see the elections postponed. Now I recognize there will be other bites at this apple, but the simple fact of the matter is each time we have had some kind of a change in the government, an expansion of the government, some participation, whatever it may be, we've simply reinforced the party system that's already in place. Now, this is a natural tendency. Parties like to keep themselves in power, and especially in Iraq where the parties that exist really don't have very broad bases of support. They're all looking to manipulate the current political system to allow them greater political control than they otherwise would if you simply threw things open in a completely fair and free election.

And the problem with proportional representation in Iraq is that it will reinforce all of Iraq's worst features. I mean I actually am not a big fan of proportional representation to begin with, but in a country like Iraq I think it is potentially disastrous. Proportional

representation rewards party loyalty. People vote for a party slate. They're not voting for individual candidates. That means that it forces parties to the extreme. They have to differentiate themselves from each other. It rewards party loyalty. Party hacks get elected as opposed to real good individual representatives. It also breaks down compromise. It breaks down compromise again because you have this reinforcement of party loyalty, but it also breaks down compromise because in a nationwide proportional representation system, all of the radicals can attract just enough support to get themselves into parliament, and you get a very fragmented parliament where these radical groups become critical to the more moderate groups in building a coalition, and it pulls the moderate groups to the extremes, and this is exactly what we have seen in Israel over the last 20 years, and it has paralyzed Israel and it has polarized Israel, and Iraq is paralyzed and polarized to begin with, and I don't think they need more of that.

And the third point on the election's another reason why I'd like to see them postponed--and I know Raad is going to talk a little bit more about this when he talks--is the fact that, as I was beginning to suggest, the parties that we have now are not truly representative, and we've not done a very good job of allowing new parties to develop that would be more representative of Iraqi public opinion, or even allow these groups, or force these groups in some cases, to change themselves, transform themselves so that they would be more representative of the larger Iraqi population. So I'm very nervous that if we were to hold elections in January, even if we somehow could, even if we could somehow improve the security situation to do so, they're certainly not going to produce good governments in Iraq.

And I think what we have found consistently is these kind of half steps--and in

many cases they're not even half steps, they're quarter steps--make it worse down the road, it makes it harder to get Iraq on the right track rather than better.

Now I'd like to switch over quickly to the security side of things and focus on another aspect--another thing that's going on that I think we're not really paying too much attention to or enough attention to, and that is this larger campaign that the administration seems to be mounting to pacify the Sunni heartland. Now, it goes in fits and starts, and every day I pick up the newspaper there's a different story from an administration official about whether they are going to mount this major offensive or they're not going to mount it, whether they are going to go into Fallujah or not going to Fallujah.

But it does seem that they're doing something. They went into Samarra. They're putting pressure on Ramadi. There is more pressure on Fallujah. It certainly seems opportunistic. It may simply be the case that they're going to push in a bunch of places, and wherever they can push in easily, wherever they don't get a lot of resistance, they will go in full force.

Now, obviously, there's a micro point to be made, which is, taking over a town is not the hard part; the hard point is keeping it, just as taking over the country of Iraq was not the hard part; the hard part was rebuilding it. So it's all well and good that we got into Samarra with far fewer casualties than anyone expected. At the end of the day that's not terribly relevant if we're not able to stay in Samarra and get the whole town back on track, and root out the insurgents and bring the people back over into the fold of reconstruction.

But I think there is a bigger issue out there, which is if this campaign unfolds--and

I think you've all heard me say this before, I think it's high time. I think we should have done this long ago. If this campaign is successful, I think that's very important because so far we've been using a model of security operations in Iraq that I would call post-conflict stabilization. It's the kind of model that we learned in the Balkans, elsewhere, Afghanistan, to some extent Cambodia, and it's about going in, stabilizing the entire country, kind of keeping what was already a stable country that had kind of started to come apart as a result of this conflict, and basically helping it come back together again.

For 18 months we've been trying to make that model work, and in all honesty, we've not had a great deal of success. And as far as I'm concerned, this campaign, assuming we do it over the next 6 months in the run-up to the elections, to me, this is going to be the make or break moment for that strategy. If it succeeds, I think that's very important because it says that we can continue with this model of security in Iraq. If it fails--and I am concerned that it will fail, and as I said, failure for me is not just we can't go into Fallujah; failure for me is we go into Fallujah, we take the whole town, we kill a bunch of bad guys, and six months later it's basically back where it was before we went in. That to me is also failure.

If we fail with this campaign, I think it will be the death knell of this post-conflict stabilization model, and I think that we will have to embrace a very different strategy for security in Iraq, and I would suggest that that strategy is going to have to be a very traditional counterinsurgency strategy. If this campaign fails, it will basically be an acknowledgement that the insurgency has become too big, too broad-based, too extensive and too capable to handle in this kind of post-conflict stabilization model, and it's going to require us to move to the much

less palatable, much longer term process of a true counterinsurgency campaign, where we carve out protected enclaves, where we make those enclaves safe, where we build politically and economically within the enclaves and we then embrace the traditional spreading ink spot or spreading oil stain, whichever analogy you prefer, to gradually, over a much longer period of time, try to stabilize the country. Politically I think that would be extremely difficult, certainly for this administration to embrace. I actually think that it would be hard for even a Kerry administration to move to that. But my concern is that if this campaign fails, we're not going to have any choice.

MR. STEINBERG: Ken, before we turn to the others, the argument against the strategy that you've advocated has been that if the United States undertakes that, the Coalition undertakes it, that inevitably, however focused the effort is, that there are a lot of civilian casualties, that there's going to be a backlash and that this is inherently unable to produce a result, and that you really need to wait until there are Iraqi forces themselves able to do it, so at least when there are casualties, they're Iraqis, you know, fighting themselves over the future of their country. What's your reaction to that, and can we in fact--is there a possibility of a win for us, given that near certainty, as we've seen, even during these attacks, that there are civilians and a lot of others who are killed or injured as part of the operations?

MR. POLLACK: I think those are valid criticisms. I think that they are very legitimate, and I fully expect that that is what will happen. It's one of the reasons why I think that a true counterinsurgency strategy is by far the worst option. My fear is, as I said, we're not going to have any other alternative. You're right, Jim, it would be much better to do this with

Iraqi forces.

The simple fact of the matter is, it's going to take a very long time to have those forces available, and I don't think that we've got the luxury of time to wait. Again, if this campaign fails, if 12 months from now the Sunni Triangle is right back where it is today, I don't think that we have the time, you know, we can't wait the three, four, five years that David Petraeus has very rightly said it's going to take before you've got a fully capable Iraqi army that can take over the vast bulk of these missions.

Now, I do think that you can be training Iraqi forces and bring them on piecemeal, putting them in circumstances where they're not going to fail, giving them experience in small groups, and I think that is part of the counterinsurgency strategy, that one of the things that you want to do is to carve out these enclaves to create safe zones where Iraqi forces can train, gain experience, gain the trust of the people, make it clear that they are up to the job, give them the confidence and all the tools that they need.

This ultimately is by far the worse of the two options, but I think after two years of having failed to make the post-conflict stabilization model work, unless we're going to be able to come up with another 100, 150,000 American or foreign troops, I don't see any other way to do this.

MR. STEINBERG: Mike?

MR. O'HANLON: Thanks, Jim. And thanks to all of you for being here.

Let me pick up on this very point, because I want to add just one nuance to what Ken's been saying, 95 percent of which I fully agree with. The only point I would potentially

have somewhat of a different view on is when we should consider this big raid on Fallujah in particular, and how soon the Iraqis are likely to be ready to do it. I agree with Ken's concern--I think he put it this way--that the election timeline of January may be a little rushed, and we may be working back from that to think of when we have to do these raids. I'm concerned that's the wrong way to think about this, and we're probably, I believe, a few months away from when the Iraqis are really up to the job that we need to ask them to do in Fallujah. I agree with Ken's point again, and General Petraeus's point, three to five years is the time period you'd need to really build a fully experienced and capable Iraqi security force.

But if you just think about, for example, the mechanics of how we form units in the United States, how we bring people into the military, just a very basic primer 101, and my military colleagues may shudder at the oversimplification here, but basically you have 12 to 16 weeks of basic training, another 12 to 16 weeks of specialty training, and then you form people into units. So the way we do it in the U.S. military to begin to get a person who's a raw recruit into a combat capable unit, takes on the order of a year. That's obviously the minimal amount of time to get that person really up to speed, but within a year they begin to be capable of operating at fairly high proficiency within the combat unit.

In Iraq we haven't yet given David Petraeus that year. We've been at this for 18 months but we've changed our strategy on training and Ken's been a very good critic of the way we've done this in the past, a very compelling critic, and that's led me to conclude that we should begin to measure the current effort from more or less when Petraeus took over, not from the fall of Saddam in April of 2003.

So I'm inclined to think you're better off waiting until well into 2005 before you do this kind of a big raid, but that's just a gut instinct, and I acknowledge all the downsides to that approach as well, and we're going to hear more about the implications of potentially delaying elections, I'm sure, in just a couple minutes from our distinguished visitors on the panel. So that's just one comment I wanted to begin with.

A couple of other thoughts from the Iraq Index, and then I'll be done, too, and I look forward to hearing from Raad and Peter.

In security terms we all know--and Ken's made this point and I certainly agree--the situation is not good. Just to take off a few of the basic statistics, and you've been hearing more and more about them in the presidential race in recent weeks, so I don't need to spend a lot of time. But the best estimate we have of the size of the Iraqi resistance, which is always of course a very hard thing to estimate in any insurgency, but the best estimate is that it's at least four times the size that it was a year ago, and probably still growing. Twenty thousand or so hardened fighters is the current number. In fact, CENTCOM has gotten out of the business of issuing formal or even quasi-formal estimates because I think, (A) they know it's hard to do this, and (B) the news is not good. So the best we've gotten is from off-the-record interviews with CENTCOM intelligence chiefs and experts, and they've been saying that the insurgency, as far as they can tell, has grown by perhaps a factor of four since last year. That's bad news.

We're all aware of the frequency of attacks on U.S. personnel, the casualty totals for U.S. personnel, how the last few months have again seen a very disturbing trend upward. That continues into October. You're all aware we lost several people yesterday, apparently two

more today. The October pace of American casualties is now more or less on the same par with August and September, a very high level.

In addition to that, two more things which have not been as widely covered in the United States which concern Iraqis. One is that Iraqi civilian casualties from war appear now to be rising, and we have seen an upward trend in the statistics that Adriana Albuquerque and I have been tracking with the Iraq Index. It appears that in the last two, three, four months, the number of Iraqi civilians dying on a monthly basis from acts of war is up by, perhaps, a factor of two to three relative to six months ago. Again, these numbers are very rough, but they are disturbing. Even if they are largely wrong, I'm afraid they're at least partly right.

Also the crime rates in Baghdad and other major Iraqi cities, which have been very high ever since the fall of Saddam, and almost certainly higher than they were under Saddam, for that matter, as much of a depressing baseline as that may be to measure against, the crime rates are up again from what we can tell. Now, this is not from CENTCOM data, this is not from U.S. Embassy data. This is from reporters going to the Baghdad morgue and other places, and looking for information on how many people are dying of gunshot wounds and trying to ascertain how many of those victims were the result of war and how many were the result of routine crime. As best we can tell, the murder rate in Iraq is going up again. So crime is again a problem, even for those Iraqis who are not being caught in the cross-fire of war.

And this again gets to the issue of the ability to rebuild the economy and to maintain high Iraqi civilian morale in the effort to bring that country together and build a more prosperous and more stable future Iraq. Iraqis have a lot of objective conditions on the ground

that work against their optimism these days. So the security situation really is not good.

I'm encouraged that we have General Petraeus in charge of the training, that the basic approach seems to be very rigorous. That's the good news. And what it means I think is that the most likely scenario here is our exit strategy is becoming, in effect, not to win the war before we return to the United States, but to train the Iraqis to continue the war once we have them in good enough capability, good enough position to do that. So our exit strategy I think is becoming, either under President Bush or Senator Kerry, essentially to stay the course as long as we need to to get the Iraqis up to a competence to wage the war after we've gone.

I think all the trends that we see in the insurgency are that it's not going to be defeated or perhaps not even contained in the coming one to two years regardless or the intensity of our military involvement. I hope very much I'm wrong about that, but all the trends suggest that that is the reality.

On economics the news is at least slightly better but still not very good. The basic way to summarize Iraq's economy today is that infrastructure and services are roughly back to where they were under Saddam Hussein in the 2001-2002 time period. Now, you can look at one area and get a little bit better numbers like telephone service, you can look at another area and get a little worse numbers. For example cooking fuels, you can look at yet other areas and see more or less equality compared to Saddam Hussein levels like electricity production where we've at least gotten above the level from last year and gotten back up to more or less where things were under Saddam. Sometimes it's better in the countryside or in the smaller cities and a little worse in Baghdad, but the overall data for Iraq on electricity is now more or less a wash

compared to the pre-war baseline. But overall infrastructure services are about where they were under Saddam. It's not a very high threshold against which to measure.

And the bad news--that's not even the bad news--the bad news is unemployment. As far as we can tell, unemployment rates remain very high. There's an ongoing debate about this. Some people think unemployment rates are down into the 25 percent range. I think they're probably being too optimistic and counting a lot of people who are selling a few spare goods on the street as essentially having a job. As best we can tell, U.S. efforts in Iraq to create jobs have only produced in the range of 2 to 5 percent improvement in the unemployment rate. In other words, we've created somewhere between 200,000 and 500,000 jobs, depending on just how you count, whether you include what economists would call the indirect effects or the--not just the people who are directly hired, but those who are benefiting from their higher salaries and so forth and providing services to those who have been hired by the United States. Basically, the direct effects of our presence in Iraq are an improvement of no more than 5 percent in the unemployment rate.

Other things are happening in Iraq that are improving the employment situation, but not that fast, so our best estimate of where unemployment is today is in the range of 30 to 40 percent, which is not unprecedented in the world, but certainly is not healthy in any economy.

And of course this also leads to the simple fact you have a lot of unemployed young men on the streets, frustrated by how things are going, convinced we, the United States, could do a better job if we really wanted to, probably have friends or relatives who have been killed by now either by crime or in the ongoing counterinsurgency or insurgency, and therefore

have a lot of hostility which they often direct, unfair as it may be, towards us, and that is part of what's fueling, I'm afraid, the growth of the insurgency at this point.

So I think our presence is becoming in one sense necessary, but in another sense also, alas, part of the problem. So I am much less optimistic than I was a year ago about how this is headed. As I say, the exit strategy in my mind is becoming train the Iraqis well enough that they can carry on the war once we begin to downsize, hopefully within a year or two, and maybe even downsize quite a bit within a year or two if we're lucky.

One last point. I will finish on a note of a little bit more optimism, which is the Iraqi people, as best we can tell from polling, still are relatively optimistic about their future. And if we can figure out how to make the elections work more or less--and we'll hear about that in just a second--then I think we have a good chance of tapping into that optimism, which continues to be very resilient among the Iraqi people. They are simultaneously grateful Saddam is gone, angry as they could be against us for not making things better despite the fact that he's gone, and optimistic about the future even as they say that the present is not good. This is the kind of tension that you often see in public opinion polling even here in the United States. People say "Throw the bums out," but they vote for their own member of Congress anyway. So you have a little bit of that sense of gratitude and resentment at the same time. But in Iraq it's magnified by several orders of magnitude compared to most political systems because of the stakes involved, because of how much has been changing in Iraq, because of how much some things have gotten much better, and yet how much some things have actually gotten worse.

So if we can maintain that optimism, find a way to tap into it, I'm still hopeful that

we can have a relatively stable Iraq that over many years time becomes the kind of peaceful democracy we all aspire to, but I certainly don't imagine that that will be the case any time in the next couple of years.

I'll stop there.

MR. STEINBERG: Thank you, Michael.

Well, from a little closer than 5,000 miles away, we have our two guests. Peter, why don't you begin with the security issue?

MR. KHALIL: Thanks, Jim, and thanks to everyone for coming today too.

I think I agree with Mike and Ken's assessment for the security situation about 90 percent. I think there's some nuanced differences that I have. I want to talk about security in relation to rebuilding the Iraqi security forces, the capacity and capability of those forces, and also look a bit at security in relation to the insurgency, defeating it, at the very least containing it, and also looking at the threats posed by militias such as Sadr's militia and the overall militia policy.

I think the main point that I want to make is in rebuilding the Iraqi security sector, lifting up the capacity and capability of those forces, it's quality rather than quantity which is the key. You heard a lot of talk in the presidential debates about accelerating training, about putting 125,000 Iraqi security forces on the ground by the end of the year. I really think that misses the point. It's not about the numbers. It's actually about the quality and the capability of those Iraqi security forces to do the job. In a sense you really can't accelerate training. If you did that, for example, with the army, you would cut their training cycle from 8 weeks to 2 weeks, and what

you'd be doing is putting less than capable forces out onto the front line, and that leads to disaster in my view, for the sake only of pointing out that there's a lot of Iraqi security forces out on the front line.

So there's two points I want to make on that particular issue. Obviously, you need to increase the numbers of Iraqi security forces being trained, but by doing that you really have to maintain the length of the training time, the length of the training cycles and also the standards, and more importantly, I think, on that point a very good example is Iraqi police services. I mean they were at 80,000 strength I think in April and have dropped down to 40,000. That's because a lot of them didn't go through the full training cycle, have gone back into training. Some have been sacked for cooperating with the insurgency and for being incompetent, but that's a perfect example of pushing training or cutting training cycles to try and get numbers out on the ground and having less than capable forces to do the job.

But I think the more important point there as far as the policy, refocusing that policy on training, is that you need to focus training on specific types of Iraqi security forces that are capable of taking on the insurgent threat, specifically trained in counterinsurgency and counterterrorism operations.

If you look at the makeup of the Iraqi security forces, I mean everyone tends to sort of bundle it up into one homogenous whole of Iraqi security forces. There are very different types of forces being established and set up and trained with very different capabilities. The Iraqi army, I think at the moment is about 7,000 strong. It's 7 or 8 battalions I think. They have a 8-week training cycle. It's a lot less than the 12 to 16 weeks that Mike was talking about for

the U.S. military, but relative to the other Iraqi security forces, it actually is the longest training cycle. Some of these Iraqi army personnel are being trained in counterterrorism and counterinsurgency operations, and they need to do that because of the critical period that Iraq fights at the moment, but in the long run, the Iraqi army, as with any military, its role and mission really is to defend against the extent of aggression, defend the territorial integrity of its country.

At the moment they're really involved in internal security operations and domestic security, and they will be for probably 12 to 24 months into the future.

You look at the Iraqi National Guard, which is 40 battalions strong, it's around 36,000. The reason that the numbers are so high is because their training cycle was something like 5 days, so in a sense they are much less capable than the Iraqi army troops that are coming out. They're auxiliary type forces which are being used in joint operations with the multinational forces, but they're just not competent enough to really be put on the sharp edge if you like.

Then you have border security, which is around 40,000 I think currently. The border security I think is a 2-week training cycle. And then you've got the police, and as I said earlier, they're around 40,000 at the moment.

I want to make an important point about the police. The police are there to do--they're local policemen basically. They're there to look at solving crime on the streets, keeping law and order. I don't suggest that they sit around eating donuts and drinking coffee, but they are not capable, they're not trained to defeat an insurgency or take on an insurgency, and even our local police forces I think would have a great deal of difficulty if RPGs and mortars

were lobbed at their stations and they had daily attacks of that nature. So the answer's really not there, and they shouldn't be taking that on. They are some of the bravest Iraqi servicemen actually out there, because they keep coming to work every day even thought they're facing those dire threats.

What is needed is something we call "high-end internal security forces." What I mean by that, they're SWAT teams, they're specialized police forces, who are emergency response units, rapid response units. Civil Intervention Force is what we've called them, and they specifically train in counterinsurgency and counterterrorism operations. The good news is that late in the day in the CPA's time there, there was a policy pushed through to start training these types of forces. It happened a bit late in my opinion, but the good news is that it has happened. And you can see some of these forces starting to come out of the training pipeline, and they had some successes in Samarra. I think of the 2,000 Iraqi forces that joined the U.S. forces in retaking Samarra, some of them were those high-end internal security forces. They're battalions with a paramilitary like infantry capability, and also I think in Kirkuk just recently these particular forces conducted operations with the Americans just observing, and they were quite successful in doing that.

Unfortunately, the numbers are small because you need a longer training cycle to get that kind of expertise for those particular Iraqi forces.

I want to make an important point, too, about retaking Samarra and some of these other Sunni towns and cities preceding the election. I think the military can do this. I mean the U.S. military and the Iraqi military forces can do this. The real question is, as I think Ken

alluded to, is actually holding those cities during elections and then beyond that. And military forces, by their very nature, are not trained specifically to hold cities like that or conduct those kind of counterinsurgency and counterterrorism operations. So I think it's really those high-end forces which have the ability to do that, and they're the key I think in this puzzle.

I want to talk a bit quickly about the insurgency. There's been a lot of discussion about who makes up the insurgency and whatnot. The best way I have heard it described is that there's three circles. The inner circle is that core of insurgents; it's probably about 10 to 20,000 at the moment, although estimates vary. Ninety percent of them are Ba'athists, and I'm talking about the really bad guys, the ex-Mukhabarat, the intelligence guys, the ex-special security organization, and Fedayeen and others from the inner circle of the regime. And then you have a small number of foreign fighters who are Islamic ideologues, and there is some evidence that they are cooperating in conducting those attacks.

Then there's a middle circle around them of about 50 to 100,000 people who are actually providing support to those insurgents, and I'm talking about food, shelter, places to hide out, but they're not actually directly involved in the attacks in that sense.

And then you've got to the largest circle, which is the Iraqi population, which is something like 25 million, although we don't know exactly. And they're the passive population. In any counterinsurgency situation the key is to make sure that the majority of those people in that largest circle do not join the two inner circles. If that happens, you have a real problem.

So why is the U.S., which is the greatest military in the world, having such difficulty containing such a small number of insurgents? I won't go into a long expose about

this, but I think a part of the answer is military tactics. You know, precision-guided missiles hitting a house in which there are suspected two or three terrorists, even if the military command is deliberately trying not to harm civilians, often some civilians in the house next door, who could be there by accident, are killed or injured. And that's where the real problem is, because the families of those people, their relatives, there is a potential for them to join those two inner circles out of anger, whatever it is, and join the insurgency in a sense more directly. So I really think those tactics need to change, but I understand the U.S. military's reluctance, as far as force protection, of having U.S. soldiers do foot patrols, and then go house to house, neighborhood to neighborhood to root out these insurgents.

So I think the answer lies in fact in getting those particular specialized Iraqi police forces, those internal security forces be the front line in that activity, and especially when you do retake those major towns, having enough of those internal security forces to do that job, and it will release the pressure off the U.S. troops in that sense.

Just another point about the insurgency--I think the U.S. and I think most of us have already forgot about this--but we need to throw out this idea of hearts and minds. You know, I think it's really Iraqis are very pragmatic people, like most of us, and I think for them it's more about stomachs and pockets, and if you've got bread in the belly and you've got coins jingling in your pocket from employment, that's going to go a long way to ensuring that the majority of those people in that larger circle don't join the insurgency. So I think really we need to be realistic about Iraqis being amenable to foreign troops. They hate the fact that foreign troops are there, and that, that has been said. But I think they accept it. Raad would probably be

better informing you about the polling on this, but I think they accept the fact, because if they do leave, the chaos that would ensue frightens them even more.

So I think fundamentally the correct course is being taken as far as training and building up the Iraqi security forces, getting Iraqi security forces out there to do the job, but you really have to focus on the right type of forces to do that job, so just getting the numbers out there is not necessarily the answer. You need to focus on the right types of internal security forces to deal directly with the insurgent threat.

Just a quick comment on the militia policy in Iraq, and you note that the interim government is now trying to disarm Sadr's militia. One of the unheralded I think successes of the CPA that hasn't been discussed much was the fact that there was negotiations with something like 30 odd militias and private armed forces in Iraq to transition and reintegrate them into recruitment into the state security services, into employment programs, job programs, and into the private sector, and also retirement programs. And I think that has been a very, very good result because if you can imagine two or three or four of these militias around the country conducting attacks like Sadr has been, then things would be a lot worse than they actually are now.

My last comment would be on the elections, but more from the angle of security. I think that I'm not as pessimistic as some. I think it's actually quite important that the elections take place, but the key obviously is retaking those Sunni towns and cities. But the important part of that is not just retaking them, but it's holding and stabilizing them, as Ken has said. I think the key is the Iraqi security forces to do that job. Because he's quite right, if the military does retake

these towns and cities, it's a very high probability that things could just reverse after six months if you don't have the right types of forces in place in those cities.

But the other point about why it's so important to have those elections, in a sense I think it would be a serious blow to the insurgents. I don't know about the polling. Raad would probably be able to tell you more about that, but I think if Iraqis see a democratically elected government sworn in, that really deals a serious, serious blow to the insurgents. It doesn't mean they will not continue their attacks, and I think that will go on for the next year, two years possibly, but I think with each incremental step forward, elections become a really important milestone in that sense in lessening the insurgents' will in a sense.

So the key for all this I think is quality out of the quantity and getting the right types of forces, Iraqi forces in place, and whichever administration's in place in January, they need to refocus their policies on, and pushing all of their resources on training these particular types of forces.

There is one caveat to all of this, and that is you have to be very careful that you don't build up too strong an internal security apparatus because we don't want a police state in the future. As with every policy it's never 100 percent, so there's always a fine balance. And there's people nodding in the audience about that. That's something that has to be kept in mind. The way to do that, of course, is to ensure that there are very important underlying checks and balances in the national security institutions across the board, in the executive itself, but also the legislature as far as the use of force, and make sure that the principles such as civilian control of the military are embedded in the infrastructures that are being developed. In such a critical

period, that is not such an easy job, but I am hopeful that the work that was done in the last year or so as far as building those structures will hold.

Thank you.

MR. STEINBERG: Thank you. Let me draw you out a little bit more on the issue of the insurgency, and in particular, how it operates. You said the number of foreign fighters is small. Who's calling the shots? How organized is this? How much of a plan is there? And can you saw a word or two about Zarqawi's role in these operations?

MR. KHALIL: Well, it's interesting you mention Zarqawi, because I read a quote from an insurgent leader, an ex-Ba'athist, who called him mentally deranged. So there's obviously a lot of different groups within that insurgency--and I remember reading at least once, which had 25 or 30 different political groups, the Iraq Liberation Army, the Secret Islamic Army, and they've got all the variations of those--they don't all necessarily have the same agenda, but recently we've some evidence that they have been working together, because they might not be friends in a sense, but they have the same enemy, if you like.

As far as the numbers, it's been very difficult throughout to pin down the exact numbers of these insurgents. I think it's a shifting thing, as I said. Without that circle analogy, if you have people moving in and out of that frequently, the numbers can change. There's been some growth in the numbers too. And one of the major recruitment areas for the insurgency to go to the ex-Ba'athists is, as I mentioned earlier, the special security organizations, the Mukhabarat, the--even some special Republican Guard former personnel, a lot of these guys who during the CPA time couldn't get a job in the public service because of that de-Ba'athification

policy in which the top members of the Ba'ath Party were disallowed from working in government and so forth. So I think a lot of them have joined the insurgency in that sense.

And I note with interest, Ayad Allawi's, the Prime Minister's policy to try and bring some of these people back into government and back into the political process and so forth. I think that will have some marginal success, but I do think that--particularly the Ba'athists--but I think especially with the foreign fighters and the Islamic fundamentalists that that's going to have no effect at all because their agenda's completely different, and if an ex-Ba'athist who's conducting parts of the insurgency is calling Zarqawi mentally deranged, then I don't see how they can be negotiated with or brought in at all. And most Iraqis despise a lot of these foreigners that are within their country.

Your question on Zarqawi was?

MR. STEINBERG: How organized is the control? How much is there a plan? What role does he play as we look at the sort of series of car bomb attacks, and like are these serendipitous? Is there a master plan? And how are the forces being organized, commanded, deployed?

MR. KHALIL: Well, I think there is a plan, and I think they are very organized, particularly the Islamic fundamentalists. But remember that they're a mixed group. Some of them are the hard core fundamentalists who have had the training and have connections with al Qaeda, but there are many of those who have come across idealistic--that's probably the wrong word, but people who have come from the madrassas, from the Islamic fundamentalist mosques around the region, and they are actually the cannon fodder. Most of them are the suicide

bombers, and they don't have any specific training or anything like that. So it's a mixed group.

As far as how they're set up in their planning, as far as I know, I know that they operate in cells and this is part of the problem, you know. You cannot take out--if you try and chase down two or three terrorists in a building, it's very hard to do that with standoff missiles and things like that. You need to have those troops, foot soldiers on the ground or security forces to take them out, because it does cause civilian casualties.

The organization I think is breaking up too, particularly with some of the recent military incursions in Samarra and so forth, and I think--I mean the good thing about U.S. military tactics is that that overwhelming firepower does eventually get some of them, although it does cause that damage on the side.

MR. STEINBERG: Raad?

MR. ALKADIRI: There is nothing like going last in a sort of set of discussions like this because you find that everyone else has basically taken your good points.

[Laughter.]

MR. ALKADIRI: And it always makes me laugh to hear Ken when he describes, you know, "I would like to hear the view from inside," and then gives precisely the talk that I was going to give.

[Laughter.]

MR. ALKADIRI: So whatever listening devices existed within CPA, clearly have done their job.

Having said that, there are I think a couple of issues that do need to be pointed

out, and I think a couple of issues that we can go a little further in the discussion on. The discussion is rightly focused on security. Security is a vital aspect. It's going to be vital to the success of elections, which is the issue that I would like to focus on most.

We've seen some successes over the last few weeks. I think actually the operation that Ken alluded to, the operation to effectively pacify various insurgency strongholds, has already begun. What's happening is it's taking place in a step-by-step process, basically focusing on one town after another. He's right also I think in terms of identifying the need to be able to hold towns and the need to be able to do something other than just have a kinetic operation for this to be a success.

I think the jury is still out on whether Samarra was a success. The jury's still out even if over the next few weeks and months the U.S. military, backed by Iraqi security forces, can actually get hold of the situation and actually remove insurgents from these towns, whether in fact you are not going to see insurgents just dissolving away, much as the Iraqi army did during the war in 2003, but also this crucial issue of hearts and minds. I like the way that Peter described it because he's absolutely right, but that's what hearts and minds is.

All of that is linked quite crucially to the issue of elections. Now, there is a view that is somewhat pervasive at the moment. It seems to suggest that elections in and of themselves will be a palliative to some of the security problems in Iraq, mixed with a hard edged overwhelming use of force type of strategy against the insurgency, but ultimately what you're going to get is a real sea change in the situation in Iraq, and therefore, that after January, if all of this can come together, having elections on time, having this operation take place, you will see a

turn of the corner, a move on to a sort of more stable situation, and ultimately a move towards a much more successful strategy in Iraq.

I'd like to suggest that that isn't possibly the case, and that in fact it's linked to a number of misperceptions, misperceptions about the nature of the insurgency, misperceptions about what Iraqi attitudes are both through the insurgency and more generally, and misperceptions about Iraqi society. There has been a guiding notion that underpins policy in the United States, and to a certain extent in the United Kingdom, that Iraq is a set of three monolithic entities: Kurds, Sunnis and Shi'a, that all have very readily identifiable leadership, and all of these communities, or these individual communities all share a common opinion. And if anything that we've learned in the last two years, if there was one point that should have come out, is that that is actually a wrong framework of analysis moving forward.

Now, I think it is fair to say that the Kurds are different, that there is a different ethnic split in Iraq, but in terms of looking at the Arab community in particular and looking at Sunni-Shi'a politics, that it may not be as simple as that, and therefore, when you start devising policy on that basis, what you are going to have at the end of the day is, if not bad policy, certainly policy that is founded on very incorrect notions.

If you look at the insurgency, there is a notion that this is purely a Sunni phenomenon. Now, understandably, given the geographic area where most of this is taking place, that's an understandable, certainly an understandable headline to use for it, but there's also this notion at the same time linked to elections that sectarian and ethnic identity is going to be what guides voting patterns, that ultimately every Shi'a in Iraq is going to vote for a Shi'a, every

Kurd is going to vote for a Kurd and every Sunni is going to vote for a Sunni, and that is going to be the basic--that is going to be the way that these elections play out.

Ken alluded to it in terms of a proportional representation issue and how if you have one community not participating that you will have problems in a proportional representation system. What the thinking is, and I think Secretary Rumsfeld identified it quite well, certainly exemplified the thinking quite well with some of his blunt comments recently, is that 70 to 85 percent of the population under present circumstances will vote. Loosely translated that means that the Shi'a and the Kurds will vote, and that the Sunnis may boycott this or will vote in less numbers, and that if you have a government that is founded on this basis, because of the pure proportion, 75 to 80 percent, that that government is going to have legitimacy, again, bringing in the notion that everyone in those communities is going to vote. Under those circumstances I think there is a thought that with the use of force the insurgency can be contained, and what you leave the Sunni community with is a simple option, either you face a continued onslaught if you continue with an insurgency, or you join the system. The alternative is to be disenfranchised.

Now, it is certainly one way of looking at the legitimacy of a government, even if it was a correct way of looking at Iraq, that if 18 percent of a population vote for government, then surely it does have some legitimacy. But I would argue that you need to look at legitimacy in the Iraqi case in a very different way, and it's a way that my colleagues here have all alluded to. Effectively, what the present interim government has to do and what a future transitional government will have to do, is to succeed where the CPA failed. What it has to do is win the

hearts and minds of a broad number of Iraqis by delivering what Iraqis want, not what we think they should have.

In all of the discussions we had through this year in the CPA and in a whole host of opinion polls that have been done, three issues have been raised by Iraqis as their key demands of their administration. The first and foremost has been security, but it has been security not so much on an insurgency level, which is where everything is focused right now, but actually on the issues that Michael pointed to, which is the issue of crime. Iraqis, quite simply, feel less safe now in many parts of the country than they did beforehand, not politically, but personally, and that's a crucial difference, and that's something that they want to see delivery on.

The second thing that they point to is services. Now, Michael pointed out that services, particularly electricity--and electricity has been one of those bug-bear issues--electricity is something that has improved and gradually gotten back up to the levels of pre-April 2003, but the reality is, for the vast majority of time since April 2003, electricity hasn't reached those levels. And in fact, while electricity is better distributed throughout the country, while certain parts of the country enjoy better electricity supplies than was the case under Saddam, the reality is that in the months past March of this year up to the end of the CPA period, the electricity production went down. There are a whole host of reasons for this that were beyond the CPA's capacity to change things. The insurgency targeted that system very carefully, but the reality is, in Iraqi minds that didn't matter. We failed to deliver. And what they're now looking at is a government, and what they will look at in the future, is a government that can deliver on that aspect.

The third issue, the one of the economy, is equally crucial. There's more than just the issue of how high unemployment is in Iraq. I think there is a case in Iraq where employment is looked upon not as having a job, but having a job in the public sector. And that, actually, given the demands that are already there on the government, is going to be something that is very difficult to actually be able to deliver. So it may not just be a simple employment numbers issue that we're looking at, but actually how you change a whole mindset of a country that has been used to seeing public sector jobs as a very secure means of survival, as the way that you can guarantee food on your table and jingly change in your pocket, I believe was the phrase.

That is basically going to be what Allawi has to do with this present government, that's what he's going to have to produce, and that is what a transitional government's going to have to produce.

Now, we've talked a lot about the insurgency. We've talked a lot about what the key is going to be, and the key, in terms of dealing with the insurgency, may also be the key to delivering good elections. There is a danger that you get a boycott of these elections not just from representatives of one particular community, but that you get a boycott or you get apathy from a far broader range of Iraqis, a range of Iraqis that have been summed up euphemistically, at least in London, as pissed off Iraqis, or POIs as the phrase has now become.

[Laughter.]

MR. ALKADIRI: So when you see that used, you know now what it refers to. But that group of Iraqis is actually very crucial. It is the group that Peter described that are his two outer circles. There are extremes in terms of former regime elements, and there are

extremes in terms of Islamistic stream as the radicals, that will not accept the system. But the key is going to be to get the group that lies between that to accept the system. We've already had some very bad signposts on the way of this transition so far.

If you go back to the National Assembly and if you go back to the National Conference that preceded it in August of this year, what you found were two things, and two things that actually have worrying precedents moving forwards. One was that ultimately when the National Assembly was formed, it became a form of stature between the parties that had dominated Iraqi politics since April 2003, parties that in many cases don't enjoy a wide constituency. The Kurdish parties, again, are probably the exception to that. But looking at the other parties that are involved in this, including the Prime Minister's party, the number of Iraqis that actually support them may be quite limited.

But there was an equally if not more worrying aspect that came out, and that was the fact that a group of Iraqis who you can broadly categorize as nationalists refused to accept invitations to participate in this process. They kept themselves outside of the transition. They were making, in other words, a political gamble that said, "Our agenda is better served not in being inside the system but opposing the government, but rather opposing this system all together." That is what legitimacy is about, and those are the groups that you're going to have to bring on board.

Now, Ayad Allawi has started a very interesting program, and his program is one that I think has been going on long before he ever became Prime Minister, and that is, it's tended to focus on what are known as the Sunni heartlands. It has tended to focus on elements of the

former security services, the former regime, those individuals that he has deemed at least to be acceptable to be part of this. That process is now taking on a more formal structure, and it's something that he has tried to put in place, knowing that if you have this boycott, and knowing that this boycott may actually be wider than is anticipated, you are going to have problems in terms of going into elections.

Now, why is all of this actually important? I mean at a certain point, if you can put in place an elected government, if you can have elections of sort, if they take place in most parts of the country, if you muddle through, in other words, then yes, you could get something that may have greater legitimacy than it does now, but you can certainly get something that you could build on in the future. There is, however, to me, one looming problem with this process that needs to be considered, and that is what the transitional government that's going to be elected is there to do. Its job primarily is to write a new permanent constitution for this country. What it basically therefore has to do is start dealing with all of the issues that have dogged the history of Iraq for the last 80 years, and in many cases has made it the basket case that it became in the '80s and '90s.

What you need to do therefore is have the broadest representation possible and the broadest legitimacy possible to be able to come up with the decisions, the compromises that are going to leave in place a lasting document that can be the foundation for stability in this country and that can be the foundation for future institutions in this country. Otherwise, what you're going to get is a document that is regarded as illegitimate no matter how good its principles are and no matter how good the elements that put it together are. And there are some

really crucial issues that are going to be discussed here, all of which were discussed in the negotiations for the transitional administrative law.

Now, there are one or two people in this room who were involved in those negotiations, as was I, and know how difficult they were, but also know how crucial some of the questions that came up were, issues to do with the relationship between the central government and the provinces, issues to do with regional autonomy, issues to do with the role of Islam in the state, the rights of minorities and majorities, resource ownership, revenue distribution, essentially all of the things that come together to make up a state and to make up a workable state.

So by simply saying that you can have elections and by simply saying that if a majority of the country participates in those elections, that you will have a legitimate government. And by simply saying that as long as you can move step by step, you are building on something that leads to progress, may actually be the wrong way of looking about this, and actually what we're going to go through in the next few months may be the most crucial period in defining whether Iraq becomes a successful stable state or whether what you have is a continuation and a broadening of insurgency and a broadening of the problems in a region that is already volatile.

When Ken sent me an e-mail he said, "I want you to finish with needs, what needs to be done," which is a horrible thing in this situation because I'm not sure it's very clear exactly what needs to be done. There are a whole host of moving objects that we have to try and control, but I would point to a couple of things.

The first is security. I think everything that has been said about security here is correct. Peter mentioned one point that I think does bear thinking about a little further in terms of security, and it wasn't actually his training issue, which I think is very pertinent and one that a lot of people forget. But it's actually the issue of Iraqis wanting security to be maintained by foreign forces. When you look at the polls, most Iraqis will say that they don't like the occupation, but if you then put the question to them: Well, should foreign forces leave? They'll say no. The schizophrenia is explained by the fact that they are actually scared of what will happen in the vacuum, and they are actually scared that some of the forces that dominate the political system right now will actually move and create a country that I think is not necessarily what a large plurality of Iraqis, middle class, secular by politics, and relatively nationalist or at very least--[tape change]--would like to see for their country to become.

The second issue is economic support, and it is vital. Thus far the money has not gotten through quickly enough, and Washington is very good, or various parts of Washington are very good at throwing the blame at each other, but the reality is that the money isn't coming down on the ground, and without that money coming down on the ground it is going to be very difficult to convince the Iraqis that what is being offered to them is a better future, and again, that is the crucial point to lay out to them and to convince them of.

There also needs to be a continuation of a process of national reconciliation. All Iraqis, a lot more than actually feel it right now, need to think that there is something in this process for them. Michael pointed out the poll issue, that a large number of Iraqis certainly, when polled, are very optimistic about the future, far more optimistic than are pessimistic. That

has been the case since last year. Generally if you asked them, are you optimistic about the future in a year's time? They'll say yes. When you start taking the lag effect, they seem to be very pessimistic about what's gone on before and where they are right now, and that optimism pervades into the future. There is a danger to a certain point that optimism is going to shift, and that they are going to actually think that this system doesn't, and this new order doesn't actually have something in it for them, and that will be a very dangerous shift in public opinion.

But finally, and I think in the long term, there's one issue that rarely gets discussed in all of this debate about the future of Iraq, and that is the capacity building that needs to be done on the administrative side of the Iraqi Government and the Iraqi State.

There's been a lot of criticism of the CPA and a lot of criticism of the mistakes that have been made over the last 18 months in terms of its operation. But I think it's worth pointing out that there was one overriding success that the CPA had, and that was the CPA in the provinces. The CPA in the provinces provided a vital function on two levels.

One, they were able to mediate between rival forces that didn't often get on with each other, often had rival ambitions at the very least if not rival agendas about what they wanted to achieve. There were key CPA personnel who really stood out in their ability to be able to manage that kind of tension. Equally importantly, they filled an administrative gap. They were much closer to the local populations. They understood the local populations. And they were able to act as a link between the center and individual provinces. That does not exist right now.

And the danger in Iraq long term--and I will leave you with this thought--is not that you are going to have a civil war between the Shi'a, the Kurds and the Sunnis. It is not that

this country will disintegrate necessarily into units on that basis, but rather, without this administrative capacity, with continuing tension, and with a feeling that a central government is illegitimate and that the process that the central government is pursuing is illegitimate, that you will have a very local fragmentation, decentralization in a very anarchic way, that could be far more dangerous actually than a civil war in the manner that most people think about, and that ultimately is what this process needs to defend against as much as anything else.

MR. STEINBERG: Thank you, Raad. I take it that Ken also told you to end on an optimistic note.

[Laughter.]

MR. STEINBERG: I have lots more questions, but I want to give our audience a chance to ask theirs. They were terrific presentations. And now I'll turn to the audience. If you would wait until I call on you. When you get a microphone, please identify yourself and then ask your question and we'll start right here, right behind you.

QUESTIONER: Thank you. Thank you very much all for your presentations. They were very interesting. Stan Croft from Business Week.

One question directed to the entire panel. What will the implications of the U.S. election be for Iraq's future? In particular, if President Bush is reelected, will he have to scale back his vision for Iraq in the region? And if Senator Kerry tries to emphasize more the war on terrorism and de-emphasize Iraq, what are the implications of that?

MR. STEINBERG: Stan, I was so impressed by the fact that we managed to get this far into the presentation without doing any domestic U.S. politics, and here we go with the

first question.

Ken?

MR. POLLACK: Oh, I get this.

[Laughter.]

MR. POLLACK: I think there is no question, Stan, that with some of the Bush administration, if the Bush administration gets reelected, I think they have had to already rethink their approach to the Middle East broadly. I mean we went into this, and they proposed a very idealistic idea that you would transform Iraq, and the transformation of Iraq would become a catalyst for the transformation of the region.

I think the administration has become a lot more realistic recently and they now recognize that a transformation of Iraq is going to take much longer, even taking their--I think they're too optimistic even about the pace of the transformation of Iraq and what's going to be necessary, but I think they've been a lot more realistic in terms of what's going to happen there.

What I'm concerned about, to tell you the truth--and I'm going to make this point about both the Kerry campaign and the Bush administration--is that I don't know what happens after January 20, 2005. And it's one of the reasons why I think what's going on now, in terms of the run up to the election and what the election produces, and this campaign, which we've all been talking about, this military campaign to try to pacify the key towns of the Sunni Triangle, is so critical, because those two elements are going to define the reality of early 2005 in which both groups are going to make, I think, very far-reaching decisions about Iraq.

On the Bush side the question's going to be: do we stick this out or do we cut and

run? And I think on the one hand you could basically make a case that the President's going to say, "This is my legacy. No matter what else happens, history is going to judge me based on what happens in Iraq, and by God, I'm going to stick this out and I'm going to make it work, and I believe this is the central front on the war on terrorism." And all that will suggest to me that they will simply continue doing what they're doing. And you've heard me criticize that any number of times, so I'm not terribly happy with that, but nevertheless, it's better to me than the alternative, which would be a political calculation of, election's behind us. We can get out of this now. We have elections, we declare victory and we go home. And then we have four years to forget about the whole thing before the next election, have the American people forget about it.

I think on the Democratic side you're going to have an equal set of questions to ask. There is going to be a camp that is going to push very hard for doing exactly what Senator Kerry is saying. We're going to fight the war in Iraq, but we are going to do it better. We're going to make changes. And I would hope that they would take on board any number of the criticisms that you've heard me level against the Bush administration's approach to Iraq, but I just don't know what a Kerry administration exactly will decide to do. The candidate has made it very clear that he thinks the war is winnable. It's a long-term struggle. It's going to take a lot of effort and it's going to take changing some things, but he's committed himself to doing it.

That said, I think that there will be a political risk, something I'm equally concerned about with the Kerry administration as I am with the Bush administration, that the political types will, you know, January 2005 or February 2005, will come around, and especially if these two things fails: If the elections produce bad results, and if this counterinsurgency

campaign, this one that we're running through the Sunni Triangle, doesn't produce lasting results, as we've all been emphasizing. Then under those circumstances I think you will see the political elements of the Democratic Party say, "Now is our chance to get out. We can blame all this on the Bush administration and just say, you know what? We thought that this was doable, but we got into office and we found out that it was much more of a mess than we ever expected."

So I can see both considerations playing out on either side. I hope whoever wins gets the answer right. I don't think cutting and running is a good idea, but I'm concerned about either side.

MR. STEINBERG: Comments?

MR. O'HANLON: I'll just say two very quick things. One is that those who think that Senator Kerry would somehow be more apt to leave have to wrestle with the fact that he's proposing a 40,000 troop increase in the size of the army, which you do for one reason and one reason only, which is to sustain the operation in Iraq. There really is no other purpose to such a policy, which has become in many ways the centerpiece of his defense position.

So I think that on that point you go in with two candidates committed to success. On the other hand, I think that if you look at this in a serious way, you have to, in my opinion, begin to conclude that success means training the Iraqis well enough to continue the war after we have gone home, that we're not going to win the war in the one- to two- to three-year time period that is the most plausible period when a major U.S. presence would still be in Iraq at comparable numbers to those of today.

So I think for either Bush or Kerry it's not a question of cutting and running.

That's a possibility I suppose theoretically. But the more likely scenario is, let's keep training these Iraqi security forces well enough so that we can essentially hand off the job to them, maybe keep 20,000 American forces in Iraq thereafter as a way to back them up if they get into tough fights, but increasingly give Iraq back to Iraqis, and do that on a time period of maybe two years ballpark. In that sense I take Kerry's proposal seriously, that he would hope to get American forces largely out of Iraq in his first term if elected.

MR. STEINBERG: I just add, you know, I think one of the problems here is that I think on neither candidate's side have we gotten a lot of clarity about what they think is both an achievable and acceptable end state. And I think that part of trying to decide what the strategy is is clarifying where you think you can get.

Right next to--

QUESTIONER: Hi. Kubat Alabany [ph] from the PUK. I have a question for Peter and a question for Raad. The question for Raad: can you talk about the merits or the possible negativities of decentralizing not only the politics but also the economy and the oil industry throughout the--rather than centralizing it all within the government?

And to Peter: could you talk a little bit about the role of the 36th ICDC Battalion, and whether that was a successful experiment or not? Thank you.

MR. ALKADIRI: There's nothing like a leading question. Thank you, my friend.

[Laughter.]

MR. ALKADIRI: You are as well aware as I am that there have been a variety of discussions about decentralization, centralization in Iraq. The notion of decentralization I think

is founded on two things. One, that you do not want to have a government that can be as repressive and as authoritarian as previous governments have been in Iraq. And the way to do that is to ensure that there is a distribution of power to the regions. The second thing is obviously a recognition that the Kurdish region has had a very different history over the last 12 years and that there is no turning back on that history and that obviously there is going to need to be a discussion if there's going to an Arab-Kurdish national reconciliation and the creation of a workable government that takes that into account.

My views on this really come from a broader look that Kurdistan is the exception that proves the rule in Iraq. If you take that area, that regional government on its own, it has clearly worked very well. It is clearly working very well, and it's very stable. The Kurds committed themselves to being part of the future in Iraq and remaining part of the future of Iraq, and that is going to require compromises on both sides.

My fear in terms of decentralization and how it's been carried out and how it may be carried out in the future, I think are twofold. One is purely administrative. It goes back to this issue that I said that once you've taken out the provincial CPAs in many parts of Iraq, what do you have to replace it? Do you have a structure in place? Do you have the capacities in place to allow a ministry in Baghdad to be able to send an order to a ministry in any province in Iraq and be ensured that that's carried out, to ensure that policy is national, and to ensure that you do have that linkage between the two so you don't have various regions, various provinces, various towns going off on their own direction? I think that is crucially important, and that does point in the short term, particularly given the security situation, to a greater emphasis on centralization

than was there during the CPA, certainly, having a program of decentralization, which was something that the CPA really lacked. It tended to be very ad hoc.

But I think the second issue is this one of having a decentralized process where there hasn't been a genuine national decision to keep things in order. One of the most worrying signals I've seen for a while were signals out of the south recently, where representatives from Basra, Amara, and (?) were talking about the need to have a regional government similar to that that the Kurds have, that they needed to control their local resources, that they needed to have ownership and management over their natural resources to control revenue. The question is: why are they doing that? Is this about having a more efficient policy, a policy that is more locally oriented, or is this ultimately about splitting the state up?

One circumstance will actually strengthen Iraq. One circumstance will probably make it more stable, the first. But if it's the latter, if there is an element of disingenuousness about the statements coming out of Basra or the statements coming out of anywhere else in Iraq in terms of what they want to see for the future of the state, then you're just going to exacerbate this unraveling of the state.

I know there are a whole host of people who argue that that isn't necessarily a bad thing, but I don't think they've thought of the consequences of that moving forward and what it will require to actually make that work.

So those would be my answers on that one.

MR. KHALIL: Thanks. And at least you got to go first this time, Raad. Australians are always last, more as a coalition partner.

The 36th Battalion, if you're not all aware of it, is a special battalion which was recruited largely from the different militias attached to the political parties in Iraq. It's a battalion within the Iraqi National Guard. As I said earlier, there's 40 battalions.

One of the advantages of their National Guard is that they are locally recruited, locally trained, locally utilized. So in any particular town, if it's Arbil or if it's Basra you have the battalions of the National Guard based there and operating in those areas. And of course you have local commanders. So there's a connection with the community in that area.

The difference, of course, with the 36th Battalion is that you have bits and pieces from all these militias and private armed forces that were attached to political parties. Personally I was against it. I didn't think it was a good idea because the 36th Battalion, the idea was to utilize it, to deploy it, whereas the other National Guard battalions are not necessarily deployable. They operate within their regional base for any crisis situation, whereas the 36th Battalion you could move around, ostensibly in Baghdad, but I am not sure. I think they have used the 36th outside of Baghdad.

And the problem with that of course--and I think this is what you're alluding to--is that if you have this particular battalion conducting operations in Fallujah or Samarra or places like that, you have a battalion made up of former Shera militiamen, former pesh merga, former militia from INA or the INC or whatever, all grouped into one. This could be counterproductive as far as the Sunni population that is confronting this battalion, so I don't think it was a good idea. But it was one of those things that needed to be done at the time because of this rush, as I said earlier, about getting security forces out there and upper Iraqi security forces out there and

operating.

The preference is--and with all of the security forces--is to have a merit-based recruitment drive. You have the recruits coming in trained equally. There's no differentiation as to the ethnicity or the religion or anything like that, and the 36th Battalion undermines some of those principles. And I could positively say that as a rule across the security services, there has been a very--how can I put it--the important principle of making sure that there's no differentiation between ethnicity and religious background has been upheld, and it hasn't in the 36th Battalion.

MR. STEINBERG: Right over here.

QUESTIONER: David Chambers from the Middle East Institute. Thank you all very much for your comments. I've got to say that after listening to all this I feel like I'm in some kind of bad Monty Python movie.

Ken, you know, your description of the model of Iraq, you know, Yugoslavia, at least when it fell apart it fell into little pieces and coalesced somewhat. Iraq, we've been pushing to keep it federalized, so I don't see that model working because we're trying to keep something together where we created a vacuum there in the first place.

Peter and Michael, you know, I get this vision of King Arthur's troops, you know, running away every time--you know, I mean the Iraqi soldiers you described with all their training and the police sound like Keystone Cops or cheerleaders at best, who can only cheer for what's supposed to be their own team, which is not a very pretty picture.

And Raad, I thought your analysis was incredible and I wonder what you see in

terms of the chance of this delicate game going on between those politicians who are staying out of the current government, actually either joining the current transitional government in the upcoming elections or actually successfully forming something on their own. I mean Allawi must be under the same kind of pressure that Saddam was, at least in daily life, constantly fearing for his own. How in this situation are we going to have any kind of security, particularly from Iraqis, in the next couple months, and how can Allawi in particular try to put together some kind of government in this situation, elections or no elections?

MR. ALKADIRI: It's the vital issue. I don't think this is a couple of months program, which is one of the reasons why I think pushing for elections in January willy-nilly, as if elections are an end in themselves, is so dangerous. This is a program that is going to take some time to get off the ground.

There is, I think, a way to attract a greater number of Iraqis into this process. There is a way I think of bringing on the pissed off Iraqis and giving them a sense that they have a stake in it, and that's the crucial issue. It's a stake. When you look at what the CPA did and when you look at what the early months of the occupation did, they basically focused on a relatively small number of Iraqi groups, the vast majority of which were exiles and lacked real constituencies on the ground, and took not only that political vision of Iraq but took them to be representatives of the wider community of Iraq, leaving what may have been what I described as this large plurality, what may have been our best constituency as the CPA outside of defense, and it really was genuinely outside of defense, outside of the Green Zone. These were the groups that we had the least connection with, and the reality is these are also the groups that

were least organized

So you have two things. One is actually understanding what these Iraqis would want to be part of the system and the other thing is seeing them form political organizations on their own. Both I think are happening, but they're happening gradually. The question is can you actually accelerate this process and can you encourage this process to take place? But it also has to be balanced.

One of the things that was very clear was there were a lot of moving objects in Iraq, and you have to make sure that each one of these moving objects works. The tendency was to focus on one to the exclusion of the other. There is a danger that that will happen again. You can see it already in terms of Sunni outreach. You can see it already in terms of: how do we deal with the insurgency?

But you deal with that. You find ways of bringing the elections about from that aspect without thinking about the other aspect, that is. There are other genuine constituencies in this country. You have to make sure that they also feel that they are not being left behind, that you're not going back to old ways. It's an incredibly difficult process, but I would argue that if you could start a reconciliation program, and if you started basing the political vehicles in this country on a more Iraqi basis as opposed to emphasizing, as we tended to, sectarianism or ethnicity, and you started delivering on those three issues that I described as being fundamental, those were the messages we were getting from a whole host of Iraqis when we were there.

I don't think they've changed, but that is not a two-month process. Just winning the trust of these people is going to take six months, a year. Now, you don't have that before you

can have elections, but you have to begin this process, or otherwise you might as well throw up your hands and say this is a failure at this point and let's get the hell out of here.

QUESTIONER: Do you see this?

MR. STEINBERG: There's a lot of other questions, and there's obviously a lot to be pursued here, but let's keep going.

QUESTIONER: Thanks. Gary Mitchell from the Mitchell Report.

I want to ask a question about elections, theirs, not ours. And it goes like this: as I listened this morning it seemed to me that job number one sort of has three components, security, stomachs and pockets, and good governance. If you were to have those elections in January, how does that address any of those three issues? That's the first part of the question. The second part is: who decides, Sistani or somebody at 1600 Pennsylvania Avenue, whether those elections really get held in January?

MR. KHALIL: Can I just make a quick point about that before--and it's very quick. I think it's a three-step process as far as the elections. My definition of success is quite modest. If you take those cities and towns in the Sunni Triangle, and you hold them, as I've described, then really the third step and most important step is having the Sunni populace come out, register, and vote. Otherwise that doesn't make a difference. You're still going to have all those scenarios of failure that we've spoken about.

And a key to that is this--and you mentioned it briefly, Sunni outreach--is getting that message across to the Sunni population, that they have a stake in the future state of Iraq just as much as any of the other different ethnicities and people with religious backgrounds in the

country. And the argument I think is, look, there is a potential for Iraq to be a very prosperous wealthy country 5, 10 years down the track, and even though you were the elite for the past 1,500 years or whatever it is, or 500 years, your stake in the country's actually going to be a lot larger in the future than it ever was under the Ba'athist regime, because remember, under Saddam, the Sunnis were--well, not all the Sunnis are the elite. I mean he would promote some of these clansmen of the Tikriti clan to become three-star generals even though they couldn't read or write. So not all Sunnis were empowered, and a lot of the Sunni professional class, particularly the military class, were put off by that.

So I think the message, two things, you need to get them to register and vote, but to do that you need to get that message across, so they see a future for themselves. The other groups in Iraq, but I think the key is with this Sunni populace.

Sorry, Raad.

MR. ALKADIRI: No, I couldn't agree more, and I think that points to what I would give you as a very short answer to the question. I'd flip it around. It's not whether the elections serve those three steps. It's that you need those three steps to make workable elections. It's about creating this sense that you have a stake in the future of this country. That's what's going to make elections work. Otherwise, you'll either get a large-scale boycott or a government that comes up as going to sort of lose legitimacy very quickly because it doesn't deliver on these things. So I think it's precisely the other way around.

I can't remember the second question.

MR. STEINBERG: Let me take one more, all the way in the back.

QUESTIONER: [Inaudible] with National Public Radio. I had a question about reconstruction and burden sharing, which is also a big issue in the U.S. The Japan Donors Conference just ended. No major new pledges, just promises to speed up aid. And I wonder if you think that international aid efforts have been stymied simply because of security or is there also an element that, well, we don't want to bail out the Bush administration right now, and we'll wait and see what happens in the U.S. elections?

MR. STEINBERG: Mike?

MR. O'HANLON: I'm a little worried that there is a fair amount of the latter going on because, frankly, as much as I would like to have hoped that Vice President Cheney's comments, when debating Senator Edwards, were correct, that we had had $80 billion worth of debt forgiveness, as you just pointed out, we haven't. And the amount of grants that's been offered by other countries is now in the range of about $5 billion, meaning that our contribution is not quite the 90 percent the Kerry-Edwards ticket says, but it's at least 75 percent in those terms, and that's way too disproportionate of an American contribution, especially when we are really providing 90 percent of the effective military contribution, at least as measured in dollar terms.

So it's just really not an international effort that's being taken seriously by most of the world community at this time, and the only way I can explain that is because of the politics and the disagreements that led to the decision to use war in the first place.

MR. POLLACK: I agree with Mike that there may be some reluctance to bail the Bush administration out, but I also think there's going to be a lot of reluctance to bail a potential

Kerry administration out too. And I think one of the things that's been very clear is that even if there is a change here in Washington, that there's no great enthusiasm, at least among Europeans, for playing a greater role.

There's deep skepticism about whether there's any successful strategy here and no sense in which somehow coming into the game would make a difference, or even that the stakes that they have there in succeeding, would lead them to make a different assessment. I think we've seen that in the whole discussion about the role of troops, and I think it's equally true with respect to financial contributions, that there is a kind of perspective, particularly among Europeans, that this is simply an adventure which is going to come to no good, that it's unpopular in their own countries and therefore hard to mobilize a constituency for doing very much about it.

MR. STEINBERG: Anyway, thank you all. Thanks to the panel for a terrific presentation.

[Applause.]

[End of panel program.]