

INTRODUCTION

Iraq still hangs in the balance. The dramatic improvements in Iraqi security between 2007 and 2009 have produced important, but incomplete changes in Iraq's politics. These changes make it possible to imagine Iraq slowly muddling upward, building gradually toward a better future.

However, Americans must be constantly on guard against the considerable potential for Iraq to slip into all-out civil war. There are dozens of scenarios—from military coups, to official misconduct, to the assassination of one or two key leaders—that could spark such violence. The conflict might look somewhat different than before, perhaps featuring Arab-Kurd conflict, greater intra-Shi'i fighting, or various parts of the Iraqi security forces warring for control of the state.

Iraq's own internal dynamics and the history of intercommunal civil wars indicate that if Iraq does not find a way to muddle slowly upward toward greater stability, it is far more likely that it will slide quickly backward into the chaos of all-out civil war than that it would simply muddle downward toward an unpleasant, weak, but minimally stable state that need not concern the United States.

Washington has signaled its intention to withdraw U.S. military forces from the country, sooner rather than later. What is not clear, however, is what the United States hopes to accomplish before its troops depart and its other resources attenuate, or how it plans to reach its goals. Washington has announced a strategy to exit, but it has not yet formulated an exit strategy that will secure and sustain American interests in Iraq and the region.

Although U.S. influence in Iraq remains substantial, it is less than what it has been in the past. It is diminishing as American troops leave Iraq, as American resources are diverted elsewhere, and as the Iraqis themselves regain the ability to secure their country and govern themselves. This makes it all the more imperative that the United States have a clear strategic concept that establishes clear goals and well-defined objectives that can be achieved with this reduced panoply of tools.

PRIORITIES OF AN EXIT STRATEGY

An American strategy for exiting Iraq must include a ruthless prioritization of U.S. goals and objectives to ensure that the United States directs its residual influence toward securing, first, what is absolutely vital, and only then whatever else is possible.

The United States will have several different goals as it exits Iraq, but these goals, and the objectives they imply, are not all of equal importance, and Washington must recognize the priorities among them. The following should be the priority for U.S. interests in Iraq:

—*Iraq cannot be allowed to descend back into civil war.* Because of Iraq's own resources and its position in the economically vital and geo-strategically sensitive Persian Gulf region, it would be disastrous for American vital national interests if Iraq were to slip into an all-out civil war, which still remains very possible.

—*Iraq cannot reemerge as an aggressive state.* There is little danger of this in the near term, but as the United States works to build a strong, cohesive Iraq that would not relapse into internal conflict,

it also must avoid building one that is so powerful and self-confident that it will threaten its neighbors.

—*Iraq should ideally be a strong, prosperous U.S. ally.* Because it will be difficult enough to ensure that Iraq averts civil war and does not emerge as a new “Frankenstein’s monster” of the Gulf, this last objective should be seen as an aspirational goal rather than an irreducible necessity.

WHAT AMERICA’S OVERALL STRATEGY SHOULD BE

Since Iraq is now a fully sovereign nation enjoying a resurgence of nationalism, it is essential that Iraqis see themselves as benefiting from continued American involvement in Iraq. The more the Iraqis believe that the relationship with the United States is of value to them, the more desirous they will be of preserving ties to the United States, and the more willing they will be to overlook American interference or see it as positive, and the more afraid they will be of losing those ties. In this respect, Iraqis generally desire continued American aid, investment, and technical assistance, as well as U.S. help regaining Iraq’s full international standing by resolving major diplomatic issues that arose from Saddam Husayn’s misdeeds.

The Strategic Framework Agreement (SFA), a partnership document between Iraq and the United States that was initiated by the Iraqi government, provides a foundation for this type of assistance. If the United States wants to maintain leverage in Iraq, the SFA must ultimately deliver outcomes that Iraqis value.

For these same reasons, the United States must work in tandem with the United Nations Assistance Mission for Iraq, other international organizations, and its allies (in the region, in Europe, and elsewhere) more than ever before. The more that the United States can move in synch with the UN and American allies, the more palatable American initiatives will be to Iraqis.

The most important source of American influence moving forward is conditionality. Virtually all American assistance needs to be

conditioned on Iraqis doing the things that the United States needs them to do, which in every case is likely to be something that is in the long-term interests of the Iraqi people and the Iraqi nation, albeit not necessarily in the short-term interests of various Iraqi politicians. Conditioning assistance means linking specific aspects of American activities to specific, related aspects of Iraqi behavior. It also means tying wider aspects of American cooperation with Iraq to the general course of the Iraqi political system.

Ultimately, the United States must condition the continuation of the U.S.-Iraqi relationship on the willingness of the Iraqi political leadership to guide their country in the direction of greater stability, inclusivity, and effective governance.

VITAL AMERICAN INTERESTS: POLITICS

Iraq's domestic politics has become the center of gravity of the American effort toward Iraq. The future of Iraq will be determined principally by the course of its domestic politics, and that in turn will determine whether America's vital interests there are safeguarded.

— *If Iraq's domestic political framework collapses, so too will its security.* Security in Iraq has improved significantly, but it will only hold over the long term if Iraqi politics sorts itself out.

— *If the Iraqi economy collapses, it will almost certainly stem from a failure of Iraq's domestic politics.* Iraq's economy continues to sputter along and it will only improve when there is a government in Baghdad able to govern effectively.

Because Iraq's domestic politics is the key to the future stability of the country, and because it remains so fragile, it must be the principal American focus as the United States diminishes its involvement in Iraq. The absolute highest priority for the United States during the ongoing drawdown and for the next several years must be to see Iraq's domestic politics work out properly.

Specifically, this will mean that several important standards must be met: continuing progress on democracy, transparency, and the rule

of law; continued development of bureaucratic capacity; no outbreak of revolutionary activity, including coups d'état; no emergence of dictators; reconciliation among the various ethno-sectarian groupings, as well as within them; a reasonable delineation of center-periphery relations, including a workable agreement over the nature of federalism; and an equitable management and distribution of Iraq's oil wealth, as well as the overall economic prosperity that must result from such distribution.

Moreover, the United States cannot be confident that its paramount objectives of preventing civil war/instability in Iraq have been fully secured until the Iraqis have appropriately addressed the remaining problems in the Iraqi Constitution because these threaten the viability of the state. It would be fundamentally irresponsible for the United States to assume that the Iraqis will be able to overcome the gaps in the Constitution to achieve a stable polity without outside support.

Supporting Iraq's Political Development

Unfortunately, domestic politics may well prove to be the one area where Iraq's political leadership will stop at nothing to keep the United States out. Iraq's political leaders have a less than stellar record of obeying the rules of the new political game, and the United States continues to provide the ultimate insurance that no group will be able to completely overturn the system and dominate others. This is a U.S. role that many Iraqis continue to regard as at least a necessary evil if not a positive good. Thus, it is important for both the future of Iraq and for America's vital interests that the United States focus its energy and resources on Iraq's domestic politics.

To maximize its ability to influence Iraq's domestic politics, the United States must be prepared to subordinate virtually every other aspect of its Iraq policy by making major sacrifices in areas previously held sacrosanct. Almost every other element of the U.S.-Iraq relationship needs to be seen as leverage to get the Iraqis to do what is necessary in the one area of greatest importance to the United States (and to their own long-term best interests as well).

Although the United States has vital national interests invested in the future of Iraq, it would be a mistake for Washington to determine that it will remain committed to Iraq under any and all circumstances. As long as Iraq's leaders are moving their country in the direction that serves American interests, the United States can and should remain willing to help the Iraqis generously.

However, the United States must acknowledge that the Iraqis may choose not to move in that direction. Many Iraqi leaders resist the rule of law, constitutional limits, and other constraints when it does not suit their own narrow interests. They may regard America's role in Iraq as a hindrance to their acting as they please.

If Iraq's leaders are *not* willing or able to act in a manner consistent with good governance, the rule of law, and the need for national reconciliation, then the risks to Iraq's future stability are so grave that they should cause the U.S. government to reevaluate its level of commitment to the U.S.-Iraqi partnership and the resources it is willing to invest in it.

VITAL AMERICAN INTERESTS: SECURITY

At present, all American troops are scheduled to depart Iraq by December 31, 2011, when the current Security Agreement between Iraq and the United States expires. Nevertheless, there are clear potential security and political benefits of a continued American military presence in Iraq after that date. In the near term, a continued presence of U.S. troops is likely to help sustain Iraq's recent security gains and provide some insurance and confidence that basic rules of the political system will be respected.

Yet, it is not the case that maintaining an American military presence in Iraq is so compelling that it should override all other considerations. From the U.S. perspective, retaining American troops in Iraq makes sense only if those troops have sufficient authority and capability to secure America's interest in a stable Iraq. Thus, conditionality

must also govern whether the United States maintains a continuing military presence in Iraq.

This is clearly a topic of great sensitivity to Iraqis. A continuing U.S. troop presence will only be broadly accepted if it is perceived as being requested by Iraqis, negotiated in a transparent manner between the U.S. and Iraqi governments, and approved by Iraq's Parliament.

Prioritizing Missions

In the past, American military forces in Iraq have taken on a wide range of missions both because Iraq needed them to and because there were sufficient numbers available to enable them to do so. Today, both circumstances have changed. Consequently, in the military sphere, it is especially pressing that the United States engage in the same ruthless prioritization that it must apply across the board when formulating a strategy for its relationship with Iraq in the future.

Those priorities must be driven by *American* interests in Iraq moving forward. However, this principle cannot be applied myopically: some U.S. military missions are critical to American interests because they directly bolster America's paramount interest in preventing a civil war. Others, however, may be equally important because they indirectly support the same interests by providing a source of leverage over Iraqi domestic politics—the principal determinant of Iraqi stability or instability for the foreseeable future.

Flowing from the preeminent American interest in preventing an internal crisis that could trigger an all-out civil war, by far the most important U.S. military mission now is to support Iraq's internal stability by continuing to perform peacekeeping functions especially, but not exclusively, in Kirkuk and other territories disputed by Arabs and Kurds in northern Iraq. Used correctly, U.S. troops can be a crucial substitute for the trust that undergirds stable societies. Rebuilding trust in Iraq, as in all societies broken by intercommunal strife, will take years, and in the meantime, the Iraqis need some powerful external force to reassure them that their rivals (including rivals in the

government) will not be able to use force against them. Realistically, that external force can only be the U.S. military.

A mission that once was of preeminent importance to the United States in Iraq that can now be assigned a much lower priority is counterterrorism. Terrorism in Iraq is no longer a threat to Iraqi stability—although if this were to change, so should its corresponding priority for American forces.

Similarly, the United States will have to rethink its willingness to accept risks to its personnel. Washington cannot ignore force protection, but neither can it make it the highest priority of American forces in Iraq.

The president's decision to draw down forces from Iraq relatively quickly means accepting risk because it will be impossible for the remaining U.S. forces to continue to fulfill all of the tasks they have in the past, to the same extent as in the past, and with the same safety tolerances. The remaining troops and civilians will have to complete those missions critical to U.S. vital interests and because there will be fewer of them with fewer resources at their disposal, this task will be extremely difficult. It would be impossible for the remaining U.S. military personnel to pursue American interests if force protection were to become their highest priority.

A New Agreement with Iraq

It is hard to imagine that Iraq will progress so rapidly that all American troops could be responsibly withdrawn by the end of 2011, according to the timetable of the current U.S.-Iraq Security Agreement (SA). It seems far more likely that several thousands—perhaps even tens of thousands—will still be needed for several years more, although the exact duration is impossible to say because it should be governed by the maturation of the Iraqi political process. This means that the United States and Iraq will need to come to an agreement on a new status of forces agreement (SOFA) to follow the expiration of the current SA.

The United States cannot want a new status of forces agreement more than the Iraqis want it themselves. There are three crucial, inter-related rules the United States should observe when negotiating a new SOFA with Iraq:

1. The United States must have a new SOFA with Iraq that preserves the ability of American forces to serve as peacekeepers and as the ultimate guardian of Iraqi rule of law.

2. The Iraqis must understand that the entire U.S. military, political, economic, and diplomatic aid relationship with Iraq is tied to the signing of a new SOFA that meets American needs.

3. The United States must be ready to walk away from Iraq altogether if the government of Iraq is unwilling to agree to such a SOFA.

VITAL AMERICAN INTERESTS: GOVERNANCE AND ECONOMICS

It is no longer a vital American interest to make an across-the-board effort to rebuild Iraq's economy and governmental apparatus. Progress on governance and economics has largely switched from being something that the United States required the Iraqis to do for American interests, to something that the Iraqis need American help doing for their own interests. One reason for this is that better governmental and economic performance is now something that the Iraqi leadership needs in order to maintain its own legitimacy and hold on power.

The consolidation of a stable, democratic Iraq depends in particular upon the evolution of a government that is seen as legitimate and effective, and the development of an economy that provides opportunities and livelihoods to Iraq's young and fast-growing population. After the provision of basic security, the two most critical standards by which the political system will be judged are the delivery of essential services, especially electricity, and increased employment.

The fundamental governance and economic challenge in Iraq is to improve the efficiency and transparency of the processes that

transform a barrel of oil sold into the goods and services that the Iraqi public desires—like increased electricity output, water and sewage networks, roads, schools, health clinics, and job opportunities.

U.S. economic and governance assistance to Iraq should therefore be conditioned upon the Iraqi authorities putting in place oversight and accountability mechanisms aimed at limiting the corrupting and insulating effects of Iraq's oil economy.

The central challenge in this area will be reconciling U.S. and Iraqi expectations for future American aid and finding creative ways to use the SFA and whatever assistance the Congress and the administration are willing to make available in an era of sharply declining resources. The United States will need to be upfront with the Iraqi government that it cannot expect a new Marshall Plan for Iraq and that Washington will only be making relatively limited additional financial contributions to Iraq's reconstruction.

Fortunately, there are key areas of the Iraqi economy where U.S. diplomatic support, technical assistance, consulting services, and technology and knowledge transfers could deliver substantial economic and even political benefits to Iraq's new government. These should all be used as leverage to push for greater transparency in Iraqi governance.