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Victory is Not Possible; Defeat is Not an Option: The US, Iraq and the Middle East[1]

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"The ultimate victory will be achieved in stages, and we expect:

- *In the short term:*
  - o An Iraq that is making steady progress in fighting terrorists and neutralizing the insurgency, meeting political milestones; building democratic institutions; standing up robust security forces to gather intelligence, destroy terrorist networks, and maintain security; and tackling key economic reforms to lay the foundation for a sound economy.

- *In the medium term:*
  - o An Iraq that is in the lead defeating terrorists and insurgents and providing its own security, with a constitutional, elected government in place, providing an inspiring example to reformers in the region, and well on its way to achieving its economic potential.

- *In the longer term:*
  - o An Iraq that has defeated the terrorists and neutralized the insurgency.
  - o An Iraq that is peaceful, united, stable, democratic, and secure, where Iraqis have the institutions and resources they need to govern themselves justly and provide security for their country.
  - o An Iraq that is a partner in the global war on terror and the fight against the proliferation of weapons of mass destruction, integrated into the international community, an engine for regional economic growth, and proving the fruits of democratic governance to the region."

"National Strategy for Victory in Iraq", The White House, 30 November 2005:
http://www.whitehouse.gov/infocus/iraq/iraq_strategy_nov2005.html#execsum

"There will be no victory or defeat for the United States in Iraq. These terms do not reflect the reality of what is going to happen there. The future of Iraq was always going to be determined by the Iraqis – not Americans."

Sen. Chuck Hagel, "Leaving Iraq, Honorably", *The Washington Post***, 26 November 2006.**

"There's one thing I'm not going to do, I'm not going to pull our troops off the battlefield before the mission is complete. We can accept nothing less for our children and our grandchildren."

President George W. Bush, NATO Riga Summit, 28 November 2006.

Sen. Carl Levin (D - Mich.): "Do you believe we are currently winning in Iraq?" Robert Gates: "No, sir."

SecDef Confirmation Hearings, Senate Armed Services Committee, 5 December 2006.

"No one can guarantee that any course of action in Iraq at this point will stop sectarian warfare, growing violence, or a slide towards chaos."

Iraq Study Group Report, 6 December 2006:
http://www.usip.org/isg/iraq_study_group_report/report/1206/index.html

I. Introduction: Possible Outcomes

Victory in Iraq was to have many faces. Prior to the invasion of Iraq, the US argued that that the strategic implication of regime change would be threefold. The intervention would overthrow Saddam Hussein's Baathist regime, rendering Iraq free and democratic and no longer a threat to its neighbors. It would act as a demonstration model to deter other "axis of evil" states from attempting to gain WMD and supporting terrorists. It would precipitate domino democratization throughout the Middle East.[2] The capacity for compromise demonstrated in the formation of the Iraqi government in April 2005 following the 'Purple Revolution' (the 30 January 2005 elections) represents the unleashing of a democratic ethic, a democratic spirit throughout the Middle East. The 'Cedar Revolution' in Lebanon, women's rights in Gulf States (the appointment of a cabinet minister in Kuwait in June 2005), reforms in Egypt under President Mubarak, the February-April 2005 municipal elections in Saudi Arabia and Israeli withdrawal from Gaza in August-September 2005 are all cited in support of this contention.[3]

The destruction and dislocation in Lebanon as a result of the Israeli-Hizbullah conflict that erupted in July 2006 is described by US President George W. Bush as "a moment of opportunity" and by US Secretary of State Condoleezza Rice as the "birth pangs of new Middle East".[4] She stated: "I have no interest in diplomacy for the sake of returning Lebanon and Israel to the *status quo ante*. I think it would be a mistake. What we are seeing here, in a sense, is the growing – the birth pangs of a new Middle East and, whatever we do, we have to be certain that we're pushing forward to the new Middle East, not going back to the old one."[5]

The "new Middle East" that she describes is characterized by a new Arab geopolitical centre that consists of Egypt, Jordan and Saudi Arabia, replacing the "old Arab centre" of Egypt, Saudi Arabia and Syria, sealed with the Damascus Accords following the first Gulf War in the early 1990s. This "new Arab Sunni centre" fears the emergence of a Shia Crescent and the radicalism exemplified by Shia dominated and Iranian backed Hizbullah. It also fears a nuclear Shia Iran and the emergence of the first Arab Shia state in the shape of Iraq. The "new Middle East", it can be supposed, is one within which the Shiite radical group Hizbullah is broken as a military force (in terms of infrastructure if not killed or captured personnel), its political wing co-opted into the mainstream, and Lebanon becomes truly sovereign, in control of its territory (which precludes a return of Hizbullah as an armed faction). As a consequence, Iran is defanged, Syria weakened and intra-regional democratic reform and modernization processes are accelerated. Indeed, the war with Hizbullah can also be viewed as preparing the battlefield for a US war with Iran, in that it demonstrates the utility (or not) of airpower against underground missiles and command and control complexes and reduces the retaliatory strike capacity of Hizbullah should such a war occur.[6]

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[2] National Security Presidential Directive "Iraq: Goals, Objectives, Strategy", 29 August 2002, cited by Mark Danner, "Iraq: the War of the Imagination", *New York Review of Books*, 16 November 2006: http://www.nybooks.com/articles/19720.

[3] Saad Eddin Ibrahim, 'Mid-East's Springtime of Democracy', *The Jordan Times*, 26 May 2005; Reuel Marc Gerecht, 'Birth of a Democracy', *The Weekly Standard*, 14-21 February 2005.

[4] Rama Khouri, "Condi Rice's Mid-East Fantasy Ride", AlterNet, 24 July 2006.

[5] Robert Scheer, "Labour Pains of a Stillborn Foreign Policy", Truthdig.com, 25 July 2006.

[6] Seymour Hersh, "Watching Lebanon", *The New Yorker*, 21 August 2006: http://www.newyorker.com/fact/content/articles/060821fa_fact.

Although such an outcome would indeed have met the criteria for a "sustainable ceasefire" in the current Israel/Hizbullah conflict, attempting to secure this outcome achieved the opposite. Hizbullah is deeply embedded in the population of Southern Lebanon, and thus US (and UK) support for what was widely perceived to be "disproportionate" Israeli air strikes on Hizbullah, increased and radicalized its popular support in Lebanon and the wider Middle East, including among Sunni Arabs. This undercut support for and the legitimacy of the "new Arab centre", whose elites appear appeasers by comparison. At the same time, Shia Iran and Syria, locked out of diplomatic negotiations, received greater legitimacy and support from their populations, and their enabling role – through the transfer of weapons, finance, training and ideology to Hizbullah - was strengthened. Shia/Sunni fault lines are thus exacerbated and the "new Arab centre" radicalized, rendering sustained reform efforts and modernization, let alone democratization, less likely and more destabilizing. Moreover, the possibility of civil war in Lebanon following the November 2006 assassination of key anti-Syrian Cabinet Minister Pierre Gemayel, and Afghanistan 'close to anarchy' according to Lieutenant General David Richards, head of NATO's international security force in Afghanistan,[7] suggest that the Middle East is now less, not more, stable than at any time since the Iraq invasion of 2003.

This Occasional Paper argues that US attempts to assume the role of mid-wife in the "new Middle East" have strengthened the position and power of Hizbullah and Iran and exacerbated tensions between elites and society in the Sunni Arab centre. US-UK policy in the region has failed for two key reasons. Firstly, quite apart from the boost to terrorism, lawlessness and crime, the failure of state building efforts in Iraq has now inextricably linked the Iraqi conflict into ongoing Sunni/Shia geopolitical rivalry. Secondly, the US continues to misdiagnose root causes of instability in the region, laying all sources of instability at the doors of Tehran and Damascus, on Hizbullah, the lack of Lebanese state capacity and the need by elites in the region to promote the "freedom and democracy agenda", while ignoring the role of the Israeli-Palestinian conflict and barely acknowledging the destabilizing impact of US-led policies in Iraq after 2003.

It is within this complex context that we must attempt to characterize the current nature and progress made towards sustainable state building in Iraq and the impact that this will have on the wider region, albeit a region in flux. Is US Iraq policy heading towards defeat, anarchy and failed state status marked by civil war and ethnic sectarianism and militias – a Sudan-on-the-Euphrates, with a resurgent Taliban-type structure able to embed itself in the Sunni center? Or are we witnessing victory heralded by the birth pangs of a "new Middle East" that is wedded, albeit in shot gun fashion under US pressure, to modernization and reform processes that will gradually democratize and so stabilize states, regimes and societies in the region? Defeat is not an option: the US has a moral obligation to support democratic forces in Iraq, as well as safeguard the population from violence, and a strategic responsibility not to allow Iran or international terrorists to be strengthened and the US weakened. However, "victory" does not appear possible: rather than democracy promotion and the strengthening of moderate voices in the region, it is difficult not to conclude that extremism, radicalism and anarchy are on the rise and 2007 could witness three or four civil wars in the region: Iraq, Palestine, Lebanon and Afghanistan. What, therefore, is to be done?

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[7] Richard Norton-Taylor, "Afghanistan close to anarchy, warns general", *The Guardian*, 21 July 2006: http://www.guardian.co.uk/afghanistan/story/0,,1826303,00.html.

Iraqi Instability: Civil War?

In mid-2005 both internal and external drivers in Iraq pointed to the emergence of a weak authoritarian state as the most probable outcome. It was hard to see how the insurgency could be sustained once Iraqification of security and political structures was complete and legitimacy of the post-Saddam order entrenched: the discourse would move towards framing the issue as patriots versus terrorists, rather than Jihadis versus occupiers. Under these conditions, it was argued, oil production would slowly come on line and exports increase, consolidating the Shia and Kurdish autonomy through control of the energy sector and political economy. Hence, it was likely that a weak but functioning federal state would emerge, with real power devolved down to entity level. Strong leaders within these fractious entities would likely come to the fore, adding a more authoritarian flavor to the state, though a governing federal coalition would give it a democratic facade. Indeed, a permanent unity government in Iraq, pledged to pursue national reconciliation, was constituted in June 2006, with Nuri al-Maliki as Prime Minister.

However, by late 2006 it is clear that neither the emergence of an Iraqi government of national unity nor coalition attempts to "stand-up" Iraqi national army and police units has halted the slide towards civil war. With growing resonance since late 2003 analysts argue that Iraq is on a slide towards sectarianism, civil war, and anarchy. Vietnam-style comparisons are bolstered by growing international criticism of US action, uncertain prospects for stable self-governance and security, and an increase in domestic US opposition (the military's strategic centre of gravity) to the war effort. By mid-2006 a UN report noted that 100 Iraqi civilians die each day and in the first six months of 2006 14,338 violent civilian deaths have been recorded.[8] It is within the context of escalating sectarian violence and ethnic cleansing in Iraq that a low level, if not full-scale and widespread, civil war is now apparent. Britain's outgoing ambassador in Baghdad, William Patey, warned in a confidential memo that civil war is a more likely outcome in Iraq than democracy, predicting a break-up of Iraq along ethnic lines: "the position is not hopeless", but would be "messy" for five to 10 years. "If we are to avoid a descent into civil war and anarchy then preventing the Jaish al-Mahdi (the Mahdi Army) from developing into a state within a state, as Hezbollah has done in Lebanon, will be a priority."[9] Senior Iraqi officials admit the government is deeply divided, the prime minister increasingly isolated, and "Iraq as a political project is dead. The Parties have to move to plan B. There is serious talk of Baghdad being divided into a Shia east and Sunni West."[10]

A further difficulty in assessing which future pathway will most likely be followed is that even when analyzing US governmental pronouncements with regards to stability in Iraq, we receive a mixed message, even if the underlying trajectory – at least hitherto - tends to be upbeat. Prior to intervention, the expected outcome predicted by the White House and US Department of Defense (DoD) was that Iraq would eventually emerge as a strong, democratic state. However, since April 2003 senior US administration officials have gradually lowered expectations and ambitions associated with the likely end state outcome, its cost, the timeframe, and the positive contribution the invasion of Iraq has had on the effective prosecution of the Global War on Terror (GWOT), now "The Long War". Vice President Dick Cheney, for example, has reasoned

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[8] Dahr Jamail, 'Lebanon Bleeds, Iraq Burns, People Flee', truth out Perspective, 25 July 2006.

[9] 'Iraq Civil War Warning for Blair', BBC News, 3 August 2006: http://news.bbc.co.uk/2/hi/uk_news/ 5240808.stm.

[10] Patrick Coburn, 'Sectarian Break-Up of Iraq is Now Inevitable, Admit Officials', *The Independent*, 24 July 2006.

that the more people the insurgents kill, the more desperate they are becoming; their apparent success only hastens their defeat and the emergence of a strong and stable Iraq. The insurgency is in inevitable decline: it is in its "last throes".[11] Upsurges or spikes in violence are natural and occur as state reconstruction and stabilization milestones are reached – a crying against the dawning of the light.

With such a wide spectrum of possibilities, from market-democratic to failed state, what is a likely state outcome and how will it impact the region? Have three and a half years of insurgency pushed the Iraqi people towards civil conflict; or do moderation, compromise and a desire to build a stable future prevail? Let us analyze the trends of a number of internal drivers – the insurgency, an emerging ethnicity-driven political system and oil production – to gain an answer to this question. Which outcome is in the longer term interests of neighboring states, particularly the US, Iran and Saudi Arabia? What are their preferences for Iraqi end state outcome and their ability to shape that outcome?

II.   Key Internal and External Drivers in Iraq

On 30 January 2005, a nation-wide parliamentary election took place in Iraq to determine the composition of the 275-seat National Assembly. Three months later, on 28 April 2005 a new government of Iraq was approved by the parliament. By 7 May the Assembly agreed portfolios for government ministers (30 ministerial and six other). The new Prime Minister, Ibrahim al-Jaafari, stated that the new government 'has religious, ethnic, political, and geographical variety, in addition to the participation of women.' This Assembly planned to elaborate a permanent Constitution by 15 August 2005 (delayed until the end of August 2005), which was then to be ratified by popular referendum on 15 October 2005 (unless two thirds of the voters in three provinces rejected it), allowing for national elections to take place in December 2005. This would allow, by early 2006, the establishment of the first democratically legitimate independent Iraq government and parliament for 50 years. This permanent unity government pledged to pursue national reconciliation and was eventually constituted in June 2006, with Nuri al-Maliki as Prime Minister.

The ability of the Iraqi government to maintain momentum in the political process towards the creation of a legitimate national government is critical and progress towards that end is self-reinforcing. Indeed, it was hoped that if a Constitution could be agreed and supported by the vast majority of the Iraqi people, the insurgency would be delegitimized and diminished to levels that allow substantial numbers of US/coalition troops to be withdrawn as Iraqi troops are "stood up". Sectarianism would diminish and the government will rebuild the Iraqi oil industry and so fuel the economy. Were the insurgency to continue to disrupt state-building efforts in Iraq, exploit sectarian differences and delegitimize political leaders and the political roadmap, then the longer US/coalition troops would remain and the more likely the low-intensity conflicts would spill over into civil-war in the Sunni triangle and Iraq, if not the region, would implode. Let us therefore first examine the nature of the insurgency, before moving to the other two key internal drivers of stability: identity politics and oil production.

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[11]   'Terry Moran vs. Scott McClellan on 'Last Throes' of Insurgency in Iraq', *New York Times*, 16 June 2005; Amir Taheri, 'Iraq: the killers keep losing', *New York Post*, 1 June 2005.

Insurgency/al-Qa'idah Trends and Trajectories

The strength of the insurgency in Iraq is reflected in growth in the number and sophistication (particularly in targeting and the deployment of new technologies) of the insurgency/terrorist acts.[12] In 2005 insurgent attacks were more targeted at Iraqi police and army officers than coalition forces and a number of selected assassinations suggested insurgent groups had the ability to gather accurate intelligence on key officers in these organizations. The insurgency has promoted divisive identity politics, with Iraqis increasingly identifying themselves by ethnic and religious backgrounds, and displaying greater distrust and hatred, particularly between Sunni-Shia and Sunni-Kurdish groups. The insurgency is characterized by four key trends: its growth in size; the nature of its ideological legitimacy; its growing financial sustainability; and the power of its political impact.

The insurgency is robust: it has staying power and an atomized and fragmented constellation-type structure that maximizes its prospects for longevity. Although it was at first dismissed by the US DoD as a sporadic and marginal affair (Rumsfeld's "dead enders"), it is now considered the key destabilizing dynamic in Iraq. The insurgency has benefited from exclusion of old regimes commanders, officers and technocrats from new post-Saddam order, as well as the political and security vacuum that followed US-led occupation of Iraq, March-April 2003. Since July 2003 numbers and estimates of the insurgents have been continually increased, from around 1,000 to 20,000 according to US military intelligence – though some argue that even this is may be low. The US has around 145,000 troops in Iraq (although 21 states are engaged 80% of all coalition troops are US), of whom 40-50,000 are combat-capable. Of the ten Iraqi divisions that are to be "stood up", only one (8th Division) has been turned over completely to Iraqi government control.

There are approximately five insurgent strata in the insurgency, though split into dozens of groups, "possibly as many as 100."[13] The backbone of the insurgency is a mixture of former Baathist regime loyalists (military, intelligence and security officers) and a new generation of Sunni loyalists. They have ideological ties, kinship bonds, and economic interest to defend and not much to lose. They hide behind the other groups and want to retain old privileges. The second group consists of Sunni Salafi and Wahabi militant groups with ideological crusade on their mind – they denounce all Shia (not just Americans) as infidels. They gain inspiration from the actions of Hezbollah, Hamas and Islamic Jihad, which forced Israel to relinquish control of South Lebanon. This action is a model to be emulated to oust coalition soldiers from Iraq. A third group consists of tribal warlords who came to prominence in the 1990s as Saddam sought to widen his power-base. The fourth stratum is composed of mafia and organized criminal gangs which carry out kidnappings and assassinations. These four groups are indigenous to Iraq and make up over 95% of the insurgents. The fifth group consists of international Jihaddists (*inter alia*, from Saudi Arabia, Syria, Egypt, Yemen, and Algeria) and few are captured; they constitute 90% of suicide bombers and are prepared to fight to the death. These strata are horizontal not hierarchical, ad hoc rather than unified. With no centre of gravity this constellation structure is more difficult to decapitate than a more formal organizational structure, as evidenced by the

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[12] Lars Skinner, 'Security in an insurgency environment: Lessons Learned from Iraq', *The Journal of Counterterrorism and Homeland Security International*, Vol. 11, No. 2, Spring 2005.

[13] Dexter Filkins, "Profusion of Rebel Groups Helps Them Survive Iraq", *The New York Times*, 2 December 2005.

speed at which the leadership role within *al-Qa'idah* of Mesopotamia was filled after the death of Abu Musab al-Zarqawi in June 2006.

Not just the jihaddists but also the Iraqi insurgency more broadly appears to be gaining ideological support from *al-Qa'idah*. The ideological, though not operational, merger of *al-Qa'idah* and Abu Musab al-Zarqawi in late 2003 represented an ideological breakthrough for the insurgency. Initially after the fall of Saddam in April 2003, Osama bin Laden did not legitimize the killing of Shia in Iraq by insurgents or terrorist groups, though al-Zarqawi did. After al-Zarqawi gave allegiance (*beyaa*) to bin Laden in late 2003, bin Laden told al-Zarqawi that all those who cooperate with the US/coalition forces, be they Christian, Jew, Sunni, or Shia, could be killed and all westerners who found themselves in an Islamic area became enemy combatants.[14] This ideological merger of al-Zarqawi with *al-Qa'idah* linked Iraq and the insurgency to global jihad. Iraq became: "the land of Jihad in the country of the Tigris and the Euphrates." Iraq is now playing the role of Afghanistan in the 1980s and, albeit to a lesser extent, Chechnya in the 1990s – it is a recruiting, training and breeding ground for jihaddists. Gen. Taluto, head of the US 42nd Infantry Division, stated that 99.9% of captured insurgents are Iraqi and that within Iraqi society there is considerable sympathy for insurgents – the idea of a 'good' insurgent or 'acceptable insurgent' is prevalent. Iraqi's are not therefore immunized from insurgent propaganda.[15]

The insurgents and the insurgency are also becoming more financially sustainable, thanks in part to the merger of terrorists and militants and criminals, in part to the looting of National Bank, the prevalence after the fall of Saddam to lots of cash in Iraq and the low cost of terrorist attacks. In addition, a reinterpretation of the Koran by *al-Qa'idah* to sanction kidnappings signaled *al-Qa'idah's* long-term strategy to merge and politicize the struggle of common criminals and combatants, to Islamize the actions of criminals through association with global jihad. Smuggling and activities within the illegal economy, as well as strong links to Saudi Arabia (and other Sunni monarchies), Syria and Iran all serve to provide the insurgents with access to cash, providing for economic independence and financial autonomy. This dynamic pushes Iraq towards a criminal state.

The mainly Sunni insurgents in al-Anbar province and the areas to the immediate north of Baghdad focus their attacks largely on coalition forces. Some US intelligence reports essentially admit defeat in this province and this is a clear indication of the strength and focus of the Sunni insurgency in that region.[16] In Baghdad sectarianism is much greater, but many Sunni factions, such as the 1920 Revolution Brigade, the the military wing of the Islamic Resistance Movement (Iraq), continue to focus their actions against the coalition and refrain from attacking Shi'a. Their acts of violence make it harder for moderate and unifying national leaders to emerge. The Iraqi equivalent of President Karzai in Afghanistan or, more effectively, a President Mandela in South Africa. Insurgent attacks maintain and exacerbate sectarianism in Iraq, making compromises more difficult. In essence the insurgents aim not to win, but just not to lose by fighting until US support withers and/or they maximize political gains relative to other factions. Insurgents are

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[14] Marco Ludovico, 'Bin Laden Will Make a Mafia of Al-Qa'idah', *Il Sole*, in Italian, 15 February 2005, p. 10.

[15] Ron Schleifer, 'Winning the Propaganda war in Iraq', *Middle East Quarterly*, Vol. XII, No. 3, Summer 2005, pp. 15-24.

[16] "State of the Insurgency in Al-anbar", report written by Col. Pete Devlin, an intelligence officer in the US 1 Marine Expeditionary Force. Thomas E. Ricks, "Marine Calls Situation in Anbar Province Dire", *The Washington Post*, 11 September 2006.

able to infiltrate cells into new political power and institutional structures within Iraq, which are considered easily permeable, partly because the de-Baathification process has been discredited. The insurgents can also manipulate the electorate. In short, the insurgents play a key role in shaping the political process in Iraq and are central to an understanding of the politics of ethnic and religious identity.

The Politics of Ethnic and Religious Identity: **Sunni, Shia and Kurd**

The political process in Iraq involves setting up an elected government that is representative of the 27 million Iraqi's and so has popular legitimacy. This allows for a calibrated withdrawal of US/coalition forces, so undercutting the appeal and purpose of insurgents, and consolidating peace and stability in Iraq. This process is predicated on the notion that moderate forces will hold power in Iraqi politics, the inevitability of the rationality and pragmatism of the Iraqi people and the enduring appeal of material benefits in Iraqi society. However: "communal hatred, a political culture extolling violence and extremism, leaders with soaring political ambitions, and a lack of an alternative ideology to Islamism with any real leadership or popularity" also exist in Iraq and are "not conducive to a moderate post war future characterized by compromise and negotiation."[17] If we consider religious and ethnic groups in Iraq to be unified, pragmatic and rational actors then a democratic end state outcome would maximize the interests and opportunities for the Kurds and Shia, but not necessarily the Sunni as the smallest of the three groups. For that reason it is particularly important to understand the nature of the factionalism and the stated aims and objectives of each group. Such a study strongly suggests that the Kurds and Shia support a weak centralized federal government and the Sunnis – with no access to resources and wealth – fight for the retention of a unitary state.

Sunnis:

The five million Iraqi Sunnis constitute approximately 20% of the population and are now the core of the insurgency. Historically, the Sunni Arab minority has ruled Iraq (under Ottoman and then British imperial control), but under Baathism this rule turned despotic. They dominated the elite under Saddam, forming the warrior class within the military and security services.[18] According to Ghassan Salame, a Lebanese politician who served in 2003 as a senior political advisor to the UN in Baghdad: "Sunnis don't see themselves as one among many factions. They consider themselves the inheritors of the Ottoman Empire. This is not going to change."[19] Currently they are the dispossessed of Iraq, the clear losers of regime change and appear firm believers in zero-sum politics. They constitute a majority in 4 of the 18 provinces where 50% of them live and 90% of the insurgent attacks occur (the so-called Sunni triangle) – the other 50% in big mixed cities such as Baghdad, Mosul, and Kirkuk.

The major Sunni groups - the Sunni Waqf (religious endowment), Islamic Party, and hard-line Sunni Association of Religious Scholars (AMS) – all argue that the US should immediately

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[17] Barry Rubin, 'Reality Bites: The Impending Logic of withdrawal from Iraq', *The Washington Quarterly,* Vol. 28, No. 2, Spring 2005.

[18] Faleh a Jabar, 'How Saddam Keeps Power in Iraq', *Le Monde diplomatique*, October 2002.

[19] George Packer, 'Testing Ground', *The New Yorker*, 28 February 2005, p. 36.

withdraw troops from Iraq. Sunnis are angry at loss of power and consider the de-Baathification process failed to distinguish between Baathists and Sunnis, just as the counter-insurgency operation in the 'Sunni triangle' fails to distinguish between civilian and military targets.[20] Sunni Arab clerics argue that the Badr Brigade carries out assassinations in the Sunni triangle and as far north as Kirkuk, terrorizing their communities, settling old scores, and attempting to exacerbate sectarian splits.[21] They fear Iraqi Shia domination of the security services and shadow militias (Badr Brigade), argue that the US is giving the country to the Shia and Iran (by facilitating the emergence of a pro-Iranian state), and demand the immediate US/coalition withdrawal from Iraq and the right to rebuild a 'New Baathist Party'. In short, the Sunnis are rejectionists who will not accept their diminished status in Iraq. Although Sunnis must realize that a return to power is not possible, 'denial' is not just a river in Egypt.

Shias:

The 17 million Shia were formerly Iraq's historical losers and are now the clear winners of regime change. They constitute 60% of the population and secured 48% of the popular vote in the 30 January 2005 elections. The most influential and respected Shia figure is Grand Ayatollah al-Sistani. He opposes the direct involvement of Shia clergy in politics but supports an Islamic republic, though not a theocracy as in Iran. He issued a fatwa instructing all Iraqis, including women, that it was their religious duty to vote in the January 2005 elections.[22] Into this mix we can add the violent firebrand Muqtada al-Sadr, traditional Shia sheiks, and Iranian influence. Amongst the Shia communities, no Hamid Karzai has emerged around which all factions unite: al-Sistani not interested in this role.

The Shia are newly assertive, though they are factionalized and do not represent a homogenous bloc. The main umbrella organization is the United Iraqi Alliance (UIA). It consists of the Dawa Islamic Party led by former Prime Minister al-Jaafri. Although this is a lay rather than clerical Shia party, it aims to create a Shia republic in which Islamic Canon Law (Sharia) operates and an economy that is ordered according to Islamic codes and principles. It has pushed for the replacement of the uniform civil code with a personal status law to govern marriage, divorce, inheritance, burial and other such issues, though with an opt out for non-Shia areas of Iraq. The other main party in this alliance is the Supreme Council for the Islamic Revolution in Iraq (SCIRI). This organization was trained by Iran's Islamic Revolutionary Guard Corps and fought Saddam Hussein's Sunni dominated Baath party and regime from exile in Iran during and after the Iraq-Iran war. It is headed by the clerical leader Abdul Aziz al-Hakkim and runs the local government in Basra. The stated goal of this party is for a timetabled US/coalition withdrawal from Iraq and it is perceived by some as having carpetbagger status due to its exile status and support from Iran.[23]

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[20]   'The Decisive Confrontation', *Mideast Mirror*, 20 May 2005.

[21]   'The truth should be told when necessary', *Al-Basa'ir*, in Arabic, 26 May 2005 (Iraqi Association of Muslim Scholars (AMS) weekly newspaper); *Al-Shaqiyah*, Baghdad, in Arabic, 7 June 2005; 'Sectarian Dangers in Iraq', *Mideast Mirror*, 19 May 2005; 'Killings Inflame ethnic tensions in Kirkuk', *Turkish Daily News*, 2 June 2005.

[22]   www.sistani.org This website outlines his views.

[23]   Juan Cole, 'Theocracy Now: What will the Shia parties want once they have power in Iraq? Exactly what America doesn't want', *The American Prospect*, March 2005, p. 23.

Shia power is reflected in their control of the key Interior Ministry, which directs the police, border guards and internal intelligence services. The Interior Minister formerly headed the Badr Brigade, the military wing of SCIRI. It is not clear to what extent this ministry is under Iranian influence or indeed control, but it is clear that Shia militias have infiltrated state structures, such as Interior Ministry troops, intelligence activities and elite commando units have become sectarian "forces of revenge or reprisal."[24] Badr organization supporters who have infiltrated the Interior Ministry, for example, run death squads, have created and operate a network of secret prisons and carry out extrajudicial arrests, according to Gen. Muntadhar Muhi al-Samaraee, former head of Special Forces at the Interior Ministry.[25] Few of the armed forces in Iraq support a unified and non-sectarian Iraq.

Muqtada al-Sadr created the largest militia in Iraq, his "Mahdi Militia" (MM), as part insurgent/part social movement/part political party highlights factionalism amongst the Shia.[26] Unlike the other Shia parties, which maintain militias, Sadr has a military capability that moonlights as political party, rather in the mould of Hizbullah. While the MM has been less active as an anti-US military force since the Iraqi parliamentary elections in December 2005, reflecting their desire for a unitary rather than federal Iraq (unlike SCIRI which wants a federal rather than unitary state), recent events in Iraq and Lebanon might reintroduce this element to the equation once again. The Shia, and al-Sadr in particular, have stated that they would attack US forces in Iraq in support of Hizbullah. There has also been an increase in confrontations between US and MM forces in Baghdad since the start of the conflict in Lebanon. The MM has become more bold in challenging the power of the Badr in Southern Iraq, and have firmly established themselves as *the militia* in Baghdad. In October 2006 Sadrists seized power after clashes with the Badr in Amarah. Clashes between the MM and Badr continue in cities such as Diwaniyah and the increasing influence and boldness of the Sadrists in Basra, Iraq's second most important city is also evident.

It is certainly worth reflecting on the recent developments through November 2006 with regards to MM in Iraq, and especially:

- The suspension of the Sadrist Bloc's participation in parliament and government; and,

- Sadr's offer of a coalition with the main Sunni parties on an anti-occupation platform. This is being seriously considered by the Sunni's, especially as they do not have the independent power to curtail the movement towards federalism.

These events raise more questions than immediate answers. How does the Bush-Mailiki November 2006 Amman summit statements, especially Mailiki's declaration that Iraqi security forces will be able to take responsibility for security from July 2007, impact on developments? More importantly, what underpins this seemingly overly-optimistic assessment on President Maliki's part? Is it pure folly, or does he have firm indications from some regional players, particularly Syria and Iran, that they will seriously commit to stabilizing Iraq. Might it be that the

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[24] 'Bush Strategy, Iraq's Army Tested by Ethnic Militias', Bloomberg, 31 December 2005, citing Anthony Cordesman.

[25] Tom Lasseter, 'Iran Gains Influence, Power in Iraq through Militia', *Knight Ridder Newspapers*, 12 December 2005.

[26] Jakub Cerny, "Death Squad Operations in Iraq", *Conflict Studies Research Center,* Middle East Series, 06/28, June 2006, pp. 1-12. I am grateful for comments by David Africa on this issue.

US military is becoming/has become an increasingly irrelevant player in shaping Iraq security politics, which demands a political compromise for any hope of resolution?

Kurds:

The Kurds of Iraq formed the core opposition group to Saddam's regime. Their leaders have greater political and administrative experience than returning Shia exiles. They have enjoyed de facto independence for nearly 16 years with sanctions and no-fly zone and Kurdish areas are largely stable, secular and functions like a separate country. Short of independence the Kurds have three strategic objectives that essentially represent the institutionalization of gains on the ground made after the fall of Saddam: Kirkuk as the capital of a self-governing province in a Federal Iraq; control over revenues from the provinces oil fields; command and control over the 100,000 strong Kurdish *peshmerga* (militia) which they have refused to disband and do not allow federal troops on their soil.

As with the Shia, the Kurds are not naturally unified - they are split between two key groups and a Kurdish civil war in the 1990s killed 3000. However, they unified for the 30 January 2005 elections to maximize their voice in the new Iraq. With 25% of the seats on the National Assembly they are able to block the introduction of Sharia law into the Constitution (at least the prospect that it could be applied to Kurdish regions in Iraq). They are the only constituency that supports outright the US-led occupation. The Kurds want to redraw the provincial map of Iraq and make the three northern Kurdish provinces where they predominate one, and detach parts of three others that neighbour to create a single ethnically based province of Kurdistan.[27]

Over 95% of Kurds want independence but realizing pressing for complete autonomy carries dangers as neighbours Turkey and Iran, with Kurdish minorities, fear this. A key factor now is the status of Kirkuk (Kurdish identity – 'Kurdifization of Kirkuk' following Arabization policy in the 1970s) and control of the oil fields in the North – if Kurdish leaders control Kirkuk then they control the oil production and are therefore not economically dependent on rest of Iraq. Under such conditions the case for independence is much stronger. Kurdish Prime Minister Nechirvan Barzani talks of peaceful coexistence and at the same time argues that Article 58 of the State Administrative Law (interim Iraqi law) provides an 'adequate political and ideological base to resolve the issue.' As the Kurds gained 50%+ of the vote in Kirkuk in the January 2005 election, and as Article 58 of the draft Constitution states that the status of Kirkuk is to be decided by referendum in Kirkuk, then Kirkuk will become Kurdish, creating an important precondition for Kurdish independence.[28]

Oil Production: anchoring the political process?

Oil production in Iraq is another important internal driver that will shape the nature and extent of stability as the distribution of this wealth will determine the reconstruction of Iraq and so underwrite stability in the long term. Iraq has enormous reserves - an estimated 115-billion barrels of proven crude – the world's third largest after those of the Saudi Kingdom and Canada.

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[27]   Cole, 'Theocracy Now', p. 23.
[28]   Anatolia News Agency, Ankara, 6 April 2005, citing Turkish Prime Minister Recep Tayyip Erdogan. Turks argue that the local Arabs and Turkmen constitute the 'identity if not the majority' in Kirkuk.

The sooner Iraq can increase production capacity and sustain exports the greater state revenues and so the more money that can be spent on stability projects in Iraq. The US is investing heavily in this sector, and Iran has signed import and exports agreements with Iraq (whose Oil Ministry is run by Ahmed Chalabi) and receives Iraqi crude to refine. But a key question remains unanswered: what will be the nature of the political economy that emerges – who controls the resource flows, who benefits and can a wealth sharing formula be agreed? Currently, Shia parties battle for control of Basra and with it Iraq's Southern Oil Company – with the vast bulk of Iraq's wealth – in order to fund their activities and strengthen their position, while Kurds attempt to dominate Kirkuk and with it the Northern Oil Company.

Oil production is low as lack of security has led to sabotage and this has been compounded by technical problems due to the age and maintenance of the infrastructure, the lack of electricity and poor logistics.[29] The Iraqi Oil Ministry states that $8bn was lost through sabotage and $6bn in 2004 alone. Sabotage is especially prevalent in Northern areas around the key refinery at Beiji and Kirkuk, which is the start point for the main export pipeline to Turkey. This reflects rising ethnic tensions and increasingly coordinated opposition to government in and around the Sunni heartlands.[30] Production is better in the south, though Rumaila suffers from poorly maintained infrastructure with only 25% of the necessary reconstruction of Iraqi oil infrastructure completed.[31] In April 2005 Iraq exported 1.5m/barrels per day (bd), with production at 2.2m/bd. Iraqi oil production is below capacity levels of 2004 and pre-war levels where 2.8m/bd were pumped, 2m/bd exported.[32] By early 2006 oil production stood at roughly 2 million barrels a day. The latest country report on Iraq compiled by the US government's Energy Information Agency noted: "Most analysts believe that there will be no major additions to Iraqi production capacity for at least two-three years, with Shell's vice-president recently stating that any auction of Iraqi's oilfields was unlikely before 2007."[33] The delays in establishing a permanent government in 2006 prevented the award of long term, large-scale projects, and so, stability willing, increased oil production and export will generate revenue for stability in 2007-08 at the earliest.

III.   Key External Drivers in Iraq: Strategic Interests and End-state Outcomes?

It is in the interests of status-quo regimes in the Middle East, of which Saudi Arabia and Iran are prime examples, to foster a weak Iraq. Will the US accede to this outcome, for lack of viable alternatives? Such an end state has multiple benefits for these two states, if not for the US. It reduces pressure on the reform process, weakens the prospect of Iraq emerging as a united strategic competitor, keeps the US engaged in the region but with reduced leverage and not focused primarily on Iran, Saudi reform or Syria and it limits the power of jihadis to upset these regimes. If a weak authoritarian outcome occurs, then the intervention and its consequences will have seriously undermined the US's position in the region and its freedom of action to manage

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[29] Javier Blas, Carola Hoyoz and Steve Negus, 'Desperate to Pump More Crude, Iraq Risks Permanent Damage to its Oil Fields', *Financial Times*, 15 June 2005.

[30] 'Iraqi oil output seen below capacity again in 2005', *Oil & Gas Journal*, 14 February 2005, p. 31.

[31] George Orwel and Paul Sampson, 'Insurgents Squeeze Economic Lifeline', *Energy Intelligence*, 17 June 2005.

[32] 'Iraqi's Road to Recovery still long', *Petroleum Intelligence Weekly*, 18 April 2005.

[33] Mirian Amie, "US Sees Iraq's Oil Production Chocked for Years", Mail & Guardian Online, 10 January 2006: http://www.mg.co.za/articlepage.aspx?area=/breaking_news/breaking_news__business&articleid=260957.

global security threats unilaterally. But the only other likely outcome – full scale civil war with regional spill over – represents strategic failure for them and for the US.

Iran: Geo-political Leverage and the Consolidation of a Shia Crescent?

Iran has a legitimate state interest in the religious/secular nature of the Iraqi state. Will the constitution make Islam *a* source or *the* source of law? It is very hard to assess the extent of Iranian influence in Iraq (money, weapons and intelligence agents) and some analysts suggest that the US tends to overplay the influence with talk of an Iranian strangle-hold over Shia parties in Iraq: the Arab Shia of Iraq are different entities from the Persian Shia of Iran; some of the Shia elite in Iraq, in particular al-Sistani, support a different model of Shism than that offered by the theocratic Iran; the holy cities of Kerbala and Najaf are considered the holiest Shia sites and Shism and are located in Iraq, giving Iraqi Shism more authority, status and legitimacy than that in Iran. Thus Iraq is not religiously or ideologically subordinated to Iran, but is it politically?

It is easier to predict which end-state outcome is in Iran's interest than the extent of Iranian influence in Iraq. A primary Iranian foreign policy goal is for the US to leave Iraq. Failing that, Iran does not want a stable unitary Iraq, but rather one that is federal as this maximizes the power and influence of the Shia majority, particularly SCIRI and the Badr Corps.[34] In the meantime, an attrition war between the US and the Iranian Shia communities, and a low intensity conflict between Kurds and Sunni Arab populations would tie down coalition troops and disrupt unity efforts. In addition, as noted above, Iran does give support to Shia militias in Iraq and, with Hizbullah under attack in Lebanon, can use such groups to attack coalition forces to exact a price for support of Israel, a state whose very right to exist is denounced by President Akmadinezhad. Safa Rasul, chief of staff of Iraq's National Security Council has noted: 'There is a real concern that the interference we are seeing from Iran at the moment is just the beginning, and that Baghdad could be slowly slipping into the orbit of Tehran.'[35]

Hardliners are in the ascendancy in Iran and with oil prices at a peak of 78 dollars per barrel in mid-2006 have little need to reform the economy, are less dependence on the West, and freer to develop the Iranian nuclear program. It is therefore in Iran's strategic interest to have a weak authoritarian and Shia dominated or failed state outcome in Iraq. This gives Iran maximum leverage over Iraq and the US minimum leverage over Iran. It weakens US regional influence, undercuts the strategic viability of US-sponsored regime change and discourages citizens in the Middle East to push for reform and democratization.

Saudi Arabia: Confederal state that is not a peer competitor

Saudi Arabian state interest in Iraq relates to its impact on Saudi internal stability and foreign policy. One tenth of the Saudi population is Shia and in the 1970s three quarters of them lived atop Saudi oil wealth in the east. With the revolution in Iran in 1979 these Shia were considered to constitute a security risk and as a consequence the bar to employment in key posts was raised, including the military, civil service, diplomatic corps and oil production sector. In addition, Shia

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[34] Babak Ganji, "A Shi`I Enclave? Iranian Policy Towards Iraq", *Conflict Studies Research Center,* Middle East Series, 06/09, March 2006, pp. 1-27.

[35] Jack Fairweather, 'Ex-enemy Iran may be biggest winner in Iraqi poll', *Daily Telegraph*, 21 December 2004.

numbers were diluted through the influx of oil related workers from other parts of the kingdom. The Saudi state policy of sensitivity towards domestic Shia was ameliorated in the 1980s as the threat from the Khomeini revolution subsided - a substantial part of Aramco's leadership is now Shia and the military and civil servant career path are now open. The fear of Saudi Shia falling under Iranian influence and integrating into a Shia Crescent stretching from Iran through the Iraqi South, Syria and Southern Lebanon has been diminished, but is still present.

There are two sources of political change in the kingdom: violent jihadis and liberal reformers. Hitherto Saudi elites, while recognizing the need for political and economic reform, have wanted to manage the pace of this process in order to minimize instability and maximise political participation that reflects the historical, tribal and cultural tradition of the society. Such an approach also diminishes the appearance of "Americanization". The 1990s reflected a stagnation in the reform process and the political vacuum indirectly facilitated the rise of radicalism.

US Iraq Policy Choices: "Cut and Run" versus "Stay the Course" for "Victory"?

There is an increased tendency within the US to question the integrity and rationale of Iraq and its role within GWOT that has moved beyond academics and analysts into the consciousness of the US public. Jeffrey Record has argued that the justification for intervention in Iraq has not been sustained, that the Iraq war was a 'war of choice, not necessity' and that, as such, it constituted a strategic diversion.[36] Stephen Biddle contends that America's grand strategy after 9/11 has two fatal flaws: it fails to define the enemy and it does not explain what constitutes success and what constitutes failure. Without clarity, the United States' strategic responses lack coherence and integrity.[37] In addition, US public support for the war is fading; and this is of critical importance because the domestic front represents, according to US Army Gen. George Casey, commander of the multinational forces in Iraq, the US military's 'friendly strategic centre of gravity'. Opinion polls in June 2005 indicated lowest-ever levels of domestic support for the intervention: 75 per cent of respondents believed that the number of US casualties was too high; 6 of 10 believed that the war was not worth fighting; two-thirds believed that the US military was bogged down in Iraq; and 52 per cent considered that the war does not contribute to long-term US stability.[38]

There is now a vocal and growing policy debate over whether to stay for the long haul and 'victory' or to 'cut and run', speed up the 'Iraqification' process and withdraw US troops so as to deny insurgents a rallying cause. Through late 2005 and into 2006 Republican criticism of US Iraq policy has increased dramatically, joining that of the Democrats. Brent Snowcroft, President George H.W. Bush's national security adviser and a proponent of the 'realist' school of foreign-policy thinking, has voiced his opposition to the 'transformationalist', neoconservative or liberal interventionist approach of President George W. Bush.[39] Lawrence B. Wilkerson, who served as

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[36] Record, Jeffrey (2003), 'Bounding the Global War on Terrorism', Strategic Studies Institute, the US Army War College, Carlisle, PA, December, http://www.carlisle.army.mil/ssi/pdffiles/00200.pdf.

[37] Biddle, Stephen D. (2004), *American Grand Strategy After 9/11: An Assessment* (Carlisle: US Army War College), pp. 1–44.

[38] Dana Milbank and Claudia Deane, 'Poll Finds Dimmer View of Iraq War', *Washington Post*, 8 June 2005, p. A01.

[39] 'The Republican Rift', *The New Yorker* Online, 23 October 2005, http://www.newyorker.com/online/content/articles/051031on_onlineonly01.

chief of staff to Secretary of State Colin Powell from 2002 to 2005, has characterized US foreign and security policy decision-making as dysfunctional: 'insular and secret' although 'efficient and swift'. He argues that 'the secret process was ultimately a failure. It produced a series of disastrous decisions and virtually ensured that the agencies charged with implementing them would not or could not execute them well.'[40] Richard Haass has stated that Iraq cannot be won militarily and that US and coalition "stay the course" policy is ineffective: the "United States has learned to its great cost in Iraq, military force is no panacea."[41] Even presidential advisor Henry Kissinger – who crafted the "peace with honor/decent interval" strategy that extricated US forces from Vietnam - agrees that military victory in Iraq is no longer attainable, nor Jeffersonian democracy. Former US Secretary of State Colin Powell joined the chorus, characterizing the level and nature of violence in Iraq as meeting the standard of "civil war". Thus, rather than demonstrating US strategic coherence, the military intervention in Iraq has brought into question America's global war on terrorism strategy and its military doctrine in an age of 'fourth-generation warfare'.[42]

The sacking of Defense Secretary Rumsfeld and his proposed replacement with Robert Gates, the former director of the CIA during the presidency of George H.W. Bush, suggests that President George W. Bush will review US Iraq policy, an impression reinforced by Robert Gates at his Senate confirmation hearing on 5 December 2006. Indeed, the creation of a blue ribbon Baker/Hamilton Commission which reported on 6 December 2006, as well as an Iraq Policy Review undertaken by the Chairman of the Joint Chiefs, Gen. Pace, and a National Intelligence Estimate on Iraq, all will provide President Bush with a number of alternative policy choices to the "stay the course as long as it takes for victory" mantra. Although every option entails unenviable trade-offs and down-sides, ambiguities and uncertainties, the more President George W. Bush restates his desire to follow current policy, the harder it will be to adopt a new and hopefully more effective approach.

Given the pivotal role assigned to Iraq in shaping security politics in the Middle East, any change of approach to Iraq would suggest that the bedrock assumptions underlying the notion of Middle Eastern transformation will also be reviewed. The 'Freedom and Democracy Agenda', the cornerstone of President George W. Bush's foreign policy, has further undermined the coherence of the global war on terrorism and raised questions about the nature of 'democratic realism', 'preventive democracy' and the prospect of 'democratic imperialism' in US foreign policy.[43] In order to invade Afghanistan and Iraq, the US forged or strengthened strategic partnerships with a number of authoritarian and semi-authoritarian states, not least Saudi Arabia, Pakistan, Uzbekistan and Russia. The rhetoric of democratization and the promotion of democratic values have raised expectations that in reality the US may find are hard to deliver, particularly those pertaining to national interests and the elimination of terrorists. Cynics may argue that the US cannot 'do democracy and oil', that dependence on the 'axis of oil' to defeat an 'axis of evil' places too much strain on clarity of purpose and coherent policy. It is not clear whether the US has now made democratization (*idealpolitik*) a higher strategic priority than the concerns of

40 Lawrence B. Wilkerson, 'The White House Cabal', *The Los Angeles Times*, 25 October 2005.
41 Richard Haass, "Iraq Is Not Winnable". Interview by Georg Mascolo. *Der Spiegel*, 13 November 2006: http://www.spiegel.de/international/0,1518,447763,00.html.
42 Andrew Bacevich, *The New American Militarism: How Americans are Seduced by War* (Oxford: Oxford University Press, 2004) and Stephen J. Hedges, 'Critics: Pentagon in blinders', *Chicago Tribune*, 6 June 2005.
43 Stanley Kurtz, 'Democratic Imperialism: A Blueprint', *Policy Review*, No. 118, April–(May 2003), http://www.policyreview.org/apr03/.

realpolitik. The massacre in Andijon, Uzbekistan in May 2005 highlighted a growing perception of a tension in US foreign policy between the need to secure strategic partners for the global war on terrorism – partners which act as bulwarks against neo-Taliban forces, provide military bases and over flight rights and support 'extra-ordinary rendition' – and the freedom and democracy agenda.[44]

While GWOT is open to claims of incoherence on the analytical level, the growing US domestic political and popular backlash against the perception and reality of an imperial executive and the poor quality of the President's performance are likely to have a dramatic impact on the substance of US strategy. Congressional financial and policy support for the President has waned throughout his second term, and with the Democratic Party in control of both Houses of Congress there is a willingness to hold the executive to account. Hurricane Katrina, torture, domestic wire-tapping without court approval, US energy policy, mismanagement of stabilization and reconstruction in Iraq are just some of the issues that key Committee chairs will investigate, with subpoena powers if necessary. With corruption scandals tying a Republican Congress to lobbyists, the growing problem of the deficit and other assorted financial issues, Iraq's slipping towards civil war, the last two years of the Bush presidency look likely to be characterized by policy paralysis, accommodation and compromises with Congress.

IV.   Transforming the Middle East: Plan A has Failed; Time for Plan B?

Under these extremely bleak circumstances, how might the US move forward in the Middle East? An alternative approach to Plan A has been suggested by the "new Arab centre" and some US allies, not least the UK. Iranian power and power projection capability is continually bolstered by Iranian support for the Palestinian cause and its extreme criticism of Israel, a support and criticism that outstrips those of Sunni Arab rulers, so undercutting their legitimacy in the ubiquitous Sunni Arab street. This suggests that were the root causes of such Iranian support to be removed, the scope for Iranian influence would be diminished. Does, then, the road to Baghdad run through Gaza City, Ramallah and Jerusalem? If the US, Israel and the wider international community, with support from the new Arab (Sunni) centre, concentrate on addressing the root cause of instability – the Palestinian question – then the prospects for a stable "new Middle East" are much higher.

However, is this line of reasoning not to overestimate both the influence of the "new Arab center" and the ability of the US to, in a sustained manner, re-engage with the Isreali-Palestinian conflict and seek a resolution? Events in Iraq and Lebanon over the last six months have shifted power decisively from the pro-Western powers towards Syria and Iran, albeit with Egypt maintaining a key role, particularly with regards to the Palestinian issue. Even here though, Damascus has become central because of the location of Hamas leader Meshaal in Syria. Iran and Syria's obvious power in Iraq is self-evident. From a US perspective, it is only in the last two years of a second term US presidency that presidents, without the distraction of re-election, are able to find room to maneuver and address this issue. However, it appears highly unlikely that President Bush will give the time and effort to pursue such an end, particularly if it is in the

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[44]   Cory Welt, 'Uzbekistan: The Risks and Responsibilities of Democracy Promotion', *PONARS Policy Memo* 365, June2005, http://www.csis.org/ruseura/ponars/policymemos/pm_index.cfm.

face of strong domestic opposition from the religious right and the pressure of immediate priorities – forging a viable exit strategy from Iraq. Moreover, Prime Minister Blair who has stated that he will use his remaining months in office to focus on this issue is considered "damaged goods", having lost credibility and so will have diminished effectiveness. Nor is it clear that if Hamas were to recognize Israel's right to exist, any Israeli government could effectively settle UN Resolution 242 (a return to the 1967 border with some modifications?) and UN Resolution 338, East Jerusalem status (the Geneva Accords pointed the way?) and the return of refugees issue (through multinational compensation?), and still remain in power.

The US still commands military power in Iraq, but stability is dependent upon a political compromise. The Maliki government is very fragile, its very existence let alone effectiveness contingent on the support of powerful and disparate factions: no single political party has emerged to dominate the political landscape either through elections or violence. Internal and external drivers in Iraq push towards the emergence of a confederal system in which Iran has influence over the largest and now most powerful ethnic group – the Shia. Under such a system Iraq will have a weak foreign and security policy, one that also suits Saudi interests. An uneasy balance of power between the three key ethnic groups will prevail, with each receiving different levels of support from external state actors – Iranian Shia, Saudi Sunni, Israeli and US Kurdish support will maintain the balance.

Where a desire not to return to the *status quo ante* translates into dealing with the symptoms of instability only, a weak confederal Iraq will take its place in a Middle East body politic that will be continually prone to destabilization. The "new Middle East" will be characterized by continued Sunni-Shia cleavages, with a Shia Persian nuclear state balanced in short order by a Sunni Saudi equivalent, and geopolitical games aimed at splintering the Shia Crescent will continue. 2006 has illustrated that addressing only symptoms – the presence of Hizbullah, the lack of Lebanese territorial integrity and sovereignty and the necessity of an accelerated "freedom and democracy agenda" in the "new Middle East" - and misdiagnosing the real root causes of instability – which must include a good faith effort to honest broker a solution to the Israeli-Palestinian conflict – will allow a chronically unstable Iraq to join Palestine, Lebanon and Afghanistan as geopolitical pawns and the region to fall further behind global patterns of modernization and development.

Current US policy has facilitated the creation of a dangerous and unprecedented situation within which every point of conflict between the US and Iran in this "new Middle East" is now interlocked, and the dangers of destabilization of the region are consequently much higher. Future US policy should move beyond the sterile debate centered on ill-defined notions of "victory" and "defeat", delink issues one from another in order to better manage stability in Iraq and the region and, by restoring US credibility, more effectively advance US long-term national interests.

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