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**Center for Strategic and International Studies**

**1800 K Street N.W.**

**Washington, DC 20006**

**(202) 775-3270**

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**To contact author: [Acordesman@aol.com](mailto:Acordesman@aol.com)**

# **Developments in Iraq at the End of 2003:**

## **Adapting US Policy to Stay the Course**

**Anthony H. Cordesman**

**Arleigh A. Burke Chair in Strategy**

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One of the key issues shaping US policy in Iraq is what really defines an acceptable exit. In one sense, the US cannot lose in Iraq. Whatever happens over the coming months, it will achieve several critical prewar goals:

- Saddam Hussein will be gone, and with him a regime that could make Iraq into a successful aggressor and major regional military threat in a region with more than 60% of the world's proven oil reserves.
- Iraq will not be a major threat in terms of proliferation for at least a decade.
- Iraq will not be serious conventional military threat for roughly the same time period.
- Iraq will not be able to play a major military role in any future Arab-Israeli conflict or in using military force to destabilize any Arab-Israeli peace process.

What is also clear, however, is that there is no prospect that Iraq will emerge as an "example" of democracy and capitalism that will transform the region, as an example of US capability to largely bypass the international community in nation building, or even as a definitive example of US military capability – since US problems in asymmetric warfare have already largely offset the image of "invincibility" the US created in defeating Saddam's conventional forces.

At this point in time, the real issue is what the US can achieve between the end of 2003 and some point no later than the end of 2005, when it will have largely or totally exhausted its ability to directly influence events in Iraq.

### **The Post-Exit Iraq is What Counts**

The prognosis is mixed at best. The US may be able to start a great deal in the time it has remaining in Iraq, but there is little it will be able to finish or even be sure it can build up enough momentum so that Iraqis will execute US plans in the future. As a result, it is necessary to consider what now seems likely to happen after that exit occurs before one even considers the events leading up to a US exit.

#### **A Limited Political Beginning at Best**

It now seems almost certain that the US will have to leave long before Iraqis can develop a lasting constitution and basis for a rule of law based on a new criminal code and the ability to enforce it. Whatever Iraqi government emerges before the US leaves, is almost certain to be inherently unstable. It will not have solved the religious sectarian and ethnic tensions in Iraq --which are growing as the conflicts and power struggles between Sunni and Shi'ite become more serious. Iraq's population is Arab 75-80%, Kurdish 15-20%,

Turkmen, Assyrian, or other 5%. It is 97% Muslim (Shi'a 60-65%, Sunni 32-37%), Christian or other (3%).

Stable political parties will not have emerged. Leaders will be inexperienced and largely untested, particularly in reaching effective compromises and dealing with a post-aid economy. Whatever resolution is reached in the near term regarding the role of Islam in Iraq's government will at best be unstable. There are no rules to history, but few nations with anything like the problems Iraq now faces have experience less than a decade of political instability, and many have gone through strongman phases and coups. Moreover, it seems very unlikely that current Iraqi "leaders" who lack strong followings and personal charisma will survive US departure.

### **Limited Economic Reform and Development**

It seems equally likely that the US aid program will have helped Iraq deal with its short term crises, but that the US will never be able to develop and began to implement any comprehensive plan to convert Iraq into a modern free market economy, modernize Iraq's industries and agricultural sector, or shape the future of Iraq's petroleum development and industry.

The fact that the US has not yet been able to issue key prime contracts for much of its aid effort, has no clear technical basis for modernizing Iraq's oil fields, and now seems likely to have to give up efforts to privatize Iraq's state industries and switch from national food rationing to a market-driven agricultural sector, indicate that the US may well leave an Iraq unready to manage its economy and attract foreign investment on competitive terms.

It is unclear how much Secretary Baker will be able to accomplish in terms of debt and reparations relief for a total ranging from \$100 to \$300 billion. Moreover, the Bush Administration may have created an aid funding and management nightmare by trying to go from "zero" to \$18.7 billion in a single year, but promising not to seek additional funds in FY2005.

This is not an optimistic picture for the near and mid-term, and it will interact with Iraq's political problems. To put it in perspective, the US government estimates that Iraq earned only \$12.3 billion in oil export revenues in 2002, with exports more than twice those it will have in 2003, and oil revenues accounted for 95% of all exports. Its GDP in 2002 was \$15.6 billion in purchasing power parity terms. This is around one-third of Iraq's GDP in 1989 (after eight wars of the Iran-Iraq War). And Iraq's population is now some 40% higher with current unemployment levels of 50-60%.

### **An Insecure Regional Environment**

The most likely post-exit case will also be one in which Iraq does not have a secure regional environment. The US efforts to create meaningful Iraqi military forces have been faltering at best, and seem to have been quietly scaled back after more than a third of the men in the first battalion left. Iraq may be able to cobble together some kind of force out of the remnants of its army and air force equipment, but it will be a token force at most and it will have no navy. Whatever the US may want, it also seems increasingly unlikely that any Iraqi government that achieves full sovereignty will want, or be able to maintain, a significant US or coalition presence once it has full control. The US and Britain are already seen as occupiers by most of the Iraq people.

Turkey cannot and will not ignore the threat posed by its own Kurds and the role Iraqi Kurds will play in the future. Syria has its own interests as an Arab and Ba'ath power; it may be relatively covert but it will not be passive. Even if Iran wants to stand aside, it will be drawn into any Shi'ite versus Sunni tensions, as the Sunni Arab states will be drawn in on the other side. Jordan will have to live with the backlash of US withdrawal from Iraq and the lack of future subsidies, and Saudi Arabia will face problems with smuggling and drugs. (The numbers of Iraq's now trying to enter Saudi Arabia for such purposes is about 10-20 times the number of Arabs trying to infiltrate across the Saudi border into Iraq.)

One minor irony: Iraq is almost certain to reemerge as anti-Israel at the political level. Post Saddam media have been at least as hostile to Israel as Saddam era media, and Iraq will have to reassert its Arab and Islamic identity. The results will be less threatening to Israel in terms of cash flow and Iraqi military capability, but Iraq also will be free of sanctions and more capable of cooperation with other states.

### **An Exit with Iraqi Hope and US Honor?**

The US and its allies cannot afford to try to stay in Iraq much beyond 2005 – if they can stay that long. They also cannot hope to bind the future. Even if a transfer of sovereignty appears to be conditional, with some arrangements for a continuing US and British presence, it will quickly prove untenable unless the Iraqi people and Iraqi elites fundamentally reverse their present hostility to any form of continuing US and British “occupation.” The US truly does face what senior US commanders in CJTF-7 call “descending consent.” Every day that passes sees a slight decline in Iraqi tolerance for a US or British military presence.

Unfortunately, the only thing likely to reverse this trend is a “new worst case.” This would be a case where Shi'ite (and Kurd?) feel so threatened by the Sunni “former regime loyalists” that they call upon the coalition to stay until it finishes the job. It is unclear that the Shi'ites will ever seek such a US presence even if the Sunni “former regime loyalists” continue to strike in Shi'ite areas, but such a case is at least possible. Unfortunately, the end result would be a low intensity war where the US was seen in both

Iraq and the region as fighting a largely religious sectarian war in favor of the Shi'ites, a future the US has every reason to avoid.

Given these realities, the most the US can hope for is to leave Iraq having created conditions that given Iraq real hope *if* new leaders emerge, *if* they can work together and work towards the national interest, and *if* the Iraqi people are willing to follow. The minimum that the US and its allies should strive for is to create conditions where they gave Iraq these opportunities, and it is clear that the resulting failure is Iraq's and not that of the US and its coalition allies.

### **A Strategy for Defining “Failure” as “Victory”**

Ironically, the failure of the Governing Council and of the effort to create a new constitution on the schedule originally set by the US, and the present “race to sovereignty” may be the best way to accomplish this. Iraqis are now forced to cope with the same “impossible” accelerated schedule for a transfer to sovereignty that they want from the US and the Coalition:

- By March 15, 2004: Elect a constitutional convention.
- By June 30, 2004: Select a transitional national assembly by local caucus or election, which assumes full powers to govern on this date.
- By December 31, 2005: Ratify the constitution and elect a new Iraqi government; transfer sovereignty back to Iraq on or about this day.

While it is increasingly questionable that the US can wait as long as December 31, 2005 to transfer sovereignty, this schedule still means some form of elections – uncertain as they may be – will create new leaders well before the US leaves Iraq. It also explains why the CPA and US are already abandoning over-ambitious goals in terms of nation building and beginning to realize that the “Iraqiization” of governance, security, and economic/aid planning must be as rapid as possible.

Granted, the end result will be an inefficient mess. (A description that could be applied with equal justification to the most recent session of the US Congress.) It will, however, be a transition to an ***Iraqi*** inefficient mess and the longer this can be done while US forces are actively dealing with the former regime loyalists the better.

Here, it is important to note that the US cannot win a military victory that will create an Iraq that will approach the ideal post sovereignty state that either Americans or Iraqis would like. The creation of such a state will take years beyond such a victory and either be done by the Iraqis or not at all. The US may, however, be able to create the kind of victory that will defeat enough of the former regime loyalists so that it is clear to the Sunnis that they must work with the Shi'ites and Kurds, and that no combination of the leading tribes and extended families that dominated Iraq under Saddam Hussein has any hope of regaining their past power.

### **The Security Issue**

The US may have pursued the wrong strategy in dealing with the new Iraqi Army to achieve this end, although it seems likely that it was right in largely writing off the old Iraqi Army immediately after the war. There simply was too little worth preserving to justify the effort. The US seems to have been right, however, in seeking to create the kind of Iraqi security forces that can both help the US deal with the current threat and offer some hope for security once the US leaves.

In any case, the practical problem for the future is that the US may have the time to create security forces that can deal with the insurgent threat on its own, but almost certainly does not have the time to create the heavier Iraqi forces that Iraq will need once sovereignty is transferred. The goal, as with all other aspects of the pre-transfer effort, must be to accomplish the art of the possible within the next 12 to 24 months, and lay the groundwork for future cooperation if the new Iraqi government chooses to pursue it.

The US is making progress in the security effort, although serious questions do remain about the quality of their training, morale, and loyalties. The Washington Post has reported that there are some 60,000 Iraqi police, 48,000 security guards, 12,200 border and customs officers, and 8,500 in the Iraqi civil defense corps – which may come to include at least one 800 man force of the militias now controlled by Iraqi leaders and ethnic groups.

Work by Mark Stone of ABC provides somewhat different figures. He indicates that the Border Police, Custom & Immigration Service total around 10,000: Border Police: 5000, Border enforcement officials (immigration etc): 3000, and Support staff: 2000 The Facilities Protection Service has some 65,000 men (The various ministries hire FPS people to guard installations and facilities that come under their respective jurisdiction.

The Iraqi Civil Defense Corps (ICDC) has 13,000 serving and 2,000 in training. The ICDC has been formed to work in conjunction with coalition forces, serve as a liaison between the coalition and the local communities, and provide human intelligence. It is recruited from local communities, trained and then sent back to that community to work with the coalition.

According to Stone, the CPA total manning goals for the fall of 2004 are 75,000 police, 7,000 Border Guards (already over the required level), 50,000 Facilities Protection Service (already over the required level), and 40,000 Iraqi Civil Defense Corps.

The speed with which these police and security services have been recruited and trained may lead to problems in the future, and there already have been significant desertions and problems with officers and other ranks that have proved to have Ba'athist backgrounds or be disloyal.

It is the New Iraqi Army, however, that may present the most serious problems. It had only one active battalion (the 1<sup>st</sup>) at the end of 2003, and some 300 of its 700 men had refused to serve. Some 800 men were in training for the 2<sup>nd</sup> battalion, and another 800-1000 had signed up and are scheduled to be in training in January. These forces, however, only produce the equivalent of a light infantry regiment/brigade – even if they fully complete training without further resignations.

The US has talked about increasing the Army to 35,000 men by the fall of 2004, but has never announced any clear plans for doing so, or for creating the mix of land, air, and naval forces Iraq must have to replace the forces it lost in the recent fighting. At the present schedule, Iraq will not have begun to create a meaningful self-defense capability by the time the US must transfer sovereignty, and Iraq has problematic neighbors like Iran, Syria, and Turkey that have massive conventional forces.

The US cannot give Iraq the post-sovereignty security it needs by pursuing its current approach, which does much to reinforce the image of the US as both an occupying power and one with lasting ambitions for a military presence in Iraq – a presence that many Iraqis already find unacceptable.

The US needs to do far more before it departs to create Iraqi military and security forces that can both defend Iraq and act as a symbol of true Iraqi sovereignty. The US instead needs to find a compromise between rebuilding elements of the old army and air force and creating the kind of “ideal” armed forces it is not seeking to build from the ground up. It must now seek to create armed forces that Iraqis want and will support, whose development Iraqis largely plan and manage, and whose manpower clearly cuts across religious sectarian lines.

In practice, this means taking the effort out of the control of the CPA and putting it under Iraqi civil and military command, with the US and others in an advisory role. The US simply cannot afford to allow the good to be the enemy of the mediocre, or have illusions about an extended span of control that it will not possess.

At the same time, the US does need to lay the groundwork for a longer-term strategy. It needs to leave a legacy where a new Iraqi government will see a clear incentive to use the US and UK as military advisors, and where the prospect of major ongoing military assistance will act as an incentive for Iraqi unity and continued pluralism and respect for human rights. Rather than try to force a continued coalition presence on the new Iraqi government, the US should create the kind of aid package that Iraqis will clearly see as in their own interest, and which can act as a broad stabilizing influence at both the military and political level.

### **The Aid Process**

At least through the end of 2004, and possibly 2005, the aid process must be seen primarily as a short term effort designed to support Iraqi political consensus building and win popular support, and not as some master plan for restructuring Iraq. It may be possible to

help key Iraqi ministers develop longer term plans, but the US cannot hope to succeed in imposing its own ideas or in using aid in the long term. Sheer volume of resources and waste has always been a major US weapon in war and it must be one in nation building as well.

The primary goal through the transfer of sovereignty must be to use aid to change Iraqi perceptions of the value of cooperation, win hearts and minds, ensure that as much money as possible goes to Iraqis, and ensure that aid is distributed in ways that minimize ethnic and religious sectarian tensions – not to try to lay the ground work for an “efficient” future that will never happen.

This again, however, does not preclude the kind of longer-term – post transfer of sovereignty -- aid offers that will act as an incentive for ongoing economic reform, as well as an incentive for Iraqi unity and continued pluralism and respect for human rights. Like military assistance, economic aid should become conditional on both the Iraqi development of sound programs for development and reform, and on a reasonable degree of Iraqi political stability and progress. This does mean an aid program will be necessary long after FY2004, but such a program should be much easier to internationalize as Iraq acquires sovereignty, and the idea of a massive quick fix, limited to FY2004, is a promise the Bush Administration should never have made and the Congress should never have accepted.

### **The Political Process**

The US must decouple itself as much as possible from trying to pick Iraq’s new leaders and trying to micromanage the form of government that Iraqis choose. It should put the Iraqis in charge as much as possible, and focus on trying to shape a political process that ensures that whatever government is created (a) protects basic human rights, (b) does as much as possible to minimize the depth and importance of religious sectarian and ethnic splits, and (c) sees major post transfer of sovereignty incentives for maintaining some form of democratic pluralism and avoiding internal conflict.

The end result is unlikely to be pretty. It will probably be at least as fractious and chaotic as the US was under the articles of confederation and during the early years of its political system. The US needs to recognize, however, that Iraq has the right to make its own mistakes, and that it has a truly different culture.

### **The Cost of Staying the Course**

What the US and its allies cannot afford to do is to “cut and run.” It seems almost certain that no amount of US effort between the end of 2003 and the transfer of sovereignty can now compensate for the Bush Administration’s failures to prepare for effective security, conflict termination, and nation building. (If such missions could have been accomplished even with suitable preparation.) This does not mean, however, that the US can ignore the devastating decline in its strategic position if it is seen to make anything less than a strong, good faith effort, and to respond to events in Iraq as effectively as



possible. At a minimum, the Iraqis must be seen as having failed to use the opportunity. In practice, the US must do everything possible to given them a serious opportunity to shape their own destiny.

### **The Cost in Terms of aid and Casualties**

The bill, however, will be a high one. In dollar terms, military operations at likely to cost at least \$4-5 billion a month at least through the end of 2004. The aid bill already is high. The US has appropriated a total of \$21.6 billion through the end of 2004, with \$18.7 billion in 2004 alone. Other countries have pledged some \$13 to \$19 billion. This is a total of roughly \$84 billion for the US alone in 2004, and no estimates exist for 2005 and beyond.

The fact is, however, that much of the current US aid program makes little real sense. The idea is to use major one shot contracts to accomplish far more than its practical at far too high a short term cost, when the Iraqi people need confidence, economic security, and recovery during a period of political change and turmoil. Aid should be political now and buy support for a transition to sovereignty on the best terms possible. It then should be conditional, not on Iraq adopting US plans and economic ideology, but rather on the Iraqis coming up with practical plans of their own and Iraqi political stability. This will be cheaper than some \$20 billion a year, but it may well mean another \$20 billion over FY2005-FY2007, and an ongoing US effort to internationalize the aid process and obtain full debt and reparations forgiveness.

The worst bill, however, will be the “butcher’s bill” of fighting a prolonged low intensity conflict. The US suffered a total of 3,173 casualties between March 19 and December 27, 2003: 325 killed in action, 145 non-hostile killed, 2,333 wounded in action, and 370 non-hostile wounded. The US ended the fighting against Saddam’s regime with a total of 665 casualties: 115 killed in action, and 550 wounded in action. The Iraqi resistance was comparatively slow to organize and gather momentum, and the US suffered 639 casualties in the four months followed the “end of the war” on May 1<sup>st</sup>. It lost 95 killed in action, and 570 wounded in action during May through the end of August. This total rose to 1,354 casualties between September 1 and December 27: 145 killed in action, and 1,209 wounded in action.<sup>i</sup> The number killed in action in counterinsurgency phase was 210, nearly twice the 115 battlefield fatalities during major combat operations. The number wounded in action in counterinsurgency operations, 1,783, was more than three times the 550 wounded in action during major combat operations.

A total of 88 allied forces have been killed and 100 were wounded from March 19 to December 27, and some 150 UN, international aid personnel, and foreign contractors have been killed. The vast majority have been casualties from in counterinsurgency operations. Estimates of the number of Iraqis killed from March 19 to December 27 go as high as 7,950 to 9,800. The insurgents have increasingly targeted Iraqis supporting the coalition and Iraqi nation building efforts, and at least several hundred Iraqis have died as a result of former regime loyalist and insurgent attacks.<sup>ii</sup>

A few experts feel that the US can reduce the impact of attacks to minimal levels by the spring of 2004. They feel that US intelligence is making major improvements, and that the insurgents are led by former regime loyalists from the upper and middle ranks of five extended families from a few villages near Tikrit, and centered around Auja (Saddam's birthplace), Dawr, and Abu Ajeel. If these networks can be destroyed, they feel the resistance may largely collapse.

Most experts, however, are far less optimistic. They feel the direction of the insurgent effort is far more diffuse, and that dismantling the structure most loyal to Saddam will simply lead other insurgents to act who are Ba'ath loyalists, Arab and Iraqi nationalists, Islamic extremists, Sunnis who fear a Shi'ite takeover, and foreign volunteers.

It seems likely that the US and its allies will continue to take similar levels of casualties long in to 2004 and may well continue taking casualties until the day they depart Iraq. No one can do more than make the roughest guesses about the future, but 2004 may well cost another 360 US dead and 2,640 wounded. The costs to its allies are likely to be proportionate, and the costs to Iraqis will probably be much higher – reaching several thousand more Iraqi civilians, officials and security forces. It also seems likely that the insurgents will seek to steadily broaden the scope of the war beyond the so-called Sunni triangle (The area including Bayji, Tikrit, Balad, Baqubah, Baghdad, Fallujah and Ramadi). So far, US casualties reflect the fact that the insurgency has been largely contained to part of Iraq:<sup>iii</sup>

<u>Region</u>	<u>Coalition Forces</u>	<u>US and Allied Killed by Location (May 1-December 27, 2003)</u>
North	101 <sup>st</sup> Airborne	41 US: 2 in Tall Afar, 4 in Kirkuk, and 35 in Mosul. (Note that Mosul and Kirkuk are mixed Sunni and Kurdish areas and Tall Afar is largely Sunni)
Northeast	4 <sup>th</sup> Infantry Division	3 US : 1 in Jalawia and 2 in Sadiyah (Largely Sunni)
Sunni Triangle	4 <sup>th</sup> Infantry Division	87 US: 1 in Bayji, 14 in Tikrit, 1 Dawr, 10 in Samarra, 11 in Balad, 14 in Baqubah, 25 in Fallujah, 9 in Ramadi, 1 in Hamariyah, and 1 in Khaldiya.
Greater Baghdad	1 <sup>st</sup> Armored Division	65 US and 10 allied: 58 US and 3 allied in Baghdad proper, 2 US in Taji, 7 allied in Mahmudiya, 2 US in Iskandariya, and 3 US in Hazah. (Most attacks took place in Sunni and mixed neighborhoods.)
West	82 <sup>nd</sup> Airborne	5 US: 3 in Husaybah near Syrian border, 1 in Haitha on road from Baghdad to Syria, and 1 in Asad. (Largely Sunni areas)
Center-South	Multi-National Division	9 US and 6 allied: 5 US and 6 allied in Karbala, 1 US in Hilla, 1 US in Najaf, and 2 US in Diwaniya. (Largely Shi'ite areas)
South	British Division	33 Allied: 5 in Basra, 6 in Majar al Kahir, 17 in Nasiyah, and 5 in unreported location.

### **The Domestic Political Challenge**

The US will have to go through an election year, having to retrench on a commitment not to seek more aid funds in FY2005 and facing a constant stream of casualties. It will almost certainly do so having failed to find enough weapons of mass destruction to justify the prewar assessments of the threat, and discovering by the day that the reality of Iraqi nation building will fall far short of the goals of those neoconservatives (and some liberals) who saw the fall of Saddam Hussein as a “transformational” event for the entire Middle East.

No matter how well coalition and Iraq security forces do in fighting the insurgents, there are certain to be some terrible moments. US political sensitivities are well known to both former regime loyalists and Islamic extremist terrorists. So are the dates for key primaries, Congressional hearings, and speeches. The example of Israel is also one that needs careful consideration. Attackers do not need to maintain a constant level of attacks; they only need to hit hard at critical points in time and the political sensitivity of the target will always be as important as the casualties produced. Only sheer luck can prevent at least one incident on the scale of “Blackhawk Down” or the Marine Corps Barracks.

An election year is a poor time to call for bipartisan restraint, and it is already clear that little may be shown. At the same time, both parties need to understand that the more the US appears to be divided, or vulnerable to pressures for early withdrawal, the more both today’s insurgents and new insurgents will be inspired to go on attacking and seek to drive the US and coalition out of Iraq.

Similarly, there will almost certainly be brutally critical post mortems on what the Bush Administration did wrong in underestimating the challenges involved in Iraq, and in failing to prepare for conflict termination, security, and nation building. However, if this leads to the kind of politics that paralyze practical action, end in demands to meet impossible goals, or imply the US will cease to aid Iraq, however, the end result will almost certainly be to persuade Iraqis that there is no future in supporting any aspect of US plans or to trigger civil war before or after the transfer of sovereignty.

There are real world limits on what the US can do to stay the course that could become all too apparent during the course of 2004. The US will have to accept the strategic cost of leaving Iraq if it loses the support or tolerance of the Iraqi people as a whole at any time before the end of 2005, or if it should lose the tolerance of the Shi’ite majority. The US cannot force unity and peace on Iraq in the face of massive resistance or de facto civil war. Nothing could be more futile than an effort to save a nation from its own citizens.

Under every other circumstance, however, the US must continue to pay the political, aid, and butchers bill necessary to demonstrate the depth of the US commitment and transfer sovereignty to Iraq under conditions that offer real hope for the future. The Congress and rival Presidential candidates must understand this. Staying the course will not be pretty at any point in the foreseeable future, but any US withdrawal without having done

everything possible, or for domestic political reasons, will be an open demonstration of American vulnerability and weakness that will be as difficult to overcome as Vietnam, and the resulting impact on the Middle East is almost certain to be future conflicts and crises that could otherwise be avoided.

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<sup>i</sup> Vernon Loeb, "In Iraq, Pace of US Casualties has Accelerated," Washington Post, December 28, p. A-1 and A-18-19.

<sup>ii</sup> Vernon Loeb, "In Iraq, Pace of US Casualties has Accelerated," Washington Post, December 28, p. A-1 and A-18-19.

<sup>iii</sup> "Iraq Between War and Peace, Washington Post, December 28, p. A-20.