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Winning the “Long War” in Iraq: What the US Can and Cannot Do

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Working Draft, Third Revise: May 26, 2006

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There are no good strategic options in Iraq, and there is a serious risk of failure regardless of the policies the US pursues. The US also has increasingly limited options. Iraq is now in control of its own political destiny and Iraqi leaders and politicians will choose its strategy. They can be influenced and pressured to some extent, but only at the risk of a hostile or opposite reaction. They too have limited options. Like the US, they must try to make the current political process work, or see the nation devolve into a far more intense form of civil war.

This does not mean, however, that the US lacks options for action. The options may not offer easy ways out, or certain probabilities of success, but there are many things the US can do.

Face the Reality that Iraq is a "Long War"

It will take political courage in an election year, and in dealing with a war which is already unpopular and where a majority of the American people no longer trusts the President or the Congress, but one key to success is to admit that this really is a long-term engagement.

Iraq can't be "fixed" quickly. It can only be placed in an even worse position by premature US disengagement. Iraq cannot really hope to reshape its constitution and political process and establish effective governance throughout the country for at least two years, and this effort could easily have cycles of success and failure that take half a decade.

No matter what happens, the US must be deeply engaged in Iraq and in the Gulf for at least the next two decades. It simply cannot exit from a strategic situation involving more than 60% of the world's proven oil reserves and some 40% of its gas, and where the US and global economy are dependent on steadily increasing the flow of some 17 million barrels of oil a day through the Strait of Hormuz.

The US may well be able to reduce its troop presence in Iraq, and it may even be forced to leave and seek to influence Iraq from the outside. It cannot, however, "exit" in any meaningful sense. One way or another, it must try to make Iraq succeed for years, if not a decade, to come. It also cannot abandon Iraq without appearing to be defeated by Islamic extremism and asymmetric methods of war, and without being seen as abandoning some 28 million people it pledged to rescue from tyranny. The US bull is seen throughout the world as having broken the china shop it claimed to rescue. It must now live with the political and strategic consequences.

End the "Spin" and Tell the Truth

It is time for the Bush Administration to stop trying to spin the war in Iraq into images of turning points and success and address the real issues. Leadership must consist of honest, frank admissions of risk and cost, and of plans that are based on half a decade, and not the false image of easy ways out. At this point in time, political manipulators and "spin artists" like Karl Rove are becoming a threat that unconsciously supports the Iraqi insurgents. They breed distrust and anger and preach to a steadily diminishing minority of the "converted."

The Congress needs the same honesty. Republican members need to face the same realities as the Bush Administration, and Democratic members need to stop talking about impossible strategies and easy exits, as if Iraq's fate somehow did not have strategic importance. The Congress has been no more honest as a body than the Bush Administration, and only a few members have truly sought bipartisan solutions that will serve the national interest. Partisan spin and opportunism is

as much a threat to the US as the spin within the Administration. Like the President, the Congress is more of a threat than the insurgency.

The US military and senior US officials also need to stop "cheerleading" and spinning the facts on the ground. The leaders must present the real facts and options, honestly address the risks, present a strategy for long-term involvement, and provide metrics that give an honest picture of what is happening good and bad. Americans need to see that there are practical plans; they need to be able to trust what senior military and civilian officials say; and they need to see a case for patience that builds credibility and trust. There is a reason polls show a growing lack of confidence and support. The US government simply has failed to earn it.

US officials reporting on Iraq should recognize the fact that the US Embassy in Iraq, and US intelligence and military officers, see many of the same problems in Iraq as the media. No one is hiding the "good news." Put simply, not much progress has been made, and it was never reasonable to assume progress could be quick and easy. Instead of playing games with numbers and definitions, US officials should prepare the American people and the Congress for years of effort. They should communicate in ways that build enduring trust by honestly stating the problems and by providing meaningful metrics of success and failure. US leadership should reassure Iraqis and the rest of the world that the US is addressing Iraq in real world terms, and it should put indirect pressure on Iraqis to lead, act, and succeed by highlighting their successes and failures.

Continue Active Political Engagement and Pressure

There are areas where the US can reinforce success, although not without risk. The US needs to continue to actively engage Iraqi political leaders at the highest levels to push them towards national unity, to find working compromises between sectarian and ethnic factions, to create effective ministries and methods of governance, and to make military and economic progress.

The US must actively "interfere" in Iraqi politics. If top-level US officials do not visit Iraq to engage Iraqi political leaders, and if the US ambassador is not a key "agent provocateur," the Iraqi political process is likely to get bogged down, and the risk of failure and division will increase. Such US action will inevitably lead to protests by whatever Iraqi faction feels the US is opposing or failing to support it. It will provoke some Iraqi nationalists and outside critics on principle.

Iraq, however, needs active outside pressure, criticism, and effort to force it to actually make decisions and move. It also needs constant reminders that Iraqis are now responsible and that there are limits to US and other outside support. Iraqis need to know that the US will provide support where it is productive, but there are no open-ended commitments.

At a different level, the US government needs honest plans and assessments that can shape a more structured political effort. Exercising US political influence requires effective long-term plans backed by aid to Iraq's emerging political structure. Moreover, effective US influence demands governance that recognizes the need for at least a five-year strategy funded to have a major impact in aid at the regional and local levels. Iraq's politics are as much urban and local as they are national, and US strategy must recognize this.

Let the Calendar Slide if Iraqis Want This

The US should let Iraqis move at their own pace in terms of the redrafting of the constitution and referendums on it. The goal should be a process of steady cumulative progress in political

compromise, improving security and governance, and improving the economy. The US should not try to impose deadlines, push Iraqis into resolving every issue at once, or trying to achieve milestones. The US needs to give Iraq time to work.

Expand Presence at the Governorate and Local Level

The US is still forming Provincial Reconstruction Teams (PRTs) to supplement and replace the Provincial Support Teams and Regional Embassy Office (REO). The PRTs should have been in place years ago. According to the latest State Department reporting, however, they have only been established in Ninawa, Babil, Kirkuk, and Anbar Provinces, and they seem to have serious recruiting problems and difficulties in getting experience and qualified personnel.

Political power in Iraq, economic development, and security have all increasingly devolved down to the governorate and city level. The problem has been made worse by the near collapse of the British effort in the Basra area, and ethnic divisions over Kirkuk, as well as by the range of sectarian and ethnic divisions in Baghdad and Mosul.

The US does not need a grossly overstaffed “white elephant” in Baghdad. It does need to expand its local efforts at every level, and provide a full civilian component to support the US military in the field. This requires a major reorientation in the US presence in Iraq, a “go or be fired” approach to ensuring full staffing by the most qualified people in the foreign service, and direct Presidential pressure on Cabinet officers to provide the rest of the needed staff. It needs the kind of Congressional funding, and flexibility in using US aid funds at the local level, necessary to give such a presence.

The US military also need to be ordered to provide security for such missions. They will have the highest possible priority, and US officials simply should never have been made dependent on contract and civilian security in a war zone.

Sustain A Firm Commitment to Iraqi Unity

US political influence cannot ensure Iraq remains unified, or prevent civil war and division if Iraq’s political process fails. The US must not, however, be seen in Iraq, the Arab world, or the region as promoting any form of Iraqi division.

As Iraq moves toward clarifying its constitution and reshaping its politics and process of governance, Iraq’s sects and ethnic groups need to hear again and again that the US is not on any group’s side. The US needs to repeatedly make it clear at the official level that it supports Iraqi unity. It needs to make it clear that it is not pro-Shi’ite because they are the majority and because this might be politically opportunistic—this would reinforce the insurgency, civil violence, and play into Iran’s hands. The US needs to make it clear to Sunnis that the US will support fair compromises, but it will not be pressured into giving the Sunnis special treatment. The Kurds need to know officially that the US will not support Kurdish independence, excessive demands for autonomy, or adventures in Kirkuk.

The US should leave the issue of “federalism” to the Iraqis, along with the definition of the role of national, governorate, and local government. It should not encourage the division of Iraqi governorates along sectarian or ethnic lines, and it should use political, economic, and security aid to encourage compromises and solutions that hold the country together.

If Iraq does begin to divide, the US should seek to minimize the scale of such divisions, and try to help Iraqis reach compromises that are politically and economically viable. It should not take sides or play favorites, and it should be clear to every faction that the US will not be on their side

if the nation does fall apart or move towards full-scale civil war. Instead, the US should make it clear that it will stand aside and US forces will not become involved in trying to force unity or to protect the loser. It should make it clear that it will be ready with aid in dealing with the aftermath, but not become an outside force. Iraq's factions need to know now that, regardless of the political and humanitarian consequences, they *must* make Iraq work and not rely on US intervention.

Long-Term Military and Security Commitments

The US may or may not be able to make major troop withdrawals by the end of 2006. The odds seem to be that it will be able to bring its forces down to levels below 100,000 whether Iraq succeeds or fails. A combination of Iraqi political success and force development would sharply undercut Sunni support for the insurgency and the risk of civil war, and an Iraq that became the scene of large-scale civil war would make a major US troop presence dangerous and potentially push the US towards involvement in the fighting.

Training Iraqi forces will inevitably fail if the Iraqi political process fails. If the Iraqi political process succeeds over the course of 2006 and 2007, however, every step the US takes to help create effective Iraqi forces will be critical to success. This means there can be no fixed time scale for US reductions, and reducing troop levels may or may not cut US casualties to politically invisible levels. The remaining embedded advisors and combat forces may be involved in intense operations, and smaller forces could still have significant wounded and killed.

It is also going to take a large US advisory presence and aid effort to make things work. It will be 2-3 years at the earliest before Iraq's regular military forces can stand on their own against insurgents and Iraq's militias, and half a decade before they can be rebuilt to deter and defend against Iraq's neighbors. Put simply, no other country can provide the necessary advisors or will provide the money.

The "year of the police" will also take at least 2-3 years – assuming Iraq had enough success in politics and governance to hold the country together.

In practice, the US needs to take the following steps:

- Keeping seeking to multilateralize the advisory and aid effort, but ensure that MNSTC-I is fully funded and staffed, and Iraqis are assured the US will provide both continued training and aid as long as Iraqis want and need such support, and be ready to help Iraqi forces make the transition to regular conventional forces that can defend the country.

- Ensure that US forces continue to be embedded in Iraqi units, and support them in combat as long as necessary. This means long rotations for specialized forces in high-risk positions and taking sustained casualties as long as a major insurgent presence continues.

- By all means try to win "the battle of Baghdad," but in the real world, any victory will be meaningless as long as other areas and the greater Baghdad area are divided or hostile. The MNF also needs to work the Iraqi government to win the battles of Mosul, Kirkuk, and Basra, and US forces need to continue to provide air support, armor and artillery support, tactical transport, and intelligence to directly defeat insurgents and any new hostile militia elements. "Oil spot" concepts cannot work in so divided a country with so much internal movement and mobility.

- Reexamine the equipment effort to provide a much larger pool of armor, artillery, transport, etc. Iraqi military, security, and police forces need to "outgun" and "outprotect" the insurgents. The present aid and equipment effort is too cost constrained and too limited in scope.

By all means go on with the "year of the police," but understand that a half-decade of training, support, and aid will be necessary; progress will be slow and sometimes faltering, and police really are just as important as regular military to Iraqi success.

Work with the Iraq government to find new employment for militias, security guards and protection forces, and various local defense forces. Seek to avoid integrating low quality personnel, with strong sectarian and ethnic loyalties, into the Iraqi forces.

Put Presidential pressure on the Cabinet to ensure that civil positions in the police training effort are fully staffed with fully qualified personnel when these must come from outside the Department of Defense.

Give creating an effective local court, prison, and criminal justice the same priority as the police. Solving the police problem is impossible without solving the rule of law problem and providing popular security.

Work with the Iraqi government to steadily expand its local presence. National politics and central government cannot be a substitute for actual governance at the regional and local level, having a visible presence, and providing goods and services that clearly come from the center. At this point, more politics and "democracy" are part of the problem and not the solution. People have to see a working civil government to supplement the Iraqi forces and criminal justice system.

This is a three to five year commitment at a minimum. Anything less is either deception or an invitation to defeat.

Come to Grips with Economic Reality

The US aid process has failed. It has had some important individual successes, but it has wasted at least half of the some \$22 billion in US funds (out of \$31.9 billion so far appropriated), and much of the \$34.6 billion in Iraq funds, it attempted to use to secure and develop Iraq's economy.

This is a critical issue in a country which the USG reports has 27-40 percent unemployment, and the total impact of US aid to date is to employ some 114,000-129,000 people – many in low grade temporary jobs, out of a workforce of 7.4-9 million in a country with a total population of 27-28 million. Even by ppp measurements, Iraq has a per capita income of \$3,500, and the real world level is far smaller. A flood of wartime expenses and aid money has often left the country, income distribution has gotten steadily worse, the middle class (and merchants, professionals, and technocrats) are being impoverished or forced to flee the country. Moreover, infrastructure and services have deteriorated in many areas, and employment is almost unavailable in high threat areas – leaving only crime, joining the insurgency, and joining the Iraqi forces as options.

The full scale of this failure has been overlooked because of the constant flow of political and military problems in Iraq, but the realities are massive unemployment, terrible distribution of income, as many infrastructure problems as successes, costly subsidies that overshadow successes in financial reform, a failing petroleum sector, and a massive "brain drain."

It is also brutally clear that USAID, the Corps of Engineers, and other elements of the US government that have been involved have failed to effectively plan, manage, and account for aid activity. There have been many competent US officials in the field, but the leadership of USAID has been a national disgrace. The fact is that Iraq is as much a failure as New Orleans, and the US agencies involved need massive reorganization and new leadership.

US contractors have done no better. They lacked experience in dealing with anything approaching problems on Iraq's scale, and in working with the "command kleptocracy" the previous Ba'ath rule had created. They also were given an impossible mission: unrealistic plans, constantly rotating USG personnel in the field, a lack of clear accounting rules and field

supervision, no mandated measures of effectiveness, unrealistic deadlines, and responsibility for improvising their own security in a war zone. Some contractors have been corrupt and irresponsible, but the fundamental failure lies with agencies like USAID and the US government.

It is also brutally clear that the efforts the US congress has made to ensure control of funds and accounting have done nothing to reduce corruption and waste. All that has happened is that much of the corruption and waste has been spent outside Iraq. In any case, preventing waste and corruption in a war zone and case like Iraq is at best a third order priority. Winning and making things work are what count.

The US needs to "zero base" its efforts. It needs to honestly assess its successes and failures in terms of their sustained capability. It needs to take steps to ensure what has succeeded continues to function, and failures are terminated as soon as possible. Most important, the nightmare of incompetence that has emerged out of USAID, the US Army, and Corps of Engineers needs to be put aside.

The US needs to plan on major continuing economic aid expenditures, but not using US agencies, contractors, and outside security. The US does need to try to multilateralize the flow of aid and economic assistance, so that international agencies and other countries play a major role in advising and overseeing Iraqi efforts.

At the same time, the key priority is to put the Iraqis in charge of aid and their economic development, in spite of the failures and corruption that will follow. A failed US government structure and method of contracting needs to be taken totally out of the loop. Iraqis need to make their own mistakes, learn to take responsibility, and spend the money in ways that stay in Iraq and suit both national needs and sectarian and ethnic equity. The good news is that they cannot possibly be more incompetent, more wasteful, and more corrupt than the US-planned and managed effort to date.

Moreover, it will be far easier for the US to monitor and account for what Iraqis do than try to run the aid effort. Transfer does not mean a loss of accountability. If anything, the US can focus on highlighting Iraq's needs, how well Iraqis plan and manage, whether corruption happens, and the effectiveness of the result. The mantra should not be control or micromanagement: it should be to reward honesty and success and insist on transparent, public US official reporting of corruption and failure.

To accomplish this, the Administration and Congress should expand the role of the Special Inspector General for Iraqi Reconstruction (SIGIR), not reduce or eliminate it. (See <http://www.sigir.mil/>) There is a serious risk that the Republican leadership of the Congress will try to cover up the failures in the aid progress and putting supervision and review of the US aid effort back under the same agencies that has disgraced themselves and their country.

What is really needed is to take advantage of SIGIR and its field staff, expand its role to review planning of the aid effort and all use of aid moneys and Iraqi revenues, and report on the effectiveness of the aid effort in terms of its national, regional, and local impact in actually meeting Iraqi needs. The present DoD and State Department quarterly reports and weekly reports fail dismally to do this. Iraqi officials should also know that their performance (and names and reputations) will become part of such reporting.

More broadly, legislation and regulation are needed to:

Establish civil and criminal penalties for US government personnel, military personnel, and contractors who do not meet proper standards for accountability or try to waive them. Iraq is to some extent a history of American incompetence and corruption. The answer is a "zero tolerance" approach.

Make the US military responsibly for protecting aid activity. Contractor security is too expensive and wasteful, and far too often the end result is that the aid goes where things are more secure and not where it is needed.

Require US government agencies to provide long term planning and mandated measures of effectiveness reporting in submitting aid requests, and mandate that all contracts to US companies require evidence of performance and accountability with far more severe criminal and civil penalties.

Require all civil US and non-Iraqi security contractors accepting money for US aid to accept criminal and civil liability for their actions. Leave no gaps.

Require clear transition plans, reporting, and measures of effectiveness to show that completed programs and projects have a lasting impact and become sustainable, rather than are completed and dumped.

Offer major "whistle blowing" rewards.

Focus on Oil, Refining, and Gas

The US needs to stop trying to do everything at once, and concentrate on the one sector that can finance Iraq in the future. It also needs to spend far more wisely. Far too little of the \$933 million the US has disbursed, out of some \$1,735 million apportioned for oil infrastructure, has been spent in or the right area or had lasting effect.

The petroleum sector now accounts for virtually all export revenues and most government revenues aside from aid. At least for the next few years, developing an effective petroleum sector, and one offering money to every sectarian and ethnic faction, is the only step that can offer major benefits on a national scale and help the Iraqi government finance both unity and effective governance.

Iraq has vast potential resources, but it is now producing an average of around 2.2 MMBD, and exporting 1.05 to 1.31 MMBD of oil per month. The good news is that high oil prices mean that this earns Iraq from \$1.6 to \$3.0 billion a month. In spite of a steady deterioration in field management and facilities, and security threats to exports, Iraq has gone from only \$7.7 billion in oil export earnings in 1998 (in 2005 dollars) to \$23.4 billion in 2005 (a 43% increase over 2003/2004). The EIA estimates it will earn \$24.5 billion in 2006 and \$22.9 billion in 2007. (The EIA estimates Iraq had a GDP of only \$96.7 billion in 2005; the CIA estimates \$94.1 billion).

Even if oil prices remain at extraordinarily high levels, however, Iraqi production, exports, and export revenues are not sustainable without better security, without a political compromise over sharing the nations oil wealth, and without massive investment and technological upgrades in Iraq's petroleum and petroleum related industries. While no reliable data are available, Iraq probably is now getting less than 22-25% ultimate recovery from its produced fields, vs. 27-29% for Iran, 35% as a world average, and over 40% in the highest technology fields.

The US should not push for privatization or Iraq's use of US companies. This would be totally counterproductive and arouse a host of Iraqi and regional protests. It should make it clear that Iraq needs clear plans and rapid action. It should offer to help with field development and recovery. It also should work with the USGS and DOE to create broader plans for oil development that show Iraq's fields can be developed in ways that are much less sensitive to sectarian and ethnic concerns, and create profits that aid all parts of the country.

The US also needs to help Iraq recover from the disastrous subsidies of domestic product, and lack of refinery development, that vastly underprice gasoline and fuel and make Iraq dependent on imports for 27% of its diesel fuel, 49% of its gasoline, and 51% of its LPG.

This does not mean ignoring infrastructure and water needs, and other aid and planning priorities, Money is political glue, however, and first things first.

A Priority for Making Things Work

It should be clear by now that success in Iraq is going to be limited and highly relative, and that Iraq is not going to transform other countries. It should be equally clear that it will be years before the US can hope to see Iraq become a stable country, and that progress in many areas will be slow and erratic.

The US needs to accept this, and the fact it cannot do everything at once. There will be serious problems with human rights, the rule of law, democracy, etc. There will be continuing problems in key areas like women's rights and respect for secular practices and beliefs. The US advisory effort should not abandon continuing efforts to move Iraq forward, but it cannot afford Congressional mandate for instant success or to move from influence to confrontation.

Iraqis need the basics. There was never a time the US should have seen Iraq as a social experiment or Iraqis as 27 million "white rats." It certainly is not the time now. Steady patient influence can accomplish a great deal over time. A drive for "instant success" will do more harm than good.

But, Prepare *Now* for Bad Cases

Finally, the US needs to work now with its allies around Iraq and in the Gulf to prepare for being forced to leave Iraq, withdrawing from civil war or division, or being asked to leave. The US should not plan to exist rather than succeed, but it may have to do so. A major increase in the intensity of the civil war, a government that asked the US to leave, a divided Iraqi, or simply a failed political process, could all create conditions that make anything approaching the current US presence and effort pointless or unsustainable. This could also happen with little or no warning.

The US needs to make sure its allies understand this and are prepared for such a contingency. It needs to make sure it has bases and facilities ready, and that nations understand that the US will maintain its strategic presence in the region. It needs to assure them that it will not give up on trying to make Iraq work from the outside, on dealing with Iran, on fighting terrorism, and other regional issues.

The US does not need an "exit" strategy because it simply cannot afford a true exist. It does need a contingency plan for relocation and repositioning.

Figure 2-17
SOURCES OF IRAQ RELIEF AND RECONSTRUCTION FUNDING—\$81.1 BILLION
 \$ Billions

