The Strategy the U.S. Should Pursue in Iraq

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The future security and stability of Iraq is a vital United States national security interest. Iraq is a critical component to any kind of stability in the Gulf and to the secure flow of petroleum to the global economy. It is a key to containing Iranian influence, and enhancing the security of our Arab security partners and Israel. It is a key to countering the image that the United States invaded Iraq for the wrong reasons in 2003 and left it weak, divided, and unstable. And, Iraq is a key to countering the increasing fears on the part of our regional security partners that the U.S. is leaving or reducing its security role in the Gulf.

The U.S. cannot afford to leave a power vacuum in Iraq. It must deal with Iraq's remaining security problems and military weaknesses, and deal with its grave political divisions, problems in governance, and years without effective economic growth and development. At the same time, the U.S. needs to recognize that it faces very real rivals for influence in Iraq, and a nation that has a long and strong history of nationalism and sensitivity to foreign pressure – despite its deep sectarian and ethnic divisions.

The United States cannot dictate to Iraq or successfully bully it over burden sharing or use it as a base against Iran. It may, however, be able to help Iraq become a much stronger and more unified country. It may be able to help Iraq make a successful transition back to having an effective self-defense capability and internal security forces. It may be able to help Iraq resolve its deep political divisions, improve its governance, and move back towards successful economic development rather than rely on its petroleum income levels that cannot meet the needs and expectations of its people.

This, however, can only be accomplished by respecting Iraqi sovereignty and treating Iraq as a partner, rather than as some form of client state. The United States must clearly communicate to Iraq's different factions that the U.S. seeks a strong and independent nation, will defer to Iraq's own vision of its needs and goals, and will steadily reduce its presence as Iraq makes progress towards meeting these goals.

Iraqi Instability, the Iranian Threat, and U.S. Aid

No mix of such U.S. efforts can guarantee success. The warnings about Iraqi weaknesses and lack of unity that the Director of National Intelligence raised in presenting his annual Worldwide Threat Assessment to Congress this January are all too real:

*Iraq is facing an increasingly disenchanted public. The underlying political and economic factors that facilitated the rise of ISIS persist, and Iraqi Shia militias' attempts to further entrench their role in the state increase the threat to US personnel.*

The Iraqi Government will confront a high level of societal discontent, institutional weakness, and deep-seated divisions, as well as protests over a lack of services, high unemployment, and political corruption. Baghdad lacks the resources or institutional capacity to address longstanding economic development and basic services challenges, and it faces reconstruction costs in the aftermath of the counter-ISIS campaign, estimated by the World Bank at $88 billion. Iraq's Kurdistan region is still dealing with political discontent over economic and territorial losses to Baghdad last year.

ISIS remains a terrorist and insurgent threat and will seek to exploit Sunni grievances with Baghdad and societal instability to eventually regain Iraqi territory against Iraqi security forces that are stretched thin.

Iraqi Shia militants conducted several attacks against US diplomatic facilities in Iraq in September and
December 2018. Militias—some of which are also part of the Iraqi Government Popular Mobilization Committee—plan to use newfound political power gained through positions in the new government to reduce or remove the US military presence while competing with the Iraqi security forces for state resources.

So are his warnings about Iran—which at best can be counted on to present a continuing political challenge to any future U.S. role in Iraq,

... *We assess that Iran will attempt to translate battlefield gains in Iraq and Syria into long-term political, security, social, and economic influence while continuing to press Saudi Arabia and the UAE by supporting the Huthis in Yemen.*

In Iraq, Iran-supported Popular Mobilization Committee-affiliated Shia militias remain the primary threat to US personnel, and we expect that threat to increase as the threat ISIS poses to the militias recedes, Iraqi Government formation concludes, some Iran-backed groups call for the United States to withdraw, and tension between Iran and the United States grows. We continue to watch for signs that the regime might direct its proxies and partners in Iraq to attack US interests.

The U.S. will face further problems in dealing with Turkey, Russia, and probably China. Erdogan has increasingly relied on state terrorism to enhance his power in Turkey, and on using the Kurds as an excuse to expand Turkey's influence and his own Islamic agenda. He is likely to put as much pressure on Iraq and the U.S. over the Kurdish issue in Iraq as he has applied in Syria.

Russia will probably exploit any opportunity to gain influence in Iraq and weaken the U.S. position, and is already competing with the U.S. to provide arms transfers to Iraq. SIPRI estimates that Russia provided 20% of all Iraq arms imports between 2012 and 2017 versus 57% from the U.S. ([http://armstrade.sipri.org/armstrade/page/values.php](http://armstrade.sipri.org/armstrade/page/values.php)), and the CRS reports that Russia has discussed much larger sales—many of which would require Russian in-country support (CRS R44984).

The new U.S. National Security Strategy issued in 2017 and 2018 calls for a U.S. focus on the threat from both Russia and China, and Arab sources indicate that China has already become more active in seeking to expand its influence in Iraq. Even some Iraqis who do support strong ties to the U.S. already see Russia and China as ways of countering over-dependence on the U.S.

The Challenge of Creating Iraqi Security and the Defeat of the ISIS "Caliphate"

Given this background, the United States must be prepared to deal simultaneously with both Iraq's ongoing security problems, and its equally deep problems in politics, governance, and economics. In the case of security, U.S. strategy cannot be based on the assumption that breaking up the ISIS "Caliphate" has provided Iraq with real security, and effective military and internal security forces.

Iraq has made serious progress since the near collapse of its forces during the initial phase of the ISIS invasion. However, it remains a weak military power by regional standards, and one with uncertain internal unity and internal security capacity. It could only defeat the ISIS "Caliphate" with massive support from U.S. and coalition airpower and direct "train and assist" support from U.S. forces aiding its land combat units—along with the support of Shi'ite popular militias—many of which had support from Iran.

Iraq still faces serious internal threats as well as external ones. Some U.S. intelligence estimates indicate that some 30,000 ISIS fighters are now dispersed in Syria and Iraq, and a combination of these fighters, Shi'ite and Sunni militias, and Kurdish fighters create a serious risk of new forms of terrorism and sectarian and ethnic tension and fighting.
When it comes to defending itself against foreign threats, Iraq has made some progress in developing its armed forces and counterterrorism forces, but it is at least half a decade away from creating fully effective security forces and the kind of military forces that will ensure that Iran cannot put military pressure on Iraq or exploit its internal divisions. It will require ongoing training and assist aid to create the kind of forces that can deal with the tensions between its Shiites and Sunnis and Arab and Kurds and halt any revival of civil conflict.

These limits to Iraq's present security capabilities are ones that the US Central Command has made quite clear in its briefings and testimony. They are reinforced by the analysis in a February 2019 report by the Lead Inspector General on Operation Inherent Resolve (https://www.dodig.mil/Reports/Lead-Inspector-General-Reports/Article/1747137/lead-inspector-general-for-operation-inherent-resolve-i-quarterly-report-to-the/):

CJTF-OIR reported that in Iraq the ISF is still heavily reliant on Coalition enablers in several functions, especially with regard to intelligence gathering and analysis. Challenges to the ISF’s intelligence efforts include weaknesses in the system for tasking intelligence, surveillance, and reconnaissance (ISR) assets, the lack of sufficient intelligence personnel, and the absence of procedures to either vet intelligence received from human sources or to exploit easily accessible public open sources.

Other ISF weaknesses identified by CJTF-OIR include precision strike capabilities, logistics, overlap of security forces, training, and campaign planning, as well as tactical skills such as command and control and basic infantry tactics.

According to CJTF-OIR, this quarter Coalition advisers worked with the ISF, the Ministry of Defense, and the Ministry of Interior to develop Iraqi defense policy, improve logistical processes, and create an inter-ministerial medical committee. The Coalition reported that, despite some momentum in those efforts, "many key ISF leaders have the knowledge and influence to enact reforms that have been encouraged by the international community for years but lack the will to do so through concrete actions.” OUSD(P)/ISA stated that key bureaucratic and institutional obstacles also hamper efforts to reform the deeply dysfunctional bureaucracy and to root out corruption.

CJTF-OIR reported improvements to the Iraqi Air Force this quarter in joint operations with Coalition personnel and in the field of joint search and rescue operations... However, it stated that going forward, the Air Force will face challenges from relying on Coalition logistics, the overall lack of information sharing amongst the Iraqi security apparatus, and limited budgetary resources. While the Air Force suffers from many of the same deficiencies present in the rest of the defense apparatus, it benefits from experienced and resourceful personnel who are receptive to Coalition assistance, CJTF-OIR said.

Iraq has some very good elite counterterrorism units, but its Army needs massive added training and re-equipment – as does its navy, air force, and internal security forces. At a minimum, it needs to build a modern air force and rebuild its land-based air defense missile forces. Corruption is a critical issue in the military and security forces as well as in the civil government economy, and creating forces that can deal with Iraq ethnic and sectarian challenges remains a critical problem. Accordingly, Iraq will need years of outside help.

**The Challenge of Iraqi Politics, Governance, and Economics**

There are equally good reasons why the World Bank, IMF, and CIA warn that Iraq's governance is weak and that internal divisions and corruption can cripple or divide it, and that make it clear that Iraq lacks the oil wealth to recover and develop to a level that meet the needs of its people and encourage real national unity after from years of crisis and war.

Put simply, Iraq’s politics, governance, and economy all pose major challenges that could leave Iraq unstable or even divide it. Iraq's progress towards democracy has so far produced two divisive
and near paralyzing elections and it remains deeply divided between Sunni and Shi'ite and Arab and Kurd – as well as within each group- and along regional and tribal lines.

The World Bank rates Iraq's levels of governance as some of the lowest in the world. (http://info.worldbank.org/governance/wgi/#home). Corruption has been a critical problem since at least 2003, and Transparency International rates Iraq as the 12th most corrupt nation in the world. (https://www.transparency.org/cpi2018.) Iraq desperately needs to improve its ability to plan, reform, and manage recovery, rebuilding, and growth.

Iraq's oil revenues fall far short of meeting its overall needs for economic development and growth. The U.S. Energy Information Administration (EIA) estimated that its per capita petroleum income only amounted to $1,815 in 2017, and far too little of this income reaches the Iraq civil economy and ordinary Iraqis (https://www.eia.gov/beta/international/regions-topics.php?RegionTopicID=OPEC).

The World Bank and IMF make it clear that Iraq’s private sector needs massive economic reform, its state sectors is grossly inefficient and far too costly, and its agricultural sector has need major reforms for decades. Iraq must reform itself, but it needs outside help to improve its governance, reform efforts, and create the kind of economy that can bring broad development and stability.


The most recent World Bank Overview (http://www.worldbank.org/en/country/iraq/overview) reflects some positive trends, but warns that,

Iraq’s economic condition is gradually improving following the deep economic strains of the last three years. The defeat of ISIS in end-2017 now leaves the challenging task of rebuilding the infrastructure and providing services and job opportunities to the population. This is overlaid on the need to address the legacy of past conflict and neglect, including in the south, which was the poorest region of the country pre-ISIS. The World Bank estimates the cost of post-ISIS reconstruction at US$88 billion.

... The poverty rate has increased from 18.9 percent in 2012 to an estimated 22.5 percent in 2014. Recent labor market statistics suggest further deterioration of welfare. The unemployment rate, which was falling before the crises, has climbed back to the 2012 level. Almost a quarter of the working-age population is underutilized, i.e., they are either unemployed or underemployed. Internally Displaced Persons (IDPs) have been buffeted by multiple adverse shocks: they have lost much of their wealth through destruction of assets; they have seen family members die, get sick, or become injured at a higher rate; and they have faced loss of jobs or businesses. These shocks have occurred at a time when their capacity to cope with shocks has been further strained. Fewer IDP adults have a job, so each employed adult in an IDP household supports more than six other household members.

... sustained non-oil recovery will depend on the transition from an immediate rebound as security improves to implementation of a high-quality investment pipeline with sound financing. Thus, reconstruction will remain an upside risk for growth (rather than in the baseline) given the continued uncertainty about how it will evolve.

The CIA World Factbook notes that,

Iraq is making slow progress enacting laws and developing the institutions needed to implement economic policy, and political reforms are still needed to assuage investors' concerns regarding the uncertain business climate. The Government of Iraq is eager to attract additional foreign direct investment, but it faces a number of obstacles, including a tenuous political system and concerns about security and societal stability. Rampant
corruption, outdated infrastructure, insufficient essential services, skilled labor shortages, and antiquated commercial laws stifle investment and continue to constrain growth of private, nonoil sectors.

Under the Iraqi constitution, some competencies relevant to the overall investment climate are either shared by the federal government and the regions or are devolved entirely to local governments. Investment in the IKR operates within the framework of the Kurdistan Region Investment Law (Law 4 of 2006) and the Kurdistan Board of Investment, which is designed to provide incentives to help economic development in areas under the authority of the KRG.

Inflation has remained under control since 2006. However, Iraqi leaders remain hard-pressed to translate macroeconomic gains into an improved standard of living for the Iraqi populace. Unemployment remains a problem throughout the country despite a bloated public sector. Overregulation has made it difficult for Iraqi citizens and foreign investors to start new businesses. Corruption and lack of economic reforms - such as restructuring banks and developing the private sector – have inhibited the growth of the private sector.

**The Strategy the U.S. Should Follow**

Serious as these security and civil challenges are, none mean that the United States should abandon Iraq. Its strategic importance is too great, its human needs are too real, and America’s role in creating its problems have been too great. At the same time, they are no excuses for seeking to make Iraq a lasting U.S. military base, to pressure it into the role of a strategic partner at the cost of its stability, or treat it as if it was not a sovereign nation.

The United States will gain far more if it can help Iraq recover from what is now some sixteen years of civil conflict, help it become capable of defending itself and maintaining its own security, and help it move towards stable internal politics, effective governance, and economic development. U.S. strategy should focus on making Iraq a strong and independent state, and not by trying to create the kind of client state that will inevitably lead to a power struggle with Iran and every strongly nationalist element in the country. Moreover, any U.S. strategy that does not recognize Iraqi sensitivities and nationalism will virtually guarantee failure.

**Focusing on the U.S. Civil-Military Country Team**

Success will require serious U.S. diplomatic, military, and advisory resources. It will take at least half a decade of U.S. diplomatic efforts to help Iraq reach some form of lasting compromise between the key factions of its Arab Sunnis and Shiites, its Kurds, and its minorities. During this time, the United States will face counterpressure from Iran, Turkey, Russia, and possibly China. It will have to deal with hostile factions, conflict sectarian and ethnic interests, and Iraqi sensitivity and nationalism.

U.S. support and advice must be provided by real experts with country experience and that provide patterns of rotation and continuity that build and maintain contacts with Iraqi political leaders, officials, military, and security forces. U.S. efforts should support reform and progress, and aid should be conditional on that progress, effective use of the money, and Iraqi efforts to reduce corruption.

At the same time, the country team should have the background and country expertise to show proper deference to Iraq's national sovereignty and sensitivities. This will require the creation and support of the strongest and most experienced country team, and real continuity of effort even in the face of serious reversals and risks that sometimes end in violence and U.S. casualties. Any effort to make the country team a “normal embassy” will end in failure.
The Military and Security Effort

The U.S. must pursue both security and civil effort. One cannot wait upon the other. It must, however, focus on fully defeating the ISIS/ISIL “caliphate.” It must help the Iraqi government deal with the thousands of dispersed ISIS fighters, and help the Iraqi government deal with the integration of Shiite and Sunni militias and Kurdish forces into effective security forces. It will have to face pressure from Iran and Turkey, and deal with Sunni and Shi’ite sectarian tensions.

The United States must maintain a military mission with enough expert train and assist personnel to help Iraq rebuild its national defense capability, and serve in the field to help Iraqi forces meet any new internal threats, for at least several more years. It must be willing to provide air support in an emergency until the Iraqi Air Force is fully combat ready. If possible, it should work with NATO and other outside allies. This will help make it clear that the U.S. is committed to aiding Iraq, but the U.S. effort must accept Iraqi leadership and not seek to dominate or control the advisory effort.

Iraq will have to fund its own force development, but such a U.S. or international military mission will still be costly and should be funded largely by the United States and other donor countries. The U.S. should accept the risk that maintaining such an effort will almost certainly trigger some attacks on U.S. forces and produce some casualties, and that phasing it down will have to be timed on the basis of actual success rather than arbitrary deadlines.

The U.S. effort should be transparent enough at every stage to show that it is shaped so the end result is clearly to allow Iraq to stand on its own, not produce a lasting U.S. base or presence. It should be shaped to show Iraqis, Iran, and Turkey that the U.S. is helping Iraq rebuild its capabilities to deter and defend – rather than create a permanent presence, and is doing everything possible to avoid new sectarian and ethnic conflicts or favor one faction over another. One way to communicate and manage such an effort is to shape a series of rolling five year plans that are based on real-world Iraqi needs and progress but phase down the U.S. presence and effort as real progress is made.

The United States will need to show strategic patience and provide such support as aid. It should rely on Iraq to fund its own military and security development, but be willing to fund the U.S. support effort as long as it is necessary. As recent history has shown all too clearly, U.S. efforts that focus on burden sharing, or that suddenly lead to rapid resource cuts, are recipes for failure. They also can easily lead to massive new needs for spending in order to deal with the resulting conflicts once that failure occurs.

The U.S. will need to accept the fact that Iraq cannot really reject some degree of an Iranian role and influence, may well continue to import Russian and other outside arms, and will often be divided over how to shape its force plans. It should not tolerate Iranian threats or attacks – or pressure from Russia or Turkey – but confronting Iraq with rigid choices between U.S. and Iran and some links to Russia and Turkey is far more likely to provoke violence and serious problems in dealing with Iraq tensions than serve U.S. interests.

The Political, Governance, and Economic Effort

The United States must give the same priority to the civil side as it gives to the security side, and it cannot separate them in ways where one effort is given priority over the other. The U.S. will need to help Iraq develop integrated civil-military development plans that will create real political, governance, economic and security progress for every Iraqi faction and real incentives for unity.
and stability. The failure to create such plans and matching civil and security efforts – and substituting a hollow and vacuous bureaucratic façade – was a critical reason for the failure of many earlier U.S. efforts in Iraq – as well as in Afghanistan.

Such civil efforts will make U.S. aid conditional on the honest Iraqi use of aid resources, real progress, and real movements towards unity that deal with ethnic and sectarian issues by creating bridges rather than choosing sides. The U.S. should not ignore the need for change, reform, and dealing with corruption. At the same time, dealing with Iraq’s fractured politics, ethnic and sectarian tensions, corruption, and many areas of failed governance, will mean dealing patiently and quietly in ways that actually help Iraq. The United States cannot succeed by making impossible demands. It must show respect for Iraqi and Iraqi efforts.

One possible way to reduce U.S. and Iraq tensions would be to create an international civil effort where a mix of countries provided aid, and an international body like the World Bank provided tangible reform plans and managed assistance. Serious progress might be far easier if international institutions provided advice, suggested reforms and publicly defined conditionality. Doing it better the Iraqi way, or proposing reforms that have international support and do not imply the U.S. is imposing directly on Iraqi sovereignty, is also likely to be more successful than trying to impose the American way.

Real civil progress and reform cannot, however, be managed quickly with a sudden flood of aid. Some U.S. and other international contributions to aid will be necessary, but Iraq should assume financial responsibility as quickly as possible and recognize that outside aid will not somehow substitute for Iraqi reform and effective planning and management. That said, the World Bank may well be right in estimating that full recovery to the point of a stable, post conflict movement towards economic growth and development may take as long as decade. Patience and real-world rates of progress are not natural American virtues, but they are necessary ones.

No One Can Save Iraq from Itself

There is, however, one final aspect of U.S. strategy that needs to be made equally clear. The United States cannot save Iraq from itself. It cannot prevent Iraq from dividing along narrow lines of political ambition, or according to sect and ethnicity. It cannot succeed if failed leaders pursue their own interests at the expense of their country. Iraqi accountability will be critical, and the U.S. has no strategic interest in reinforcing failure and cannot serve any moral or ethical purpose in doing so. This is a point the U.S. needs to make clear to both Iraq’s leaders and its people.

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