

SWP Research Paper

Stiftung Wissenschaft und Politik
German Institute for International
and Security Affairs

Christopher S. Chivvis

What Role for Germany in Iraq?

RP 7
August 2008
Berlin

All rights reserved.

© Stiftung Wissenschaft
und Politik, 2008

This Research Paper reflects
solely the author's view.

SWP

Stiftung Wissenschaft
und Politik
German Institute
for International
and Security Affairs

Ludwigkirchplatz 3-4
10719 Berlin
Germany
Phone +49 30 880 07-0
Fax +49 30 880 07-100
www.swp-berlin.org
swp@swp-berlin.org

ISSN 1863-1053

Copy editing: Robert Furlong

Table of Contents

1	Introduction
3	The Stakes
3	Securing oil and gas
3	Commercial opportunities
4	Preventing terrorism
4	Managing the refugee crisis
4	Reducing tensions between Turkey and Iraq
4	Maintaining the regional balance of power
5	Denying Iran nuclear weapons
5	Alleviating human suffering
5	Fostering an improved environment for transatlantic relations
6	The Situation
6	Recent improvement in security
7	The humanitarian crisis
8	Resolving the political problem – part I: The political landscape
9	Resolving the political problem – part II: The nature of the problem
10	Reconstruction of Iraqi state structures
11	Economic prospects
13	Who Does What?
	International Actors and Iraqi Reconstruction
13	US and coalition forces
13	The United Nations
13	The Iraq Compact and the Neighborhood Process
14	The European Union
14	Germany
16	Assessing German and European Policy Options
16	Send ground forces
16	Expand the European Union’s civilian state-building work
17	Support political reconciliation and prepare for a possible UN mediation
17	Expand German diplomatic representation
18	No change
19	Prospects and Conclusions

Christopher S. Chivvis was Transatlantic Postdoctoral Fellow for International Relations and Security (TAPIR) from January through June 2008 at SWP.

Introduction

Five years after the invasion by the US-led multinational coalition, war in Iraq continues.¹ Despite a clear improvement in the political and security situation in the latter part of 2007 and thus far in 2008, Iraq's civil war still threatens to harm European interests on several levels. Commentators have recently noted that while the US-led invasion may have unleashed the forces that gave rise to the current situation, the collapse of Iraq affects not only US but also German, European, and global security.²

What is at stake is no longer the appropriateness or effectiveness of US policy. The main questions today concern the nature and gravity of the threat to European interests and the means and extent to which Europe is capable of protecting these interests. Combined with the possibility – though by no means the certainty – that the incoming US administration may look to Europe for additional help in managing the conflict, the time for a more in-depth debate over Iraq policy in Europe has arrived.

Ending the conflict in Iraq will require a consolidation of power in the Iraqi state – a development which depends on the emergence of a political solution to the deeper conflicts among the main political forces within Iraq and in the region. Although the current situation in Iraq remains serious, recent improvements have opened a window of opportunity for a turnaround in Iraq's future prospects. Iraq's future is beginning to look brighter than Afghanistan's. The passage of time, the end of the Bush Administration, and the improving security situation all provide opportunities for deeper European engagement.

This paper identifies core German and European interests affected by the crisis and examines what

steps Germany might take to protect those interests. The first section begins with the interests themselves. Both the humanitarian crisis created by Iraq's collapse, as well as broader geopolitical and strategic concerns, should encourage a re-examination of current German and European policies, especially given that the war has had negative effects on the Arab-Israeli conflict and has complicated international efforts to prevent Iran from developing nuclear weapons. Section two assesses what has been accomplished and what still needs to be done. Section three explains the current roles of the important international actors in Iraq, including the European Union and Germany.

Section four examines German policy options in five crucial areas. It concludes that the German government should:

- ▶ Push to expand the European Union's current civilian state-building work, including providing vocational training for Iraqi citizens and building Iraqi administrative capacity;
- ▶ Significantly intensify and expand German diplomatic ties with Iraq;
- ▶ Consider establishing a large police-training mission under the aegis of the European Union to help train Iraqi police;
- ▶ Prepare for the possibility of a leadership role in a broader UN effort to achieve a lasting political resolution to the conflict, should it become necessary.

A larger German (and European) contribution is thus both desirable and possible, even *without a commitment of ground forces*.

Conclusions to this study qualify and amplify this overarching point and present the outlook for the future. The policy of the next US president toward Iraq remains uncertain, and although larger European contributions to stabilizing Iraq would no doubt be welcome as political statements, contrary to what some believe, it is uncertain whether an Obama or McCain Administration would put them high on their list of priorities for transatlantic relations. Pressure for a continued, increasing European commitment to the NATO mission in Afghanistan will almost certainly take priority. In the end, however, the main obstacle

¹ On Iraq as a failed state see, for example, Toby Dodge, Testimony Before the US Senate Foreign Relations Committee, Jan. 25, 2007; Andreas Wimmer, "Democracy and Ethno-religious Conflict in Iraq," *Survival* 45, no. 4 (Winter 2003/04): pp. 111–34.

² For example, Guido Steinberg, "Warum Deutschland eine Irak-Politik braucht," *Der Spiegel*, May 8, 2008; Thorsten Benner, "Das Tabu brechen," *Financial Times Deutschland*, May 5, 2008, p. 26; Nico Fried, "Im Niemandsland: Die deutsche Aussenpolitik ignoriert den Irak," *Süddeutsche Zeitung*, Mar. 22–24, 2008, p. 4.

to deeper European involvement in Iraq is likely to be intra-European politics.

But this does not mean more thorough discussions of Iraq should be avoided. Germany should show leadership on the issue and work to build a common view within the European Union while taking the bilateral steps outlined above. Further delay might not only reduce German and European influence in the Middle East, it would also be a disservice to the millions of Iraqis who could benefit from greater German and European involvement.

The Stakes

Five years after the US-led invasion, the view that “fixing Iraq” is the responsibility of the United States and its coalition allies remains widespread in Germany.³ Nevertheless, as time passes and the Bush era comes to a close, there is growing recognition of the fact that, although the current crisis was created by US policy failures, Iraq has become a problem for everyone. There is a possibility that the current conflict in Iraq could spread, engulfing the region in a sectarian and ethnic conflict that severely debilitates or even annihilates regional political and economic structures.⁴

It is unnecessary to evoke worst-case scenarios, however, to identify the different ways in which European interests are affected by the ongoing crisis. At least nine are worth singling out:

Securing oil and gas

Iraqi oil reserves are the third largest in the world,⁵ and although Iraq has fewer natural gas resources, very significant amounts of gas are located nearby in Iran and Qatar. For these reasons, the level of stability in Iraq has ramifications for European energy security. Although Europe is not “dependent” on Iraqi oil, since the global oil market is fungible, the development of Iraq’s reserves would help bring down oil prices from their current record highs.⁶ This would reduce global

economic tensions and have the added geopolitical benefit of reducing the influence of the current Russian regime in internal European politics. Indeed, the need to develop ties with stable oil-producing states outside Russia’s direct sphere of influence is one of the most compelling arguments for a deeper European engagement in Iraq.

Furthermore, in spite of recent improvements in Iraq, were the current situation to take a downturn, the conflict could spread into a wider regional conflagration. In this case, Europe’s gas supplies from the Middle East would be directly threatened. This would not only have the effect of increasing energy prices in Europe, but also of increasing direct European dependence on gas from Russia.

Commercial opportunities

Iraq’s oil wealth will, in the long run, also provide substantial investment opportunities, not only in the energy sector, but also in infrastructure, transportation, construction, and other sectors as the Iraqi economy recovers. Building an environment in which German and European firms can take advantage of these commercial opportunities constitutes a separate interest in itself. Some general sense of Iraq’s commercial potential can be obtained through a comparison with Iran. Germany is the world’s largest exporter to Iran, whose current economic development requires large amounts of machines and steel. In 2005 Germany exported over €2 billion in goods to Iran, of which €1.2 billion went toward machine goods and €655 million toward automobiles.⁷ Iran has, of course, a population more than twice the size of Iraq’s, and any such comparison is only for very rough estimations, but even halving these figures gives an indication of the significant commercial potential.

3 Interviews with German political leaders, Mar.–June 2008.

4 See for example, James A. Baker and Lee H. Hamilton, *The Iraq Study Group Report*, 2006, p. 6, http://www.usip.org/isg/iraq_study_group_report/report/1206/index.html.

5 Iraq’s proven oil reserves were 115 billion barrels as of 2006, compared with 135 billion for Iran and 264 billion in Saudi Arabia. *BP Statistical Review Full Report*, 2007. See also Jens Hobohm, *Das Öl des Irak und der irakische Entschädigungsfonds*, Berlin, Feb. 2008 (SWP-Aktuell 16/2008).

6 Europe consumes roughly 75 percent the amount of oil consumed by the United States. Because Europe produces less oil, however, both the US and Europe import roughly the same amount – some 13.5 million barrels per day. Of this, Europe imports 3.2 million barrels from the Middle East, compared with 5.9 million from the former Soviet Union and 1.9 million from North Africa. The United States imports less from the Middle East than Europe (2.3 m), whereas Japan

imports more (4.2 m). Figures from *BP Statistical Review Full Report*, 2007.

7 Industrie- und Handelskammer Frankfurt, *Außenwirtschaftsbeziehungen mit dem Iran*, Apr. 26, 2007, <http://www.frankfurt-main.ihk.de/imperia/md/content/pdf/international/statistik-iran.pdf>.

Preventing terrorism

The significance of the terrorist threat from Iraq can be overstated, and often is. The use of terrorist tactics against the Iraqi civilian population for local political ends does not amount to a threat against European states. Nevertheless, the Kurdish group Ansar al-Islam as well as Al-Qaeda in Iraq should be significant concerns in European capitals. Ansar al-Islam, which was operating prior to the 2003 invasion, has a growing support network in Europe.⁸ Some estimate that Ansar al-Islam has between 100 and 120 supporters in Germany alone, as well as networks in Scandinavia. Al-Qaeda in Iraq has suffered major setbacks over the course of the last year, but could still re-emerge and again seek to establish a stronghold in Iraq. An Al-Qaeda haven in Iraq would provide a base from which the organization could launch attacks against European firms, embassies, and other interests in the region, as well as prepare operations targeted within Europe itself.

Managing the refugee crisis

As described in greater detail below, violence and instability in Iraq has created a major refugee crisis. This crisis has not only complicated efforts to rebuild Iraq, but also has had destabilizing effects on neighboring countries that are forced to absorb the influx of hundreds of thousands of refugees. The infrastructure, health, political, and economic systems of host countries are severely strained. At the same time, there is a possibility that a significant number of these refugees will find their way to Europe. Germany itself, it should be noted, has a population of roughly 80,000 Iraqis – roughly half of which are Kurds – and the vast majority of which came to Germany before 2003.⁹ It is noteworthy in this regard that Germany has recently begun to debate options for alleviating the refugee situation in countries neighboring Iraq.¹⁰

⁸ See Ed Blanche, "Ansar al-Islam Bolsters European Network," *Jane's Intelligence Review* (Oct. 1, 2004).

⁹ German Foreign Ministry figures.

¹⁰ Deutscher Bundestag: Protokoll der 166. Sitzung, Top 15, June 5, 2008, <http://www.bundestag.de/bic/plenarprotokolle/pp/166/index.html>.

Reducing tensions between Turkey and Iraq

Since the fall of 2007, Turkey has been conducting military operations in Iraq aimed at dismantling the structure of the Kurdish rebel party, the Kurdistan Workers' Party (PKK). These operations contribute to the general sense of regional instability and complicate the already fraught issue of Turkey's aspirations for EU membership. The prospect that the Kurdish region in northern Iraq could separate from Iraq is a serious problem for Turkey. Europe has a corresponding interest in ensuring not only that the Iraqi state disarms Kurdish hopes of separatism, but also that it is capable of managing the threat posed by the PKK on its own without direct Turkish involvement.

Maintaining the regional balance of power

Durable stability in the Middle East can only be built on a regional balance of power, and basic international relations theory suggests that rapid shifts in the balance of power within a state system tend to cause conflict.¹¹ To sustain its own influence, the United States has worked to build a regional alliance of "moderate" states, including Israel, Saudi Arabia, Jordan, and Egypt, with limited success. The war in Iraq, however, has greatly strengthened the influence of Iran, relative not only to other powers in the Gulf sub-region, but also to other powers in the broader Middle East. Although Iran's foreign policy intentions are notoriously difficult to decipher, Iran arguably seeks to create a weak or subservient state in Iraq so that it can pursue its own regional agenda¹² (see below). The rise of Iran would contribute to the insecurity of Arab states and thus may be seen as increasing the chances of a broader regional war. In particular, the disruption of the regional balance of power undermines European efforts to achieve a lasting Arab-Israeli peace agreement.¹³ As Iran's

¹¹ For example, Kenneth Waltz, *Theory of International Politics* (New York: McGraw Hill, 1979).

¹² For recent discussions of Iran's foreign policy, see Sharam Chubin, *Iran's Risk Taking in Perspective* (Ifri Proliferation Papers, Paris, Winter 2008). For a discussion of Iran and the Iraq crisis, see Voker Perthes, *Iran—Eine politische Herausforderung* (Frankfurt: Suhrkamp, 2008), pp. 76–83.

¹³ On the interlocking nature of the regional conflicts, see Muriel Asseburg and Guido Steinberg, "Konfliktdynamik im Nahen und Mittleren Osten," *Aus Politik und Zeitgeschichte*, no. 19 (May 7, 2007): pp. 6–12.

power increases, so does the influence of its proxies, including Hezbollah.

Denying Iran nuclear weapons

Increased Iranian power directly challenges two key European foreign policy goals. First, it complicates European efforts to deny Iran nuclear weapons. Not only has the European Union invested significant political and diplomatic capital in this effort by taking the lead in the negotiations with Iran, but an Iranian nuclear missile capability would pose a direct threat to European capitals. It seems likely that the ongoing conflict in Iraq may also impede efforts to prevent Iran from acquiring nuclear weapons because Iran's cooperation is needed if the current conflict is to be resolved.

Alleviating human suffering

Primary responsibility for alleviating the humanitarian disaster in Iraq falls on the shoulders of the countries that undertook the task of transforming Iraq in the first place (see below). Nevertheless, as the suffering of the Iraqi people within Iraq continues and the refugee crisis puts more and more pressure on the infrastructure of neighboring countries, it is clear that wealthy European countries have not only a strategic interest in doing what they can to help, but also a humanitarian responsibility.

Fostering an improved environment for transatlantic relations

Finally, deeper German and European engagement in Iraq should help to foster an improved environment for transatlantic relations. Taking steps forward on Iraq would most likely have positive repercussions on Washington's willingness to cooperate with Europe on other issues and could help rejuvenate transatlantic relations. At the very least, a better European understanding of the situation in Iraq seems a prerequisite for a deeper understanding of its transatlantic partner. This is discussed further in the conclusions.

To recognize that important European interests will be effected by the outcome of the conflict in Iraq is one thing. To identify plausible policies that might be

pursued to effect the outcome of the conflict is another. The remainder of this paper does just that, first by providing an overview of the current situation and respective roles of the international community, and then by assessing Germany's policy options.

The Situation

The 2003 US-led invasion of Iraq unleashed a violent conflict that grew more destructive and more complex over time. At the start, the majority of violence was either criminal in nature or driven by former members of the Baathist regime who chose to continue an underground war against the foreign invaders.¹⁴ Over time, however, the situation deteriorated and new political cleavages emerged. From 2004 to 2006, what had begun as a rebellion against foreign troops grew into a civil war of Iraqi against Iraqi. This does not mean that US forces are a welcome presence. It does, however, indicate that the current conflict is more complex than it is sometimes made out to be. There are now at least three categories of violence in Iraq – terrorism directed against the civilian population, sectarian violence between, for example, Sunni and Shi'ia groups, and violence directed against the Iraqi government and foreign occupiers.¹⁵

On the most fundamental level, ending this violence will require the consolidation of power within the Iraqi state. Iraq, it should be noted, had a fairly effective state under Saddam Hussein – more effective, for example, than the Afghan state under the Taliban. This historical legacy should improve the chances of successful state-building in Iraq, but there is still a very long way to go.

A reassertion of Iraqi state power will require three main components. First, continued improvement in the security situation so that the Iraqi state achieves a monopoly on the use of force within its territory. Second, a resolution of underlying political, religious, and ethnic conflicts driving the situation. Third, a physical and intellectual reconstruction of Iraqi infrastructure and administrative capacity. These three tasks are clearly interlinked and must be accomplished in tandem.

¹⁴ There were, of course, other groups involved, including non-Baathist nationalists and Islamists. For a more detailed account, see Guido Steinberg, *The Iraqi Insurgency. Actors, Strategies, and Structures*, Berlin, Dec. 2006 (SWP-Research Paper 13/06), pp. 7ff.

¹⁵ Des Browne, "Government and Security in Iraq: The Evolving Challenge," *RUSI Journal* (June 2006): p. 11. See also Toby Dodge, *Iraq's Future: The Aftermath of Regime Change* (London: Routledge/IJSS, 2005), Adelphi Paper no. 372, pp. 16–7.

A major complicating factor regarding these efforts is the fact that the Iraqi state has limited sources on which to build legitimacy because historical or religious authority – two sources from which authority might otherwise flow – are both highly contested and thus unavailable. Nationalism is one possible alternative, although the "idea of Iraq" is also being contested in the current crisis and Iraqi nationalism for the most part remains latent and will thus require creative efforts in order to be developed.¹⁶ Legitimacy of the future Iraqi state will have to flow in part from a proven ability to provide basic public goods and services for individual citizens, and an agreement among sectarian groups that political discussion within the state is a more effective means of pursuing their interests than violent conflict. This will take time.

Despite these basic challenges, in the fall of 2007 and the first half of 2008, there were clear signs that the security situation was improving. This improvement provides a window of opportunity – however small – to begin resolving the deeper political conflicts driving the violence.

Recent improvement in security

It is now widely recognized that Iraq's security situation improved over the course of the fall of 2007 and the first half of 2008. The United Nations reports that whereas there were 200 incidents of violence a day in July and August 2007, that number dropped to roughly 90 per day from September through November.¹⁷ Violence has since remained roughly at that level. By no means is Iraq secure, however, and these improvements have only reduced the violence to 2005 levels.

Explanations for the recent improvement and its implications differ. Some analysts point to the ceasefire declared by Moktada al-Sadr in August 2007.

¹⁶ Since the collapse of the Ottoman Empire, attempts to organize Iraq around (Sunni) Pan-Arab nationalism may in fact have exacerbated sectarian rifts. See Wimmer, "Democracy and Ethno-religious Conflict in Iraq," pp. 111–34.

¹⁷ United Nations Security Council, Secretary-General's Report S/2008/19, p. 3 (hereafter UNSC-SG).

Gradual improvements in the effectiveness of the Iraqi Army, which succeeded in pacifying the insurgency in Basra in the spring of 2008, also played a role. In addition, ethnic partitioning has decreased violence.

The recent improvement also coincides with the US “surge,” and the Bush Administration has accordingly claimed a direct correlation.¹⁸ Public attention to the surge has focused on increased troop levels. Even with the added troops, however, the total level of US forces in Iraq still remains well below historical troop–population ratios for successful stabilization operations.¹⁹ This suggests that the increase in troop levels was not the only factor contributing to the recent improvement. The tactics and strategies employed by the US forces on the ground have also changed, and this is surely the more significant factor.²⁰ The original US counterinsurgency strategy – or lack thereof – was widely agreed to have been disastrous and even to have fueled the insurgency rather than weaken it.²¹ In addition to a more parsimonious use of force, beginning in 2007, the United States pursued a strategy of alignment with local Sunni tribes and militias. This strategy, sometimes known as the “tribal” strategy and sometimes as the “bottom up” strategy, was aimed at winning the support of erstwhile insurgents and turning them on the most extreme militants, the Al-Qaeda fighters. Coalition forces employed local militias both to help fight Al-Qaeda and to assist in keeping the peace. The idea was that these militias would eventually be integrated into the Iraqi National Army or police, in a process similar to the disarmament demobilization and reintegration process underway in other countries, such as the Democratic Republic of Congo.²²

The new US strategy, which was facilitated by growing resentment against terrorist attacks on

civilians by Al-Qaeda in Iraq, has made it easier for tribal leaders to establish organizations such as the “Anbar Awakening,” in which former insurgent groups allied with the United States to combat Al-Qaeda. The result has been a measurable reduction in violence. Some argue, however, that by closely allying with former insurgents, the US strategy has simply empowered the militias and encouraged a further fragmentation of Iraqi society.²³ It has been noted, however, that the US strategy did not provide extensive weaponry to the militias.²⁴ There is also a widely recognized problem concerning the reintegration of these fighters – who number nearly 100,000 – into Iraqi society, although it should be noted that this problem exists for all former combatants, whether allied with the United States or not. In short, while the strategy could backfire, there is nothing to say that it necessarily will.

The humanitarian crisis

Despite the improvement in the security situation, a serious humanitarian crisis nevertheless continues – the result of ongoing violence and the cumulative effects of war. The situation has improved slightly on account of the recent decline in violence, but remains very serious.²⁵ Iraq’s estimated population in mid-2008 is 28 million.²⁶ The United Nations Assistance Mission for Iraq (UNAMI) believes that 15 million Iraqis, or over half the population, are extremely vulnerable to human rights violations.²⁷ Civilians are regularly the targets of violence. Women are especially vulnerable and have been the victims of “honor crimes.”²⁸

The refugee crisis is especially frightening, not only on account of the human suffering, but also because it may lead to a broader destabilization of the region.²⁹

18 See for example, President Bush, “President Bush Discusses Iraq,” Press Release of Presidents Comments, Apr. 10, 2008.

19 On troop–population ratios in past nation-building exercises, see James Dobbins, *The Beginner’s Guide to Nation-Building* (Santa Monica, CA: RAND, 2007), pp. 37–41.

20 For a brief description, see Emma Sky, “Iraq 2007 – Moving beyond Counter-Insurgency Doctrine: A First Hand Perspective,” *RUSI Journal* (Apr. 2008): pp. 30–4. For the political genesis of the surge, see Peter D. Feaver, “Anatomy of the Surge,” *Commentary* 125, no. 4 (Apr. 2008): pp. 24–8.

21 For an account, see Thomas Ricks, *Fiasco: The American Military Adventure in Iraq* (New York: Penguin, 2006). On the decision to go to war, see Michael R. Gordon and Bernard E. Trainor, *Cobra II* (Pantheon Books, 2006).

22 UNSC-SG S/2008/19, p. 2.

23 See Austin Long, “The Anbar Awakening,” *Survival* 50, no. 2 (Apr.–May 2008): pp. 67–94.

24 International Crisis Group (ICG), *Iraq after the Surge I: The New Sunni Landscape*, Apr. 2008 (Middle East Report, no. 74), p. 15.

25 UNAMI, Human Rights Report, July 1–Dec. 31, 2007, p. 2.

26 *CIA World Factbook*, accessed online: <https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>.

27 UNHCR, *Global Appeal 2008-9*, p. 210, <http://www.unhcr.org/country/irq.html>.

28 UNAMI, Human Rights Report, pp. 7–9. It should be noted that these crimes took place prior to the US-led invasion.

29 See Muriel Asseburg and Steffen Angenendt, “Die Irakische Flüchtlingskrise: Ein regionales Sicherheitsrisiko,”

The United Nations High Commissioner for Refugees (UNHCR) estimates that 2 million Iraqis have fled to neighboring countries and that there are another 2.7 million internally displaced within the country today – in other words, 10 percent of Iraq’s total population.³⁰ (The size of the refugee crisis puts Western debates over whether or not to grant a few thousand refugees asylum into perspective.) This is roughly the same percentage displaced within Sudan and more than in the Democratic Republic of Congo.³¹ There are well over a million in Syria and over half a million in Jordan. It is by far the largest refugee crisis in the region since 1948. These refugees place extraordinary pressure on infrastructure and social services in these neighboring countries.³² It is very likely that these refugees will remain in these countries for several years at a cost that has been estimated at over \$2 billion annually.³³

Resolving the political problem – part I: The political landscape

Although violence on this scale can take on pathologies of its own – as, for example, during the Jacobin phase of the French Revolution – it ultimately rests on underlying political conflicts. Correspondingly, ending the civil war requires finding a resolution for the politics driving it. Improved security in and of itself does not resolve these conflicts.

To understand the nature of Iraq’s political conflicts, it is necessary to begin with an overview of Iraq’s main political cleavages. The most fundamental of these is between Sunni and Shiite groups. The Sunni revolt began as a Baathist revolt against the occupying forces that followed the collapse of Saddam’s regime in 2003, but eventually spread into a broader Sunni-Arab revolt directed against both the Iraqi government and occupying multinational forces. Negotiations over the Iraqi constitution in 2005 further intensified Sunni resentment against the government and fuelled growing Sunni-Shiite vio-

lence. Whereas the Sunnis seek to regain the privileged status they enjoyed in the past, the Shiites seek to hold onto the dominance they have gained since Saddam’s fall.

Neither the Sunni nor Shiite camps, however, have been unified within themselves. Within the Sunni camp, Al-Qaeda in Iraq (AQI) formed a political-military force of its own. There is some disagreement over the extent to which AQI is connected with Osama Bin Laden and “core” Al-Qaeda, and AQI may be predominantly a local group comprised of Iraqi Sunnis rather than foreign fighters. AQI’s leadership, however, is foreign. At first, Al-Qaeda in Iraq was closely aligned with the Sunni Arab insurgency. Over time, however, it became clear not only that Al-Qaeda was willing to go to extremes of violence that other groups were not, but also that Al-Qaeda’s broader aims had at least as much to do with an existential battle against the United States as with Iraq itself. Sunni leaders, driven both by a rejection of Al-Qaeda’s tactics and by a fear that Al-Qaeda’s interests might ultimately jeopardize their own interests in rebuilding a Sunni-dominated Iraq, eventually split.³⁴ This development greatly facilitated the US “tribal” strategy described above.

As the Sunni revolt grew, tension within the Shiite majority also increased. The Shiites split into two main groups, both of which claimed to represent the interests of the broader Shiite community. The most powerful group is the Islamic Supreme Council of Iraq (ISCI). It is closely linked to Iran and it has struggled for power with those loyal to Moktada al-Sadr, the majority of whom are poor Shiites living predominantly in Baghdad.³⁵ Sadr controls the Mahdi Army, one of the major organized militias in the conflict. He has close links with Iran. The two major Shiite forces have been fighting not only against Sunnis, but also against each other.

In addition to these intra-sectarian splits, it should be noted there is generally a high degree of fragmentation at the local level – the result of the fact that many of the militias associated with each secular group sprung up in response to local needs in the wake of the overthrow of Saddam.³⁶ They constitute quasi-independent power centers at the micro-level, and militias of the same sectarian group thus do not always share the same interests – a fact that compli-

Internationale Politik (Jan. 2008): pp. 52–7.

³⁰ It should be noted that some feel these figures may be somewhat inflated. Everyone agrees that the number of refugees is very large, however.

³¹ UNHCR, *Global Appeal 2008-9*, p. 209.

³² *Ibid.*

³³ Morton Abramowitz, George Rupp, John Whitehead, and James Wolfensohn, “A ‘Surge’ for Refugees,” *New York Times*, Apr. 22, 2008.

³⁴ On the history of Sunni–Al-Qaeda relations, see ICG, *Iraq after the Surge I: The New Sunni Landscape*, esp. pp. 13–7.

³⁵ Other Sadr strongholds include Kufa, Basra, and Maisan.

³⁶ Dodge, *Iraq’s Future*, p. 19.

cates reconciliation and shows how important it is to re-establish the Iraqi state's ability to provide public goods and services (see below).

The third major sectarian group, the Kurds, enjoyed substantial independence in the last years of Saddam's regime and remain semi-autonomous today. They are more unified than either the Sunnis or the Shiites, though divided into two main groups – the Patriotic Union of Kurdistan (PUK) and the Democrat Party of Kurdistan (PDK). For the time being, these two groups have established a tentative working relationship, although the chances of renewed strife between them remains. On many issues, Kurdish interests coincide with the interests of the Shiites, and the insurgency in Kurdish Iraq is driven by the Sunnis.³⁷

Regional politics has also played a major role in the conflict. Iran in particular has supported Shiite militias in varying degrees. As noted previously, a clear understanding of Iran's intentions is difficult to ascertain. Some, including those in the Bush Administration, have argued that Iran's support for militias is aimed at "tying down" the United States so as to prevent a possible US attack on Iran and generally complicate efforts to deny Iran nuclear weapons. If this is true, however, it directly conflicts with Iran's stated aims of forcing a US withdrawal from the region.³⁸ There is also disagreement about whether or not Iran seeks to "export" its Islamic revolution to Iraq. It seems likely, nevertheless, that Iran seeks to ensure that Iraq emerges as a Shiite-dominated state on which it can depend for support against its potential regional adversaries, and Saudi Arabia in particular. Correspondingly, Saudi Arabia and other Arab states have resisted engagement in Iraq on the grounds that the Sunnis have not yet been granted sufficient power.³⁹ Syria, which is now home to a large number of refugees, has reportedly been more willing to engage Iraq diplomacy.⁴⁰

Resolving the political problem – part II: The nature of the problem

It is a truism to say that the conflict is a struggle for power in the future Iraqi state, and on one level, the main problem is the reintegration of the ostracized Sunni minority into the Iraqi political system. Beyond the primary question of who will hold power, however, several issues concerning Iraq's future are in play. These include:

- ▶ The distribution of power between the central government and the regional governments and the form of federalism that emerges
- ▶ Control of Iraq's oil (and eventually gas) resources
- ▶ The future relationship of Iraq with its neighbors and Iran in particular
- ▶ The future relationship of Iraq with the West and the United States in particular
- ▶ The extent to which Islam will play a role in the Iraqi legal system

Without resolutions for some or all of these issues, the Iraqi government cannot function. Without a functioning government, the Iraqi state cannot begin to provide the basic public goods and services needed to sustain an improvement in the security situation and set Iraq on the road toward lasting recovery.

On the most fundamental level, the political impasse results from the fact that the Shiite and Kurdish factions within the government are reluctant to reconcile with the Sunnis because they expect that reconciliation will mean an increase in Sunni power and a corresponding diminution of their own. Meanwhile the Sunnis – long Iraq's ruling class – are unwilling to participate constructively in an Iraqi system that does not afford them significant political power, and the Kurds are attempting to maneuver for maximum autonomy in the hope of someday possibly gaining statehood.

For the Sunnis, ending the de-Baathification process begun in the early postwar period – as well as the constitutional reform process, which ensures a stronger president – are thus key issues. For the Kurds, holding onto the right to control their own oil is crucial since they fear that if their oil is controlled by the central government, it will be used as a means of diminishing Kurdish autonomy. Oil is also at the center of the ongoing dispute over the status of Kirkuk, which sits over significant reserves. Kurds insist that Kirkuk's future be decided by referendum, which they expect

³⁷ ICG, *Iraq after the Surge II: The Need for a New Political Strategy*, Apr. 30, 2008 (Middle East Report, no. 75); Bruce R. Pirnie and Edward O'Connell, *Counterinsurgency in Iraq (2003–2006)* (Santa Monica, CA: RAND, 2008; RAND Counterinsurgency Studies, Part II).

³⁸ See Ray Takeyh, "Iran's New Iraq," *Middle East Journal* 62, no. 1 (Winter 2008).

³⁹ Egypt previously had an ambassador and the UAE may open full diplomatic relations soon.

⁴⁰ Western diplomats, Berlin, June 2008.

they would win, before they agree to cooperate on any other issues.⁴¹

Any lasting solution to these problems will require that the Sunnis accept that their role in the new Iraqi state will be diminished, that the Shiites accept that their role will require tolerance and inclusion of their former Sunni rulers, and that the Kurds accept not only the principle but the practice of a unified Iraqi state in exchange for continued autonomy.

As of mid-2008, there was growing evidence that the political deadlock caused by these and other issues was loosening. The Kurds appear to have recognized their interest in remaining part of a unified Iraqi state, even if only to benefit from the current high price of oil. Meanwhile, the ISCI-led Shiite government has begun to consolidate its power. This is an important step toward stability. Two potential problems with this consolidation should nevertheless be noted. First, a strong Shiite government could bring with it the political cost of strengthening Iran's hand, although the depth of ISCI's allegiance to Iran is uncertain and it is possible that a Shiite government could also take a more nationalist view of its interests and attempt to keep Iran at arm's length. Second, the consolidation of the Shiite-dominated government has ramifications for the future of secularism in Iraq, a fact that could complicate future relations with Western states.

Reconstruction of Iraqi state structures

A monopoly on the use of force is a classic characteristic of the modern state. If the Iraqi state is to function, it needs an effective professional police force and army. If it is to be democratic, these service personnel must furthermore be trained in the particular practices of security provision common in democratic countries. In the United States, there has been much talk of building the Iraqi security services so as to relieve US troops of their responsibilities for providing security and put an Iraqi face on the effort. Progress on this front has been mixed, however, with recent improvements with the Iraqi Army, yet continuing problems with the police, which are widely regarded as controlled by sectarian interests and themselves major sources of violence.

⁴¹ At the time of writing, there is hope that a new UN compromise will resolve this issue at least for the time being.

The disbanding of the Iraq Army by the Coalition Provisional Authority in 2003 has proven one of the more controversial decisions of the early US occupation.⁴² Work to rebuild the Iraqi Army from scratch began in the fall of 2003. Progress was slow, in part due to the insurgency, which created pressure to deploy newly trained Iraqi forces, sometimes long before they were fully prepared.⁴³ By late 2006 the Army consisted of 138,000 troops, but was weak and unreliable. European countries had donated equipment, but the Army remained very poorly equipped when compared to US forces, alongside which it was fighting. In addition, the Army was wrought with internal divisions that reflected the broader sectarian divisions in Iraqi society.⁴⁴

By mid-2008, however, there were signs that the Iraqi Army had grown stronger. An operation involving 33,000 Iraqi troops and aimed at securing the predominantly Shiite city of Basra in southern Iraq was successful.⁴⁵ On the one hand, it should be noted that the Iraqi Army succeeded only with the help of heavy air support from the United States – a sign that, in spite of donations, Iraq still lacks needed military equipment. On the other hand, it should also be noted that the Basra operation was evidence of a newfound willingness of the Shiite government to use the Army to subdue predominantly Shiite militias. As such, it may also be regarded as evidence of a consolidation of forces at the political level.

In contrast to the recent improvements in the Iraqi Army, the ineffectiveness of Iraq's police forces has been widely recognized. Iraqi police have proven woefully inadequate, not only at paramilitary tasks aimed at fighting insurgents, but also in carrying out more basic civilian police work. Despite a US push to improve the Iraqi police in 2006, problems remain. The police have been infiltrated by sectarian groups – in particular, the Badr brigade, the military arm of the ISCI. They continue to be responsible for violence, especially against Sunnis. Although large numbers of

⁴² See Michael Gordon, "Fateful Choice on Iraq Army Bypassed Debate," *New York Times*, Mar. 17, 2008; L. Paul Bremer, "How I Didn't Dismantle Iraq's Army," *New York Times*, Sep. 6, 2007.

⁴³ Jim Dobbins, Seth G. Jones, Keith Crane, et al., *The UN's Role in Nation-Building: From the Congo to Iraq* (Santa Monica, CA: RAND, 2005), p. 198.

⁴⁴ Pirnie and O'Connell, *Counterinsurgency in Iraq (2003–2006)*, pp. 51–2.

⁴⁵ Stephen Farrell and Ammar Karim, "Drive in Basra by Iraqi Army Makes Gains," *New York Times*, May 12, 2008.

police have been trained, the training has often been inadequate and recruits are often suspected of participating in training only to acquire weapons for sale on the black market. As police are themselves frequent targets of violence, desertion is common.⁴⁶ A great deal remains to be done in this crucial area.

Beyond a monopoly of force, the Iraqi state must also have the capacity to provide basic public goods and services through its ministries and other administrative structures. The capacities of Iraq's ministries vary. Unlike Afghanistan, Iraq had functioning ministries prior to the overthrow of Saddam Hussein. After the fall of Baghdad, the Health and Education ministries continued to function, while the Interior and Minerals ministries proved more problematic. Human Rights and Defense ministries had to be built from the ground up.⁴⁷ The main problem with the ministries is that they have become the personal fiefdoms of particular political interests beyond the control of the elected government, and thus tend to serve those interests rather than the nation's general interest. The Interior Ministry, which controls the police, has been a particular problem and has tended to act as an arm of the Shiite leadership, rather than as an integrated national ministry. It has permitted the Iraqi police to be infiltrated by Shiite militias and impeded efforts to train a more representative Iraqi police force.⁴⁸ In addition, on account of the clientelism of the ministries, there is very little coordination between them.

There is also a continuing problem of finding adequately skilled personnel to run the ministries effectively. The decision to pursue de-Baathification deprived the Iraqi administration of the majority of its civil servants and created a need to retrain human capital from scratch. Meanwhile, the ongoing violence has caused many of the more highly trained Iraqis to flee the country, thereby further depleting the reserve of potential candidates for civil service positions.

Economic prospects

Ongoing violence, on top of nearly two decades of war, an international sanctions regime, and a command economy, has created major challenges for the Iraqi economy. Iraq's per capita GNP, approximately \$1,000 prior to the invasion, fell by 41 percent in 2003.⁴⁹ Much of the immediate loss was recovered in 2004, but growth since has been slow and tenuous.⁵⁰ In addition, the banking sector and other basic economic structures remain weak. Unless the security situation continues to improve and a solution to the political impasse is found, further progress in restarting the Iraqi economy will be near to impossible.

Nevertheless, Iraq clearly has very strong medium- and long-term economic potential. Oil receipts have been rising due not only to the rising price of oil but also to increased output, which reached 2.5 million barrels per day in 2008 and may reach 4.5 million within the next five years.⁵¹ Prior to its war with Iran, Iraq was one of the wealthier economies in the Middle East, with per capita GDP twice its current level.⁵² Moreover, recent trends have been positive. Inflation has fallen from 65 percent in 2006 to 5 percent by early 2008. Oil exports have increased in 2008 to an average of 1.8 million barrels per day from an average of 1.4 million barrels per day in past years. There has even been progress on structural reforms.⁵³ Debt relief has progressed since 2003, with \$66 billion in debt having been cancelled. However, \$67 billion remains outstanding, the majority of which is owed to Arab countries in the Gulf that continue to resist cooperation with the Shiite-dominated government.⁵⁴ Most importantly, as widely noted, Iraq possesses the third largest oil reserves in the world – some 10 percent of the world's proven reserves.⁵⁵ Although some might consider this a mixed blessing for the country's future political economic development, if managed properly,

46 On these issues, see Michael Moss and David Rohde, "Misjudgements Marred US Plans for Iraqi Police," *New York Times*, May 21, 2006; Paula Broadwell, "Iraq's Doomed Police Training," *The Boston Globe*, Aug. 30, 2005; Robert Perito, "Reforming the Iraqi Interior Ministry, Police and Facilities Protection Service," *USIPeace Briefing*, Febr. 2007; *Iraq Study Group Report*, pp. 13–4.

47 Dobbins et al., *The UN's Role in Nation-Building*, p. 201.

48 Discussions with Western officials, Berlin, 2008.

49 World Bank/UN, *Iraq Joint Needs Assessment*, Oct. 2003, p. vi.

50 World Bank, *World Development Indicators*, Iraq Series, via: <http://ddp-ext.worldbank.org/ext/DDPQQ/member.do?method=getMembers&userid=1&queryId=135>.

51 See Associated Press, "Iraq: One Year Limit on No-Bid Contracts," *International Herald Tribune*, July 17, 2008.

52 World Bank, *Iraq Country Brief*, Aug. 2006.

53 Adam Bennet, "International Compact with Iraq," (Statement, IMF, Stockholm, Sweden, May 29, 2008).

54 "Iraq PM Appeals for Debt Relief," *Al Jazeera*, May 29, 2008, via: <http://english.aljazeera.net/NR/exeres/03415165-E5D5-4718-A230-FDB16B38C949.htm>.

55 Jens Hobohm, *Das Öl des Irak und der irakische Entschädigungsfonds*, Berlin, Feb. 2008 (SWP-Aktuell 16/2008).

these reserves will provide an excellent foundation for at least the next 50 years of economic development.

In sum, the current situation in Iraq remains tenuous. Nevertheless, for the first time in five years, there is a glimmer of hope that Iraq will escape the worst-case scenario of utter collapse and set out on a sure-footed path toward lasting recovery. As noted, further progress in reconstructing the Iraqi state will require moving forward on the security, political, and administrative fronts simultaneously. Now that the security situation is coming under control, the political issues are coming increasingly to the fore.

Who Does What?

International Actors and Iraqi Reconstruction

US and coalition forces

Largely on account of the fact that the 2003 invasion of Iraq was undertaken without a UN Security Council Resolution, the US-led multinational force has been primarily responsible for rebuilding Iraq. Although the coalition originally comprised 32 countries, the vast majority of its troops and other resources have been provided by the United States.

The force was given a UN mandate in June 2004.⁵⁶ In response to the growing insurgency, US troop levels increased from 105,000 to 138,000 beginning in May 2004, and to over 160,000 by early 2008. Other members of the coalition originally provided 22,700 troops, with the largest contribution coming from Britain with 8,000. Over time, however, some key European countries have withdrawn most or all of their forces, beginning significantly with Spain in 2004. In 2007 Britain began withdrawing its forces, with the stated intent of shifting them to support NATO operations in Afghanistan. In June 2008, Australia also announced a withdrawal of its remaining 550 troops.

In addition to its continuing military presence, the United States, with British participation, also ran the Coalition Provisional Authority, which governed Iraq after the fall of Saddam through to June of 2004, when the Iraqi Interim Government assumed that responsibility. The US Army has been in charge of training the Iraqi Army and police, and the United States has remained deeply involved in Iraq's general political governance since 2004 through its embassy in Baghdad, now the largest embassy in the world. Thirty-one US Provincial Reconstruction Teams (PRTs) operate throughout the country to support reconstruction at the local level.

The United Nations

Prior to the invasion of Iraq, the British had pressed the United States to accept an extensive UN role in postwar reconstruction and peacekeeping. Since the

⁵⁶ United Nations Security Council Resolution (UNSCR) 1546 (2004).

end of the Cold War, the United Nations has had often underappreciated success with nation-building operations in Africa, Latin America, and elsewhere. Some observers therefore deemed the United Nations a natural candidate for the task of postwar stabilization. However, the United States was not willing to cede significant authority to the United Nations, and its involvement was restricted largely to humanitarian work in areas such as food provision.⁵⁷

An official UN mission was eventually established on August 14, 2003. However, the bombing of its headquarters in Baghdad five days later, which killed 22 people, including UN Special Representative Sergio Vieira de Mello, brought an abrupt end to most UN operations.⁵⁸

The UN began to rebuild its mission, UNAMI, in the Spring of 2004, just prior to the handover of sovereign authority from the United States to the Iraqi Interim Government in June.⁵⁹ The United Nations' presence then grew incrementally to include election monitoring during the 2005 and 2006 elections, efforts to promote political dialogue between the various political factions, and, most of all, continued humanitarian work. Food relief through the World Food Programme has been a crucial part of the UN contribution. In 2006/7 the United Nations also played an important role in organizing the International Compact for Iraq, as discussed below.

On the whole, however, the United Nations' role remains limited when compared not only to its potential but also to the role the United Nations is playing elsewhere in the world.

The Iraq Compact and the Neighborhood Process

In May 2007, the international community's commitment to Iraq broadened somewhat when several states

⁵⁷ On the UN's early role in Iraq and its role in other nation-building operations, see Dobbins et al., *The UN's Role in Nation-Building*.

⁵⁸ UNSC-SG S/2004/625. The original UN mission was established under UNSCR 1483 (2003).

⁵⁹ UNSCR 1546 (2004).

signed the International Compact for Iraq, or, "Iraq Compact."⁶⁰ The agreement sets out a process by which the Iraqi state can make progress toward economic and social reforms aimed at promoting political reconciliation and improving the security situation. The international community promises financial and other aid in exchange for progress on reforms, although specific promises are not linked to specific benchmarks. Signatories to the Iraq Compact include several Arab states, Iran, the United States, Britain, France, Germany, the European Union, the International Monetary Fund and World Bank, the United Nations, and the Republic of Iraq. The engagement of France and Germany is seen by some as a positive step toward the deepening of European engagement with Iraq in general.⁶¹ Overall, however, the Iraq Compact has no enforcement mechanisms and thus amounts to a well-intentioned list of desirable developments the international community would like to see.

The Iraq Neighborhood Process, which brings representatives from Iraq's six neighboring states together with representatives from the UN Security Council and G8, has the benefit of at least maintaining a permanent institutional structure in Baghdad. This is important, given that although Damascus currently has a full ambassador in Iraq, several other Arab countries, including Saudi Arabia, still have not established full diplomatic relations.⁶² In addition to regular high-level meetings, the Neighborhood Process also includes lower-level working groups on water, border security, and refugees. Although there is clearly a long way to go toward reconciling the conflicting aims of Iraq's neighbors, the existence of the Process is at least a step in the right direction.

The European Union

Financially, the European Union has made significant contributions of some €830 million above and beyond individual Member State contributions.⁶³ Some of

⁶⁰ "The International Compact with Iraq," <http://www.iraqcompact.org/en/default.asp>.

⁶¹ Interview with US State Department official, Berlin, May 2008.

⁶² Egypt's ambassador was killed in an attack in 2005 and has not been replaced, and the UAE is reportedly in the process of establishing full diplomatic relations.

⁶³ European Council, "Summary of Remarks by Javier Solana," May 28, 2008, S185/08.

these contributions have gone to politically significant projects, such as the reconstruction of the Shiite shrine in Samarra, which was destroyed in a February 2006 attack that greatly worsened the religious conflict.⁶⁴

Involvement beyond this, however, has been limited. The main European Union contribution has been a civilian mission through the European Security and Defense Policy, which has also operated to build capacity in Iraq's criminal justice system since 2005. Through the mission – the EU Integrated Rule of Law Mission for Iraq (EUJUST LEX) – Iraqi officials from the judiciary, police, and penal systems receive training in several European countries. A small liaison contingent of some 15 officials operates out of the British Embassy in Baghdad. By mid-2008, over 1,500 Iraqis had received training through the program.

A NATO training mission has also been in operation in Iraq since 2004 to help build the Iraqi security forces. By 2007 the mission had grown to 150 personnel, roughly half of which are from Italy.⁶⁵

Germany

By far, the most significant contribution Germany has made to Iraqi reconstruction has been the relief of nearly €5 billion in Iraqi debt. Debt relief was an important step toward setting the new Iraqi state on the path toward monetary stability. Germany has also made a number of contributions on a much smaller scale through the European Union and on a bilateral basis. These have included training Iraqi police in Jordan, Abu Dhabi, and Germany, providing trucks to the Iraqi Army, and training Iraqi sappers and explosives experts. Most of these projects have been on a relatively small scale, with the exception of police training, which has been on a larger scale. (The police training mission in Jordan, however, eventually ran into problems with the Jordanian government.) Germany has also made efforts to support resolution of the political problems described above, although given the small size of the German presence in Iraq, these efforts are necessarily limited in nature. Overall, German aid to Iraq from 2003 to 2007 was just over €300 million.⁶⁶

⁶⁴ UNSC-SG S/2007/608, p. 2.

⁶⁵ E-mail exchanges with NATO officials in Baghdad, June 2 and 3, 2008.

⁶⁶ German Foreign Ministry figures.

In addition to official German efforts, German foundations – sometimes working in conjunction with the German Foreign Ministry – have contributed to election monitoring and building Iraqi civil society. In the run-up to the regional elections planned for October 2008, the Friedrich Ebert Foundation has worked in conjunction with the United Nations and local Iraqi organizations to train some 10,000 election monitors. Given the potential significance of the regional elections for Iraq's future stability, this effort is noteworthy.⁶⁷ The Friedrich Naumann Foundation has focused efforts on political dialogue, for example by providing regular seminars in Amman on federalism and constitutionalism for Iraqi politicians and judges.

On the whole, however, German efforts have remained limited in relation to Germany's interests in the region and Germany's role as a global leader and world power.

⁶⁷ For an analysis of the regional elections, see Michael Bröning and Armin Wilhelm, *Preparations for Regional Elections in Iraq: A Fresh Start for Democracy or Calm Before the Storm?* Friedrich Ebert Foundation, Amman, June 2008, <http://www.fes-jordan.com>.

Assessing German and European Policy Options

Germany has both bilateral and multilateral policy options in Iraq. Five merit particular examination:

Send ground forces

Given the political resistance that would inevitably arise from any such suggestion, the option of new ground forces in Iraq is widely agreed to be totally unrealistic. Moreover, although such a move would surely be a welcome political gesture from the perspective of an incoming US administration, it is uncertain whether an increase in European ground forces, even if it were to reach the level of European forces in Afghanistan, would have a significant effect on the situation on the ground. Of the major European armies not yet involved in Iraq, only France has had significant experience in fighting counter-insurgencies. In addition, the costs of coordination as well as deep disagreements over doctrine and strategy might also undercut the potential value of any significant European force in the eyes of US military commanders. Indeed, there are those in Washington who would prefer to see Germany stay out.

Any European military contribution toward stabilizing Iraq, therefore, will have to come indirectly, via Afghanistan. In the extent to which European troops alleviate the US burden in Afghanistan, they can be marginally helpful in maintaining security in Iraq. Any such bargain, however, would have to be based on a clear understanding of both allied goals and strategies, not only in Iraq but also Afghanistan. Regarding the latter, it is still not clear that such a strategy or agreement on “end” states – that is, what the goals are – has been achieved.

Expand the European Union’s civilian state-building work

This is a much more promising option. The European Union aspires to become a premier provider of civilian state-building expertise in post-conflict reconstruc-

tion.⁶⁸ Although the United States has increased its own capabilities in this area, the need for continued expertise remains.

There are at least three ways the European Union could ramp up its civilian state-building efforts in Iraq. First, the European Union could make a far more substantial contribution to training Iraqi police, thus helping to fill a crucial gap in the current capacity of the Iraqi state. Such an operation might be modeled on the current EU police-training operation in Afghanistan. Although that operation has far from met expectations, the lessons learned could be applied to Iraq for greater success. It could be carried out in Iraq, in neighboring countries, and in European countries. As the Afghanistan mission has proven, however, Europe’s aspirations toward excellence in this area have yet to overcome difficulties in recruiting suitable personnel for the missions. There is already a very large US operation in place, and any European contribution would obviously have to complement it and add value. One much-needed area in which Europe has expertise from its experience in the Balkans is community policing. Despite the potential hurdles, police training is an area in which the European Union claims expertise and the Iraq situation offers a prime opportunity to gain more experience while having a positive effect.

Second, Germany could push for a comprehensive election-support and monitoring mission through the European Union, offering expertise and staff to help ensure that the important upcoming regional elections this fall are successful. An EU effort would not only help to guarantee that these elections go well, but also bolster their legitimacy after the fact, and thereby the legitimacy of the Iraqi state at the local level.

Third, the European Union could simply expand its existing rule-of-law mission by increasing administrative training efforts, placing European advisors directly within Iraqi ministries, and perhaps moving the mission’s headquarters from Brussels to Baghdad. The latter would have the benefit not only of increas-

⁶⁸ For a recent assessment of the record so far, see Dobbins et al., *Europe’s Role in Nation-Building*.

ing the effectiveness of the mission, but also of providing a political show of support for the improving security situation. The European Union has two such missions in the Democratic Republic of Congo, each with roughly 50 personnel. There is no reason similar missions could not be organized for Iraq.

Organizing any such mission would, of course, require implementing adequate security measures. If the European Council determined that it was desirable to put a mission HQ outside the international zone – a step whose costs and benefits would have to be weighed carefully – security could be provided by German or perhaps Italian special police, so as to avoid the political problem of “boots on the ground.” Wherever the location, the mission would have to be linked up closely with the ongoing US and multinational efforts to ensure maximum efficiency and avoid duplication. Close cooperation with the Iraqi government would also be important, though not sufficient in itself.

Fourth, Germany – either through the European Union or acting on its own – could set up vocational training programs aimed at helping Iraq build a foundation for more diverse, long-term economic growth. A great deal of Iraq’s talent has fled abroad as a result of the violence, resulting in a depletion of Iraq’s human capital. A contribution in this area would thus also have a valuable effect.

Support political reconciliation and prepare for a possible UN mediation

Germany and other European states can also contribute to achieving a political solution to the current crisis by pressing the various groups toward a workable political compromise that legitimizes the Iraqi state in the eyes of the main sectarian groups. This can be pursued at the regional levels, especially with Sunni Arab states, as well as within Iraq. In the meantime, Germany, either on a bilateral basis or through the European Union, could also work to improve relations between the Kurds and Turkey.

If progress toward a political solution slows or suffers a setback, however, a new strategy may be needed. One option that has been discussed but not yet tried is a high-level UN-led effort to reconcile the warring factions and achieve a political agreement backed by the Security Council. In that case, Europe would need to be prepared to play a major role. Not only would it be necessary for European states to

actively support the Security Council’s efforts, but Europe would also have to work to obtain Russian and Chinese cooperation.⁶⁹ A UN-backed peace agreement might or might not include the deployment of UN troops, though it would be better if it did. Over time, UN peacekeepers, working in conjunction with Iraq’s own security forces, might replace US forces and thereby help neutralize some of the resentment that has helped fuel the insurgency. In this case, it would also be desirable if the European Union was prepared to provide high-end military support to the UN operation, as it has in the Democratic Republic of Congo and is presently doing for the United Nations Mission in Sudan (UNAMIS) through its mission in Chad.⁷⁰

Expand German diplomatic representation

The German diplomatic mission in Iraq can play a helpful role simply by maintaining contact with Iraqi public officials and thereby fostering the development of democratic norms and practices among the Iraqi political elite. It is important not to exaggerate this role, but a significant increase in the size of the German mission in Baghdad, combined with the establishment of German consular and commercial posts in the regions, would have a beneficial effect at a relatively low marginal cost, since these missions will have to be set up at some point anyway. A similarly beneficial effect could be achieved from the establishment of an independent EU mission in Baghdad, a move that might in itself help to raise awareness of the situation among representatives in Brussels and thereby foster a more comprehensive EU strategy. The main impediment to any such expansion remains security, the cost of which is substantially increased by the decision to maintain the German Embassy outside the international zone; within Germany, this is viewed as worthwhile, because it is believed to make the embassy more accessible while emphasizing Germany’s independence from the US-led multinational force in Iraq. If it impedes growth in the size

⁶⁹ The UN solution has been raised by former US Undersecretary of State for Political Affairs, Thomas R. Pickering, “Does the UN Have a Role in Iraq?” *Survival* 50, no. 1 (Feb.–Mar. 2008): pp. 133–42. See also ICG, *Iraq after the Surge II*; Wimmer, “Democracy and Ethno-religious Conflict in Iraq,” pp. 111–34.

⁷⁰ See Christopher S. Chivvis, “Preserving Hope in the Democratic Republic of Congo,” *Survival* 49, no. 2 (June–July 2007): pp. 21–41.

of the German mission, however, it may be worth reassessing.

It should be noted that there is a temptation to focus on expanding diplomatic and commercial ties in Kurdish areas, and Arbil in particular. While this has the obvious advantage of providing better security, a proliferation of European diplomatic posts in the Kurdish region, with a scarcity in Baghdad, risks sending a counterproductive message to both the Kurds and the rest of Iraq.

It would also be desirable for more German (and European) political leaders to visit Iraq. Doing so under the prevailing circumstances requires both political and personal courage, especially given that the German foreign ministry, for prudential reasons, discourages any such visits and is unable to provide much by way of support for German officials who do wish to visit.

In addition, there are a number of smaller steps that Germany has begun to take and can continue at relatively low cost, including expanding educational exchanges, providing language instruction, promoting internships for Iraqis at German companies, and generally supporting the development of Iraqi civil society through the important work of German non-governmental organizations.⁷¹ While they are helpful, however, these piecemeal steps should not become substitutes for larger measures, but rather complements to such measures.

No change

Maintaining the current policy of benign neglect is, of course, also an option. Continued financial assistance, especially for managing the refugee problem, will help alleviate some of the collateral damage from the war. Germany and other European countries should accept Iraqi refugees, although as noted, this will only be possible in symbolic magnitude compared with the overarching problem. Limiting asylum to Christians alone makes little sense. Participation in the Iraq Compact is, at least, a positive step. As noted, however, it is unclear how much leverage financial power will have in Iraq in the medium term, given that Iraq's financial needs will largely be provided for by oil exports.

⁷¹ Interview with US State Department official, Berlin, June 12, 2008.

Prospects and Conclusions

In early 2006 Iraq's prospects seemed to be going from bad to worse. By contrast, Afghanistan appeared to be on the road to self-sustaining recovery. Over the course of the next two and a half years, the situation reversed. Iraq's trend was generally positive beginning in late 2007, while reports from Afghanistan grew ever more negative. Iraq's oil reserves have always meant that its long-term prospects are brighter than those of Afghanistan's, a poor country with limited horizons for economic development.⁷²

Nevertheless, the current situation in Iraq remains serious and the future uncertain. Recent gains in the security situation are tenuous. The political situation in Iraq remains blocked and a unified Iraqi state is unable to consolidate power in any form – federal or otherwise.

The policy of the next US president is also unknown. Campaign promises notwithstanding, a radical change of course will be difficult. An Obama Administration would no doubt have to begin to withdraw some troops. Even a McCain Administration might eventually be forced to do so, but the pace and extent of any future withdrawals remains uncertain.

Also uncertain is the question of whether or not a new US administration is likely, as some have predicted, to turn to Europe for more help on Iraq. On the one hand, some effort to revive transatlantic relations can be expected, no matter who is president, and given the continuing importance of Iraq in the United States, it will be difficult to proceed with any serious broader transatlantic discussion without putting Iraq into the equation. An Obama presidency would furthermore be in a particularly strong position to argue for increased European support for Iraqi reconstruction, on account of the fact that he was himself an opponent of the war and that his election would represent a recognition by a significant part of the American people of the errors of the Bush Administration in this area. On the other hand, as noted already, it is unlikely that US commanders would jump at the idea of European troop contributions, even if they were in the offing. Economic assistance, an area in

which Europe has traditionally made major contributions, is not badly needed in Iraq, beyond providing resources needed to manage the refugee crisis. Moreover, a focus on increasing Europe's contribution to the NATO mission in Afghanistan is apt to be the main priority for the United States. In short, from the perspective of the United States, the prospect of European help in Iraq would be welcome more for its political value and symbolism as a new era in transatlantic cooperation than for its practical value on the ground.

This by no means implies that a German or European contribution would be insignificant. Unfortunately, it may ultimately be political factors within Europe that complicate any significant policy rethink. Upcoming German elections are apt to make serious debate over Europe's responsibilities in Iraq difficult, while the French presidency of the European Union in the second half of 2008 will be occupied with other matters facing Europe. The weakness of the current UK government places it in no position to be cajoling its European partners in any such direction.

More broadly, lingering resentment over the 2003 transatlantic crack-up and the concern that helping the situation might somewhat legitimize the Bush Administration's decision to pursue the military overthrow of Saddam, continues to impede a serious reconsideration of policy. At the same time, the lack of a coherent European alternative to US policy encourages an isolationist European stance by casting any involvement in Iraq as *de facto* support for the United States. This creates a Catch-22.

Nevertheless, even if a new German or European policy on Iraq is still a few years off, it is not too soon to begin preparing the ground. Smaller steps toward diplomatic and commercial re-engagement may in this regard help to build a foundation on which serious discussion is possible. Eventually, European states will have to arrive at some consensus about what Europe's interests and future role will be.

The strategic and humanitarian costs of the current crisis are simply too great to ignore.

⁷² On Afghanistan, see Seth G. Jones, *Counterinsurgency in Afghanistan* (Santa Monica: RAND, 2008).