

## **Iraq in the Region**

### Talking Points

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Iraq's relations with the wider region have been fraught with trouble since the 2003 American invasion for a variety of reasons.

- There was little buy-in for American policy from neighbors, and especially from regional public opinion, which was almost universally opposed.
- Most neighboring countries sensed danger rather than opportunity. Most pressing, they feared 'infection' from newly unleashed Iraqi sectarianism and ethnic nationalism.
- Each also feared exploitation of the situation by other neighbors—leading to an increase of general tension in the region.
- The breakdown of order within Iraq, creating a huge refugee outflux, confirmed their fears.
- Sectarian unrest led outside players to think of themselves as being patrons of Iraqi sectarian clients, which exacerbated mistrust inside Iraq, and prolonged strife.
- The lack of clarity over long-term US intentions made waiting appear the best option for many neighbors, or, for some, sabotage of the American operation, particularly as the overtly hostile nature of some US rhetoric raised fears of hegemonic intent.
- The weakness and disunity of Arab players, partly a factor of ageing leaderships, helped unbalance Iraq's historic equilibrium.
- The result has been a general lack of regional support that has delayed political and economic improvement inside Iraq.

We all know how slow the learning curve for America has been in Iraq: five years after the invasion they are still struggling to correct their terrible early mistakes. But this curve has been painfully slow for everyone, including all Iraq's neighbors and, indeed, for the Iraqis themselves: for instance, only after several years of bitter, and mostly losing sectarian strife have many Sunnis come to accept the fact that they are a minority. Many Arab countries—and particularly public opinion—still cannot accept this fact. Another example is the slow recognition by Iraqi Kurds that they cannot simply stand on their perceived 'rights', but must engage in compromise, even with

those whom they mistrust most. As an example of the slow learning curve among outsiders, many Sunni Arabs still perceive Iraq's Shias as little more than a 5<sup>th</sup> column for Persian influence. It has also taken Turkey time to discover that the Turcoman minority within Iraq do not necessarily make for natural allies—that in fact they are few in number and divided among themselves, with differing allegiances. Similarly, Iran still has not fully recognised that Iraqi Shias do not automatically identify with “mother” Iran.

This lack of understanding, amplified by fears, led many regional actors to pursue unhelpful policies, such as.

- Tacit or practical support for ‘resistance’.
- Harboring of criminals from the former regime.
- Turning a blind eye to massive smuggling, denying revenues to the Iraqi state..
- Sponsorship of internal militias and political parties.
- Denying legitimacy to the elected Iraqi government.
- Exploiting Iraqi sectarianism to serve local political agendas; for instance, Saudi Arabia and Jordan exploiting the notion of a Shia menace to bolster their governments’ legitimacy.

In other words, many countries acted to prevent what they saw as negative outcomes, rather than seeking to promote positive outcomes. One should not exaggerate the importance of outside elements. Most of the unrest has been self-generated by Iraqis, or has resulted from friction with the American occupiers, not . It would also be unreasonable to expect regional countries to swiftly grant recognition and aid to what was perceived as an American-installed regime, particularly when the diplomatic style of the Bush administration has not encouraged cooperation. Yet it is still fair to say that adaptation to the new realities has been slow.

But there have been some important recent improvements to Iraq’s position within the region. Regional states have become more willing to see opportunities, or at least, less obstructive.

- Diplomatic moves have included the conveying of regular neighbors’ conferences, and visits to Iraq by senior figures: Ahmadinejad, Erdogan, Siniora, King Abdallah of Jordan. More ambassadors promised. The July 2008 Turkish Iraqi accord sets a framework for continuous, high-level bilateral consultation. This may become a model for similar agreements.
- Movement on debt. The UAE wrote off \$7bn in June, Kuwait and Saudi Arabia have promised to drop debt demands, though neither has moved yet—in Kuwait, largely because of internal pressures from powerful interests to collect war damages dating to 1991. Iran provides aid, though not as much as promised, and very much directed to solely to Shia areas. There is more to be done, but the debt situation is nowhere near as dire as it was in 2003.
- Choices have been made. Syria has long since stopped turning a blind eye to passage of mujahideen. They are now being exported from Iraq rather than imported. More broadly, the demystification of the Iraqi ‘resistance’, who were quickly adopted as heroes by a wide section of opinion, has been seen as a very positive development across the region. This has been a quiet, but significant change. Iraq is less widely seen as a zone of conflict in some kind of clash of

civilizations. This has removed an incentive for meddling in Iraq by outside non-state actors.

- Iran appears to have chosen to support the governing coalition more than Muqtada al Sadr's Jaish al Mahdi, as seen by outcomes in Basra, Sadr City, and Muqtada's recent call to demobilise most of his 'army'. This may be taken as a serious bid by Iran to be 'part of the solution'.
- These changes are partly a response to the fact that the Americans have grown less allergic to outsiders, and have proven broadly supportive of the Iraqi government as it takes a more independent line. The Bush administration's crucial, if belated acknowledgement of the need for a 'time horizon' on the US presence opens the way to more responsible engagement by those who have sought the quickest American exit—eg Iran and Syria. Relative American distancing from maximalist demands of the KRG, and its green light for Turkish action against the PKK, has helped appease Turkey, and also Arab nationalists. The move to put Mujahideen-e-Khalk camps under Iraqi army control removes an important thorn with Iran, which had long suspected America of supporting what it regards as a subversive terrorist group. The emergence of greater clarity about America's long-term intent has been perhaps the most encouraging single development in the eyes of regional players.
- Economic ties with region have greatly strengthened, providing a strong incentive for stability. With its imports growing from \$10 billion before the invasion to a current \$35 billion, and a projected \$50 billion in 2012, Iraq is now a lucrative export market. In recent years its top two suppliers have been Turkey and Syria, with the US trailing in third place. Turkish officials speak of increasing bilateral trade to \$25 billion. One reason that Jordan has upgraded the level of diplomatic ties is that it needs to bargain for preferential terms for Iraqi oil supplies—and has done so successfully.
- The biggest opportunity of all—Iraq's energy sector—is beginning to open up. And it is clear that the fears of many that this would be a strictly American prize are wrong. China has won the first big contract, followed by Shell, a Dutch and British multinational. The lure of energy has been a very significant factor in tempering Syrian attitudes. With its own reserves dwindling, the idea of linking Syrian transit networks to Iraqi fields—some of which lie just across the border—is extremely attractive. Simply reopening the existing oil pipeline to Baniyas could earn Syria \$1- \$1.5 billion a year.

Yet, as a listing of these points suggest, most improvements have been tied, not to a sudden change of mind by outside actors, but to actual changes within Iraq, and also in American policy. Part of everyone's learning curve has been discovering how minimal their influence can be to outcomes on the ground, or actually counterproductive to their own strategic interests. For instance, the notion that patronage of particular groups or sects will further tactical goals has often clashed with the fact that much of the violence has been within sects, not between them, or simply criminal in nature. Another reality is that stoking unrest has produced dangerous 'blowback'—eg millions of refugees to Syria, or the prolonging of American occupation for Iran, outcomes that neither state can have wanted.

Iraq remains a largely dysfunctional polity, and is now in a very delicate stage. The Bush administration's 'surge' policy has definitely reduced the level of violence—helped, of course, by factors such as the simple exhaustion of some violent groups,

the de-facto completion of ethnic cleansing in Baghdad, the cooptation of Sunni groups under the label Sons of Iraq (largely in response to simple revulsion at the excesses of Al Qaeda in Iraq, fear of Shia dominance, and the lure of money for the unemployed), and the sidelining of the Jaish al Mahdi under Iranian instruction.

But the relative calm has also encouraged those factions that have benefited from power to believe they can hold on to it, at the expense of those who remain on the margins, and so has helped stall vital reforms. It may be largely positive that the central government is exerting more influence, yet its attempts to wrest control—for example by changing personnel in the oil industry—can also be disruptive, and raise suspicions of rivals. It is not unfair to say that the Maliki government has used the respite to consolidate its own position, rather than to pursue a more national agenda.

This has left a number of burning issues which are closely interrelated, and include:

- The timing and modalities for provincial elections—which were set for October but now are indefinitely postponed. The elections had been hoped to create a more localised base for the legitimacy of the state, and spread inclusiveness. Until they are held successfully and fairly, the sense of alienation from power will linger.
- The hydrocarbons law, which would not only allow Iraq to earn bigger fruits, but underpin long-term development, has been too long delayed.
- Questions of federalism, relations between center and periphery, and the borders of Kurdistan remain to be resolved.
- The integration of militias/armed groups within the law will be a slow and difficult process, given lingering fears, the entrenched culture of the gun, and massive unemployment.
- Revising the constitution, not only in regard to power sharing but in regard to the relationship between religion and the state, will be a long-term burden. There are still important question marks over the very identity of Iraq.
- Securing an agreement on the status of American forces is vital.

Each of these is exposed to strong divergent trends of every kind—not only sectarian. Each is potentially explosive.

The destructive temptations for outside actors persist: to wait and see if Iraqis can sort out their troubles, or to act as patrons of individual clients. But the lesson should have been learned that these are costly options in the long term. The better option is—to borrow from Professor Davutoglu's theory-- to collaborate in forging a common vision of a viable, unified and stable Iraq, and then to create and support the modalities to make this possible—even if this means challenging the current, inefficient power structure inside the country. This should include outside countries in the region working closely to resolve each of the separate issues that currently bedevil the country. That is perhaps unrealistic, but without such a concerted effort by all parties, Iraq's future prospects remain extremely bleak.