

### UNITED STATES INSTITUTE OF PEACE

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## **USIPeace Briefing**

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# Iraq: Politics Unfrozen, Direction Still Unclear

By Daniel Serwer and Rend al-Rahim

In meetings conducted in Beirut and Baghdad in mid-January 2008, a high-ranking and broad cross-section of the Iraqi political spectrum expressed views on the current political situation, main priorities for the next year, prospects for moving forward on key issues, and the American military presence in Iraq. The Iraqis, numbering about 40, included parliamentary leaders, members of the presidency and their staffs, top government officials and leaders in both the Anbar and Baghdad "Awakenings" (tribal groups prepared to fight Al Qaeda and guard their own neighborhoods).

This *USIPeace Briefing* summarizes the key results of these meetings, which occurred during a sharp decline in violence from the levels experienced in 2006 and early 2007. Rend al-Rahim, executive director of the Iraq Foundation, spent 2003-2005 as Iraqi representative and chief of mission in Washington before becoming a senior fellow at USIP in 2006-2008. Daniel Serwer, vice president for peace and stability operations at USIP, was on his fifth visit to Iraq since 2004. In each meeting, it was made clear that Serwer and and Rahim are not U.S. Government officials and do not speak for the U.S. Government. The focus of the conversations was primarily on Sunni/Shia relations.

### **Increased Fluidity**

An increasing number of political groups and militias are coming around to the realization that the new political order is a reality that cannot be dislodged by violence, and that it is time to try the alternative route of negotiation. This is by no means a universal conviction, nor is it necessarily an enduring one, but it does open up the political space and allow more room for maneuver.

Consequently, the paralysis that marked the political scene for much of 2007 has recently given way to greater fluidity and movement. The grand ethnic and sectarian coalitions (Kurdish and Shia) that dominated the elections in December 2005 and produced the Maliki government are fraying, new alliances (some of which cross sectarian lines) are being tested, and new groups and combinations of forces are emerging on the political landscape. There is more emphasis on party rather than sectarian interests, although there is a continuing subtext of sectarian tensions and rivalry that surfaces in discussion of constitutional issues, IDPs and refugees, the status of former Ba'athists and other sensitive problems.

Lack of trust and reciprocal suspicions between the partners in the ruling coalition continue, as starkly manifested in the difficulty of agreeing on decision-making and problem-solving processes. The consequences of distrust reverberate across all the areas and activities of the state: the inability of

parliament to function smoothly; disarray in the cabinet and poor service delivery by the ministries; lack of consensus on legislation, including the oil law and the provincial powers law; and failure to resolve constitutional disagreements on federalism, de-centralization, and power-sharing.

While the security situation has improved markedly and the political situation is less polarized, both are fragile. The relative improvements could easily be reversed. The challenge facing the Iraqi government and parliament, and the U.S., is how to maintain and take advantage of current improvements.

#### **Broad Analytical Agreement: Power Is The Issue**

Iraqis generally agree on the main source of their current political difficulties: lack of agreement on the shape of the Iraqi state and hence the distribution of power. While the federal character of the constitution is more accepted now than in the past, there is still a lot of jostling on key questions. How should power be distributed among various groups? How strong should the central state be? How strong should the regions and provinces ("governorates" in Iraqi terminology) be? Is Iraq an Arab state? What is the status within Iraq of numerical minorities? What is their proper relationship with neighboring countries?

As the security situation has improved, Iraqi politicians have begun to refocus on these fundamental issues, which affect many pieces of legislation that come before the Council of Representatives (COR or parliament). This is in the broadest sense a positive development: all sides in the near-civil war that raged in 2005 and 2006 are exhausted, or lying low, and many are looking to politics rather than violence as a way of deciding the distribution of power and sorting out their different conceptions of the Iraqi state. Kurds generally express a desire for Kurdistan to be governed separately from Baghdad, though many accept the overall framework of the Iraqi state so long as it does not impinge on their autonomy. None of the Iraqis expressed strong sectarian allegiances, though a number used language and concepts that are viewed by others as sectarian. The basic struggle is over power, not religion.

Without a broad political compact on the shape of the state, constitutional issues infect many pieces of legislation: most notably oil, elections, internal boundaries (of the Kurdistan region and of several governorates) and authorities of the provinces and regions. The COR may appear to be making rapid progress on one or another of these issues but is often stopped in its tracks when a political group recognizes the impact on the distribution of power. This "go-stop" pattern creates high expectations in Washington, followed by sudden and uncomprehending disappointment. Iraqi political leaders chuckle when asked about specific laws, sometimes mumbling "that is an American priority, not an Iraqi one."

Iraqi priorities across the Arab sectarian spectrum include return of displaced people and refugees (each group focusing on its own), finding jobs for tribal participants in the Awakenings (Sunnis to see them employed, Shiites to remove them as a security threat), delivery of services and economic development in general and—towards the end of the year—provincial elections. Even members of parliament thought some U.S. priorities, especially the oil law, less urgent and important. No Sunnis expressed nervousness about distribution of oil revenue across the population, which they and Shia Iraqis regard as established in the constitution and observed in practice. Far more controversial is foreign participation in the oil sector, which the Kurds and some Arab politicians favor while others prefer national oil investment and production. Also of interest to Iraqis is the overall division of oil revenue between the central government on the one hand and the provinces and regions on the other.

#### **Mechanisms Developing to Manage Priority Issues**

Under strong pressure from the international community, especially the United States, the Iraqi government has begun to develop mechanisms to resolve political disputes and manage the tug of war over legislation before it gets to the COR. This is the significance of what is now termed the "executive council," consisting of the president, two vice presidents and the prime minister, who has reluctantly agreed to attend its meetings but views it as an entirely advisory body. Some would also like to see use of the "committee of five" that prepared the way for reform of the de-Ba'athification process (adopted in early January 2008), which consists of representatives of each of the executive council members plus a representative of the Kurdistan Regional Government.

There are still serious lacunae however in state mechanisms, especially the cabinet, which is missing eleven ministers, and the prime minister's office. New laws governing operation of the ministries have not yet passed. One interlocutor observed that the government of the post-April 2003 "New Iraq" is the first ever to try to observe Saddam Hussein's laws. These statutes constitute the vast majority of the laws in effect and are socialist—even Stalinist—in character, centralizing power within a bureaucracy so arcane that it is dysfunctional (Saddam Hussein simply ordered things to be done, so this did not matter to him). The cabinet staff has expanded dramatically, and cabinet committees are functioning. But the cabinet received many failing grades from those outside its orbit.

Having survived attempts to remove him last summer and late last year, the prime minister is still wary but has gained confidence that there will be no change at the top in the near future. The prime minister's office, consisting of a small inner circle of advisors and a wider and more numerous outer circle, is viewed by many as aloof and isolated, cut off from the rest of the government, the COR and the Iraqi people. Recent agreements notwithstanding, there is doubt as to whether the prime minister and his advisors intend to share the considerable power that they have accumulated over their last 18 months in office. Nor is it clear outside the prime minister's office to what programmatic ends he wields power, other than remaining in office and fending off challengers. His office is generally viewed as sectarian, while the prime minister is viewed as factional (protective of his Dawa party faction) but with a nationalist bent.

#### **Emerging New Political Alignments**

New political alignments are developing that transcend the coalition of Kurdish and Shia parties that has dominated Iraq's politics since the fall of the Saddam Hussein regime and was responsible for writing and passage of the constitution. The two dominant Kurdish parties and the (Sunni) Iraqi Islamic Party have reached an agreement that permitted the return of Arabs to the Kirkuk provincial council, following quickly on a UN-brokered agreement to postpone the referendum on the status of the city, required by the constitution before the end of 2007. While some Sunnis regard the Kirkuk agreement as selling out their interests, it could help pave the way for return of the Iraq Islamic Party to the governing coalition. A broad cross-section of Arab political parties—Sunni and Shia—have joined in a statement of support for stronger national government, in particular for management of Iraq's oil resources by Baghdad (in opposition to the Kurdistan Regional Government's insistence on regional management of oil resources). Arab concern about Kurdish territorial ambitions, which many view as extending far beyond Kirkuk into other governorates and even encompassing Mosul (Iraq's third largest city), is palpable.

The emergence of strong Iraqi nationalism among Iraq's Arabs may be particularly important, as to some degree it transcends the Shia/Sunni divide. Former prime minister and vice president Ibrahim Jaffari has proposed a two-region Iraq, composed of Kurdistan and what Americans sometimes term "Arabistan." National Security Advisor, Mowafak al Rubaie, has proposed a five-region solution. Some leaders of the Awakenings are trying to nurture a tribally based political party that would extend from Anbar, through Baghdad and into the south. The Awakenings have set off a competitive scramble, with the government as well as Sunni and Shia political parties vying for control. The nine-province southern region, favored by the Islamic Supreme Council of Iraq (ISCI) and incorporating most of the Shia population except for Baghdad, is no longer viewed as inevitable, having generated a popular backlash among southern tribes and in the three southernmost provinces. ISCI's intentions are unclear, but all other Shia political parties oppose the idea.

Iraq's political leaders readily admit that the somewhat tentative efforts to reach across sectarian lines are driven in part by recognition that ordinary Arab Iraqis are scornful of political gamesmanship and exasperated with sectarianism and incompetence. Reconciliation has moved faster at the popular level, bringing pressure to bear on political leaders. Despite all that has happened between them, Shiites and Sunnis feel some degree of common Iraqi and Arab identity, frequently manifested among their leaders in shared frustration with Iran, Saudi Arabia (or even the Arab world in general) and Iraq's own Kurdistan. The private satisfaction of at least some Iraqi Arabs over Turkish attacks on Kurdish guerrillas operating from Iraqi Kurdistan is hard to miss. So, too, is the desire for national control of Iraq's oil resources and determination to resist Kurdistan's expansion.

### A Year of Challenges

While there is an improved atmosphere among Iraq's Arabs and a sense that politics has been unfrozen, Iraq faces enormous challenges during the next six months and beyond that towards the end of the year. We take these up one by one, more or less in the chronological order they seem likely to arise:

January: Reconstituted or reshuffled government? Both Sadrist and some Iraq Islamic Party (IIP) ministers have resigned from the cabinet. The Sadrists will not return. While in principle the IIP has agreed to return, it is unclear at this writing under what conditions and in which positions. Some in the IIP would like to press demands for more release of detainees and clearer plans for return of refugees and displaced people. Some across the political spectrum would like to see a reshuffle of the cabinet, bringing in more technocrats and establishing a better basis for "partnership," i.e. shared decision-making in important matters. The Kurds are said to have asked for the resignation of Oil Minister Sharistani, whom they view as overly "centralizing" and opposed to Kurdistan's deals with international oil companies. The executive council is said to have rejected this idea. The prime minister is anxious to reduce the number of ministers, which would necessarily lead to some reshuffle and likely also some delay.

**February:** Will Moqtada al Sadr end his stand-down? With the expiry of the Sadrist Movement's "cease-fire" in February, there is a possibility of increased violence, not only between Sunnis and Shiites but also between Shia militias or between Sadr's Mehdi Army (JAM) and the Iraqi Security Forces (which have absorbed many members of the rival Badr Corps, controlled by ISCI). Moqtada al Sadr has threatened to reactivate his forces, which however have been hard-hit by the Coalition (especially the Iranian-controlled "special" Jaish al-Mahdi (JAM). While some Sadrist politicians would prefer to play their cards in the COR and

prepare for provincial elections, which is what even Sunni politicians expect them to do, JAM popularity may have suffered from the ceasefire. The unpredictable Sadr may want to go back to violence to rally the Shia masses. Some in the government might welcome this, as an opportunity to crack down on the Sadrists.

March: Will the COR do what is necessary to allow for provincial elections by the end of the year? What will the provincial powers be? If provincial elections are to be held by the end of the year, a new provincial election law is required six to nine months in advance. So far, the government has been slow even to appoint heads of the provincial election commissions. Incumbent provincial council members, many of whom are ISCI, will not welcome elections, which threaten to oust them. Competition will be stiff. Sunni parties and Sadrists boycotted the provincial elections in January 2005 but will contest them this time, as will parties that did not exist in 2005, likely including a Sahwa-based party in Anbar that would challenge the more established Sunni parties.

Among both Sunnis and Shiites, there are people who believe that the electoral system needs to be changed from the current closed list system, which favors party loyalty over personal popularity or competence, to single constituency-based candidates or an open list system, which allows voters to decide among individual candidates (rather than being chosen by the political parties). The closed list system has produced a near partitocracy, with party discipline determining political outcomes rather than individuals representing constituencies. As sect largely defines the political parties, this is a major barrier to cross-sectarian cooperation and political organization.

The law on provincial powers—separate from the provincial elections law and desirable, but not required, before provincial elections are held—has had two readings in the COR, and some anticipate it will pass shortly. Others believe there is no real agreement on the degree to which the provinces should be empowered and that delay will be the result. This law has important consequences: strong provinces could act as a brake on formation of new regions; weaker ones will allow more room for the central government.

April: Will ISCI attempt to form a nine-province southern region? ISCI's leadership—both Abdul Aziz al Hakim and his son Ammar—favors formation of a nine-province southern region. As the 18-month moratorium on new regions expires April 11, the party will consider its options. If the law on provincial powers has not yet passed, some in ISCI might want to preempt it with referenda to form a large southern region—otherwise strong provinces with new, democratically elected leaders are likely to make it difficult. A return to fighting by the JAM might also precipitate an ISCI move, which would weaken Sadr's constituency by splitting it between Baghdad and the south. But the outcome of referenda in the southern provinces is not guaranteed. Many in Basra—Iraq's second largest city and center of its oil production and export—would like to form their own three-province region, combining with Dhi Qar (Nasiriyah) and Maysan (Amara).

**Spring:** Will displaced people and refugees return home? If the security situation holds or improves, displaced people and refugees may start flooding back to their homes, often occupied by others of a different sect. Property rights in Iraq are generally well established, but there is under current conditions no real capacity to execute an eviction order, or to house those evicted while they await return to their own homes. Such situations are volatile and could reignite

sectarian violence as Shia militias and Sunni Awakening groups come to the assistance of their co-religionists.

June: Will the government provide improved services and jobs for participants in the Awakenings? By summer, the government needs to have demonstrated progress on delivering services, especially electricity, and on finding jobs for tribal participants in the Awakenings. Electricity supplies have improved and could hold up better this year if the security situation remains stable. The Concerned Local Citizens, whose adherents now number about 80,000 but will rise to 110,000, have been promised that about 20 per cent will get jobs in the Iraqi Police (few seem likely to go the army because they do not want to leave their home areas). The others will also have to be accommodated, in job training or jobs—which are not easy to come by. A return to resisting the Coalition seems unlikely, but the Awakenings are far from loyal to the government in Baghdad—some of the leaders profoundly doubt its sincerity—and could express their disappointment violently in ways that threaten stability and risk reigniting sectarian warfare.

**July:** Can Iraq reestablish full sovereignty? The Iraqis have agreed to negotiate by the end of July a new bilateral agreement with the U.S. governing relations between the two countries, including security cooperation. This is intended to make further renewal of the UN Security Council mandate for the Coalition unnecessary. The Iraqis see this as restoration of their full sovereignty and want jurisdiction over private security companies as well as Coalition forces. The U.S. will not agree to soldiers accused of serious crimes being tried in Iraq. While there are many other issues at stake, basic U.S. and Iraqi political requirements on the status of forces seem diametrically opposed.

End of the year: Will the Kirkuk referendum and provincial elections be held? Arab leaders believe that the issue of the Kirkuk cannot be considered separately from other internal boundary questions and will likely again be kicked down the road. It is not at all clear that Kurds accept that premise, or that they will cooperate in passing the laws needed for provincial elections if there is no certainty of a Kirkuk referendum. The only political resolution of Kirkuk the Kurdistan Regional Government is likely to accept would be incorporation of the province into Kurdistan.

Arab leaders view the provincial elections as pivotal; they will be the first in which all the major political formations are expected to participate and will therefore provide a crucial test of relative strength. During the past year, large quantities of money have begun to flow fairly quickly through provincial governments, assisted by the Coalition's Provincial Reconstruction Teams. If in addition provincial powers have been increased by the time of the elections, they will be viewed as a major contest, with the possibility in some areas of cross-sectarian political coalitions, especially if an open list system is adopted. These elections are also likely to see the emergence of the Awakenings as a political as well as a security force. In Anbar, they surfaced spontaneously and seem likely to try to contest the provincial elections on their own. In Baghdad, the Iraq Islamic Party has made a serious effort to encompass the Awakenings, but it is not yet clear whether they have been successful.

American Military Presence: Iraqis Want a Time Horizon But No Quick Withdrawal

This formidable array of problems would be difficult for any government, never mind one under siege for the better part of the past five years and facing additional uncertainty over the presence of American and other Coalition troops past next January. At best, it would be wise to expect delays, surprises and disappointments.

In the meanwhile, the American election campaign will be raging, with Iraq an important issue. Insofar as they express preferences, Iraqi political leaders opt for an American president who will be favorable towards maintaining troops in Iraq and unlikely to impose onerous conditions.

At the same time, Iraqi Arab political leaders, both Sunni and Shia, generally agree that it would be beneficial to have a "time horizon" for the American presence. Quick withdrawal is not what Iraqis want—even Sadrists and more radical Sunnis want the U.S. to fix what it broke before leaving the shop. But a commitment to eventual withdrawal of most of the Coalition within the next few years would, many thought, focus Iraqi minds and enable politicians to satisfy popular expectations of a departure.

Some Iraqis also hope that strengthened Iraqi security forces will soon permit the Americans to adopt a lower profile, withdrawing to their forward operating bases and redeploying to Iraq's borders, which remain inadequately guarded.

#### Conclusion

With increased security has come a shift in Iraqi politics away from extremism and towards moderation. The concrete results of this shift in terms of legislation (and meeting "benchmarks") have been few and far between, but there is now broad acceptance of the new constitutional regime, even while there are disagreements over how precisely it should be interpreted or implemented. There is also wider acceptance that such issues should be resolved within Iraq's still weak fragile institutions on the basis of broad partnership, which means giving the Sunnis a greater role than their numbers in the COR justify.

Despite these positive developments, many obstacles remain, and there is little time in which to surmount them, given the American pressures for continuing withdrawal. Triage may well be necessary, but if so it should be done in a way that respects Iraqi priorities as well as American ones. Legislation in general is not the top item on Iraqis' minds. They are looking for a more effective government, one that can take security out of the Americans' hands, get people back to their homes, deliver services, create jobs and fulfill the promise that April 2003 seemed to hold, but without the sectarian triumphalism that soon thereafter prevailed.

#### **About the Authors:**

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