"Critical National and Regional Infrastructures"

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In any post-conflict Iraqi environment, whether there are high levels of destruction or low levels of destruction, the United States will be responsible for a range of immediate tasks to stabilize the security situation, restore basic economic life and safeguard or restore the energy infrastructure. While some of these tasks are technical (eg., restoring electricity), most will have a political element that might not be apparent at first glance. This political element has two aspects.

- First, America's ability to provide immediate services to Iraqis will enhance the security situation, and make our military presence more palatable for the vast majority of Iraqis who support the removal of Saddam Hussein from power but question American motives in their country.

- Second, the decisions that American military commanders make on the ground in the first days and weeks of the occupation will be seen by Iraqis as indications of U.S. plans for the long-term future of Iraq, not as stop-gap measures dictated by immediate circumstances. Cooperating with certain Iraqi groups and individuals will confer power on them for the longer term, as they will be seen as "America's men." Conversely, other Iraqis left out of the early occupation activities will suspect that Washington has decided that they will not have a role in the future of Iraq, increasing their propensity to oppose the occupation, either actively or (more likely) passively.

The future of a post-Saddam Iraq will not be determined in these first days and weeks of American occupation. However, the decisions made in this period will set the stage for subsequent political developments, setting precedents and signaling Iraqis about American intentions (whether we intend such signals or not). Some paths will be opened, others closed, by these early decisions. Their political content MUST be recognized from the very outset.

Defense and Security

The Immediate Environment

The most central task of the American occupation is to provide a stable security situation, not only for our own force protection but also as the necessary first step for Iraqi economic and political reconstruction. In the scenarios assuming active armed resistance, the security task must take precedence over all others. There is no alternative but to defeat any Iraqi group that uses force to oppose the American military occupation.

The more difficult political security issue involves those Iraqi groups who offer their military support to the United States, whether in scenarios of active armed resistance or limited armed resistance. Four groups of potential "allies" can be identified, each of whom could contribute to an American effort to defeat Iraqi resistance, but each of whom carry political baggage that could complicate the post-Saddam reconstruction of Iraq.

- Regular Iraqi army units. Having Iraqi army units switch sides *en masse* would hasten the end of the regime and take the heart out of potential resistance. However, Iraqi generals who come over to the U.S. side will expect a role in post-Saddam politics, and might want to bargain on the spot about that role. While they should be welcomed as allies in Iraq's liberation, it is essential to avoid making promises to them, aside from general assurances that the U.S. respects the role that a reformed Iraqi army will play in the country's security. It is necessary to make the distinction between the regular army and the special forces particularly attached to the regime (Republican Guards, Special Republican Guards, etc.). The latter probably would not come over to the U.S. side. If they did, they should probably be arrested or taken as prisoners of war. Maintaining a careful distinction between the two will encourage officers of the regular Iraqi army to cooperate with the U.S.

- Kurdish militias of the KDP and the PUK. There are tens of thousands of armed Kurdish fighters who will be involved, whether we want them to be or not, in any war scenario. They are important allies for the United States. However, how they are used in the conflict can have enormous political consequences afterwards. Should the U.S. allow them to occupy Kirkuk and its oil fields during the conflict, other Iraqis and regional powers (most importantly Turkey and Iran) will see this as a signal that Washington is supporting *de facto* Kurdish independence, no matter what our declared policy is. This could strengthen Iraqi resistance, as Arab Iraqis would see the dismemberment of their country as the chief

American goal. It could also spark a regional crisis, with Turkish and/or Iranian intervention. The best way to avoid these problems is to make Kirkuk an early military target for American occupation.

- Iraqi Shi'i forces, particularly those affiliated with the Supreme Council of the Islamic Revolution in Iraq (SCIRI). During the Iraqi uprisings of 1991, forces affiliated with SCIRI, which has been headquartered in Iran since the Iran-Iraq War, returned to southern Iraq. They did not come over in organized military formations, but did take part in the fighting against regime loyalists. It is inevitable that they will do so again in the event of an American invasion. SCIRI elements, to the extent that they are organized, will offer cooperation to the American military in maintaining order in Shi'i areas. They share our goal of removing Saddam Hussein from power. Their leadership has been in contact with Washington for some time, and has given public signals of acceptance of an American military action against Saddam.

Cooperation with SCIRI presents difficult political problems. Should the U.S. give SCIRI elements security responsibilities "behind the lines," even police duties to maintain basic order in Shi'i villages, other Iraqis will see this as a signal of American willingness to see SCIRI play a major political role in post-Saddam Iraq. The SCIRI leadership, while not simply a puppet of Iran, is affiliated with clerical circles in Iran close to Khamenei and the Revolutionary Guards. Its own leadership is clerical (Ayatallah Muhammad Baqir al-Hakim), and American cooperation with it will be seen by more secular Iraqis, including Iraqi Shi'is, as an American preference for a central clerical political role in a post-Saddam Iraqi government. On the other hand, treating SCIRI as an enemy would be a clear signal to Iran that Washington was not going to respect its interests and those of its allies in a post-Saddam Iraq. In this case, Iranian incentives to oppose actively the American occupation of Iraq would increase. This would greatly increase the likelihood of guerilla opposition to American forces in Iraqi Shi'i areas.

- Tribal shaykhs. In Iraqi rural areas, tribal shaykhs have in recent years been armed by Saddam's regime, reversing a decades-long policy of the Ba'th Party to curtail tribal autonomy. Most of these shaykhs will undoubtedly come over to the American side in any conflict, offering to provide assistance to American forces. This will be a very tempting offer to American commanders on the ground, because the shaykhs know their areas and can provide security in them. Cooperation with the shaykhs will signal to other Iraqis that the United States supports a large measure of tribal autonomy in a post-Saddam Iraq, with all the implications that brings for restoration of central authority and for any democratic

development. Disarming tribal forces, on the other hand, would present difficult security problems, certainly if undertaken in the first weeks, or even months, of an American occupation.

Aside from the political implications of dealing with these four groups, the American military will face immediate security tasks in those areas under its control. The most important of these is the prevention of widespread civil unrest and revenge killings. The Iraqi uprisings of 1991 saw considerable bloodshed, with populations turning on regime loyalists and those loyalists fighting back in an atmosphere of "kill or be killed," as a Ba'th Party circular of 1991 put it. The only organized force that can prevent a recurrence of this bloodshed is the U.S. military. Because the impulses toward such bloodletting will emerge immediately after the collapse of Saddam's control, there will be no time to hand off security responsibilities to international forces.

It is imperative that American commanders on the ground make clear that such pogroms will not be tolerated. Such violence would poison the chances for subsequent political reconstruction by enflaming ethnic/sectarian hatreds. It would also encourage large-scale population movements within Iraq, as groups forcibly displaced by Saddam's regime (Kurds moved south, Arabs moved to Kurdish areas north under Baghdad's control) sought the safety of their home areas. The last thing that the American military commanders will want as they stabilize the security situation is hundreds of thousands of Iraqis on the move within the country. Local police can be used by American commanders to help maintain order, but under the strict supervision of American military personnel. However, officials of the Ba'th Party should not be allowed to participate in local security provision.

The Longer Term

After the stabilization of the security situation (months, not weeks, after fighting ends, at best), the U.S. will face two important issues. The first is whether to disarm local militias that had cooperated with the United States in the fighting, as part of rebuilding a reformed Iraqi army. (Militias that opposed the U.S. would, of course, be disbanded.) This would not be too difficult a task in Arab areas, as the units would be small (tribal or local Shi'i groups). As part of a more general political reconstruction they could be persuaded through a mixture of political concessions, money and veiled threats to give up most of their weapons. The harder issue is the Kurdish militias. They would be impossible for the U.S. to disarm, short of fighting a guerilla war in the mountainous Iraqi north. The best that can be hoped for in the medium term is a political settlement that integrates these militias, in some formalistic way, into the structure of a reformed Iraqi army.

The second issue after security stabilization is the "hand-off" of security responsibilities from American forces to some international force. There will be two temptations involved in this "hand-off" that carry important and dangerous political implications. The first is to try to accomplish it too soon. The Afghanistan precedent here is not encouraging. Only the American military will be respected in Iraq; international forces will not be. A "hand-off" before there is a clear line of authority in Baghdad, with the emergence of some form of Iraqi centralized government, will signal Iraqis and the region that the United States is not committed to a stable and secure Iraqi domestic situation. Local forces will emerge to challenge the center; regional powers will attempt to take advantage of the power vacuum. Afghanistan never had a centralized government, but Iraq (outside of the Kurdish areas) has always been controlled from the center. The regional implications of a chaotic Iraq, inviting political and even military intervention by Iran, Turkey and Arab states, are extremely dangerous.

The second temptation will be to include large contingents of Arab forces in any international force that assumes security responsibilities. For cultural and linguistic reasons, this seems like a natural choice. However, the political implications could be very negative. Most Arab countries, from Egypt east, have had in the past political disputes with Iraq. Iraqis will see Arab forces as having political agendas beyond their international obligations. Arab North African forces would not have this political baggage, but because of the enormous differences in spoken Arabic dialects between North Africa and Iraq, they would not provide a close cultural fit. Iraqis would be more likely to accept Europeans in any international force, as being least likely to have ulterior motives in their participation.

Economic and Financial

The Immediate Environment

The immediate economic task is to prevent starvation and disease from wracking the population. Obviously, in the "high levels of destruction" scenarios, the effort it will take to avoid these outcomes will be far greater than in the "low levels of destruction" scenarios. In the former, unique tasks will be the decontamination of areas subjected to chemical/biological release and the control of oil fires. Other immediate tasks in this regard are the same, regardless of the extent of destruction, both for American force protection and security and for the needs of the Iraqi people.

- Restoration of electric power throughout the country as quickly as possible.

- Provision of clean water and sewage disposal throughout the country.

- Continued distribution of food rations through the oil-for-food system, though under a new overall leadership.

The first of these tasks – restoration of electricity and provision of water – are technical in nature, but have enormous political payoffs. Being able to show Iraqis that their lives are improving under an American military occupation will cut the legs out from under efforts to organize opposition to the U.S. presence. It does not matter so much whether these services are restored by the U.S. military itself or by private contractors, as long as it is done as soon as possible. The military occupation administration should be ready to work with Iraqi technocrats in the relevant ministries, and with teams of Iraqi expatriate advisors, to deal with these issues as soon as possible.

Water is a particularly important symbolic issue. Under U.N. sanctions, Iraq has had a difficult time importing chlorine and other elements of water purification systems. Saddam's regime has blamed the absence of clean water in much of the country on the sanctions, and thus on the United States. The rebuilding of the water and sewage system throughout the country would be a potent sign of American concern for Iraqis. If that requires alteration of the U.N. sanctions regime, the United States should be prepared to carry such changes through the Security Council immediately after the fighting ends.

Food distribution is an equally important, but much more politically charged issue. The overall oil-for-food system, which has provided Iraq with the great bulk of its food over the past years, needs to be maintained in the aftermath of the war. It is a working mechanism for the sale of oil and the importation of food. In the immediate term, the rationing system in place throughout the country (outside of Kurdish areas) will also have to be kept, for lack of a practical alternative for the provision of food to the population. However, the distribution of food through the oil-for-food system has been in the hands of Saddam's regime. Saddam has used it to enrich its cronies, punish Iraqis considered disloyal to the regime and maintain his control over the country. With the end of the regime, the top levels of the distribution system will be in disarray (with key personnel either dead, fled or under arrest). Getting the food to the tens of thousands of distribution points throughout the country will be an immediate task of the American military occupation.

This is not something that the American military can do on its own. The manpower requirements are overwhelming. NGO's are not on the ground in sufficient force in Iraq to take over this task. It is inevitable that Iraqis are going to have to manage the system. At the "points of contact" for Iraqi citizens, the distribution centers, we will have to work with existing personnel, though being alert to both political vendettas by local officials and to the enormous opportunities for corruption. There is no alternative. At the upper levels of the distribution system, we can be guided by U.N. officials on the ground who have monitored the system. However, American commanders will have to appoint some Iraqis to manage the distribution system at these upper levels, to replace Saddam's cronies.

Appointments to manage the distribution of food are inherently political, because control of food gives the possessor enormous political power. There will be a temptation to entrust this power to religious leaders and tribal shaykhs. These figures have a social standing that will survive the fall of the regime, and they have established networks for the provision of services to their followers. Shi'i ayatallahs from Baghdad through the south of the country will step forward to act as honest brokers in the distribution of food. They will claim, with justice, that their people had been disadvantaged under the previous distribution system, and they can right these wrongs. With the immediate task of feeding the people foremost in the minds of American commanders, shaykhs and ayatallahs will appear to be the easiest answers to this vexing question.

They might be the best answer as well, but the political implications of such a choice must be understood beforehand. Placing food distribution in the hands of what are the old social elites in Iraq will give those elites enormous power to control the Iraqi population. They will be able to steer the subsequent political development of Iraq in directions they favor, perhaps directions that the United States does not favor. These old social elites have not been agents of democratization in the past, and are unlikely to be so in the future. If the United States wants to avoid empowering them, it must be ready with an alternative group of Iraqis to manage the distribution of food in the oil-for-food system, and be ready to assure that they do the job efficiently and honestly.

The Medium Term

Once the immediate issues of decontamination (if necessary), electricity, water and food are on their way to solution, three steps should be taken to ensure economic and social stability.

- A team of Iraqi financial experts, both expatriate and local, should be appointed to manage the Iraqi central bank, with the charge to stabilize

the dinar and to avoid hyperinflation. This team of experts will report to the American military commander, until internationally recognized civilian authority (either American or U.N.) can be put in place. But they must have, and be seen to have, authority for the management of Iraqi finances as quickly as possible. The United States must be prepared to place a large deposit of dollars in the central bank, as a symbol of confidence in the local currency and to allow Iraqi bank managers to resist the pressures to simply print dinars. This is particularly important, as it is unlikely that U.N. sanctions will be lifted immediately, and therefore oil revenues will continue to be held in U.N. escrow accounts. As the Iraqi economy returns to normalcy over a period of years, the United States can draw down that deposit.

- Efforts need to be made to encourage the growth of the Iraqi agricultural sector. Saddam privatized considerable amounts of agricultural land to his cronies. Where owners of land leave the country, are arrested or are killed, American authorities should encourage those tilling the land to take possession until a competent Iraqi authority is established to adjudicate land issues. Landowners not directly implicated in the previous regime should be encouraged to continue, and to expand, production. The reformed Iraqi central bank should establish an agricultural credit bank, with American support, to finance a renewal of Iraqi agriculture. While the U.N. oil for food program remains in place, every effort should be made for it to purchase local agricultural products.

- Every effort needs to be made to keep the Iraqi educational system functioning. It will be the American military commanders' responsibility, until civilian authority is put in place, to see to it that teachers' salaries are paid, that schools are open and that Iraqis are encouraged to send their children to school as soon as security conditions permit. This will have the immediate consequence of keeping lots of Iraqis busy, along with the obvious beneficial long-term consequences. Curricular reform issues should be left to competent Iraqi authorities, once they are in place.

The Longer Term

At some point, once the WMD situation is settled and some kind of Iraqi authority is established, either in place of an international civilian authority (more likely) or in place of it (not as likely in the first two years), economic sanctions on Iraq will be lifted. At that point, oil revenues will be under the control of the Iraqi government for the first time in over a decade. That will be a monumental shift in political and economic power to whoever is in control of the Iraqi government at that time. It is difficult to set out a procedure for the orderly

transfer of this power from the U.N. oil-for-food system to the Iraqi government. Much will depend on how political and economic events develop in the year or two after the liberation of Iraq. But that is the long-term goal to which economic planning must point. Iraqis, once they reestablish their own authority in Baghdad, will push for control over the oil revenues as an Iraqi sovereign right. The longer they are denied, the more Iraqis can be led to believe that the real American goal in Iraq is the control of their oil resources.

While it is up to Iraqis to determine the shape of their government, American officials need to be aware of the central importance of control over the oil revenues in the political future of Iraq. There will be calls from Iraqi groups, particularly the Kurds, for American occupation authorities to turn over control of local oil resources to local officials. The Kirkuk oil fields are an especially inviting target in this regard. American officials should know the political implications of any such move. Giving control over oil revenues directly to local officials, outside of Baghdad's control, is, in effect, supporting local separatism and, in the worst case, Kurdish independence. American occupation authorities need to insure the fair distribution of resources while they are in control of Iraq. They might, as a matter of national policy, encourage a decentralized structure for a future Iraqi government. However, they should avoid making promises of dedicated revenue sources to local leaders. Such promises would be seen throughout Iraq as American support for the break-up of the country.

Energy

There is no more important or politically charged issue for an American military occupation of Iraq than oil. Saddam Hussein already contends that the real U.S. goal in Iraq is control of the country's oil wealth. This charge has been taken up throughout the Arab media (and elsewhere). People are primed to see any American steps on Iraqi energy questions as a prelude to the U.S. "taking over" Iraqi oil. On the other hand, the maintenance and expansion of Iraqi oil production is absolutely essential for the financial and economic recovery of the country. The oil industry not only must be kept up and running; there must be investment in its stabilization and expansion as soon as possible.

Because of their central importance, and the damage that could be done to Iraqi reconstruction if they are seriously damaged, Iraqi oil fields should be a primary target for American military occupation as soon as possible when the war begins. This applies to both the southern fields and the northern fields near the autonomous Kurdish zone. If Kurdish forces were to occupy the Kirkuk fields (which produce about 1 million barrels per day), as they did briefly in 1991, Iraqi and regional players would see this as a *de facto* American

endorsement of Kurdish independence. While making the oil fields an primary military objective might initially give credence to the charge that the American goal is control of Iraq's oil, it is absolutely necessary for the economic and political reconstruction of Iraq.

In the "high levels of destruction" scenario, the first task of the American military occupation will be to put out oil fires and secure the fields against further sabotage efforts. This will be an enormous task, but, as the Kuwait example of 1991 shows, not an impossible one. International companies will have to be contracted immediately to provide the technical requisites for this task. How this gets paid for in the long run is an open question, but immediately the U.S. must foot the bill to get the reconstruction effort started.

In the "low levels of destruction" scenario, physical possession of the oil fields can very quickly lead, after the security situation stabilizes, to a number of steps meant both to ensure the viability of the Iraqi oil sector and to guard against the charge that America is trying to "control" Iraqi oil.

- Make clear from the outset that the United States supports the preservation of Iraq's full national ownership and control over its resources.

- Appoint a committee of Iraqi oil experts, from both the local and expatriate communities, to advise the occupation authority on oil issues. This committee must have full access to all information regarding the industry, and have the right to publish their recommendations. The Iraqi oil ministry and state oil company are professional organizations staffed by well-trained technocrats. Once the political layer at the top of these organizations is removed, they should be given wide latitude in the management of the industry.

- Ensure the fullest transparency in all oil issues by allowing the specialized oil media full access to the decision-making process on oil issues.

- U.N. Security Council resolution 1284 authorizes the Secretary General to investigate ways that oil companies could be allowed to invest in Iraq. Therefore, the legal basis for the U.N. to authorize and oversee foreign investment in repair and expansion of Iraq's oil industry, under the oil for food program, already exists. The U.N., with the cooperation of the Iraqi advisory group mentioned above, should oversee the contracting process in the oil sector, guaranteeing transparency and openness. In the same vein, the U.N. should establish, under UNSC 1284, a legal framework for vetting contracts granted by Saddam Hussein's regime in the oil area.

Exaggeration abounds regarding the immediate prospects of the Iraqi oil industry. While its long-term potential is great, the current reality is much more modest. Before 1990 Iraq could produce 3.5 million barrels per day. Now it strains to produce 2.7 mbd. The oil infrastructure requires considerable investment just to bring it to industry standards, and to get back to its pre-1990 production levels. The plans heard in some quarters for a quick expansion of Iraqi production levels to 6 mbd. are far in the future. It is important for American planners to recognize the oil, while essential for Iraqi reconstruction, will not provide a quick fix for the country's economic problems. This will not be a self-financing occupation. It is equally important that these realities be made known to the world, as often and as publicly as possible. Our goal here should be to remove the American occupation authorities, to the greatest extent possible, from decision-making in the oil sector. Put it into the hands of the U.N., with competent Iraqi advice being publicly given both to the occupation authority and to the U.N. On this issue, the United States must be as pure as Caesar's wife.

Conclusions

In all of the four scenarios set out for this exercise, primary responsibility for the security and economic stabilization of Iraq will rest upon the American military for some time after the end of hostilities – certainly for a year, perhaps for longer. For this reason, American authorities must be aware that the decisions they make from their first days in Iraq will be scrutinized by Iraqis and regional actors for political content, a political content that they perhaps did not intend. Decisions in both the security and the economic areas will empower some Iraqis and make losers of others. Precedents will be set, certain paths opened and others closed, from the outset. There will be precious few purely "technical" decisions. We must be aware of this, and have some clear political goals in mind from the outset as these decisions get made.