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Iraq Untethered

DANIEL SERWER

Although public interest has declined precipitously with the withdrawal of American troops, Iraq remains a vital linchpin in the Middle East. It belongs to the Arab and Muslim worlds, like its western neighbors Syria and Jordan, as well as its southern neighbors Saudi Arabia and Kuwait. But unlike its Arab neighbors, Iraq has a Shiite majority, like neighboring Iran and nearby Bahrain. It also has a substantial Kurdish population, concentrated principally in the northeast region of Iraqi Kurdistan, which borders on Kurdish populations in Turkey, Iran, and—depending on the outcome of disputes over territory between Kurdistan and the authorities in Baghdad—also Syria. With vast oil and gas reserves and growing oil production and exports, Iraq is surpassing Iran as OPEC's second largest oil exporter and has the potential to play an important role in world hydrocarbon markets for decades to come.

Iraq has enjoyed a fully empowered government approved by a majority in parliament since late 2010, when Prime Minister Nuri Kamal al-Maliki reached a shaky accommodation with his archrival Ayad Allawi. The government formation process took almost nine months following the March 2010 elections, but in the end most of the major Shiite, Sunni, and Kurdish parties joined a Maliki-led majority-Shiite coalition. This broad coalition government has more or less held together for the better part of two years, despite the withdrawal of the last US troops by the end of 2011 and the conviction in absentia in the summer of 2012 of the Sunni vice president, Tariq al-Hashimi, for murder. A year and a half remains before Iraq is scheduled to hold new parliamentary elections. Governorate (provincial) elections should be held in 2013.

DANIEL SERWER *is a professor of conflict management at Johns Hopkins University's School of Advanced International Studies and a scholar at the Middle East Institute. He blogs at www.peacefare.net and tweets @DanielSerwer.*

The many conflicts that define Iraq's politics and roil its security continue unabated. Disappointed by the lack of implementation of the coalition program he agreed to with Maliki, Allawi last spring tried unsuccessfully to assemble the votes needed to bring down the prime minister with a motion of no confidence in parliament. Sunni insurgents strike almost daily, mainly against Shiite and government targets. Shiite retaliation has been rare, in contrast to the virtual civil war that Shiites and Sunnis fought in 2006–07. Kurdish/Arab tensions are running high over the ethnically mixed, petroleum-rich city of Kirkuk, oil production, and oil exports. Intra-Shiite tensions between Maliki and the firebrand Moktada al-Sadr's faction sometimes rise to the surface. Iran, Saudi Arabia, and Turkey are each playing for advantage in Baghdad and Erbil (Iraqi Kurdistan's capital), even as the violent uprising in Syria threatens to boil over the border and leave Iraq's northwestern neighbor a collapsed, Sunni-majority state.

This is, in short, a tumultuous and fractious polity in a tumultuous and fractious region. Iraq is still in search of internal equilibrium and its proper international role after the trauma of more than thirty years of Saddam Hussein's dictatorship and eight years of American military occupation and subsequent presence. At least several more years will be needed to determine whether Iraq's democracy, imperfect as it is, survives, and how it will align itself regionally, within the Organization of the Petroleum Exporting Countries, and globally. Will Iraq remain a single state? Will it be friend or foe to the United States? Will it align itself with Iran or with Saudi Arabia and the Arab Gulf states? How will Baghdad relate to growing Turkish engagement in Iraqi Kurdistan and the region? How will it respond to the outcome in Syria? What will it decide about oil production and exports?

Amid the confusion and strife, some things are clear. Oil production and exports are up. Iraqis are enjoying economic and security improvements even as Maliki is concentrating power in ways that will be difficult to challenge. Iraq is returning to the region and the world as an actor in its own right, anxious to play a restored role. A kind of patchwork democracy in Iraq has survived so far, but its future is uncertain, as is the fate of a region in which refugee flows are rising again and the threat of an Israeli or US military attack on Iran's nuclear program looms. American influence in Iraq is down and Iranian influence is up, but Iraq's interests still sometimes align with those of the United States, which is supplying and training Iraq's military forces as well as implementing a strategic framework agreement.

THE OIL BOOM

Oil has significance in Iraq far beyond its role even in other Gulf states that depend on it for government revenue and exports. The flow of oil revenue from Baghdad to Erbil, and to the rest of Iraq, is one of the few centripetal forces in a country that might otherwise disintegrate into sectarian and ethnic enclaves. No one wants to be left out of the distribution of oil revenue, which now amounts to over $100 billion per year. At the same time, increased oil production in and exports from Kurdistan, where major international oil companies are now exploring, could strengthen already high secessionist sentiment there. The future of oil production, exports, and pipelines is vital to how Iraqis of all stripes perceive their interests. As oil goes, so goes the nation.

There is still a possibility Iraq will suffer sectarian and ethnic breakdown, a return to dictatorship, or both.

Right now, oil goes relatively well. With prices around $100 per barrel, Iraqi oil production in August 2012 exceeded 3 million barrels per day, its highest level for decades. Iraqi exports this summer surpassed 2.5 million barrels per day, overtaking Iran, which is suffering under strict international sanctions, as OPEC's second largest oil producer. New oil export facilities recently completed in the Gulf will ensure that Iraq can continue to export at this rate, and eventually even higher. Iraq's increasing oil production over the past couple of years has been an important factor in moderating global oil price increases, which might otherwise have been significantly sharper.

Projections for oil production, inherently uncertain, range widely. Iraq's mid-range estimate for 2020 is 9 million barrels per day; the International Energy Agency puts it at 6 million barrels per day. Iraq's proven reserves are vast (over 143 billion barrels) and its production costs, especially in the south, are low. Iraq has not yet re-entered OPEC's production quotas, but it seems likely Baghdad will align with Saudi Arabia, also a high-reserve, low-cost producer, in pressing for higher production quotas and more moderate price increases. This is good news for major oil consumers like the United States, Europe, Japan, and China, especially when Iranian exports are declining.

Where Iraq produces its oil is as important as total production and exports. Production capacity from Iraqi Kurdistan is still small—on the order of half a million barrels per day. Actual production has been even lower, due to disputes between Baghdad and Erbil over payments to producing companies. But the Erbil authorities have managed to convince ExxonMobil, Chevron, and Total to explore for oil in the north, despite Baghdad's objections. Export capacity from Kurdistan could be increased to over one million barrels per day by repairing and upgrading an existing pipeline through Turkey.

The problem is not only physical infrastructure. Erbil has a dispute with Baghdad over oil production and export from Kurdistan. Baghdad claims the authority to approve all oil production and exports throughout the country. Erbil claims it has the right under the Iraqi constitution to find and produce "new" oil, including contracts with international companies reached without Baghdad's approval. Baghdad for the moment has the upper hand, because it controls the flow of revenue from the export of all Iraqi oil, and its permission is needed to reimburse international companies for their expenses from producing oil in Kurdistan. But the tug of war between Baghdad and Erbil goes back and forth, with Erbil successfully enlisting major firms in the effort to find "new" oil in Kurdistan, and Baghdad tightening the purse strings.

Kurdistan has been swapping by tanker truck small amounts of unrefined oil for oil products from Turkey. Erbil is also threatening to build an export pipeline to Turkey that Baghdad would not control, in contrast to the existing infrastructure.

This would carry a relatively small amount of oil, but would provide substantial revenue to Iraqi Kurdistan independent of Baghdad, which is what Erbil wants.

Tensions between Baghdad and Erbil also have a territorial dimension. Kurdistan claims substantially more territory than Baghdad is comfortable ceding to the regional government's control. Incidents between the Iraqi Army and the Kurdish Peshmerga occasionally occur, but a joint patrolling mechanism that the Americans set up along the line separating their areas of control has so far held up. The most sensitive areas are Kirkuk city and Khanaquin in Diyala province. A military clash now seems unlikely, but not impossible. The military balance is shifting as the Iraqi Army acquires enhanced capabilities, including American tanks and aircraft.

MALIKI'S MOMENT

With oil revenue surging, the state budget at $111 billion, and foreign investment booming, ordinary Iraqis are beginning to think things are looking up. In 2011, Gallup found they led the world in negative emotions (anger, stress, worry, sadness, and physical pain). But National Democratic Institute (NDI) polling in April 2012 showed a notable increase—from 37 percent in September 2011 to 48 percent—in those who believe the country is moving in the right direction, apparently because of improvements in the economy that depend heavily on growing oil production and higher oil revenue.

The conflicts that define Iraq's politics and roil its security continue unabated.

Maliki reaps the rewards. His job approval jumped from 34 percent to 53 percent between September 2011 and April 2012. His ratings have improved in all areas, especially among the Shiites and in the south, but only weakly in the Kurdish north. He gets a good deal of credit for improving security and basic services, reducing sectarianism, fighting corruption, and creating jobs. He even beats his main Shiite and Sunni rivals in "caring about people like you" and helping the poor. The NDI survey shows Iraqis more interested in a strong leader than in ensuring social and political freedoms in Iraq.

The mood is still most pessimistic among the Sunnis, who are concerned about security and jobs above all. They and the Kurds see sectarianism as worsening. The Sunnis and Kurds also see Maliki as trying to consolidate power, acting like a dictator and trying to preserve his own power rather than helping the people. They blame the prime minister for political stalemate in Baghdad.

There is reason for concern about Maliki's efforts to consolidate power. He has for years been placing military officers personally loyal to him in key positions, overriding bureaucratic procedures intended to ensure professionalism. Elite counterterrorism units report directly to the prime minister. The constitutional court has consistently decided issues in Maliki's favor, even when the government's arguments appeared weak. He has tried to block the parliament from initiating legislation, claiming this is constitutionally the executive's prerogative. He has sought to exert control over independent institutions like the High Electoral Commission and the central bank, with some degree of success. He has failed to implement agreements that underlay the formation of the governing coalition. Is Maliki committed to political pluralism? Does he want to heal sectarian wounds? Will he want a peaceful, democratic transition of power when the time comes? The answers are not yet clear.

The indictment and conviction for murder of Hashimi, a sitting vice president of Iraq, chased the senior Sunni official in the government from Baghdad to haven first in Kurdistan and eventually in Turkey. Maliki has nevertheless managed to keep major Sunni political leaders within his coalition, even as he isolates and marginalizes his archrival Allawi. Relations between Maliki and the Sunni speaker of parliament have improved. Maliki is a tough and wily politician who has far exceeded the expectations of those who chose him as prime minister in 2006 precisely because he appeared weak and unable to challenge those backed by more powerful political parties. Maliki's democratic instincts may be minimal, but he is operating in a political system that demands he make no permanent enemies and within a constitutional framework that provides ample room for opposition. He should not be blamed for the failure of his opponents to organize and challenge him effectively.

Looking beyond elite politics, Human Rights Watch rates conditions in Iraq "extremely poor." Arbitrary arrests, mistreatment of prisoners, and undue influence on courts are common. Media

outlets are many and varied, but journalists often suffer intimidation. Extremists target women's rights activists. "Honor" crimes and trafficking of women are still problems. Graft is rife, with officials commonly thought to accept bribes, though Iraq in 2011 improved by a few notches in Transparency International's index of corruption. Iraq is no longer in the dark tunnel of sectarian conflict that prevailed in 2006–07, but it continues to be plagued by levels of political violence that people in other countries would consider unacceptable.

THE SYRIA CHALLENGE

Syria is today Iraq's most acute regional challenge. There is no love lost between many Iraqis and Bashar al-Assad's regime in Damascus. Even when Baathist dictatorships ruled both countries, relations were difficult. Still, the prospect of continuing violence in Syria, a victory by Sunni extremists there, or a breakup of Syria that allows Syrian Kurds to press the case for a "greater Kurdistan," gives Baghdad shivers. Maliki spent much of his exile during Hussein's dictatorship in Hafez al-Assad's Syria. Assad's enemies are also Maliki's.

The ambivalence shows. Baghdad initially allowed Iranian over-flights with military supplies for the Syrian security forces, stopped them at Washington's behest, and then allowed them again under Iranian pressure after the assassination in July 2012 of key Syrian military leaders. Heightened American pressure may well cut off the overflights again.

Ultimately, Baghdad's main concern in Syria is not to aid Assad but rather to ensure that the outcome of the revolution there does not threaten Iraq's stability. Maliki frets in particular that Sunni extremists could gain power in Damascus. The continued fighting in Syria is strengthening more radical Islamist forces within the Free Syrian Army and the Syrian civilian opposition. The prime minister worries that an explicitly Sunni Islamist government in Damascus would allow Syria to be utilized, once again, for sending supplies and other support to Sunni insurgents in Iraq, emboldening them to expand their campaign against the Shiite-led government.

Maliki is also keeping a wary eye on Kurdistan President Massoud Barzani's tutelage of the Syrian Kurds. Barzani, whose relations with Maliki have been tense, is providing safe haven for refugees, training Syrian Kurdish rebels, and insisting on more unity among the Syrian Kurds. He also discourages them from attacking inside Turkey, which has in recent years improved relations with Erbil. A collapse of the Syrian state could provide an opening for Syrian Kurds to seek closer political relations with Iraqi Kurdistan, even (albeit improbably) threatening secession and formation of a sovereign and independent Kurdistan combining Iraqi and Syrian territory.

With Iraq's other Arab neighbors, Maliki has managed only partial rapprochements. Relations with Jordan, once strained because of Amman's close relationship with Saddam Hussein, have improved. Baghdad has begun to settle border issues with Kuwait, but demarcation has not yet been completed and issues related to missing people and property remain unresolved. Saudi Arabia, though it has nominally reestablished diplomatic relations with Baghdad, keeps its ambassador mostly outside Iraq. The kingdom, in particular King Abdullah himself, distrusts Maliki and has supported Allawi in his efforts to undermine the prime minister.

In spite of its difficult relations with Arab neighbors, Iraq managed to pull off an Arab League Summit meeting in Baghdad in March 2012. Attendance was less high-level than the Iraqis had hoped, but the meeting marked the return of Iraq to the Arab scene, where it was a major player in the past. Iraq will continue to try to reassert itself in the Arab and Muslim worlds, as well as in the Middle East region. Its prospects for doing so will grow with its oil production, exports, and revenue.

BETWEEN TURKEY AND IRAN

While Arab Iraq and Turkey share nervousness about Kurdish irredentist ambitions, Baghdad resents Ankara's recent improvement of relations with Erbil, which is trying to expand its oil exports through Turkey and to encourage growing Turkish investment in Kurdistan. Baghdad is also unhappy with Turkey for providing haven to Hashimi, and worries that Ankara has gone too far in seeking the removal of the Assad regime in Syria, without being sure what comes next. At the same time, Turkey strikes often against Kurdish guerrillas hiding in Iraqi Kurdistan but operating inside Turkey. Baghdad does not like the violation of its sovereignty, but it can rely on Ankara to resist any move toward Kurdish independence or efforts at formal political union between Syrian and Iraqi Kurds.

It is difficult to identify an "Iraqi" attitude toward Iran. Many Sunni Iraqis view Iran as an enemy that seeks to weaken Iraq through excessive influence on Shiite Iraqis, including Maliki. Shiite

Iraqis tend to view Iran in a better light, but they are capable of demonstrating unequivocal independence from Tehran, as many did fighting for Iraq in the 1980s against Iran. This is true also of Maliki, who signed a "strategic framework agreement" with the United States despite Iran's opposition, and even his junior coalition partner Sadr, who has lost some Iranian support by showing too much enthusiasm for Iraqi nationalism. The Kurds also are ambivalent: Iraq's Kurdish president, Jalal Talabani, is close with Iran, which supported him in past intra-Kurdish conflicts. Iraqi Kurdistan President Barzani has relied more on Turkey.

The Iranians unquestionably have enormous influence in Shiite and Kurdish Iraq, where they maintain extensive security and patronage networks. These have been implicated in military actions against American assets as well as against Sunni politicians. Economic and religious interchanges, especially pilgrimages, are common between Iran and Shiite Iraq. But even in Iraq's Shiite religious strongholds the Iranians are not always viewed as benign actors. Iranian-born Grand Ayatollah Ali al-Sistani heads the Iraqi Shiite religious establishment (the Hawza of Najaf). He opposes the kind of theocratic rule that Ayatollah Ruhollah Khomeini established in Iran after the 1979 revolution there, and was instrumental in establishing majority (which meant also Shiite)-rule democracy in Iraq.

Iraq is best thought of not as aligning itself with or against Iran, but as a still emerging power balancing between Iran's strong and ever-present influence and other forces, including its own Shiite population and religious leaders, its Sunni Arab population and neighbors, Kurdish predilections, Turkey, and the United States. Iraqi Shiites have their own distinct leaders and tradition. Even those most beholden to Iran are capable of demonstrating independence, provided they see vital Iraqi interests at stake. Most Sunni and Kurdish political leaders lean against Iran, as do Iraq's Arab neighbors, Turkey, and the United States. Iran, stressed by sanctions, reduced oil income, and the threat of losing Syria as its one reliable ally, is far from all-powerful in Iraq. Should the Assad regime fall, Iran will need to redouble its efforts to enlist Baghdad's support against Israel, the Arab Gulf states, and the United States.

The looming threat of an Israeli or an American attack on Iran's nuclear program is viewed in Iraq with measured indifference. Iraq, which itself tried to develop nuclear weapons under Hussein, appears to care little about whether Iran now succeeds.

ENDURING INTERESTS

Whatever the validity of its motives for going to war in 2003, the United States now has a great deal invested in Iraq. The war, occupation, and reconstruction have already cost the United States close to $1 trillion (not counting interest costs, longer-term health expenditures, and other economic impacts). American military lives lost total 4,488. American war injured number in the hundreds of thousands. All could be for naught if Iraq suffers a violent breakup or a dictatorship is reestablished. What can be done to protect American interests by preserving a more or less democratic regime that governs across the entire Iraqi territory?

First and foremost is implementation of the strategic framework agreement negotiated under President George W. Bush. This far-reaching document spells out the potential for cooperation in key areas: political and diplomatic, defense and security, cultural (including education), economic and energy, health and environment, information technology and communications, law enforcement and judicial. Near-term priorities are energy and security. Iraq's increased oil production is a major contribution to moderating world oil prices, which the Americans appreciate as they attempt to pressure Iran into a nuclear deal. Iraq's purchase of American F-16 fighter-bombers and possibly an American air defense system would tie Iraq's military to American supplies and maintenance for decades into the future. Intelligence cooperation, especially in countering the resurgence of Al Qaeda in Iraq, is also important.

The second priority for the United States is to think strategically about Iraq's oil, which neither Iraqis nor Americans have often done. The US focus has been on helping the Iraqis to export as much oil as possible from its southern fields through the Gulf and the Strait of Hormuz. That route runs a gauntlet of Iranian guns and gunboats. So long as Iraq is almost exclusively dependent on exporting oil through the Gulf, Baghdad will align itself to some degree with the Iranian view of the world, which is distinctly anti-American.

The almost complete dependence on exports through the Gulf need not continue forever. In the next stages of Iraq's oil development, a major portion of increased production from both southern fields and the rest of the country could reach market through Turkey or Jordan (and eventually

through a democratic Syria). That would tie Iraq more closely to the Mediterranean and Europe, reducing Iranian influence and the impact of any attempt by Tehran to close the Strait of Hormuz. This would require that Baghdad fix the strategic pipeline that connects its fields in the south with the north and settle its outstanding issues with Erbil and with the Sunni population that dominates Nineveh and Anbar provinces. If Iraq improved its relations with Riyadh, it could also export oil via pipelines across Saudi Arabia, as it did in the past. These are serious challenges, since Iraq regards its Arab neighbors as less reliable even than Iran, but also fabulous opportunities that would help to guarantee Iraqi unity.

The third essential US step is to support the integrity of democratic processes in Iraq, in particular the provincial elections next year and the parliamentary elections in 2014. Also important is a more independent role for the judiciary. These are low-cost agenda items that can be pursued not only bilaterally but also through the United Nations and in cooperation with Turkey, which has an important stake in keeping Iraq unified and relatively democratic.

Critics of the Barack Obama administration in Washington say that the complete withdrawal of American troops has fatally weakened the American position in Iraq and provided an unprecedented opening to Iran. It is difficult to see, however, what difference the presence of 10,000 or 20,000 US troops in Iraq would have made. Iran unquestionably gained a great deal from the fall of Hussein and the destruction of Iraq's army by the Americans. But the Iranian presence in Iraq has faded somewhat with the rebellion in Syria and the withdrawal of the American troops, who Iran feared would attempt regime change in Tehran. Maliki's consolidation of power started well before the American withdrawal. If he waited to bring charges against the vice president until the Americans were out, it saved Washington from a predicament. US troops could hardly have intervened to prevent the judicial indictment or the subsequent conviction. Nor would it have been seemly for them to stand by and do nothing.

Iran, Saudi Arabia, and Turkey are each playing for advantage in Baghdad.

THE LONG TERM

In the long term, we are all dead and our children take our places. As Cornell's David Siddhartha Patel points out, Iraq is in the midst of a major demographic shift: 48 percent of its population is 19 years old or younger. Life expectancy for older people is such that they will be disappearing rapidly over the next decade. Today's Iraqi youth had no personal experience of the Baathist dictatorship. Not much is known about their worldview. Outside Kurdistan, they have grown up in a violent and sometimes chaotic Iraq. The American troops, resented as occupiers, were also both the liberators of Iraq and the restorers of a semblance of law and order. Little is known, too, about how young Iraqis view the United States today, and it is anyone's guess what their attitude will be in the future.

The important exception is Iraqi Kurdish youth. They tend to be pro-American, but they are not keen on Iraq. They would prefer independence. Many no longer learn Arabic. English is more important. Some of the best students are schooled at the American University of Iraq in Sulaimani. They share not only language but also an identity with Kurds in Syria, Iran, and Turkey. It is hard to believe that Kurdish unity and independence will not be on their agenda in the long term, if circumstances allow.

American memories of the Iraq trauma are also fading. Hopes of Iraq as a beacon of democracy to be emulated throughout the Middle East were certainly overblown. There is still a real possibility Iraq will suffer sectarian and ethnic breakdown, a return to dictatorship, or both.

Longer-term expectations should be modest. The world can look to Iraq in the future as a key high-volume, high-reserve oil producer willing to help moderate global price increases and shipping some of its oil to market without going through the Strait of Hormuz. The West can hope this will tilt Iraq toward the Arab world in the largely cold war being waged against Iran. However, Tehran will continue to have significant influence in Baghdad. America can help Iraq suppress terrorism and become a stronger regional player than in the recent past by providing it with the military and intelligence means it lacks.

Provided the conflict in Syria does not reshuffle the deck and put borders in the region in doubt, we can expect that Iraq will preserve its sovereignty and territorial integrity, despite growing Kurdistan autonomy. It also stands a good chance of preserving its more or less democratic political system. ■