Testimony to the Senate Foreign Relations Committee

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The conflict in Iraq today is as complex as it is pervasive. This is a reflection of the various groups and interests at play as well as the legacies of the past. The conflict can not be reduced to simple dichotomies of democracy against its enemies, resistance against the occupation or Shia vs. Sunni. Likewise there is no single universal solution to the conflict. Neither the current proposal for a 'surge' nor the proposal to withdraw coalition forces are likely to bring peace. What is needed is a comprehensive and long term approach based on an open and inclusive dialogue at national and international levels, in which the fair distribution of Iraqi oil revenues is used as an incentive for uniting Iraqis.

The Nature of the Conflict

The Insurgency: The targeting of Multinational Forces continues to account for a significant portion of the violence as evidenced by the consistently high numbers of Coalition casualties. The Insurgency is also an arena of domestic political conflict. Groups from different ethnic and political backgrounds use the 'resistance' to legitimate their claim to power. Sunni insurgents bristled at the Government's offer of an amnesty last year, insisting that they should be rewarded, not pardoned for fighting the occupation. Al-Qaeda uses videos of attacks on US troops to recruit and fundraise for its own global war. Some insurgent attacks are simply a cover for economic crimes. As with many such conflicts, it is often hard to discern whether the violence is purely a means to commercial gain or an end in itself.

Spiralling sectarian violence is polarising communities and tearing society apart. However, it is not producing the consolidation and political mobilisation along ethnic and sectarian lines as intended by its architects. Quite the opposite, the pervasive violence and uncertainty is leading to fragmentation within communities, political blocks and individual parties. Warlordism is emerging as rogue commanders assume control of fragments of militias and individual units of the state security forces.

A resident of a Sunni neighbourhood in Baghdad recently complained to me that Sunni fighters kill more of their own kin than they do Shia militias. Tribal rivalries broke into open conflict in the Anbar province this summer pitching Sunni tribes against each other and against the foreign Al-Qaeda Fighters. The head of the prominent Tamim tribe recently expressed a widely held sentiment among fellow Sunnis when he lambasted the 'Iragi un-Islamic Party' which purports to represent them in Government. Likewise among the Shiites, there are frequent and violent confrontations between the SCIRI controlled militias and police forces on one side, and militias associated with the Sadrist movement, on the other. These confrontations allowed the Sadrists at various times to briefly seize control of most major cities in central and southern Iraq. The competition to control Basra's oil smuggling business among various militias and political parties often takes the form of street warfare. Less overtly, tensions bubble just under the surface between the two main Kurdish parties and between them on one side and Kurdish Islamists on the other. Outburst of separatism by Kurdish leaders – like the recent spat over the national flag - should be viewed in the context of competition for power in Kurdistan itself.

The Sadrist Movement is emblematic of the complexities and contradictions of Iraq's political and security landscape. While SCIRI and other political groups control

government positions and resources, the Sadrists control the street. They nurture a nationalist image clashing occasionally with Multinational Forces and deriding the new elite who came with the invasion. This did not stop them from actively participating in the political process. The Sadrists have 30 members of parliament and six ministers. Many Shia ex-Baathists joined the Sadrists after the collapse of the regime yet the movement is most vocal in seeking revenge against regime officials. Among Shia groups the Sadrists are the least likely to employ sectarian rhetoric yet their warlords are implicated in the worst instances of sectarian violence. The Sadrists try to emulate Hezbollah in Lebanon by seeking to protect and provide social services to their constituents and by meting out vigilante justice against criminals and those engaged in what they deem to be 'un-Islamic' conduct. But its militias are undisciplined and often engage in looting and criminal activities themselves. The Sadr leadership freely admits to having only indirect control over their fighters. The Sadrists style themselves as the representatives of the poor and downtrodden. Indeed their main strength is the support of millions of poor Arab Shia in the rural South and the slums of Baghdad who are in a rebellious mood aimed at the establishment regardless of its sectarian colour. As such SCIRI and other Shia groups representing the merchant and religious elite with strong ties to Iran are the Sadrists' natural enemy. In short the Sadrists are simultaneously fighting a nationalist insurgency, a revolt against the establishment and a sectarian conflict.

State Weakness and the Political Process

The pervasiveness of the violence in Iraq today, the persistent power vacuum and progressive hollowing out of the state are components of a vicious circle. State weakness sends signals to the various groups that they can, and in fact need, to defend their interests and achieve their goals through violent means. The political process

over the past three years was supposed to fill the vacuum by establishing a framework where Iraqis can reconcile competing interests through peaceful means. The goal was to establish a legitimate public authority which would protect Iraqis and provide them with essential services. Despite enormous efforts, expenditures and sacrifice by Iraqis, Americans and others, this goal has yet to be achieved.

It is tempting under such circumstances to blame everything on enemies and external influences such as Al-Qaeda and Iraq's neighbours. Iraqis habitually blame their woes on the Americans, Iran, Arab states, Israel, Saddam and so on. There is no question that external factors sometimes by intent and sometimes by mistake have played a role in shaping the current predicament. But the roots for such consistent failure need to be explored and addressed inside society itself.

Despite overcoming great risks to vote in two elections and a referendum, Iraqis have little faith in the political process and the leadership it has produced. Indeed political participation for most Iraqis has been limited to these three votes. There are few in Iraq today who believe in the viability and sustainability of the new regime. A substantial majority sits on the proverbial fence. This is not only a result of the authoritarian legacy or the fact that change came from the outside. It is also the result of disappointed hopes and broken promises over the past four years.

Fear and apathy are the most pervasive sentiments in Iraq today. They provide the perfect cover for corruption, crime and terror and sap the energy from the enormous task of reconstruction. These sentiments extend to many officials and politicians who do not shy from dismantling the machinery of government and the state they have been entrusted with in pursuit of short term narrow gains. One could even hear echoes of this apathy in the recent

interview by Prime Minister Maliki with the Wall Street Journal.

Faced with this predicament, there is a hardening of positions on all sides and a determination to go for 'one last push'. This is not only expressed through the debilitating terrorist and militia violence but also in the posture of the Iraqi Government.

The model of a full spectrum 'National Unity' government is clearly not working and has indeed exacerbated the decline of the state. The farming out of ministries to individual parties and groups produced a weak and divided government unable to function as a team.

The strongest parties in Government, particularly the SCIRI and the Kurds, seem resolved to build a narrower coalition government which may exclude the Sadrists and some Sunni parties. This has already taken place on the ground with Sunni parties only nominally participating in Government and the Sadrists boycotting it.

Without the Sadrists, however, this coalition has little grass roots support. It will have to rely more on coercion and will be more susceptible to external influences. It will be even more dependent on continuous US support.

The handling of the Saddam execution is illustrative of the hardening of the government's stance. The rush to execute the former dictator, the rhetoric preceding it and the manner in which it was carried out were clearly designed to intimidate the Sunnis.

The government has also hardened its rhetoric and actions against political opponents, closing down two opposition TV stations and issuing an arrest warrant for the most prominent opposition figure - the head of the Association of Muslim Scholars .

Security Plans

The security plan announced a couple of days ago is the culmination of this approach. While officially targeted at all militias and armed groups, the Prime Minister has clearly indicated that he views Sunni violence as the main source of tensions and Shia militias as a reaction to Sunni violence.

It is not clear yet whether the government will limit the targets of the security plan to Sunni groups or whether it will also take on the Sadrists. Either way it is unlikely that it will be able to muster the resources necessary to achieve better results than previous efforts, including the two recent Baghdad security plans. Even a temporary US surge in support of the plan is no guarantee for achieving sustainable outcomes. A military offensive – especially if it fails to protect civilians on all sides – is liable to inflame the sectarian conflict and make a peaceful settlement even less likely. The US forces can find themselves embroiled as a party in the sectarian conflict.

There is no doubt that there is an urgent need to confront the terrorists, criminals and those spreading sectarian hatred and to protect civilians from them. This can only be achieved on the basis of legitimacy and respect for human rights and the rule of law. It is therefore particularly disconcerting when the Iraqi government insists on taking over control of the security portfolio in order to fight the enemies 'our way,' dispensing with what they view as exaggerated and misplaced US concern for human rights.

The new security plan and the associated surge option emphasises the aspect of struggle between a nascent democracy and its opponents. Yet if it is carried out without regard to human rights and in a way that exacerbates sectarian tensions, it is only likely to make

matters worse and destroy the very democracy it seeks to protect.

If the conflict in Iraq was primarily about occupation and resistance then a speedy withdrawal of coalition forces would offer the best solution. In today's context a withdrawal will cause a spike in other forms of violence and precipitate the collapse of the last remnants of the Iraqi state unleashing an open-ended conflict with unpredictable consequences.

A solution based on ethnic segregation emphasises another aspect of the conflict. But in the context of fragmentation and warlordism, it is unlikely to bring any relief. On the contrary it will exacerbate ethnic cleansing and undermine regional stability.

National Dialogue

Ultimately the violence in Iraq can only end through a political process which unites Iraqis rather than dividing them. For this to happen it is necessary to engage all constituencies in the shaping of the new Iraq and provide them with a sense of ownership in the outcome. This requires open and inclusive dialogue and readiness for compromise on all sides. It will require broadening the political process to include those Iraqis who still believe in nation building and coexistence rather than limiting it to the combatants and extremists on all sides. Current national dialogue and reconciliation efforts have fallen short of these ideals.

Dialogue will clearly require regional and international mediation. International assistance is needed to help identify the protagonists bring them to the negotiations and encourage them to compromise. In short Iraq is in need of an internationally mediated peace process.

The International Compact with Iraq offers a platform for such dialogue as well as a framework for mobilising international assistance once a settlement is reached.

Other initiatives by the UN and the League of Arab States are essential for success in this context.

The final settlement can not dispense with the achievements of the last three years. Those, including the constitution, will have to serve as the starting point of any discussion over Iraq's future. The constitution will need to be reviewed and implemented in a way that provides a basis for rational federalism. The winners of the political process will have to be prepared to make real concessions and genuinely share power and resources if compromise is to be achieved.

Over the past months, Iraqi officials have been negotiating a framework for the management and sharing of Iraq's oil wealth which can provide a model for the shape of federalism in the new Iraq. Negotiatiors were in agreement that such framework should maximise the benefit from the wealth to all Iraqis and promote national cohesion. It should be based on the principles of efficiency, transparency and equity. Transparency is particularly important as it helps build trust among the various parties and prevent abuse.

The negotiators succeeded in overcoming a number of obstacles agreeing in particular on the federal management and sharing of all oil revenues, a structure for a National Oil Company and a framework for coordinating negotiations and contracting with International Operating Companies. Some details will still need to be worked out, chief among them is the exact mechanism for revenue sharing. If the new framework is to contribute to national cohesion, transparency and accountability the budgetary process must be the main vehicle for revenue sharing.

A draft framework along these lines has been developed over the past months and will shortly be presented to parliament. It is critical for the success of this effort that deliberations on the subject are carried out in an open, inclusive and professional manner.