

Michael O'Hanlon is a senior fellow at the Brookings Institution, lead author of Brookings' Iraq Index (www.brookings.edu/iraqindex), and co-author with Kurt Campbell of "Hard Power: The New Politics of National Security." He also teaches courses on national security policy at Princeton and Johns Hopkins/SAIS.

THE STATE OF IRAQ

By Michael O'Hanlon (mohanlon@brookings.edu)

The year 2006 was, tragically and inescapably, a bad one in Iraq. Our ongoing work at Brookings makes this conclusion abundantly clear in quantitative terms. Violence got worse for Iraqi civilians and barely declined at all for American and Iraqi troops. And the economy was fairly stagnant as well.

Despite the drama of Saddam's execution in the year's final days, 2006 will probably be remembered most for two developments inside Iraq. The first is the failure of the 2005 election process to produce any sense of progress. In fact, 2006 was the year that politicians in Iraq did much more to advance the interests of their own sects and religions than to build a new cohesive country. (In a September poll, Prime Minister al-Maliki was viewed unfavorably by 85 percent of all Sunni Arabs, for example.) The second is the related commencement of Iraq's civil war dating back to the February 22 bombing of the hallowed Shia mosque in Samarra. While some still question whether Iraq is in civil war, there is no longer much serious debate about the situation. The sheer level of violence, and the increasing politicization of the violence to include many more Shia attacks on Sunnis as well as the reverse, qualify the mayhem in Iraq as civil war by most definitions of the term. And the country has become one of the 3 or 4 most violent places on Earth.

It is still possible to find signs of hope in our Brookings statistics on Iraq—the numbers of Iraqi security forces who are trained and technically proficient, the gradually improving GDP, recent reductions in Iraqi state subsidies for consumer goods (which distort the economy and divert government resources), the number of children being immunized. But those same children cannot feel safe en route to school in much of today's Iraq; that GDP growth is a top-down phenomenon having little if any discernible effect on the unemployment rate or well-being of Iraqis in places such as Al-Anbar province and Sadr City, Baghdad; reductions in subsidies are not enough to spur much private sector investment in such a violent country; and those increasingly proficient security forces remain politically unreliable in most cases, just as inclined to stoke sectarian strife as to contain it.

The performance of Iraq's utilities remains stagnant—not bad by the standards of developing countries, but hardly better than under Saddam. Oil production and electricity availability remain generally flat nationwide. Fuels for household cooking and heating and transportation fall even further short of estimated need than they did a year or two ago, as does electricity production in Baghdad.

Despite some unconvincing rhetoric from President Bush in the prelude to the November elections that “absolutely, we're winning,” most Americans now agree on the diagnosis of the situation in Iraq. Former Secretary Baker and former

Congressman Hamilton recently warned of a “further slide toward chaos.” Secretary of Defense Robert Gates stated in his confirmation hearings that we aren’t winning, even if he declined to go as far as Colin Powell and assert that we are actually losing. Former Secretary Rumsfeld himself, in his leaked November memo, recognized that Iraq was going badly and put out a laundry list of potential options in Iraq that we may have to consider to salvage the situation, including a Dayton-like process modeled on Bosnia’s experience to negotiate an end to the civil war.

Iraqis tend to share a similar diagnosis. According to a June, 2006 poll, 59 percent call the economy poor and 75 percent describe the security environment as poor. The security situation in particular has only deteriorated since then.

Against this backdrop, dramatic measures are clearly needed. At a minimum, we will likely require some combination of the options now being proposed by the Iraq Study Group, the Pentagon, and others. President Bush is likely to recommend several of these in his eagerly awaited January speech—a massive program to create jobs, a surge of 25,000 more American troops to Iraq to try to improve security in Baghdad, an ultimatum to Iraqi political leaders that if they fail to achieve consensus on key issues like sharing oil, American support for the operation could very soon decline.

Our Brookings data suggest rationales for each of these possible policy steps, even if there are also counterarguments. Coalition forces have never reached the numbers needed to provide security for the population in Iraq, and indigenous forces remain suspect—in their technical proficiency, and even moreso in their political dependability. These two realities make at least a tactical case for a surge, if it is really feasible on the part of our already overworked soldiers and Marines. Despite the success of military commanders in putting Iraqis to work with their commander emergency response program funds, the administration never chose to emphasize job creation in its economic reconstruction plans—meaning that the unemployment rate has remained stubbornly high. And for all our happiness about Iraq’s democracy, it is clear that extremely few Iraqi leaders enjoy any real support outside of their own sectarian group. Trying to force them to work across sectarian lines must be a focus of our policy efforts, if there is to be any hope of ultimate stability in Iraq.

Social scientists and military experts do not know how to assess rigorously the probabilities that such steps will succeed at this late hour in Iraq. Overall, however, it seems fair to say that most have become quite pessimistic. If the above types of ideas fail, therefore, “Plan B” options may well be needed within a year, ranging from a federalism plan for Iraq that Rumsfeld and Senator Biden have been discussing to plans that would go even further and help Iraqis relocate to parts of their country where they could feel safer (as Bosnia expert Edward Joseph and I have recently advocated in *The American Interest*). Such an idea is widely unpopular—with Iraqis themselves, with President Bush, with most Americans who value the notion of interethnic tolerance. But with 100,000 Iraqis per month being displaced from their homes, making for a total of some two million since Saddam was overthrown, ethnic cleansing is already happening. Unless current trends are reversed, the question may soon become not whether we can stop this Bosnia-like violence—but whether we try to manage it or let the death squads continue to dictate its scale and its character.

Although it has been said before about previous new years, it seems very likely that 2007 will be make or break time in Iraq.

| <u>Category</u> | 11/03 | 11/04 | 11/05 | 11/06 |
|--|----------|----------|-----------|------------|
| Security | | | | |
| US/Other Foreign Troops in Iraq (Thousands) | 123/24 | 138/24 | 160/23 | 140/17 |
| US Troops Killed | 82 | 137 | 96 | 68 |
| Percent Killed by IEDs | 24 | 13 | 48 | 54 |
| US Troops Wounded | 337 | 1397 | 466 | 508 |
| Iraqi Army/Police Fatalities | 50 | 160 | 176 | 123 |
| Iraqi Civilian Fatalities | 1250 | 2900 | 1800 | 4000 |
| Multiple Fatality Bombings (for Month in Question) | 6 | 11 | 41 | 65 |
| Estimated Strength of Insurgency | 5,000 | 20,000 | 20,000 | 25,000 |
| Estimated Strength of Shia Militias | 5,000 | 10,000 | 20,000 | 50,000 |
| Daily Average of Inter-Ethnic Attacks | 0 | 1 | 1 | 30 |
| Estimated Number of Foreign Fighters | 250 | 750 | 1250 | 1350 |
| Number of Daily Attacks By Insurgents/Militias | 32 | 77 | 90 | 185 |
| Attacks on Oil/Gas Assets | 9 | 30 | 0 | 11 |
| Iraqis Internally Displaced Since 04/03 (Total) | 100,000 | 175,000 | 200,000 | 650,000 |
| Iraqi Refugees Since 04/03 (Total) | 100,000 | 350,000 | 900,000 | 1,500,000 |
| Iraqi Physicians Murdered or Kidnapped/Fled Iraq | 100/1000 | 250/2000 | 1000/5000 | 2250/12000 |
| Iraqi Security Forces Technically Proficient | 0 | 10,000 | 35,000 | 115,000 |
| Iraqi Security Forces Politically Dependable | 0 | 0 | 5,000 | 10,000 |
| Economics | | | | |
| Oil Production (Millions of Barrels/Day; prewar 2.5) | 2.1 | 2.0 | 2.0 | 2.1 |
| Percent of Household Fuel Needs Available | 76 | 77 | 88 | 54 |
| Electricity Production (in megawatts, prewar 4000) | 3600 | 3200 | 3700 | 3700 |
| Ave. Hours/Day of Power, Baghdad (prewar: 20) | 12 | 12 | 9 | 7 |
| Unemployment Rate (%) | 50 | 35 | 33 | 33 |
| Per Capita GDP (Real Dollars; prewar \$900) | 550 | 1000 | 1100 | 1150 |

Politics, Public Opinion, Democracy, Law

| | | | | |
|--|---------|-----------|-----------|-----------|
| No. of Trained Judges | 0 | 250 | 350 | 750 |
| Telephone Subscribers (prewar: 800,000) | 600,000 | 2,135,000 | 5,500,000 | 8,100,000 |
| Independent Media Companies (prewar: 0) | 100 | 150 | 225 | 400 |
| Iraqi Optimism (% Who Think Things Going in Right Direction) | 65 | 54 | 49 | 45 |