

Snatching Defeat: Shape and Fund the Future US Posture in Iraq or Lose the War (REVISED TO CORRECT FY2011 DATA)

Anthony H. Cordesman

Important as the START Treaty and Afghan Wars may be, the most important single national security decision the US must make over the next six months is almost certainly its future civil and military posture in Iraq. The US cannot control the future shape of its strategic partnership with Iraq, it can only influence it. It is Iraqis that will decide the nature of their future government, and more importantly, whether Iraqi politics can be translated into effective governance, security, stability, and a move towards development.

US influence, however, will also be fatally weakened if the Congress does not fund the FY 2011 civil and military aid requests for Iraq, and if the Administration and the Congress do not work together to create an effective US presence in Iraq as US combat forces phase out during the course of 2011. If they do not, all of the mistakes the US made in going to war, and in fighting the insurgents, will be minor compared to the power vacuum the US will leave behind.

Iraq is scarcely bankrupt, but it can just barely fund its mix of government employees, security services, and state industries. It has been in a budget crisis since early 2009 that has frozen most investment and development and forced Iraq to freeze the manning of much of its security forces and stop funding critical maintenance and military investment.

Iraq is losing most foreign aid and has been unable to fund the transfer of many aid projects and make them lasting and effective efforts. Iraq's GNP growth masks terrible income distribution, a GDP per capita that averages 158th in the world, and massive under-employment. Its agricultural, industrial, and service sectors are half a decade away from serious recovery. Sadrist and Saddamist mismanagement have crippled its education and health sectors. While Iraq can eventually exploit its vast petroleum wealth, both Department of Energy and International Energy Agency projections indicate that Iraq will not be able to expand its export income enough to meet its needs for at least the next half-decade.

The US cannot help Iraq unless its new government both wants that aid and has the competence to use it. The US cannot fund most of Iraq's development and security needs. It must limit itself to highly selective aid programs and a focus on expert advice, training, and technical assistance.

That, however, puts a heavy emphasis on funding a large State Department, USAID, and civil presence in Iraq. Funding is necessary for a program that calls for a large embassy, two consulates, and two additional centers that can reach out to all of the country, cut across Iraq's ethnic and sectarian divisions, and work in the field near its most critical problem areas. It does mean providing enough aid to act as seed money in helping Iraq start its most critical programs to improve its economy and governance. It means funding enough security for US efforts to be active in the field and work closely with Iraqi officials.

It also means creating as strong a US military advisory mission as Iraq will accept in order to help Iraq's government and security forces reach the level of capability needed to provide security and stability on their own. This is a task that is half a decade from being finished and that had been seriously undercut and delayed by Iraq's budget crisis. It means provide enough initial military aid to put Iraq on a path that can create strong enough conventional forces to defend and deter against threats like Iran – an effort that cannot be completed by 2020. Some form of lasting US presence in Iraq or the Gulf must be prepared to help Iraq until it can rebuild its forces.

If the US does not make this effort, it will almost ensure that it “snatches defeat from the jaws of victory.” It will throw away all of the sacrifices and investment in Iraq since 2003, and it will create a critical power

vacuum in the Gulf that extends through Syria and Lebanon. It will threaten every US friend and ally in the Gulf area and Levant, as well as Israel. It also will greatly increase the risk of a major confrontation or fight with Iran that could affect the flow of world oil exports, the control of much of the world's oil reserves, the stability of a fragile global economy, US economic recovery, and the security of every job in America.

The funding required to try to win the war in grand strategic terms is minor compared to the cost of fighting it, which sometimes exceeded \$12 billion a month. It is, however, still substantial. Moreover, the money needed to make this effort needs to be made available in the FY 2011 budget and then sustained for at least five years.

The FY 2011 request for the Iraqi Security Forces Fund is roughly \$2 billion, but so far the Senate has only approved around \$1 billion -- enough to cripple any effort to create a meaningful strategic partnership. Looking at the future, it might take an average of some \$3 billion a year for five years (FY 2012 – FY 2017) to sustain this effort, build up Iraq's conventional forces until its petroleum revenues increase, and ensure the kind of advisory effort that will create effective national forces that will not become involved in politics or favor a given ethnic or sectarian faction.

Aid in governance, economic development, and rule of law is equally critical, and equally at risk. As is the case with military aid, the Congress may well be on the edge of losing the war. The FY11 State Operations request is \$1.787 billion. The costs include \$753 million for ongoing security needs in Baghdad, and \$463 Million for operations, security, and aviation for PRT/Interim Consulate/Embassy Branch Office Operations. They include \$351 Million for major contracts ops and maintenance aviation; and \$220 Million for operations and support services. The total FY2011 Assistance request is \$729.35 million and the breakdown is as follows: ESF \$ 382.95 million for economic support funding (ESF), \$ 314.60 million for International Narcotics Control and Law Enforcement (INCLE), and \$ 29.80 million for Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR).

This funding is critical to creating a small network of US diplomatic facilities in Iraq: funding the embassy in Baghdad, creating consulates in Irbil and Basra, and creating two smaller embassy branch offices in Kirkuk and Mosul. It is critical to giving the US the ability to provide advice and technical assistance that could help Iraq make vital advances in governance, rule of law, economic development, human rights, and economic development. It would position the US to help Iraq heal its most sensitive Arab-Kurd and Sunni-Shi'ite divisions, help with petroleum development in the south, and limit Iranian influence.

Moreover, a substantial amount of the money for the State Department would go to security aid and dealing with threats like Al Qa'ida in Mesopotamia, because the International Narcotics and Law Enforcement Bureau (INL) of the State Department is taking over police training from the Department of Defense (International Narcotics Control and Law Enforcement - INCLE). This funding is necessary to make up for the fact that the US military will no longer be there to project and support the US civil effort, and State will continue to lead critical police development and rule of law efforts. Such funding will have to increase in FY 2012, and the total civil side of the aid effort could average up to \$3 billion a year from FY 2012 – FY 2017.

This means that the average cost of creating a stable strategic partnership with Iraq could average some \$6 billion a year over the period from FY 2012 – FY 2015, although it could be much less in the outyears if Iraq makes rapid progress towards effective governance, security and stability – and much higher if Iran becomes a major military problem. This, however, is a tiny fraction of the cost of dealing with Iran and instability throughout the Gulf and the Middle East if Iraqi stability should implode in a new series of internal conflicts, or if Iraq should tilt decisively towards Iran and Syria. It is also money that will only be spent if the US does succeed in making Iraq a real strategic partner. If the new Iraqi government does not want that partnership, the US will face different and far more expensive problems in reshaping its diplomatic and security posture in the Gulf and throughout the region.

These issues are described in depth in a CSIS book entitled *Iraq and the United States, Creating a Strategic Partnership*, which is available from the CSIS book store at <http://www.csisbookstore.org/>. They are also

described in more depth in a CSIS study entitled *Grand Strategy in the Afghan, Pakistan, and Iraq Wars: The End State Fallacy*, which is available on the CSIS web site at http://csis.org/files/publication/101013_End_State_Fallacy.pdf.