

T H E F U N D F O R P E A C E

FROM FAILED
STATE TO
CIVIL WAR:
THE
LEBANIZATION
OF IRAQ
2003-2006



Iraq as a Failed State
Report #5
Condensed



Pauline H. Baker

FROM FAILED STATE TO CIVIL WAR: THE LEBANIZATION OF IRAQ 2003-2006

Iraq as a Failed State
Report #5

Pauline H. Baker
The Fund for Peace
1701 K Street, NW
Eleventh Floor
Washington, D.C. 20006
(202) 223-7940 (phone)
(202) 223-7947 (fax)
www.fundforpeace.org



FROM FAILED STATE
TO CIVIL WAR: THE
LEBANIZATION OF
IRAQ 2003-2006

Contents

PREFACE	i
CONCLUSIONS AND RECOMMENDATIONS	1
INDICATOR TRENDLINE GRAPHS	5
<i>Graph 1: Iraq Indicator Totals</i>	
<i>Graph 2: Iraq Three-Year Trendline</i>	
<i>Table 1: Iraq: Summary Indicator Ratings</i>	
INDICATOR SUMMARIES	8
CORE 5 OF STATE INSTITUTIONS	20
METHODOLOGICAL NOTE	22

Preface

Although there have been many reports on Iraq, the Fund for Peace (FFP) is contributing to post-conflict Iraq analysis by providing a systematic evaluation of Iraqi progress, using specific metrics for measuring social, economic and political stabilization since the invasion in April 2003. Applying CAST (the Conflict Analysis System Tool), the analytical framework developed by the FFP to assess societies at risk of internal conflict and state collapse, this series of reports evaluates Iraq's progress toward sustainable security – the stage at which the country is largely peaceful and capable of governing itself without external military or administrative oversight.¹

The methodology employed is detailed in the Methodological Note at the end of this report. Briefly, it is based on independent ratings of twelve top conflict indicators enumerated in the attached charts, five core political institutions, and “stings” or unanticipated events and factors. The purpose of the ratings is to discover patterns and trends over time; a particular rating in one indicator at one point in time is less significant than changes over time. Ratings are reviewed carefully, based on information gleaned from open-source English and Arabic language sources, government reports, studies by diverse organizations and groups that had conducted site visits in Iraq, and various scholars and journalists. Detailed narratives describing the indicator trends are contained in the Appendices of this report.

Although research assistants and other staff at the FFP have contributed to the report, the conclusions are entirely the responsibility of the author, who has conducted years of research into failing states and internal war. She has been ably assisted in these reports by outstanding students who have brought creative skills, thoughtful insights, and critical minds to a topic that is highly complex and controversial. For this report, special thanks go to Tim Newcomb and Suzie Clarke for their research assistance.

Pauline H. Baker
April 2006

¹ For another application of the methodology, see the “Failed States Index” in *Foreign Policy*, July/August 2005 and in the forthcoming May/June 2006 issue. Additional details can be obtained on the Fund for Peace website: www.fundforpeace.org, including indicator ratings for 148 states based on 2005 data.



Conclusions

DONALD H. RUMSFELD CLAIMED,
"THE TERRORISTS...MUST BE
WATCHING WITH FEAR THE
PROGRESS THAT IRAQ HAS
MADE OVER THE PAST THREE
YEARS... THE TERRORISTS SEEM
TO RECOGNIZE THAT THEY ARE
LOSING IN IRAQ."

THIS REPORT SUMMARIZES THE
FINDINGS OF A SYSTEMATIC
REVIEW OF THE IMPACT OF THE
U.S.-LED INVASION AND POST-
CONFLICT POLICIES ON
SUSTAINABLE SECURITY IN
IRAQ.

FOR THE INSURGENTS, SUCCESS
IS MUCH SIMPLER TO DEFINE.
THEIR SINGULAR OBJECTIVE IS
TO DEPRIVE THE U.S. AND IRAQI
FORCES OF ACHIEVING THEIR
STATED GOALS.

On the third anniversary of the war in Iraq, President George W. Bush restated his commitment to victory in Iraq.² In gauging progress toward this goal, Secretary of Defense Donald H. Rumsfeld claimed, "the terrorists ... must be watching with fear the progress that Iraq has made over the past three years.... The terrorists seem to recognize that they are losing in Iraq."³

What, exactly, constitutes success in Iraq?

This report summarizes the findings of a systematic review of the impact of the U.S.-led invasion and post-conflict policies on sustainable security in Iraq, a condition in which the country would be able to solve its own internal problems peacefully without outside military or administration assistance. The report covers the period from pre-invasion Iraq until February 2006.

The analysis is based on the FfP methodology known as CAST (the Conflict Assessment System Tool). Details of the methodology are explained in the methodological note. Our analysis focuses on month-by-month, and indicator-by-indicator trends, using twelve social, economic and military drivers of conflict and five core state institutions.⁴

The U.S. administration defined success in Iraq in the "National Security Strategy for Victory in Iraq" published in November 2005. It stated that the occupation is supposed to accomplish three basic objectives:

- Militarily defeating or neutralizing the insurgency
- Installing a democratic government with the institutional capacity to support an economy and govern justly, and
- Making Iraq a model of democracy for the Middle East region and a strategic security partner in the global war on terror and the fight against the proliferation of weapons of mass destruction.

For the insurgents, success is much simpler to define. Their singular objective is to deprive the U.S. and Iraqi forces of achieving their stated goals. They do not need to acquire and hold territory, decisively defeat U.S. and Iraqi forces, set up a

² President Bush asserted this in several speeches and in the "National Strategy for Victory in Iraq," issued by the National Security Council, November 2005.

³ "What we've gained in 3 years in Iraq," *The Washington Post*, 3/19/06.

⁴ For more details on the CAST methodology, consult the Fund for Peace website: www.fundforpeace.org.



IT IS UNLIKELY THAT THE
INSURGENTS BELIEVE THEY ARE
LOSING.

government or provide public services. To “win,” they only need not to lose; their measures of effectiveness boil down to one variable: the extent to which they are capable of denying their adversaries success.

By this definition, it is unlikely that the insurgents believe they are losing. Indeed, they confirm the axiom of counter-insurgency warfare that victory does not necessarily go to the side that is militarily superior.

OUR FINDINGS SHOW THAT
THERE WAS A SHORT WINDOW
OF OPPORTUNITY...WHEN THIS
WINDOW CLOSED, THE TREND
LINES WORSENE D STEADILY.

Our findings show that there was a short window of opportunity, lasting approximately three months following the invasion, when the internal situation began to improve. The coalition forces could have laid down the basis for the rule of law by crushing the looting and mob violence that erupted, by launching a public debate on the new constitution, by rebuilding the armed forces and police, and by initiating a reconstruction process that aimed at grass-roots employment, provision of public services and restoring state institutions. When that window closed, the trend lines worsened steadily. By September 2005, after sovereignty was passed to an interim Iraqi government and a new transitional parliament, all the indicators had risen into alert zone; on a one to ten scale, in which one is the most stable and ten is the least stable, all twelve indicators were a seven or higher and they stayed there ever since. The cumulative score, based on a scale in which the worst is 120, Iraq rated an aggregate score of 112 by February 2006. These trends show that Iraq’s decline is steady and comprehensive, affecting all social, economic and political/military drivers of conflict.

FACTIONALIZATION HAS BEEN
PERSISTENT, BASICALLY
TRANSFORMING A FAILED STATE
INTO A LEBANON-TYPE
BATTLEFIELD OF ALL AGAINST
ALL.

The nature of the war has evolved over time, with a shifting number of factions, changing tactics, and a shadowy “enemy.” However, factionalization has been persistent, basically transforming a failed state into a Lebanon-type battlefield of all against all, including within the main ethnic and religious groups.

THE POWER VACUUM INSPIRED
A STRUGGLE FOR CONTROL OF
THE CENTER...BASED LARGELY
ALONG ETHNIC AND RELIGIOUS
LINES.

Following the overthrow of Saddam Hussein, violence in Iraq was diffuse and disorganized, with looting and mob rule of the type that often flares after states collapse. Coalition forces did not repress this violence immediately, as they could have, missing an opportunity to set the stage for a state based on the rule of law. The power vacuum inspired a struggle for control of the center among competing groups and leaders, based largely along ethnic and religious lines. U.S. and coalition forces tilted in favor of the Shiites, who represented the overwhelming majority of the population and the heart of the resistance to Saddam Hussein. That tilt encouraged a Shiite-



Kurdish political alliance and marginalization of the Sunnis, in whose territory a nascent insurgency emerged. That, too, was not repressed, in part because of too few troops. Party and factional leaders continued to create militias in a country that is awash with arms, locked into vengeance and without a structure of governance.

THREE YEARS AFTER THE
INVASION, NO-GO ZONES, DEATH
SQUADS AND ENFORCED
SEGREGATION OF ETHNIC
GROUPS ARE CREATING DE
FACTO PARTITION. IRAQ HAS
DESCENDED INTO ENTRENCHED
SECTARIAN CONFLICT, WITH ALL
THE HALLMARKS OF A GROWING
CIVIL WAR.

Neither the training of local security forces nor the rushed electoral political process have succeeded in reversing these trends. To the contrary, both policies – which are the pillars of the U.S exit strategy – reinforced sectarian divisions because they institutionalized group competition and permitted ethnic factions to take over important institutions, such as the Interior Ministry and police.

These trends document the Lebanization of Iraq, as forecast in earlier Fund for Peace reports. Three years after the invasion, no-go zones, death squads and enforced segregation of ethnic groups are creating de facto partition. Iraq has descended into entrenched sectarian conflict, with all the hallmarks of a growing civil war.

Recommendations

NOR IS HOPE IN A NEW
NATIONAL UNITY GOVERNMENT
WELL-FOUNDED.

Although the withdrawal of occupation forces might remove a rationale for the insurgency, it is likely that the descent into a wider war will accelerate if U.S. and coalition forces are withdrawn suddenly. While injection of more troops might have worked earlier in the conflict, it is probably too late for that option to work, even if it were politically acceptable, which is doubtful. Nor is hope in a new national unity government well-founded. Political coalitions in Iraq have proven to be tenuous and the new government, when and if it is formed, will continue to be fractionalized, with ministries becoming political fiefdoms of ethnic and sectarian interests, not national institutions. The armed forces, infiltrated with militias, are also part of the problem rather than the solution.

THE BEST CHANCE FOR A
REVERSAL OF TRENDS LIE... IN
ONE APPROACH THAT HAS NOT
YET BEEN TRIED: A REGIONAL
SETTLEMENT INVOLVING IRAQ'S
NEIGHBORS AND OTHER ARAB
STATES.

Under current circumstances, the main questions are not whether the U.S. or the insurgents are “winning” or “losing,” as most commentators have argued, but whether national disintegration can be reversed, how fast the disintegration will occur if it is not, and whether a “soft-landing” with minimal bloodshed can be managed.

The best chance for a reversal of trends lie not in greater militarization of the conflict but in one approach that has not yet been tried: a regional settlement involving Iraq’s neighbors and other Arab states, all of whom want Iraq to remain whole



THE CHANCES FOR REVERSAL OF
THE TRENDS ARE NOT GOOD.
HOWEVER, THE ALTERNATIVE IS
SO FRIGHTENING...THAT IT
COULD POSSIBLY PROMOTE
COOPERATION.

and stable. Iraq and the UN should seek the convening of an international conference that will examine such a solution together with internal parties.

Admittedly, the chances for reversal of the trends are not good, and this strategy would be a long shot. However, the alternative is so frightening – a full-blown civil war that could last for years – that it could possibly promote cooperation among relevant and antagonistic parties long enough to calm the internal furies driving Iraq toward break-up and introduce fresh political solutions in a region desperately in need of creative ideas.

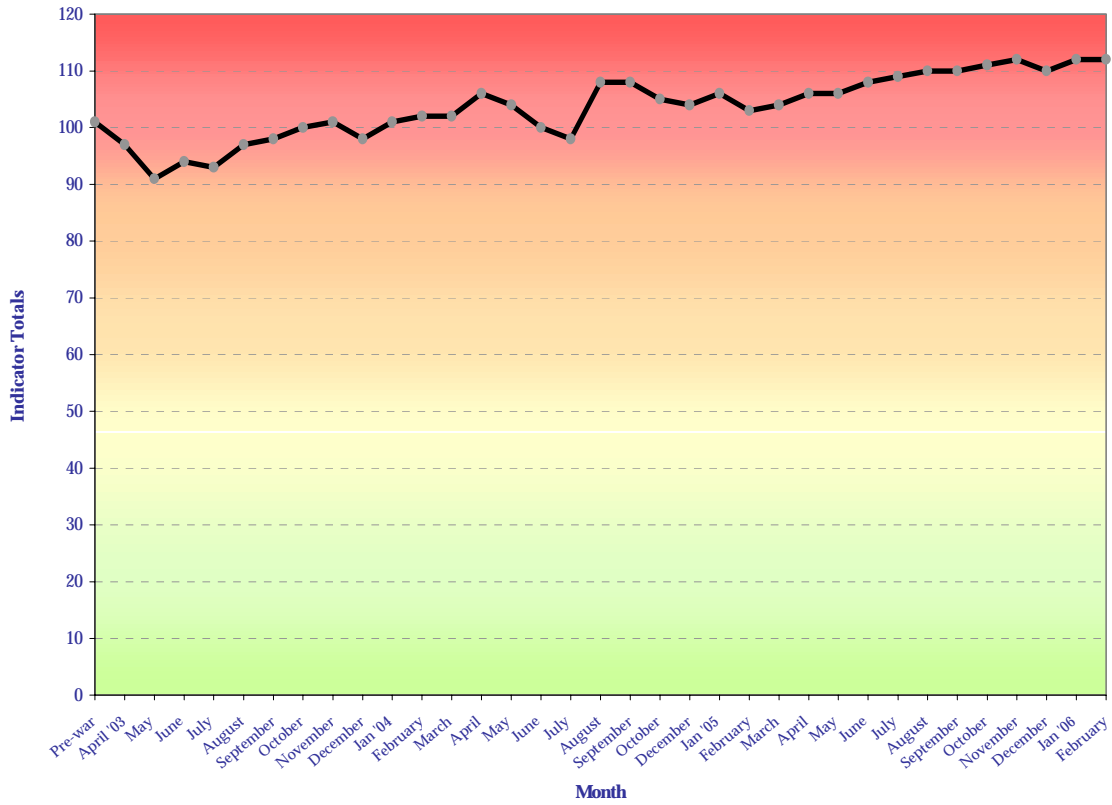
IT IS POSSIBLE TO CONCEIVE OF
A DECENTRALIZED IRAQ.
ANOTHER VARIANT OF THIS
APPROACH IS A NEGOTIATED
BREAK-UP.

It is possible, for example, to conceive of a decentralized Iraq, an outcome that could permit the country to function as a common market with shared economic assets and perhaps even a single national identity, facilitated through a pre-agreed revenue allocation formula for distributing oil revenues among autonomous regions that have their own governments, police, army, civil service and systems of justice. Another variant of this approach is a negotiated break-up that would include regional or international guarantees for marginalized groups and disputed territories. Both contain the seeds of a “soft-landing” outcome that would be the only way to stem the rapid descent into full-scale civil war.

FAILING THESE KINDS OF
SOLUTIONS, IRAQ IS LIKELY TO
FRAGMENT VIOLENTLY.

Failing these kinds of solutions, Iraq is likely to fragment violently. Existing trends point to the Lebanization of Iraq that could suck in other outside powers, enflame the Sunni/Shia conflict in the region, impede a larger Middle East peace, and result in a pull-out of coalition forces that would leave behind a legacy of continuing upheaval and political unrest.

Iraq Indicator Totals (Pre-war through February 2006) *

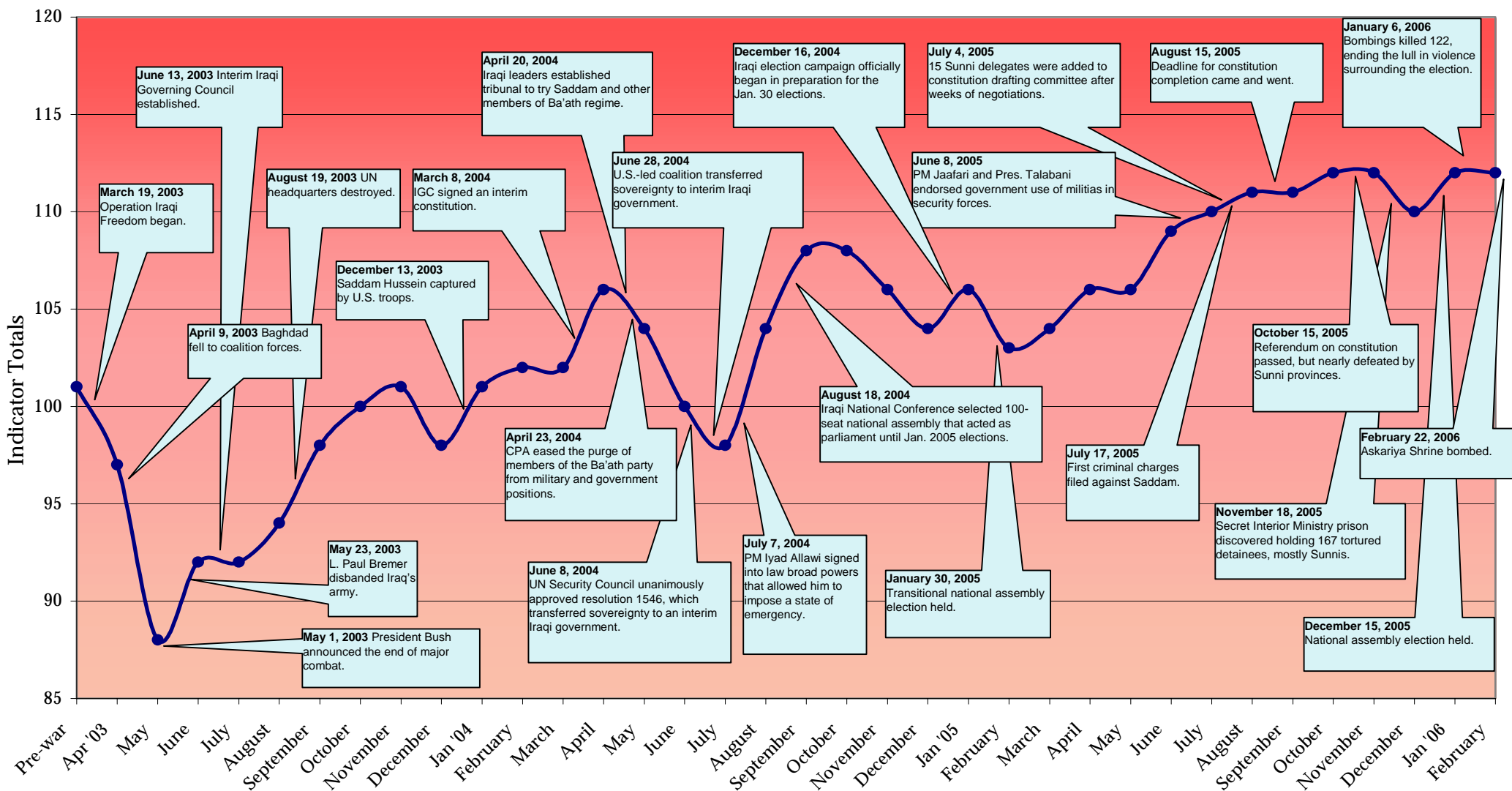


Legend

91-120	Alert
61-90	Warning
31-60	Monitoring
1-30	Sustainable

*Enlargement of these Indicator Totals, with selected key events, is shown on page 10





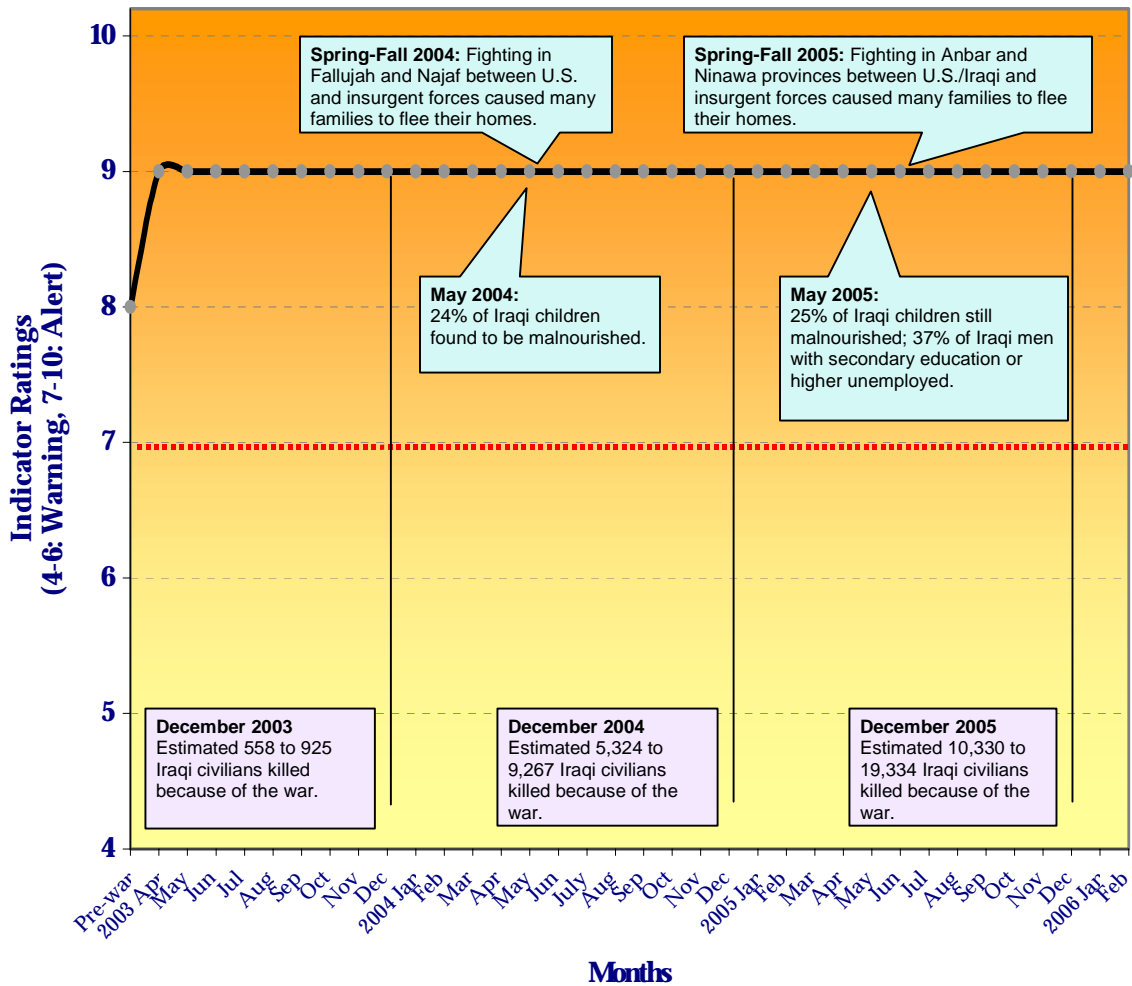
*This graph is an enlargement of Iraq Indicator Totals (Pre-war through February 2006)

Pre-war through February 2006

Indicator

Indicator	Pre-war	April 03	May	June	July	August	September	October	November	December	January 04	February	March	April	May	June	July	August	September	October	November	December	January 05	February	March	April	May	June	July	August	September	October	November	December	January 06	February	
1. Mounting Demographic Pressures	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
2. Massive Movement of Refugees or Internally Displaced Persons	8	8	6	6	6	5	9	9	8	7	9	9	9	9	8	8	7	9	9	9	9	9	9	9	8	9	9	10	10	10	10	10	10	10	10	10	10
3. Legacy of Vengeance-Seeking Group Grievance or Group Paranoia	9	6	6	8	8	9	9	9	9	9	9	9	9	8	8	9	9	9	9	9	9	8	9	8	9	9	9	10	10	10	10	10	10	10	9	10	10
4. Chronic and Sustained Human Flight	7	7	6	5	5	5	5	5	5	4	5	5	5	6	6	6	6	6	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
5. Uneven Economic Development Along Group Lines	7	6	6	7	7	7	7	7	7	7	7	7	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8	8
6. Sharp and/or Severe Economic Decline	9	10	8	8	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9	8	8	7	7	7	7	7	7	7	8	8	8	8	8	8	8
7. Criminalization and/or Delegitimization of the State	10	10	10	10	10	9	9	9	9	9	9	9	10	9	7	7	8	9	9	9	9	9	9	10	10	9	9	9	9	9	9	9	9	9	10	10	10
8. Progressive Deterioration of Public Services	7	9	8	8	7	8	8	7	7	7	7	8	8	9	9	9	8	8	9	9	8	8	8	8	8	8	8	8	9	9	9	9	9	9	9	9	9
9. Suspension or Arbitrary Application of Human Rights	10	5	5	6	6	6	6	8	9	9	9	9	9	9	9	9	8	9	9	9	9	9	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10
10. Security Apparatus Operates as a "State Within a State"	10	8	5	6	7	9	9	10	10	10	10	10	10	10	9	10	10	10	10	10	9	9	10	9	9	10	10	10	10	10	10	10	10	10	10	10	10
11. Rise of Factionalized Elites	8	9	9	9	9	9	9	9	10	9	9	9	9	9	7	7	9	9	9	9	9	9	9	9	9	9	10	10	10	10	10	10	10	10	10	10	10
12. Intervention of Other States or External Political Actors	8	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Totals:	101	97	88	92	92	94	96	100	101	98	101	102	102	106	104	100	98	104	108	108	106	104	106	103	104	106	106	109	110	111	111	112	112	110	112	112	

1 Mounting Demographic Pressures⁵

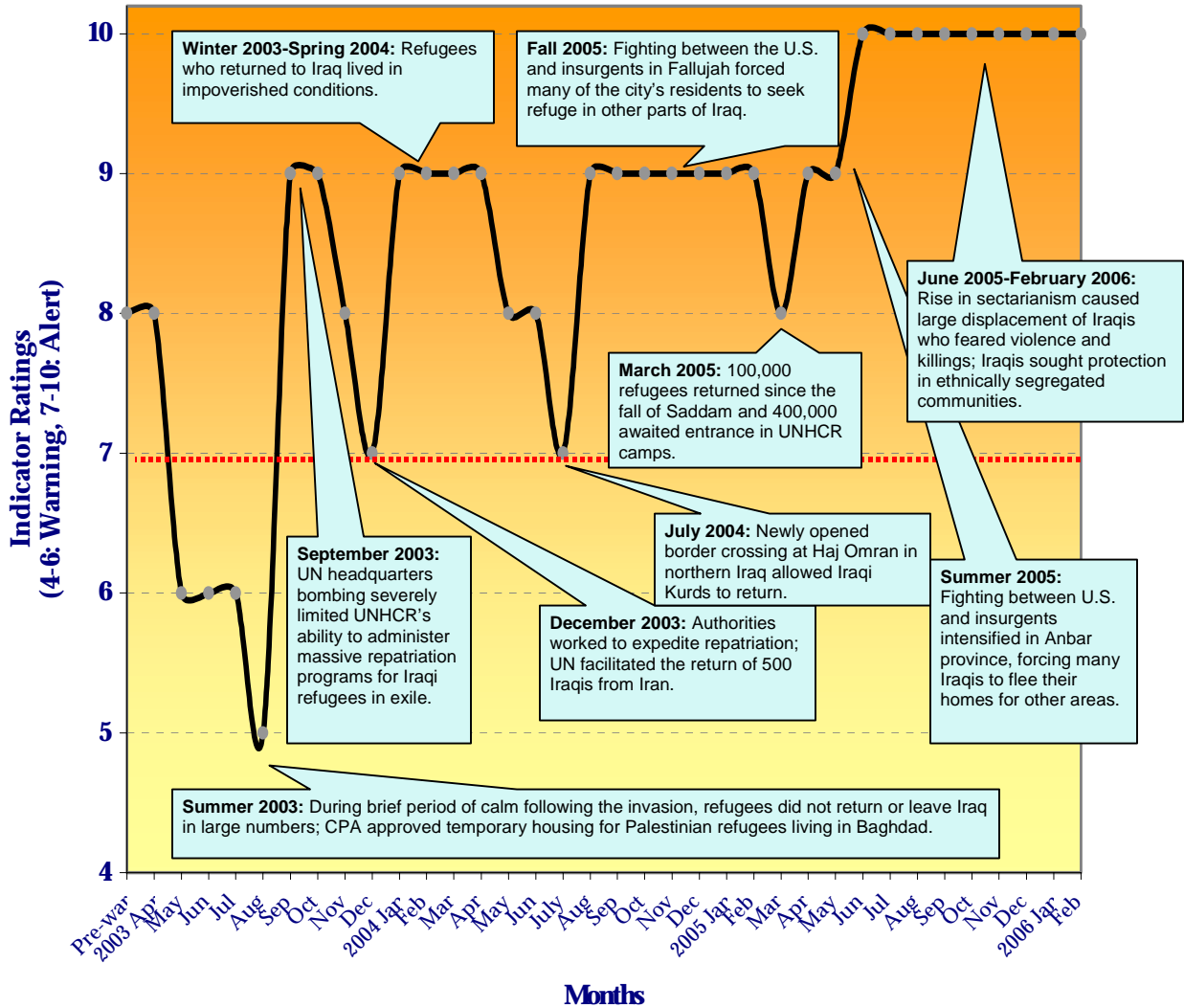


After Saddam's regime was toppled, U.S. and UN officials anticipated a massive influx of refugees who had been living outside of Iraq for years or an outpouring of civilians fleeing the war. However, there was no sudden refugee return or exodus. Instead, demographic pressures increased months later as a result of the insurgency and widespread violence. The fighting uprooted thousands (see indicators 2 and 4), which created pockets of displaced persons. Reconstruction efforts to restore services that would ease demographic pressures, such as water, sanitation, and electricity, were erratic. Iraqis were unable to receive adequate health services. As a result, there was poor sanitation and many children remained malnourished. Persistent violence and lack of reconstruction meant that demographic pressures remained high over the past three years (see indicator 2 for further details).

⁵ Data in graph regarding the number of Iraqi civilians killed because of the war found in "Iraq index: Tracking variables of reconstruction and security in post-Saddam Iraq," *The Brookings Institution*, 11/26/05.



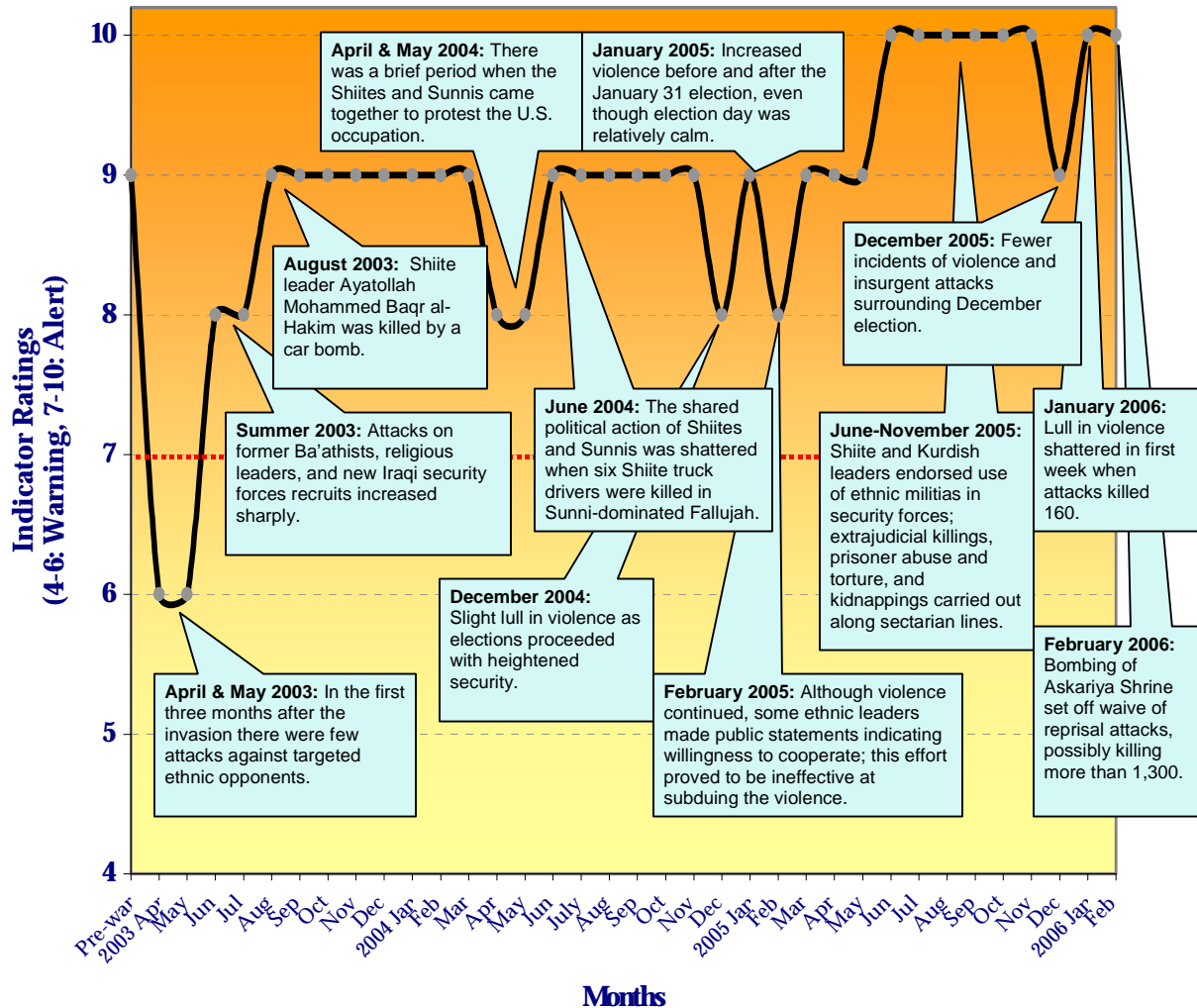
2 Massive Movement of Refugees or Internally Displaced Persons Creating Complex Humanitarian Emergencies



Hundreds of thousands of Iraqi refugees were poised to return in the post-Saddam era. UNHCR facilitated the return of some, but discouraged a mass return due to the economic and security situation. Iraqi officials requested that foreign countries not deport Iraqi refugees until the security, economic, and public services situation improved for fear of a humanitarian crisis. Those who returned on their own found themselves living in impoverished conditions, as housing, food, and employment were scarce. By the end of 2003, it was apparent that the lack of security was discouraging repatriation. Further, the greatest humanitarian problems came from large groups of internally displaced persons (IDPs) caused by the fighting, with many unable to return to their destroyed homes. The number of IDPs increased as sectarian violence worsened. In Kirkuk there was forced resettlement of the Arab population by the Kurdish provincial authority to reclaim the city as part of the province. By the end of 2005, Shiite and Sunni populations, due to intimidation and insecurity, sought refuge in ethnically segregated communities where they would not be targeted by insurgents or persecuted by ethnic rivals.



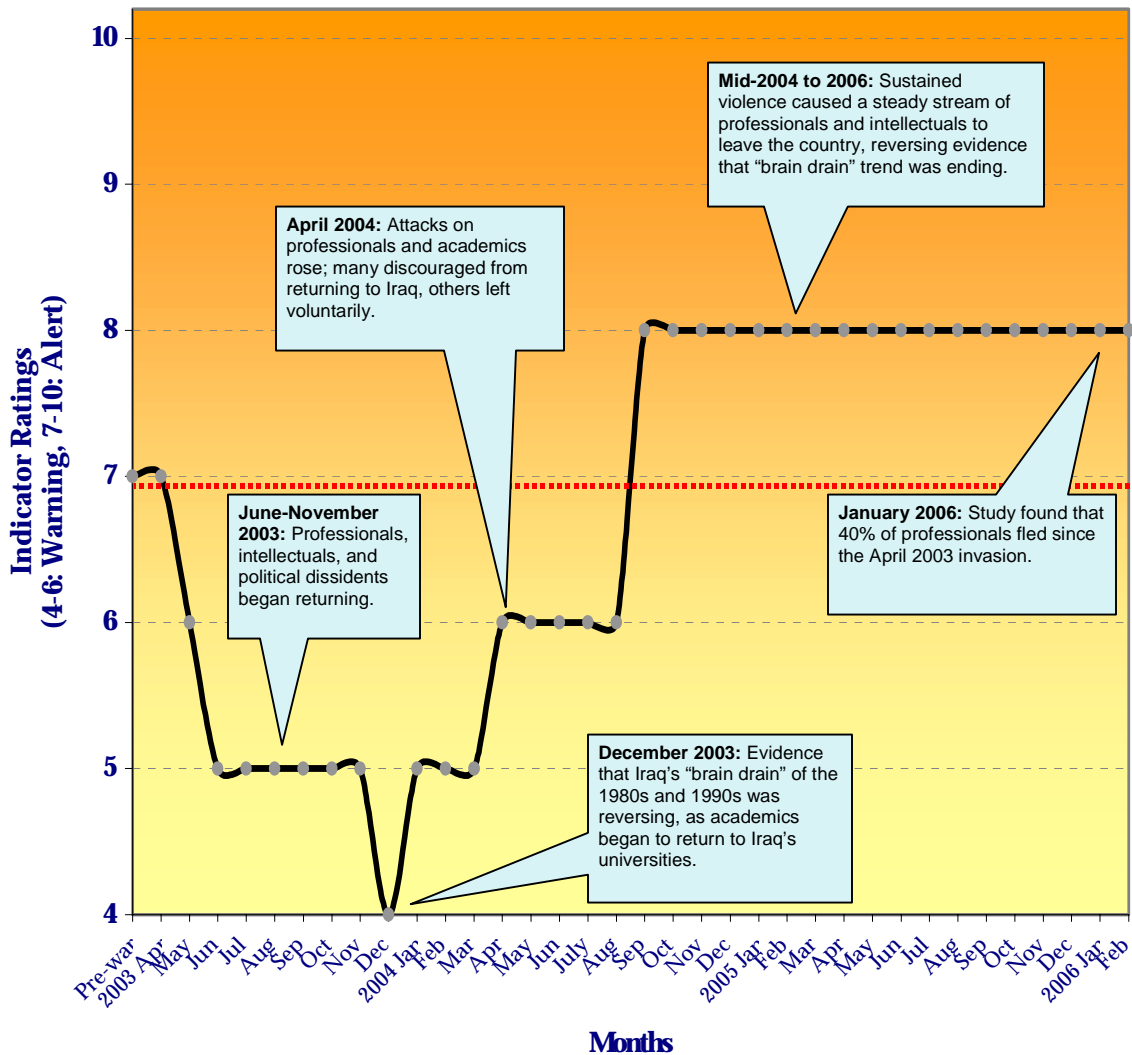
3 Legacy of Vengeance-Seeking Group Grievance or Group Paranoia



Group grievance and factionalized elites (indicator 11) are particularly important to understanding the conflict in Iraq because of the deep sectarian divisions that have brought this country to the brink of full civil war. Since the invasion, little attention was given to integrating Iraq's civilian institutions to overcome the deep ethnic divisions entrenched in society. Most political processes were conducted along ethnic lines. The Governing Council seats were initially allocated according to ethnic identity and the composition of the interim government, transitional government, and first elected government, were decided according to ethnicity. Voting also was along sectarian lines. Ethnicity thus became institutionalized as a medium for seeking power. From April 2003 to February 2006, group grievance was expressed violently, first through assassinations of religious and political figures, then through attacks on places of worship, then through killing of local leaders. It progressively got to the point of large-scale revenge killings of members of rival ethnic populations, targeted assassinations of Iraqi government authorities, death squads, secret prisons, and the proliferation of self-defense private militias, all linked to sectarian retaliation and intimidation.

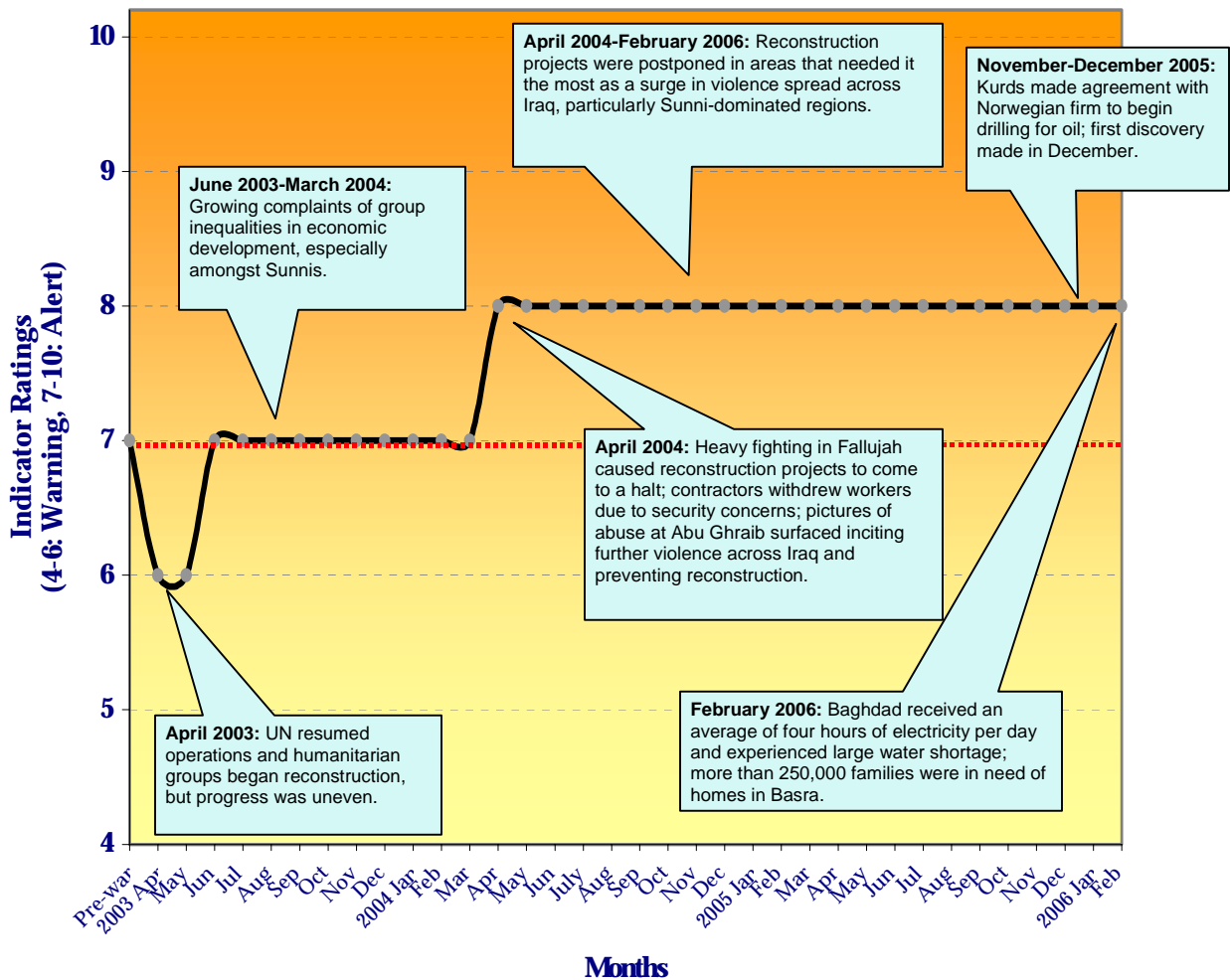


4 Sustained and Chronic Human Flight



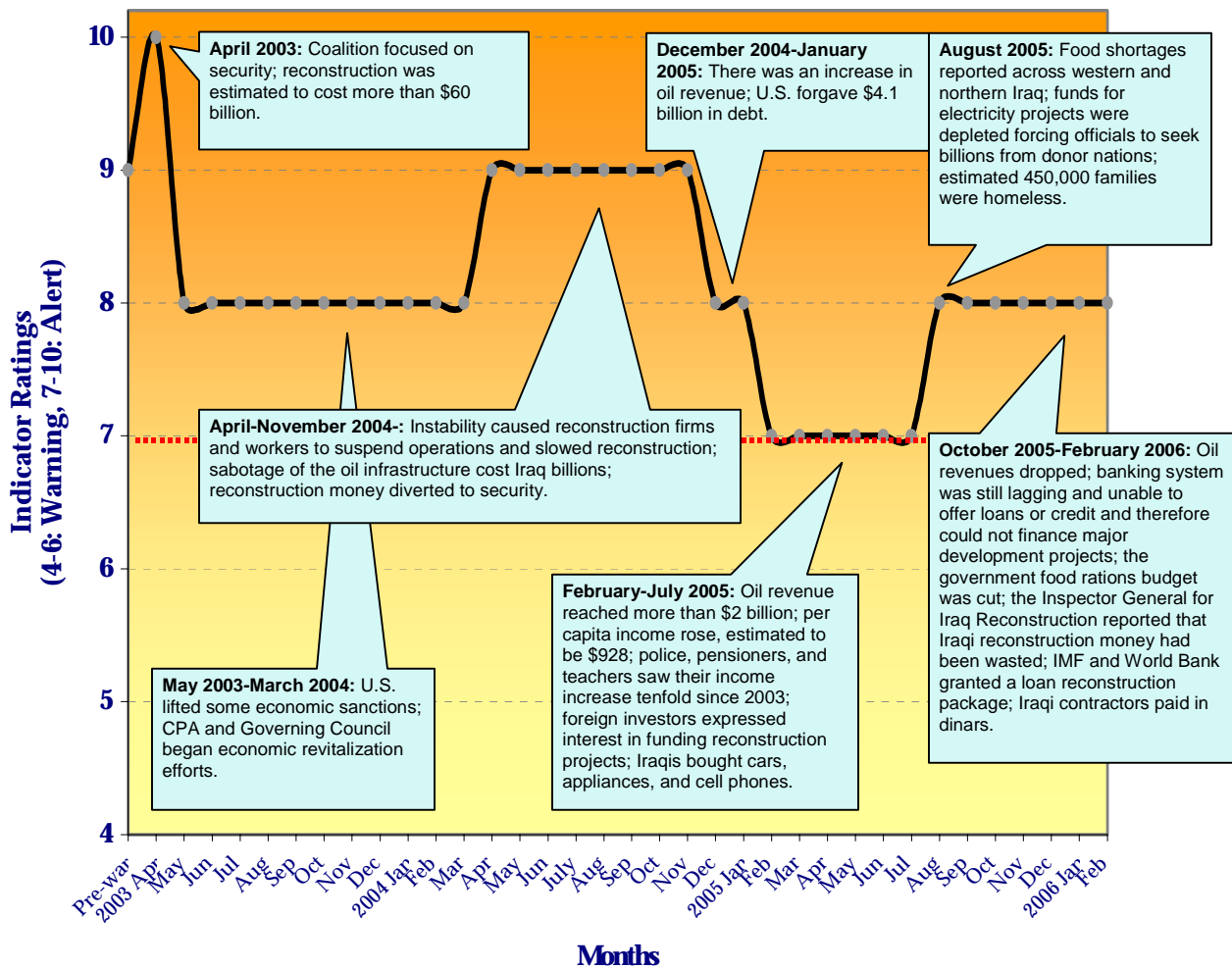
Many professionals fled Iraq in the 1980s and 1990s due to the intimidation of Saddam's regime. In the aftermath of the 2003 invasion, a massive influx of the four million Iraqis living outside Iraq, half of which were professionals, was expected. The CPA was wary of a massive return that might create a humanitarian crisis, but it welcomed exiles who could be helpful in the reconstruction of the country. Throughout 2003, trends showed that professionals, intellectuals, and political dissidents were returning to Iraq, and that many more were interested in returning. It appeared as though the "brain drain" that had occurred under Saddam's regime might have been reversing. However, by 2004, the security vacuum had not been filled and the insurgency was in full swing. Professionals began to be targeted both for ransom and political reasons. As professionals and their families were increasingly targeted for assassination, many left Iraq for nearby countries. Those still outside were dissuaded from returning permanently.

5 Uneven Economic Development along Group Lines



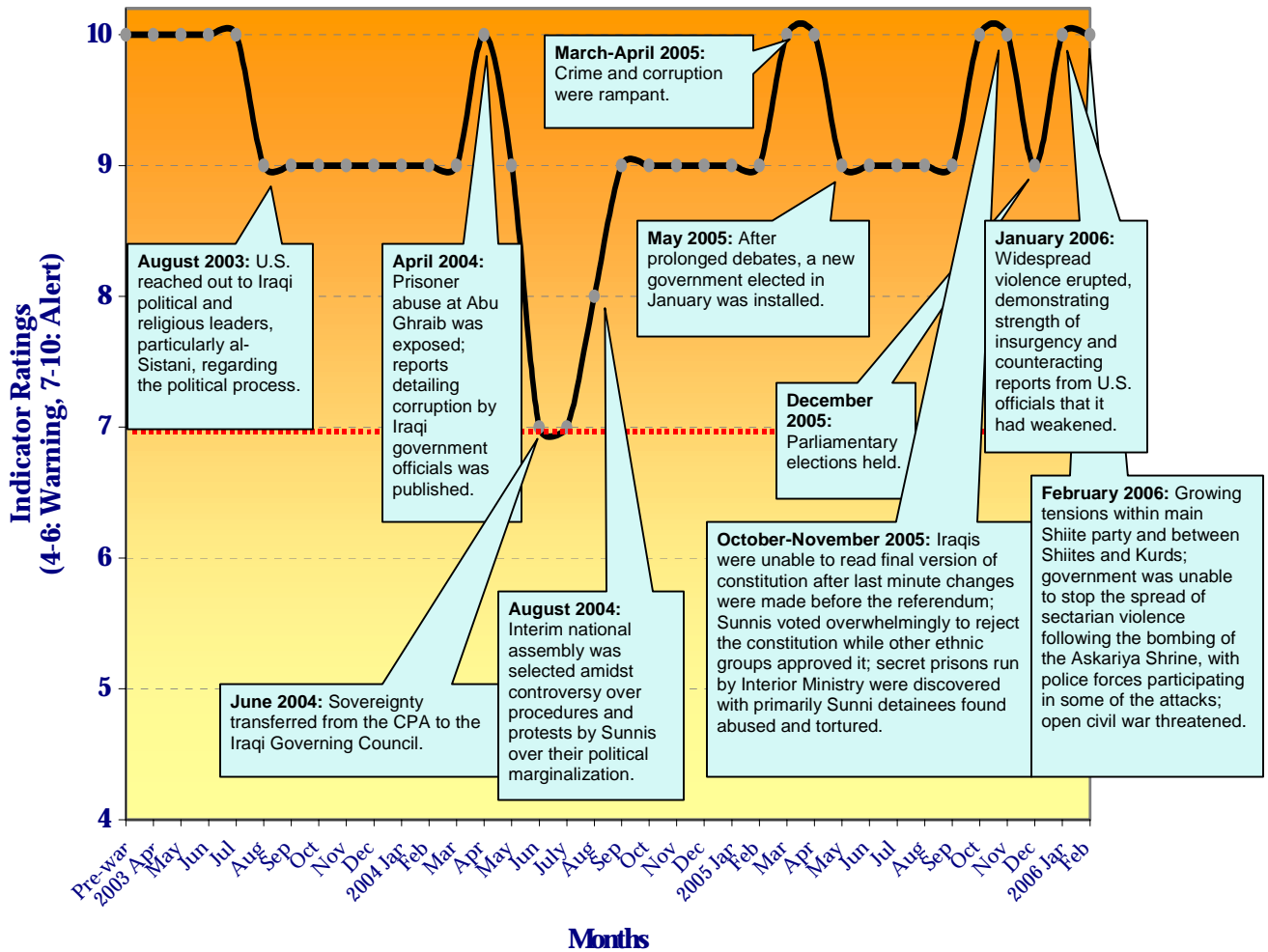
Economic inequality along group lines that existed under Saddam persisted over the past three years, reinforced by security conditions. The Kurdish region in the north was secure following the invasion. There was already a humanitarian presence there and reconstruction efforts were started immediately. The Shiite region to the south, which had been repressed under Saddam's regime, also received reconstruction aid. In contrast, the Sunni triangle, including cities such as Fallujah and Ramadi which bracketed the heart of the insurgency, became too unstable for reconstruction goals to be fulfilled. Even as some projects were started, the spread of violence across the region caused many companies and relief agencies to withdraw their foreign workers or suspend operations altogether. Sunnis had been accustomed to privileged status under Saddam and their discontent grew as reconstruction projects were completed in Kurdish and Shiite regions, but not in theirs. The disparity along ethnic lines in reconstruction continued through February 2006.

6 Sharp and/or Severe Economic Decline



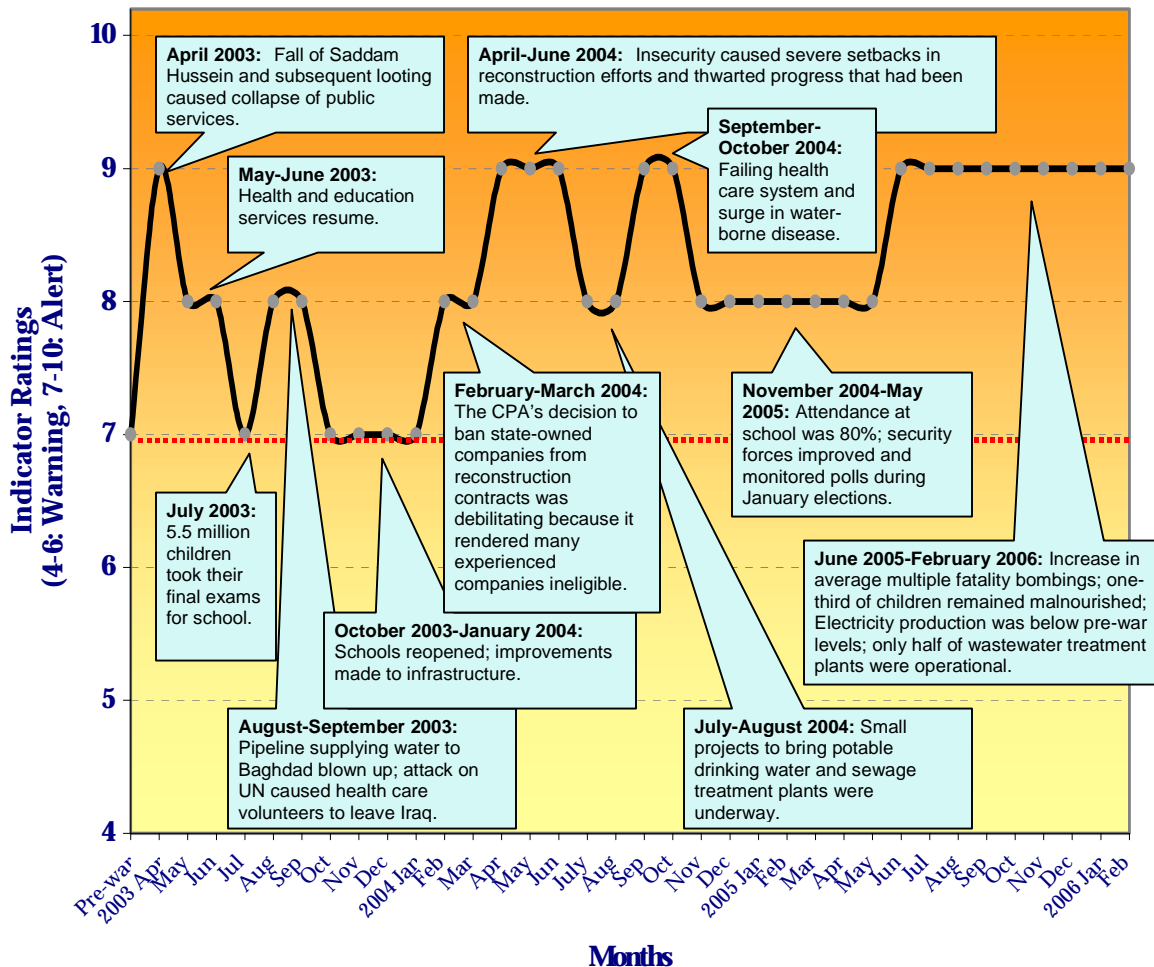
Sabotage and insecurity impacted economic development significantly. The CPA and the Iraqi Governing Council began reconstruction efforts shortly after the invasion, but focused on large infrastructure, rather than projects aimed at improving the day-to-day lives of civilians. Opportunities were missed to create public works programs that would have produced employment for Iraqis. Insurgent attacks on oil pipelines and other infrastructure cost Iraq billions of dollars, while widespread violence caused many companies and relief agencies to withdraw their foreign workers or suspend operations altogether, impeding economic recovery. Oil production and revenues were unable to reach sustainable pre-war levels and growth in GDP has not been as strong as anticipated. Iraq was granted a loan reconstruction package by the IMF and World Bank and Iraqi debts were forgiven by many countries. While official unemployment rates were difficult to determine, there was widespread unemployment. However, Iraqis purchased more consumer goods, which could be a sign of growing economic confidence. The dinar was introduced between October 2003 and January 2004 and held steady.

7 Criminalization and/or Delegitimization of the State



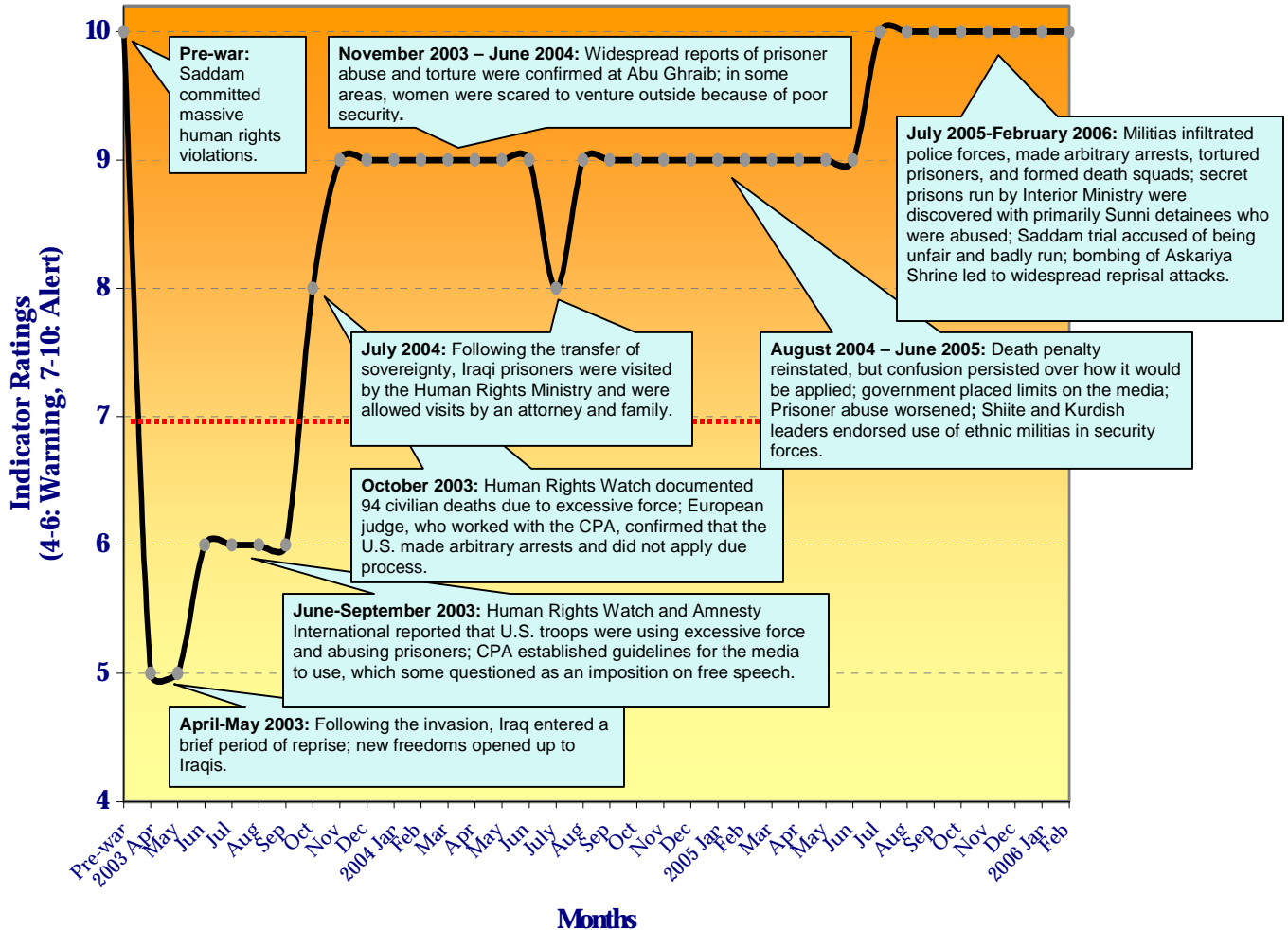
The political process was intended to bring legitimacy to the state through several steps: the establishment of the Iraq Governing Council in June 2003, the transfer of sovereignty to an interim government in June 2004, elections for an interim national assembly in January 2005, a referendum on the constitution in October 2005, and elections for a permanent national assembly and appointment of a government for a four-year term in December 2005. However, trends showed that following these political milestones, the legitimacy of the state did not significantly improve. Following the December 2005 elections, there was momentary renewed confidence in the elected government, but the continuing insurgency, widespread corruption, and alleged atrocities by security forces prevented the emergence of a legitimate national state acceptable to a majority of the people. By February 2006, two months after the election, parties were unable to form a government of national unity, with growing sectarian divisions evident. The attack on the Askariya Shrine in Samarra in February 2006, and the sectarian violence that followed, led to a plummeting of public confidence.

8 Progressive Deterioration of Public Services



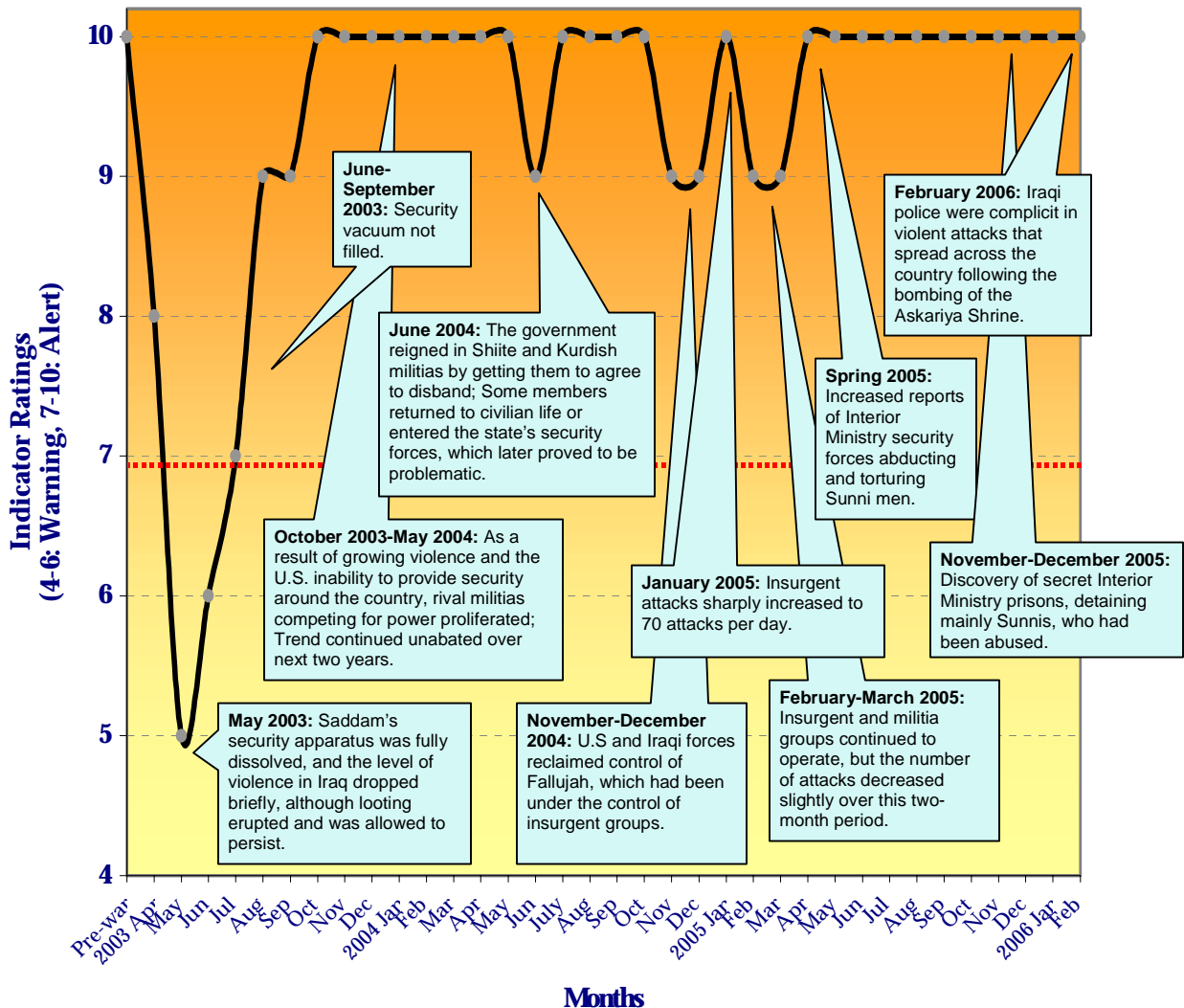
After the invasion, much of the focus of U.S. efforts was on building the country's infrastructure and strengthening the government's capability to provide security. The CPA and the Governing Council did not begin labor-intensive public works programs, which would have generated employment and brought basic services to Iraqis. Some smaller projects were completed in the relatively safe areas. However, poor decision-making and insecurity caused a progressive deterioration in public services generally, but especially in Baghdad, and funds had to be diverted from public services for security. Mismanagement and corruption set in and reconstruction became a patch-work effort with varied results and many setbacks. As of February 2006, electricity, water, sewage, and oil production all were below pre-war levels.

9 Suspension or Arbitrary Application of the Rule of Law and Widespread Violation of Human Rights



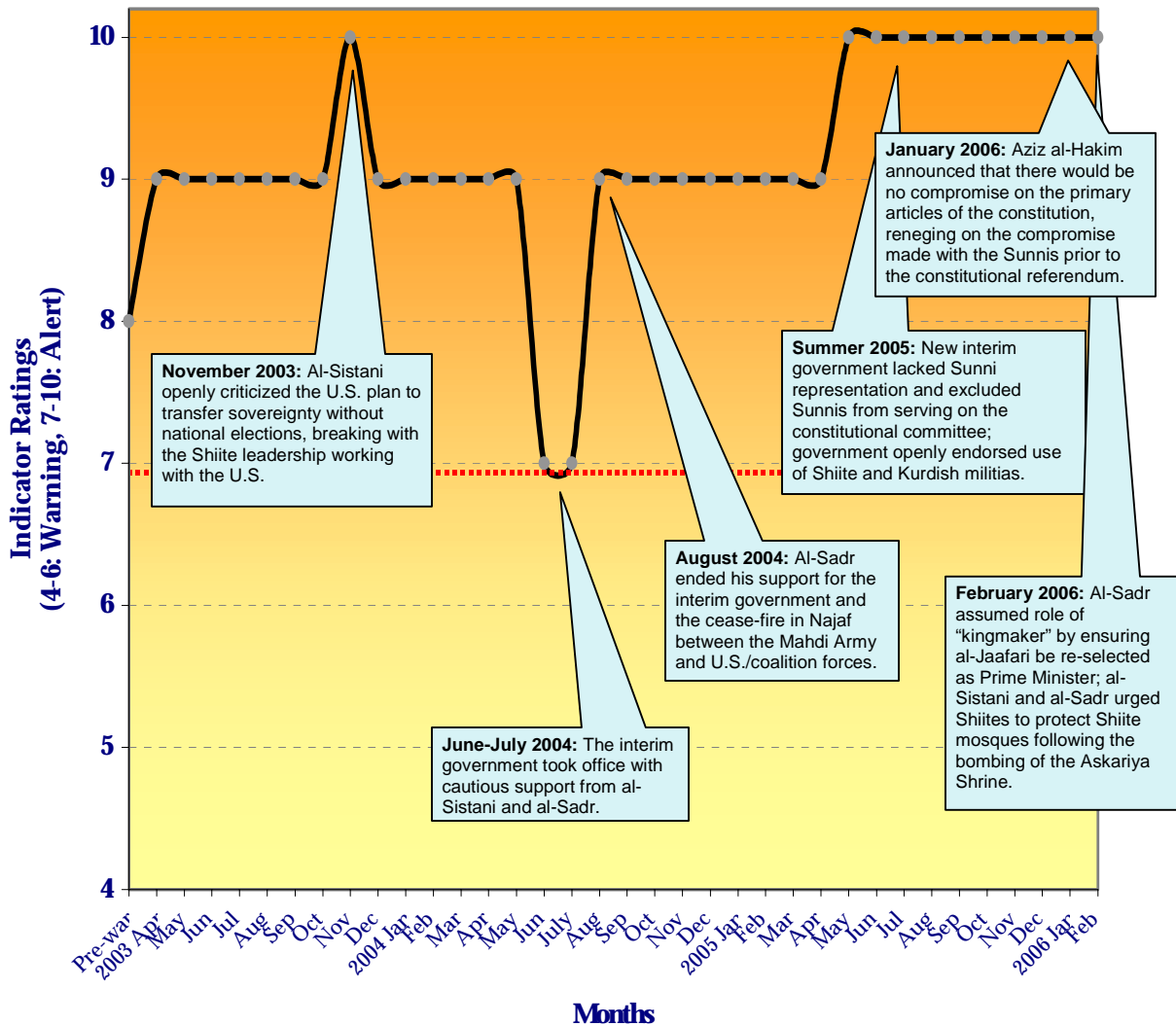
While the invasion ended a brutal regime, widespread human rights abuses were also committed by coalition and Iraqi security forces. The discovery of prisoner abuse at Abu Ghraib by U.S. soldiers in April 2004 confirmed reports that had been circulating for months. The fallout from Abu Ghraib, and subsequent findings of prisoner abuse at the hands of coalition troops and Iraqi forces, demonstrated that international standards were not being adhered to and that the rule of law had not taken root. In 2005, militias had significantly infiltrated Iraqi police forces, were committing torture, and forming death squads. In June 2005, Shiite and Kurdish leaders endorsed the use of militias in Iraq's security forces, which was roundly criticized by Sunnis. The discovery of mostly Sunni detainees at Interior Ministry prisons, who had been beaten, starved, and tortured, reinforced the perception that human rights abuses were worse than originally thought. The conduct of the trial of Saddam was also criticized and there were calls for it to be moved to an international court.

10 Security Apparatus Operates as a “State within a State”



Before the invasion, five security and intelligence agencies loyal to Saddam quickly crushed anyone who voiced dissent. The U.S.-led invasion brought an end to this repression. However, coalition forces did not have enough manpower to provide security throughout Iraq and did not anticipate a resilient insurgency. In 2003 and 2004, lawlessness erupted in many parts of the country from rival militias loyal to personalities, parties, and elements involved in the insurgency, most of who were aggrieved Sunnis. Foreign-born terrorists infiltrated into Iraq. The insurgency increased its size, scope, and sophistication with time. After the election of the interim government in January 2005, a new Shiite dominated security apparatus emerged under the control of the Interior Ministry. It was alleged to have been abducting, torturing, and killing Sunni men primarily in and around Baghdad. Independent Shiite militias and elements of the Interior Ministry forces were thought to be forming “death squads” targeting Sunnis. In Kirkuk, Kurdish militia elements in the police forces were also accused of abducting and intimidating Arab residents. Fundamentally, the insurgency escalated into a civil war.

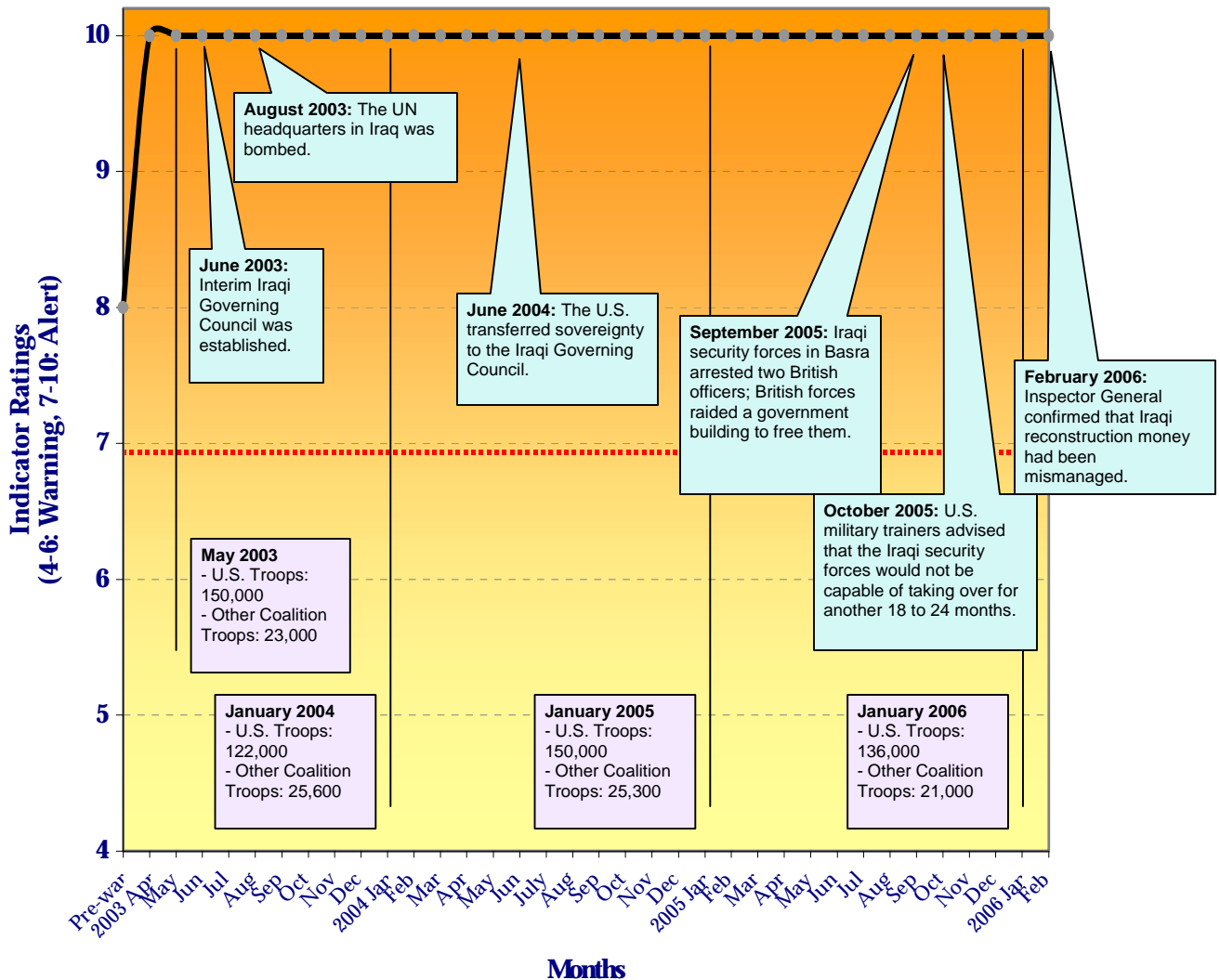
11

Rise of Factionalized Elites


Under Saddam, Sunni tribes and tribal confederations were dominant in the leadership apparatus. In the months after Saddam's overthrow, a power vacuum ensued. Many previously suppressed groups, including anti-Saddam Sunnis, Shiites, Kurds, and Turkmen, competed to fill the vacuum. Iraq was deeply divided along religious and ethnic lines following years of dictatorial rule by Saddam. Rather than bringing in wider pools of Iraqi leaders to bridge the gap of sectarian divisions and form a national government early on when there was some room for political inclusion, the U.S. accepted ethnic competition as a basis for governance, thus institutionalizing the factional competition for power along group lines. This became the foundation of an elite formation as decision-making authority was transferred from U.S. to Iraqi leaders. No single Iraqi leader has been able to mobilize a following that crosses ethnic or religious lines.



12

Intervention of Other States or External Political Actors⁶


The U.S., UN, and U.K. had extensive influence in the affairs of Iraq since 1991 through economic sanctions, the oil-for-food programme, and the no-fly zones in the northern Kurdish region and the southern Shiite region. Thus, this indicator rated high even before the invasion. The presence of an occupying military force automatically means this indicator's rating is a 10. Therefore, in the entire three-year period under review, this indicator stayed at a 10. Even when the occupation ends, Iraq will likely be dependent upon outside military and economic assistance for years to come, unless the country disintegrates.

⁶ Data in graph regarding troop levels found in "Iraq index: Tracking variables of reconstruction and security in post-Saddam Iraq," *The Brookings Institution*, 2/9/06.



Police

Following the invasion, Iraq's police disintegrated. Stations were looted and many officers abandoned their posts. As the U.S.-led coalition tried to rebuild a police force, its members became primary targets of insurgent attacks. Nonetheless, due to widespread unemployment, young men lined up to apply for jobs as these were some of the few job opportunities in the country. Many Iraqi citizens saw police officers as traitors for cooperating with the U.S.-led coalition. This distrust created tension between the police force and citizens. Moreover, recruitment was uneven, favoring Shiites mostly. In addition, recruitment lacked sufficient vetting. Police officers were found to be collaborators in insurgent attacks and some provided intelligence that would aid an insurgent group. Officers lacked proper equipment and weapons. Few police officers received adequate training; as of June 2004, only 32 percent of Iraq's police force had received training.⁷ Following the transfer of sovereignty in June 2004, the police force showed signs of improvement and an increased presence on the streets. However, charges of corruption and human rights abuses persisted. Militias infiltrated police forces, carrying out arbitrary arrests and mob-style executions. The discovery of secret Interior Ministry prisons, holding mostly Sunni detainees who had been starved and tortured, demonstrated the extent of deterioration in the police. By the end of 2005, the police were not regarded as legitimate, representative, or professional.

Leadership

Leadership in Iraq exists along ethnic and religious lines. Some Iraqi exiles who had opposed Saddam returned after he was removed from power. However, there was no one successor following years of dictatorship. The country is divided along ethnic and religious lines with leaders emerging accordingly. Shiite clerics began to use their influence and push for Islamic reforms. Sunni leaders fought for representation in the new government. Kurdish leaders joined together to press for an autonomous region in the north. The Iraqi Governing Council and the interim government were unable to gauge the support of all Iraqi citizens, form a strong central governing authority, or establish a unity government that would transcend sectarian constituencies. Ayatollah al-Sistani remained the most powerful Shiite figure. Moqtada al-Sadr positioned himself as a "kingmaker." He was revered by many poor Shiites, had a militia, with an important bloc of Shiite followers dedicated to him personally, and entered the political arena occupying every political space available to him. Ibrahim al-Jaafari, a Shiite, was named Interim Prime Minister and Jalal Talabani, a Kurd, was named Interim President following the January 2005 national assembly elections. Sunnis, who boycotted the January 2005 elections, were largely excluded from government positions. Although they gained seats in the assembly in the December 2005 elections, Shiites and Kurds retained the majority. There was no national figure or national political party pulling the factions together and the majority alliances each had their own internal divisions by the beginning of 2006.

Civil Service

Iraq's civil service, which had employed approximately two million Iraqis prior to the invasion, also collapsed in the months after Saddam's fall from power. Hospitals were looted. Electricity, water, and sewage treatment were unable to be reliably restored. Instability and violence prevented many institutions from functioning. Paul Bremer purged the civil service of all former Ba'ath members, ultimately putting many Iraqis out of work, including many teachers. Those who were eventually employed were initially unable to be paid. Corruption permeated the ranks of government ministries and public services remained inadequate. The World Bank assisted rebuilding the bureaucracy through financing and training. However, by early 2006, key ministry positions remained unfilled due to delays in forming a new government that would incorporate Sunnis. Lacking leadership, the ministries functioned

⁷ "Iraq index: Tracking variables of reconstruction and security in post-Saddam Iraq," *The Brookings Institution*, 6/28/04.



at a minimum level of efficiency. Each was regarded as a power center through which political parties could extend their base of support through patronage, control of contracts, and revenue.

Judiciary

Iraq's judiciary system received a large amount of attention as judges were vetted and the Iraqi Special Tribunal was formed to try Saddam. International law experts met with Iraqi judges in an effort to help them reform the courts. The U.S. invested millions of dollars in Iraq's judiciary. However, jails swelled, overcrowding set in, and many prisoners spent lengthy amounts of time in jail awaiting trial. The system was not prepared to handle the deluge of prisoners being held by coalition forces. Further, there was no uniformity in the application of law. In November 2004, the chief investigator for Iraq's Central Criminal Court was dismissed for targeting top political figures, damaging the judicial system's image. Further, 135 of 869 judges were removed because of links to corruption or affiliation with the Ba'ath Party. The Special Tribunal was established, in part, to demonstrate that the judiciary was a functioning institution. However, the atmosphere of the court (Saddam's defiance and use of the trial as a political tool, the chaotic and haphazard manner of the proceedings, and the resignation of the chief judge) did not instill confidence in the judiciary's capability. The tribunal was criticized for being too inexperienced and ill-prepared to try the case of Saddam and members of his regime. Human rights groups called for the trial to be held in an international court. Iraqis questioned the legitimacy of the tribunal. Courts functioned in all provinces, although with varying degrees of cases tried.⁸ In 2003, around 4,000 felony cases were resolved in Iraqi courts, and in 2004, there were around 8,000 felony cases resolved. By 2005, it is estimated that more than 10,000 felony cases were resolved.⁹ Also untested was the constitutional issue of reconciling Sharia law with secular law, particularly as it applied to women. A hybrid solution was enacted, leaving the choice of which court system to use to households, in effect depriving women of equal rights before the law.

Military

While the military disintegrated with the invasion, members of the Iraqi armed forces were also formally dismissed when Paul Bremer dissolved the Ministry of Defense, the Republican Guard, and Iraq's army in May 2003. He allowed militias that were under CPA command to maintain possession of their automatic weapons, including the Kurdish Peshmerga, which angered Shiites. In December 2003 the CPA announced that it would be forming a battalion that incorporated the militias of the five main political parties. Many Iraqi leaders disagreed with this decision, as they believed it would further exacerbate ethnic tensions and instead called for militias to be disbanded. As new Iraqi armed forces began to be recruited, they too were viewed as traitors and were targets of insurgent attacks. They also showed signs of indiscipline, questionable loyalties, and lack of professionalism, and there was a notable absence of military leaders. When faced with fighting violent insurgents, many Iraqi soldiers would not show up for work, abandoned their posts, or joined the insurgents. Officers complained about lack of proper equipment and training. At the outset, the U.S. was primarily focused on reaching target numbers, rather than being concerned with the quality of the soldiers recruited. In December 2004 the U.S. changed strategy and emphasized capabilities. By December 2005, two-thirds of Iraq's army units were deemed able to fight alongside American units in operations planned, led, supplied, and supported the U.S., but they were deemed unable to plan and execute their own missions.¹⁰

⁸ "Measuring stability and security in Iraq," report to Congress in accordance with conference report 109-72, Emergency Supplemental Appropriations Act, 2005, page 25, October 2005.

⁹ "Measuring stability and security in Iraq," report to Congress in accordance with conference report 109-72, Emergency Supplemental Appropriations Act, 2005, page 25, October 2005; "National Strategy for Victory in Iraq," National Security Council, November 2005, page 17. Both sources found in "Iraq index: Tracking variables of reconstruction and security in post-Saddam Iraq," *The Brookings Institution*, 1/3/06.

¹⁰ "Why Iraq has no army," *The Atlantic Monthly*, December 2005.



This report marks the fifth in a series of progress reports on the war in Iraq launched in March 2003. These reports are based on an analytical methodology, CAST (the Conflict Assessment System Tool), that has been developed and tested over the past 10 years. The objectives of this particular project are to:

- Assess the extent to which Iraq is moving toward sustainable security, a situation in which it can solve its own problems peacefully without an outside military or administrative presence. This will provide the basis for an exit strategy.
- Analyze trend lines in Iraq along 12 top social, economic and political/military indicators of internal instability.
- Evaluate five core institutions, (political leadership, civil service, system of justice, police and military) which are necessary for the state to function.
- Review “stings” – the surprises, triggers, idiosyncrasies, national temperament, and other frequently overlooked factors.
- Present a “before” and “after” portrait, with trend lines, showing progress and regression in specific indicators as well as the aggregate at several intervals over time.
- Make concrete policy recommendations and conclusions.

This study is an objective, nonpartisan assessment, tracking the post-war reconstruction effort in systematic fashion, with updates at approximately six-month intervals. It is important that both the U.S. presence in, and exit from, Iraq be neither premature nor longer than necessary. Only a comprehensive tracking and assessment study can make reasonably reliable judgments of this kind.

This report offers a balanced combination of quantitative data grounded in rigorous qualitative research. This even blend of statistical and descriptive analysis accurately portrays the internal situation in Iraq according to trends across 12 distinct variables, or indicators. Ratings are assigned to each indicator according to a comprehensive assessment of daily news coverage of Iraq. The research team referenced over 150 domestic and international news sources, including Arabic language sources, for this report. The data collected is information available to the public through accessible media sources. In later reports, data was collected electronically from 11,000 diverse sources. At the end of each month, a rating (on a scale of 1-10, 1 being the best and 10 being the worst) is assigned based on the developments of that particular month by indicator. Each month’s rating is assigned relative to the previous month’s ratings.

This report is a comprehensive three-year analysis that examines trends since the start of the U.S.-led invasion in March 2003. The findings are presented in a new format from previous reports, with particular emphasis on graphic representations of trends. An analysis of the trends accompanies each indicator. (A more detailed report is available at the Fund for Peace website <http://www.fundforpeace.org/>). In the enlarged graph, Iraq Three-Year Trend Line on page 6, the scale begins at 85, rather than zero, on the y-axis in order to provide the reader with a more detailed trend analysis. As can be seen in the individual indicator charts, none of the ratings has fallen below a four since the invasion began. In the individual indicator graphs, a red-dotted line distinguishes between ratings that remain in the “alert” area and those that are in the “warning” area. Thus, any indicator seven or above is considered in alert.

It is important to note that these summaries provide a condensed representation of the most significant developments on the ground, as reported by the media, expert, and independent organizations, some of which were on site. Any specific developments omitted are done so because they are judged by the research team to be redundant, outliers, or relatively unimportant with respect to the highlighted events. From this methodology, the internal stability of Iraq is assessed by following trends, both by indicator and aggregate ratings.



This research team, led by Dr. Pauline H. Baker, president of the FfP and the original author of the methodology, accepts that the rating system of 1-10 is somewhat subjective. However, in light of the logistical barriers to conducting field research in any conflict environment and/or collapsing state, the potential for bias is reduced by internal checks, extensive citation, the collection of vast amounts of data, and comprehensive discussion. Moreover, the research team maintained consistency in research patterns and sources, accompanied by cross-referencing of any observed inconsistencies. Furthermore, over time, as these reports continue, the numerical ratings define themselves in specific tangible conditions, relative to previous ratings, so that clear trends emerge.



THE FUND FOR PEACE
1701 K Street, NW
Eleventh Floor
Washington, D.C. 20006 (202) 223-
7940 (phone)
(202) 223-7947 (fax)
www.fundforpeace.org