

Policy Paper

Toward a European Strategy for Iraq

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On the basis of discussions held in the informal Task Force Working Group
initiated by the Bertelsmann Foundation's Project "Europe and the
Middle East", **Christian-Peter Hanelt**

March 2003

In cooperation with:



ASPEN - Institute Italia, Rome



Robert Schuman Centre for Advanced Studies, European University Institute, Florence



The Royal Institute of International Affairs, London

Toward a European Strategy for Iraq

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1. Introduction

The Iraq crisis has been a disaster for the Common Foreign and Security Policy (CFSP) of the European Union (EU). Member countries are very visibly split in their position towards the war against the regime in Baghdad. EU institutions have been unable to agree on more than the unconditional implementation of the relevant United Nations resolutions leaving the door open for widely diverging interpretations. The challenge of the Iraq crisis does not bode well for the future of a cohesive European Foreign Policy, and the CFSP requires a fresh approach.

We argue that the EU should develop a comprehensive strategy for a post-Saddam Iraq based on European principles and values. While the detailed formulation of such an approach is beyond the scope of this paper, our purpose is to present the basic building blocks in this regard. The first part of this paper discusses principles for the transition period in Iraq. We argue that the transition process should be overseen by a Multinational Task Force under the auspices of the UN and include domestic actors at the earliest possible stage. The second part of this paper sets out a vision for the post-Saddam Iraq in the domestic as well as the regional context. We claim that the establishment of an inclusive and accountable political system in Iraq requires first and foremost the distribution of the oil revenue among several centres of power. Furthermore, we believe that any effective approach to Iraq's problems requires a regional dimension. Iraq should be integrated gradually in a security system which includes Iran and other Gulf states and, at the same time, create a free trade zone with its Arab neighbours to the West with whom it shares important economic and cultural ties.

Two caveats should be made from the outset. First, this paper does not imply that the vision that is put forward can be realised in the short term. We argue that cohesive action on the part of the EU and its member countries requires basic agreement on long-term goals to be effective. The Iraq crisis has proven once more that there is no common vision, i.e., no shared approach to many international problems and threats among EU member countries, which is the indispensable base for any coherent foreign policy. A common EU approach on Iraq may kick-start a more comprehensive approach for the Middle East. Second, we do not assert that the EU will be able to realise this vision on its own. It is understood that the capacity for the EU to act unilaterally is limited since the US will be the major power broker in any post-Saddam scenario in Iraq as well as in the region. Yet, the argument made by many - that the United States simply will not allow the Europeans to play any role whatsoever - is misguided since America may well have to reach out to the EU for providing international legitimacy as well as other resources. It is upon the Europeans to carve out a role for themselves by consistently pursuing a cohesive and reasonable strategy which is capable of convincing the US and other international players and provide a basis for co-operation.

The recognition that regime change in Iraq is virtually certain must not be understood as an endorsement of war or the policies of the current US administration in general. Yet, whether the EU supports military action against the current regime or not, it will have to share responsibility in this undertaking within the framework of the international community. In fact, the EU's instruments for crisis management (let alone military intervention) are still in their infancy. The CFSP adopted at the European Council of Maastricht (1991) has yet to fine tune its institutions and capabilities. There is no common European strategy for the Middle East (though there is one for the Mediterranean region) that could serve as a starting point for

a common approach to the crisis. In contrast, the impact of EU policies and institutions on long-term transformation and democratisation processes, especially in Southern and Eastern Europe, is well documented and generally acknowledged. The Union's approach of fostering structural change through trade liberalisation, transnational communication and regional integration, based on the success of its own model, is well established. Europe may not be a superpower, but it certainly is a project.

Furthermore, the question of Iraq's future - beyond regime change - is of crucial importance for the transatlantic partnership and the development of a cohesive European policy in the region. It can be assumed that the envisaged regime change will imply broad regional realignment: indeed, any transition process in Iraq is bound to alter fundamentally the regional balance of power, given Iraq's substantial economic and political weight. Moreover, some circles in Washington perceive the war on Iraq as the opening move towards reshaping the entire region, whose problems are understood to be at the root of international terrorism. Any attempt to refuse to shoulder responsibility for post-Saddam Iraq will push Europe to the margin, in a region close to its backyard.

2. The Transition Period

The management of the transition period will be of fundamental importance for any effort to reshape the Iraqi political system. It goes without saying that the unfolding of the domestic situation inside Iraq and the course of the possible war are bound to influence any settlement and its setting in the regional environment. Yet, taking into account the highly contingent situation, putting forward a number of guiding principles for European policy coupled with tentative policy recommendations for the EU is certainly possible.

First and foremost, Europe should seek to secure EU representation at all levels in the transition process to pursue the community's political and economic interests. Beyond that, the Union should focus in the transition period on the following areas of action:

- *Prevention of Humanitarian Disaster.* Any regime change by force will have an impact on large segments of the civilian population, depending on the duration and the territorial extent of the fighting. The dislocation of civilians seeking refuge from combat areas as well as the interruption of food and other basic supplies to millions of people is a likely scenario. The maintenance of stability and order by establishing a workable transitional authority as soon as possible will be critical for the successful provision of humanitarian aid and to ensure a smooth transition process with a minimum of violence and disorder. The EU should draw up immediately emergency plans to prevent a humanitarian disaster that will spark a new wave of refugees to Europe, fuel extremist and terrorist movements and de-legitimise transitional international authority. Further, the EU should offer humanitarian aid to prevent a humanitarian crisis and offer incentives for Iraqis to stay in their country. The EU should contribute to an international fund to kick-start reconstruction, focusing in particular on basic human needs such as food, basic healthcare and education.
- *International Umbrella.* The EU should advocate the maintenance of international legality and the authority of the UN Security Council as the guiding forces throughout the transition process. It should promote the establishment of a Multinational Task Force under UN chairmanship as the best solution to express a transitional high authority which will offer guarantees to all conflicting Iraqi factions and act as an intermediary for domestic actors, paving the way to proper constitutional process and to the envisaged participatory and competitive political system.
- *Inclusion of Domestic Actors.* The involvement of domestic actors at the earliest possible stage with minimal external interference is crucial to avoid the suspicion that a new colonial system is being established. A transitional government and a constitutional assembly should be established, based on the principle of broad inclusion. The international high authority should oversee the composition of the transitional government and the election of the constitutional assembly; it should then guarantee all players that the transitional government will not be allowed to turn into yet another authoritarian regime supported by oil revenue, or unduly influence the deliberations of the constitutional assembly. The EU should extend political and practical support to the interim administration and facilitate Iraq's rejoining the international community.
- *Disarmament.* The quick disarmament of Iraq according to the relevant UN resolutions is a top priority for any transition process. The EU should co-ordinate with other international external actors to prevent weapons of mass destruction (WMD) or other military hardware from being sold and smuggled to third countries or other organisations, especially terrorist groups. During the transition process, the emergence of a power vacuum in outlying parts of the country should be averted since these may serve as a basis for terrorist groups or organised crime.

- *Stability of Energy Supply:* Given Iraq's vast reserves, any regime change in Baghdad is liable to have a major impact on the oil market. In the event of armed confrontation, extensive damage to oil fields and installations should be averted. In the aftermath of the crisis, the EU should advocate a quick opening of the Iraqi oil sector to international investment and participation in upgrading and expanding Iraqi oil production capacity. The EU should uphold its strategic approach based on avoiding market conditions that will result in prices which are either too high or too low. Advocating an increase in Iraqi oil production should not lead to a collapse in prices or to an attack on OPEC.
- *Transitional Justice:* The various security agencies that served as tools of repression should be dismantled as quickly as possible. Criminal prosecution of Iraq's war crimes and human rights violations should be envisaged but executed with due respect to its impact on national cohesiveness and administrative continuity. EU members should offer their experience in managing transitional justice and submit relevant material to the Iraqi and international authorities.
- *Regional Stability:* The EU is interested in preventing the spill-over of the conflict which might be caused by the intervention of neighbouring countries, or the escalation of other regional trouble spots - especially the Israeli-Arab conflict. It should make clear to both Turkey and Iran that any long-term military presence in Iraq on their part will have serious repercussions on their relationship with the Union. The festering Israeli-Arab conflict is highly sensitive to regional developments and regularly exploited by various regional actors. The EU should induce all actors in the Israeli-Arab conflict to show utmost restraint to avoid a further bloody escalation which would frustrate any effort to reach a lasting settlement in the war's aftermath.

3. Long-term Vision and Action

a) *The Domestic Dimension*

The Problem

Given the oppressive and extremely violent record of the current Ba'th regime in Iraq any real regime change will require the enormous task of establishing a new political order from scratch. This will necessarily unearth questions on the integration of Iraqi society, on the lasting impact of decades of authoritarianism and on the effects of its political economy. We have to keep in mind that Saddam is, for all his personal cruelty, a product of Iraq's long history of authoritarian rule characterised by a rather remarkable level of political violence.

Iraq has had only very limited experience with representative government during the monarchy (until 1958) in which representatives of large landowners and tribal *shuyukh* tended to control parliament and excluded any meaningful popular participation. The inability of popular and reformist parties - except for the communists - to attract a large following encouraged the increasing involvement of army officers in politics. Starting with Qasim's coup in 1958, conspiracies by small groups of officers became the major vehicle for political change. The exceptionally brutal rule of the Ba'th regime since 1968, the impact of the long war with Iran during the 1980s and the country's international isolation since 1990 tended to reinforce the effects of authoritarian rule.

Nation building in Iraq has been made difficult by the ethnic cleavage between the Arab majority and Kurdish minority, and the confessional division between Sunni and Shi'i Muslims, which coincides, to a large extent, with socio-economic inequality. Prolonged Kurdish revolts against the central government have been frequent in Iraq's history and were suppressed with increasing brutality. Parts of the rather heterogeneous Shi'i community have been involved in opposition activity for decades, and a major uprising in the predominantly Shi'i South in 1991 was crushed by the elite Republican Guard. That same year, the Kurds succeeded in carving out an autonomous entity in northern Iraq, under the military umbrella of Western powers.

Iraq's large oil reserves have been a mixed blessing. On the one hand, the stream of oil money since the 1970s has led unquestionably to a remarkable improvement of essential government services, such as the expansion and maintenance of infrastructure or the provision of health care and education. On the other hand, the revenues from oil exports became the most important source of government income. The vast resources put into the hands of the central government strengthened it against competing power centres in society. The easy access to revenues largely relieved the government from the necessity of extracting resources from society and offering in return participation in decision-making. In contrast, large sums were invested in political patronage and the security apparatus, making any challenge to the ruling coalition extremely difficult.

The Vision

Territorial Integrity. Iraq should be preserved as a single, independent state, and its territorial integrity should be maintained. The geographical distribution of natural resources makes it very unlikely that all of the major groups would agree to a partition of the country. Moreover, plans to redraw boundaries would set a dangerous precedent for challenging colonial borders in the region and create new problems rather than solve existing ones.

Dispersion of Power. Power in Iraq should be dispersed, thereby creating a system of checks and balances that prevents the re-establishment of a strong, centralised authoritarian rule. A most important tool to guarantee the sustainability of several power centres is the constitutionally guaranteed distribution of fixed shares of oil revenues to institutions other than the central government. Many opposition groups advocate the establishment of a federal system to ensure a certain level of autonomy for minorities and the dispersion of central power. Yet, it has to be kept in mind that decision making in federal systems is highly complex and prone to deadlock. Successful examples of federal systems have taken a long time to develop. The Kurdish autonomy zone in the North should function as a nucleus for a federal system with fiscal and legislative autonomy. The current arrangement of distributing the revenues of the UN-managed Oil-for-Food-Programme on a fixed basis could serve as a starting point for federal financial arrangements. The federal dispersion of power should be combined with cultural autonomy for ethnic minorities and decentralised decision-making. The international high authority shall remain in place with no other role than to guarantee the stability of the new constitutional setup until a new federal order becomes consolidated and proves its viability.

Inclusiveness and Accountability. Any new political regime in Iraq should be based on the principles of inclusiveness and accountability. Freedom of expression should be guaranteed, and the rule of law should be ensured. Given the character of present government institutions, this will require carefully redesigning them with the broadest participation possible. Minority representation has to be ensured and accordingly, the special character of tribal social relations has to be taken into account (e.g., by granting broad local autonomy and by establishing a bicameral system with an “upper house” for tribal *shuyukh*, religious figures and other notables and leading professionals).

Demilitarisation: Iraq must scale down military expenditure significantly and abandon its efforts to acquire WMD. Furthermore, the army should be professionalised, and Iraqi society should be demilitarised. This should be done in the context of the progressive establishment of a regional security system in the Gulf region including Iran (see “The Regional Dimension”).

EU Action

The EU should

- Offer to share European experience in designing new political institutions and making them work. The EU has among its member countries a great diversity in institutional settings coupled with rich expertise in decentralised policy-making and institutional reform.
- Offer support for reform of the legal and law-enforcement system of Iraq. The EU could extend support for judicial training and penal reform, including professional training for lawyers in the courts, training in international law and training in human rights law. The EU should support activities to train military and police personnel in human rights issues and in civil-military and community-police relations.
- Foster the re-construction of Iraqi civil society by supporting non-governmental organisations and offering fieldwork in democratisation, human rights, civil conflict management, etc. Support the reform of the educational system as key to the dissemination of civil and democratic values.
- Foster the international integration of Iraqi society by establishing study programmes and exchanges for students, teachers, journalists, officers and other professionals to overcome

the impact of the decade-long isolation. Support the teaching of English to encourage international communication.

- Enlist the co-operation of the new Iraqi government on transnational issues such as migration, terrorism, drug trafficking and organised crime
- Advocate and offer assistance to negotiating the rescheduling or cancellation of Iraqi debt and reparations.

b) The Regional Dimension

The Problem

Any successful long-term transformation of Iraq has to be embedded in a sustainable regional structure that addresses the legitimate security concerns of all actors and provides for co-operation in various fields. Iraq is in many ways dependent on its neighbours, most importantly because of its narrow access to the sea, the vulnerability of its overland oil pipelines and its dependence on the uninterrupted flow of the Tigris and the Euphrates. It has a legacy of unsettled disputes with its larger neighbour Iran with whom it fought a bitter and bloody war during most of the 1980s. The development of WMD by Iraq is therefore not only attributable to Saddam Husain's bid for regional hegemony but also to a genuine feeling of being threatened by a powerful neighbouring state.

Iraq's regional environment displays an extremely unequal distribution of resources. Iraq and Iran combine large oil reserves with comparatively big populations, while the countries of the Gulf Co-operation Council are blessed with large oil reserves and generally small populations. To the west, Syria has only modest reserves and Turkey, Jordan, Lebanon and the Palestinian Territories have none. This distribution of resources would suggest a regional division of labour, but intra-regional trade and investment have been curtailed owing to unsettled disputes, frequent cross-border political interference and a general lack of regime legitimacy. The region has had up to now only modest success in integrating into the global economy, and has fallen behind other regions in most measures of development.

Moreover, the region is, moreover, characterised by a significant and globally exceptional lack of democratic political systems. It would go beyond the scope of this paper to discuss the reasons for this special feature; suffice it to say that a combination of factors is at work including the political economy of oil exporters, the impact of armed conflict and the weak legitimacy of the nation state. The virtual absence of democratic practice and values is reflected to a certain extent in political interpretations of the Islamic religion, which, in turn, should not be prematurely interpreted as basic incompatibility of Islam and democracy. Finally, in the wake of the breakdown of the Oslo process, the festering Israeli-Arab conflict is a major stumbling block for any structural change in the region. It diverts attention from structural problems, strains the region's resources and fuels terrorism. Many Arabs perceive it as a prime example of the West's disregard for their interests and its double standards.

The Vision

Security Framework. Iraq (and the other states of the Mashreq) should be integrated progressively into a Gulf regional security framework that encompasses Iran, Yemen and the GCC countries. This will alleviate Iraq's perception that Iran poses a threat, as well as to check any new attempts at regional dominance. As a first step, Iraq must recognise the

territorial integrity of its adjoining neighbours. To make this principle operative, the idea of a Gulf Conference for Security and Co-operation (GCSC) should be considered. This organisation should include all the Gulf states and be devolved into subject-specific working groups on issues like arms control, resolution of territorial disputes, economic co-operation, energy and water. As the groups would cover different themes and combinations of countries, their membership would be flexible. With the various issues being addressed in parallel, it could be easier to arrive at compromises and imaginative solutions for problems such as Iraq's access to the sea, or the dispute over Abu Musa and the Tunbs. Yemen, Syria, Egypt, Jordan and Turkey should be given associate status in the conference, and full participant status in the relevant working groups. The EU should function along with the US, Russia and the UN Secretariat as a facilitator for the establishment of this framework and as participant of its proceedings.

Regional Integration. The artificial division of the Mashreq region in several independent states - mostly with shaky or non-existent historical legitimacy - following the Sanremo conference of 1920 has failed to generate a stable regional order. All countries carved out of the Ottoman Empire on that occasion (Iraq, Syria, Lebanon, Jordan and Palestine) have experienced regional conflict and protracted domestic strife. Peace and stability in the region require the progressive overcoming of the Sanremo order through a process of regional integration in the Mashreq to include all countries listed above that will allay threat perceptions, establish the basis for the overcoming of the polarisation between rich and poor states and empower the private sector and civil society. All countries and people of the region must benefit from the reconstruction of Iraq and its reintegration in the international community, not view the hoped-for success of a new Iraqi political order as a potential threat to themselves. This requires creation of strong regional institutions, including a mechanism of fiscal solidarity that will allow some regional redistribution of the oil revenue. In order to avoid the acrimony of patron-client relations that was experienced in the past, fiscal solidarity must be rooted in regional institutions and be geared towards clear objectives of common interest, such as improving infrastructure and communications, and promoting education. Regional integration should also establish and guarantee the freedom of movement, for good and services, for capital and for individuals seeking employment. Physical and administrative barriers within the region must be dismantled rapidly to create a new perspective and hope among all the people of the region. The integration of a Palestinian state after a peace settlement into this emerging common market will be a factor in establishing this state's viability, in the realistic expectation that the border with Israel will be closed for some time to come.

Democratisation. Support for democracy and human rights are core values of the European Union and essential components of its foreign policy. Regime change in Iraq will not lead to the establishment of a stable democratic system overnight, but it might provide a window of opportunity for the establishment of more accountable political institutions in the Mashreq region. A genuine effort to establish an inclusive and accountable political system in Iraq only makes sense in a broader regional context. The European insistence on democracy and good governance, in the context of the Barcelona process, must be stepped up and made more effective to make sure that democracy is not viewed as a "punishment" imposed on Iraq and a source of weakness in the regional context.

Israeli-Arab conflict. Any credible engagement of the EU in Iraq will require progress in the festering Israeli-Palestinian conflict. The members of the "Quartet" (US, EU, Russia and UN) should consider convening a broad international conference (Madrid II) in the immediate aftermath of the crisis to encourage the conflicting parties to accept a solution that runs along the lines of what was on the table in Camp David and Taba, including the Clinton parameters.

The implementation of any agreement will have to be linked to a fixed timetable and be observed by an international force.

EU-Action

The EU should:

- Establish an intensive dialogue on the future of Iraq with Iran, Turkey, Syria, Jordan and the GCC member countries. The EU is uniquely well positioned to engage all these regional actors: with Iran, the EU has recently started negotiations on a free trade and co-operation agreement; Turkey is a candidate for EU membership; Syria and Jordan are partner countries in the Barcelona process; and a new, more ambitious cooperation agreement has been proposed with the GCC.
- Function along with the US and Russia as a facilitator for the establishment of a multilateral security framework in the Gulf region and as an observer of its proceedings. The EU should require member countries to condition future sales of weapons systems to the region on the development of an EU-wide approach to Gulf security.
- Support schemes for regional economic co-operation and offer its broad expertise in this realm. The EU should rethink the approach of the Euro-Mediterranean Partnership (Barcelona Process), which will need to be redefined in the light of Cyprus, Malta and possibly Turkey becoming members of the EU, and aim at making sub-regional co-operation (Maghreb, Mashreq, Gulf) operative by using building blocks of the Barcelona process.
- Establish positive conditionality linking all types of financial aid and other assistance offered to regional partners to progress in democratisation and human rights.
- Press for a broad regional conference convened by the “Quartet” modelled on the Madrid conference in 1991 to address regional issues and implement a final settlement to the Arab-Israeli conflict.

A European Strategy for Iraq (Executive Summary)

Giacomo Luciani and Felix Neugart

The Iraq crisis has been a disaster for the Common Foreign and Security Policy (CFSP) of the European Union (EU). Member countries are very visibly split in their position towards the war against the regime in Baghdad. The challenge of the Iraq crisis requires a fresh approach.

The EU should develop a comprehensive strategy for a post-Saddam Iraq based on European principles and values. This does not imply that the vision that is put forward can be realized in the short run, but cohesive action on part of the EU and its member countries requires basic agreement on long-term goals. The EU will not be able to realise this vision on its own, rather it should pursue consistently a cohesive and reasonable strategy which is capable of convincing the US and other international players and provide a basis for cooperation.

The Strategy should have the following building blocks:

- The EU should draw up immediately emergency plans to prevent a humanitarian disaster that will spark a new wave of refugees to Europe, fuel extremist and terrorist movements and de-legitimise transitional international authority. It should offer humanitarian aid to prevent a humanitarian crisis and offer incentives for Iraqis to stay in their country.
- The transition process should be overseen by a Multinational Task Force under the auspices of the UN and include domestic actors at the earliest possible stage. The EU should advocate the maintenance of international legality and the authority of the UN Security Council as the guiding principle throughout the transition process. It should extend political and practical support to the interim administration and facilitate Iraq's rejoining the international community.
- The establishment of an inclusive and accountable political system in Iraq requires the distribution of the oil rent among several centres of power (possibly federal entities), to create a system of checks and balances that prevents the re-establishment of a strong, centralized authoritarian rule. The EU should offer to share European experience in designing new political institutions and support the reform of the legal and law enforcement system. It should foster the re-construction of Iraqi civil society by supporting non-governmental organisations, fostering international exchange and offering fieldwork in democratisation, human rights, civil conflict management etc.
- An effective approach to Iraq's problems requires a regional dimension. Iraq should be gradually integrated in a security system which includes Iran and other Gulf countries to alleviate Iraq's threat perception and check renewed attempts at regional dominance. At the same time Iraq should be part of a free trade zone to be established with its Arab neighbours Syria, Jordan, Lebanon and the future Palestinian State which whom it shares important economic and cultural ties. The EU should support schemes for regional cooperation and offer its broad expertise in this realm as well as establish positive conditionality linking all types of assistance offered to regional partners to progress in democratisation and human rights.
- A credible engagement of the EU in Iraq will require progress in the festering Israeli-Palestinian conflict. The EU should press for a broad regional conference convened by the "Quartet" (US, EU, Russia and UN) modelled on the Madrid conference in 1991 to implement a settlement to the Arab-Israeli conflict.

In case you wish further information, we would like to draw your attention to the following policy papers:

- Policy Paper ‘Conflict in the Middle East – Which Role for Europe?’, German & English, 2003
- Policy Paper ‘The EU and the GCC. A new Partnership’, English, 2002
- Policy Paper VII. Kronberg Talks ‘Europe, the Mediterranean and the Middle East - Strengthening Responsibility for Stability and Development’, English, 2002

If you wish to receive some of these papers, please contact Ms. Gabi Schneider (e-mail: gabi.schneider@bertelsmann.de, fax: ++49 52 41 81 81 984).