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IRAQ IN TRANSITION: VORTEX OR CATALYST?



Scenarios for Iraq

There are three possible scenarios for Iraq in the 18-month transitional period which began with the handover of power on 28 June 2004. If the Iraqi Interim Government (IIG) or its successors fail to assert control over the country and/or its members quarrel with each other and the US, the country could progressively fall apart, or **fragment**. Alternatively, Iraq could **hold together** under the auspices of the transitional government, provided this has real power, a national security force begins to take shape, and the US presence is supportive but not overbearing. In addition, transnational or regional dynamics could overtake Iraq, such that it becomes simply

the epicentre of a broader reconfiguring of Sunni/Shi'a, Arab/Iranian and Kurdish geopolitics – a **'regional remake'**.

Implications for the region

Iraq's neighbours are keenly following developments in the transitional period with a mixture of anxiety, anger and a sense of opportunity. The stakes are high because many of the dynamics unfolding in Iraq have great relevance across its weak borders in states also struggling with issues of identity, ethnicity, confessionality, militancy and governmental legitimacy. Furthermore, the success or failure of the US project in Iraq will also have severe repercussions for those countries' critical and often difficult relations with the United States. The scenarios for Iraq have different implications for its neighbours, but none, save for certain elements in Iran and Israel, have any interest in Iraq fragmenting. Only Israel would be happy with an unqualified US success in Iraq; the other neighbours considered here would prefer to see a situation develop in which Iraq was largely stable but the US was still sufficiently bogged down to prevent it turning its attention elsewhere and to force it to accept the need for regional assistance.

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A successful transition?

The notion of a successful transition will mean different things to different players. For the United States a reduction in the US death toll and a semblance of Iraqi cooperation could be sufficient to take Iraq out of the headlines in the run-up to the US elections. For Iraq, however, if the outcome is a loose-knit federation that cannot hold together through or after the elections, that will not augur well for national and regional stability. Alternatively, success for anti-American Arab nationalists and militant Islamists could mean escalating resistance, driving out the multinational forces.

SCENARIOS FOR IRAQ

1. Fragmentation

Since the toppling of Saddam Hussein's regime, ethnic and communal loyalties, and particularly Kurdish, Sunni Arab and Shi'a Arab identities, have emerged as the dominant dissonant political poles within Iraq. Each of these groups and their subdivisions rally around different figures, parties and platforms, each with an exclusivist conception of Iraq. This is not to say that there are no Iraqi nationalists who put their Iraqi identity ahead of their sectarian or ethnic identity. Indeed, many analysts suggest that such nationalists are the majority across Iraq. However, grassroots power is currently in the hands of those groups which assert themselves according to their communal identity.

In the absence of an organization capable of appealing across societal cleavages – a function previously performed by the Ba'ath Party and army – the IIG has to invent itself as one. The context has changed, however, and the IIG and the international community have to take new dynamics into account

when attempting to weld together a new Iraq. First, members of the Shi'a community will not settle for returning to a subservient position; second, the Kurds are not going to relinquish the gains they made in internal self-government and policing during the 1990s; and, third, the Sunnis will find it problematic to accept either Shi'a domination of central government or Kurdish autonomy in the north.

A nationalist cause against the Americans could have broad Sunni Arab support, and it is often presumed that the uprising of Moqtada al-Sadr against the occupying forces in April and May 2004 is evidence of a joint position between Sunni and Shi'a forces. However, simply because Sunni insurgents and Sadr's Shi'a Mehdi Army forces fought at the same time does not mean that the two groups hold a unified position. Indeed, there are Shi'a (and Kurdish) leaders who prefer tacit cooperation with the US and look to the UN for an electoral and constitutional process that will protect their interests.

A further possibility is that the nascent Iraqi army and security services of Prime Minister Iyad Allawi will bring members of the old Ba'athist services back into uniform in an attempt to find a quick and easy solution to the problem of insecurity. But any suggestion that the old elite are about to resurface in strength will alienate all those who suffered at the hands of the old regime, including many Sunnis in addition to Shi'a and Kurds. Such a strategy should also be seen as compounding the dynamics of fragmentation.

Failure of transitional power structure

There are several ways in which fragmentation could gain momentum in the transitional period. If the US despairs of the ability of Iraqi forces to manage security and resumes its patrolling of the cities, using

Box 1: Key Factors

The analysis is based on the following operative variables:

- US military/security presence and conduct in Iraq
- The impact of the insurgency, its size and appeal
- US electoral politics
- The composition and powers of the IIG
- The ethnic factor, namely Kurdish separatism
- Sectarian politics, namely the competing interests of Shi'a and Sunni Arab communities in Iraq, and the relative assertiveness of religious figures/authorities
- Tribal identities and competing tribal and factional interests
- The role of Iraq's neighbours
- The regional context: relative stability and repercussions of instability or crises
- The role of the United Nations
- Business interests, contractual arrangements and inward investment
- Potential for wider international engagement in Iraq by those hitherto on the fringes (France, Germany, Russia etc.)

Box 2: The Transitional Administrative Law (TAL)

The TAL derived from an agreement signed by the IGC and CPA on 15 November 2003. Following several weeks of heightened attacks against US and IGC staff, the search was on for an exit strategy that could turn sovereignty over to Iraqis sooner rather than later. The November agreement required the drafting of a basic law to function as the supreme law of Iraq during the transitional period. But after objections from Grand Ayatollah Sistani of Najaf, the US was forced to back down on elements of this plan and turned to UN envoy Lakhdar Brahimi to make some difficult choices. In the end, the outgoing IGC and the Americans had as much input as Brahimi, if not more, in the selection of the IIG.

The TAL was signed on 8 March 2004, after objections from what became known as 'the Shi'a house' were mollified. The TAL envisaged that sovereign powers for governing Iraq would be handed over to the Iraqi Interim Government (IIG) by 30 June 2004. The IIG will then govern until democratic elections for a Transitional National Assembly (TNA) take place, by 31 January 2005 at the latest. The TNA will select the Iraqi Transitional Government which will steer the country through the formation of a Constitution, to be ratified by a referendum in October 2005, until elections for a constitutional government are held in December 2005.

For the Kurds the TAL was good news. It accepted that Iraq would be federal, and then recognized the authority of the Kurdistan Regional Government to amend federal legislation for its region. It also contains a provision whereby a majority two-thirds vote in any three governorates in a future referendum can block the adoption of a new constitution – Arabs disparagingly refer to this as 'the Kurdish veto'. The Kurdish parties also supported the incorrect perception among the Kurds of Kirkuk that the city had been granted to the Kurds, as their early celebrations illustrated.

Meanwhile the TAL was also closely scrutinized by the Shi'a. Led by Grand Ayatollah Sistani, the Shi'a have confounded observers, who initially imagined that the diverse nature of Shi'ism and Shi'a society would lead to difficulties in finding a unified political agenda. Instead a relatively cohesive position has been established, with agreement reached on principal requirements. Key among these is that the Shi'a (who are a numerical majority in Iraq) should no longer be forced into a subservient position under Sunni Arabs within the state. However, Sistani has also been a forceful opponent of the TAL and ultimately succeeded in the elimination of any reference to it, or to Kurdish autonomy, in the Security Council Resolution of 8 June endorsing the formation of the sovereign IIG and Iraq's 'transition to democratic government'.

heavy-handed tactics, the resistance in both Sunni and Shi'a areas (with foreign volunteers in the ranks) is more likely to swell than diminish. This could render the security situation so precarious that previously quiescent members of the population, whether Shi'a, Sunni or secular, would lose faith in the transitional process, refuse to cooperate and maybe even take up arms.

Equally, a worsening security situation may render the UN task of preparing for elections impossible. In this case low-level violence and counter-violence will predominate and no political transition will occur. Alternatively, if an electoral process gets under way, the Kurds may begin to suspect they are going to lose out and react accordingly.

The Kurds played a particularly tough game with the United States and the outgoing Iraqi Governing Council (IGC), winning what they regarded as a triumph in March 2004 with the passage of the Transitional Administrative Law (TAL) that enshrined their quest for autonomy under a federal system (see Box 2). But this was and remains deeply contested by the Shi'a parties – and, indeed, the Sunni – to the extent that reference to the TAL and to Kurdish autonomy were not included in the UN Security Council Resolution of 8 June. The Kurds' ambivalence to the IIG could already be seen from the fact that

there was no leading Kurdish figure in the presidency structure. Further Kurdish assertiveness over these issues could trigger a parallel assertiveness among the Shi'a, especially on the question of who controls the oil wealth. The oilfields are located in the predominantly Shi'a south and around Kirkuk, the city the Kurds want as their capital in the north (see Box 3). Indeed, there is already a debate in the south regarding the possibility of creating an entity centred on the holy cities of Najaf and Karbala, along with Basra.

Once a process of fragmentation starts, Iraqis who have hitherto not felt strongly about their sectarian identity could be forced to do so. Such a trend is already apparent in parts of Baghdad where reports of sectarian violence are ominously commonplace. In June there were killings of Shi'a in Fallujah and Kurdish Iraqi army volunteers in Samarra. The lessons of Bosnia indicate that communities that have lived in relative harmony can embrace sectarian divisions overnight. In such a situation, it is certainly possible to envisage Iraq fragmenting into a Kurdish north, Sunni centre, and Shi'a south through default rather than design. However, a neat split is highly improbable, particularly as many key cities, such as Baghdad, Mosul, Kirkuk and Basra, are heterogeneous in their societal composition. Instead, the fragmentation would be violent and bloody.

Box 3: Kurdish separatism and flashpoint Kirkuk

For over a decade, the Kurdish north has existed independently from the rest of Iraq. The community has developed a heightened level of self-awareness and Kurdish national pride. For the Kurdish leadership – Massoud Barzani of the Kurdistan Democratic Party (KDP) and Jalal Talabani of the Patriotic Union of Kurdistan (PUK) – the continuation of the current level of autonomy within the new Iraq is non-negotiable. Indeed, they may even aspire to control the northern oilfields west of Kirkuk.

For the Kurds, Kirkuk is, at it were, their Jerusalem and, just like Jerusalem, it is coveted by several competing peoples. The sizeable Turkmen population consider Kirkuk to be their own ancestral capital and have been competing ferociously with the Kurds for the right to control the city's newly established civil authorities. The legacy of Saddam Hussein is also a powerful factor. Recognizing the prominence of Kurds in the city, he introduced a now infamous policy of Arabization, expelling Kurds, Turkmen and Assyrians from Kirkuk and repopulating the city with Arab Iraqis (and even some Palestinians). Since Saddam's removal, the internally displaced of Kirkuk have been returning home *en masse*, triggering violent skirmishes with Arab settlers.

Fragmentation triggers

(i) Kurds

The most likely trigger for fragmentation in the short term would be a crisis over the Kurdish insistence on observing the TAL. If the Kurds feel driven to espouse a secessionist line, declaring independence from Iraq with Kirkuk as their capital, the rest of Iraq could do relatively little about it at present. Between them, the KDP and PUK, along with several other smaller parties, are capable of fielding the most effective military force in Iraq beside that of the US and multinational forces. There is no combination of Shi'a and Sunni militias that could defeat a Kurdish secessionist movement, at least this year, and the Kurds know this. Meanwhile, US forces would be loath to take on their previously supportive Kurdish allies in armed combat.

Externally, independent Kurdistan would attract a great deal of attention from the security services of neighbouring states. It has been considered likely that if Iraq fragments, Turkish forces will enter the north of the country to pre-empt the formation of an independent Kurdistan. Turkey also has its own proxy forces in place in the guise of the Turkmen Front. However, provided Turkey remains on the road to EU membership and the rights of Turkmen in Kirkuk are not compromised by the Kurds, Turkey is now more likely to accommodate Iraqi Kurdish independence than oppose it militarily. A simple question increasingly being posed is 'who would Turkey prefer as a neighbour?'. If the choice comes down to either a collapsed Iraqi state, one dominated by an Islamist government, or a dependent vassal Kurdish state, it is probable that the Turkish government would choose the last of these.

Iran would not intervene in an overt manner, but could act covertly within the north of Iraq. Iran has in the past provided logistical and financial support to Kurdish Islamists, including those of the militant organization *Ansar al-Islam*.

(ii) Shi'a/Sunni power struggle

The likely effects of fragmentation in the rest of Iraq are perhaps even graver than in the north. The populations in the centre and south of the country are far more 'mixed' than in the relatively homogeneous Kurdish region, and differences are marked by sectarian divides with a history going back to the formative years of Islam. In so far as the Sunni and the Shi'a are content with their 'Iraqi' identity, there is no logical tendency towards secession, as exists in the north. Instead, there is potentially deadly competition over who will control the country itself. Therefore, the composition of the IIG and other institutional arrangements are of paramount importance to both groups.

The Iraqi Shi'a may have tacitly accepted US involvement in Iraq as a temporary necessity to improve their position, but the traditional Shi'a leadership views US actions with deep mistrust. The populist Moqtada al-Sadr is openly hostile. Such acceptance as there is will only survive for as long as the US seems serious in promoting representative government in Iraq.

When the US turned its armed forces on Shi'a targets, including the *Jaish al-Mahdi* of Moqtada al-Sadr in the holy cities of Najaf and Karbala in spring 2004, at the same time re-empowering Sunni Arab ex-Republican Guard officers in Fallujah, the perception grew among the Shi'a that the US might want to find an Iraqi strongman in the mould of Saddam, rather than cede majority rule to the Shi'a. The Shi'a leadership has staked its political survival upon securing a predominant role for the community through elections. Any resistance to its demands, prompted by the United States or by the IIG or both, would have to be met with public disobedience and heightened levels of hostility.

A brief outline of the principal actors is in order here. On the Shi'a side, there is a range of political groupings but virtually all recognize the authority of Grand Ayatollah Sistani, for now. What unites these groups is a determination not to be subjugated under a Sunni-dominated government in the future. Shi'a

popular opinion mirrors that of the leadership figures. Furthermore, as Arabs, Shi'a oppose the Kurdish position of ethnically designated federalism, with leaders such as Moqtada al-Sadr actively speaking against the Kurdish leaders. Al-Sadr is the wildcard of the Shi'a scene. He heads a political movement which has a long and infamous history in Iraq; his ancestors fought against the British in the 1920s, and his father (Ayatollah Sadiq al-Sadr) was assassinated on Saddam's orders in 1999. Al-Sadr operates at the level of the poor, marginalized and dispossessed. He has also become a lightning rod for the forces of Iraqi nationalism.

Since the toppling of Saddam, al-Sadr's power and influence has grown across the country, fuelled by US attempts to defeat his military forces in and around Najaf. Sistani, while being the superior figurehead in a theocratic sense, is from the 'quietist' school of Shi'a clergy, keeping above the political fray. As such, he has taken a cautious, if increasingly prominent, stance with regard to the United States, the CPA and the IIG. There are others within the religious establishment who would be far more radical. Grand Ayatollahs Ha'eri, Fayyad, Hakim and Najafi all have the potential to usurp Sistani if he loses the support of the Shi'a masses. Ha'eri, in particular, is of the Khomeini-ist tradition and can be expected to be particularly extreme. He is also the former mentor of Moqtada al-Sadr.

Sunni political groupings are still reeling from the disbanding of the Ba'ath Party and the branding by association of Sunni Arabs with the regime of Saddam Hussein. As such, there are few, if any, political parties which appeal to the Sunnis *en masse*. Furthermore, there are few political organizations which are capable of mobilizing and representing a moderate 'middle class' political line, which many observers continue to hope will emerge. Within the IGC, Sunni representation was mainly via Islamist parties, or exiles, meaning that mainstream Arab nationalist political sentiment had no formal mechanism through which to make itself heard. Instead, this sentiment has become militant and channelled into the forces of the growing insurgency against the US presence.

The Sunnis cannot be expected to peacefully concede their own demotion from a position of dominance at the centre of the Iraqi state. They could mobilize politically and militarily in order to capture governing institutions at one level or another, with the Kurds and the Shi'a then facing a weakening of their political bases of support. To date, the Sunni insurgency is considerable in both geographic reach and intensity of action and should be seen as the most representative manifestation of Sunni Arab solidarity, rather than as the actions of a few radical individuals.

The fragmentation scenario goes to the very core of the identity debate within Iraq, and is related closely to the issue of 'who rules' the country in the future. It

is, sadly, a not unlikely scenario. Conscious of the dangers of early elections or elections deferred for too long, the UN is apparently seeking a compromise formula. If it succeeds, fragmentation could be averted in the near term and the society will hold together at least through the prospective elections.

2. Holding Together

In the 'muddle through' scenario, called here 'Holding Together', the country and society are prevented from falling apart in the transitional period. To avoid fragmentation, a great deal of diplomacy and compromise will be necessary between Iraq's component groups, the United States (and UK) and the UN. In other words, it requires power-sharing, whereby the United States no longer asserts overriding control, but operates instead in partnership with the transitional governments, the nascent Iraqi security forces, the UN electoral commission and other relevant bodies. The result will not be a neat and tidy chain of command and there will still be violence and opposition, but a heavy-handed US response to continuing resistance would only recruit more opponents.

Reconciling factional agendas

As the CPA discovered, the business of creating and then consolidating a centralized government is obstructed by the often non-negotiable stances adopted by Iraq's leading political groupings. Saddam, of course, faced a similar problem but had few qualms about adopting a policy of brutal repression and coercion of different socio-political groups in order to maintain the integrity of the political system. Such authoritarian policies were not an option for the CPA (although some Iraqis would claim that the levels of violence inflicted upon Iraqi society by the US military were not far off). Instead, the CPA sought UN assistance in constructing a new inclusive mechanism for bringing together the fractious political leaderships of post-Saddam Iraq.

For all groups in Iraqi society, the IIG is on trial.

- Some Sunni/secular Arabs question the legitimacy of any process which commences with a selection procedure devised and/or managed by the United States, with or without a UN front.
- Shi'a Arabs view any selection system as being an attempt to weaken the power they would enjoy within a new Iraqi government if democratically elected.
- Kurds oppose any plans that do not meet their requirements to maintain a Kurdish autonomous zone, and will not be palmed off with merely a recognition of the right to speak Kurdish in the north of the country.

The Sunni insurgency, the defiance of the Moqtada al-Sadr supporters, the demand of Ayatollah Sistani for democratic elections and Kurdish intransigence on the federalism question were what drove the CPA to turn to the United Nations. However, UN envoy Lakhdar Brahimi could not produce a miracle cure and all the figures chosen to run the IIG have been subject to some criticism. Furthermore, for some nationalists the very notion of distributing positions on the basis of ethnicity or sect is retrogressive. For those with sectional interests, the problem will be the actual distribution of power and positions.

Thus, on the one hand, the key to holding the whole structure together lies in spreading the pain, as it were, rather than concentrating it disproportionately on one group or another. On the other hand, while no single group will achieve its maximum demands, there are some minimal requirements that will have to be met to keep the whole process moving forward.

The Sunni Arab minority will need clear reassurance that they are not to be subjected to collective punishment for the sins of the Saddam regime. They were given that impression by their virtual exclusion from the IGC (Sunni members were exiles or Kurds), the disbanding of the Ba'ath Party and the dismissal of party members from their jobs in both the civil sector and the military. Their re-employment in the professions, the civil service and the security services will make a difference to their sense of involvement in the process now under way.

If the Shi'a majority, the former underclass, many of whom were oppressed or killed under the Saddam regime, can forgo revenge and settle for representation in government commensurate with their numbers, they will be committed to making the transition process work. The Shi'a position on the issue of religion and the state may give rise to new problems, but if this question is deferred until discussions about a permanent constitution in 2005, potential confrontation can be averted in the near term.

Avoiding a falling out between the Kurds and the rest will be more problematic. Kurdish senior political figures must have influence in the interim power structure, even if not through formal positions. Also, adherence to the provisions of the Transitional Administrative Law is possibly more important to the Kurds than to other Iraqis, since it enshrines their aspirations for autonomy within a loose federation. One way of appeasing the Kurds might be to concede to them control of the city of Kirkuk, while making its oil resources very clearly the property of 'Iraq'.

Ultimately, to sustain the 'Holding Together' scenario a compromise is needed, wherein the IIG (working with the US and UN) succumbs to Ayatollah Sistani's democratic demands, the Kurds continue to enjoy autonomy and some sort of veto powers are devised

to give reassurance to the Sunnis. Oil revenues must be a national resource, not subject to control by one or other group, and decisions about long-term energy development and involvement of the private sector would best wait until an elected government has the legitimacy to decide such matters.

For this to work the United States has to relinquish its aspirations to manage the political and economic restructuring of Iraq. This means avoiding the urge to control events in the name of efficiency and disappointing the hopes of some major US corporations to make a killing in the new Iraqi market. Formal international provision for transparent oversight of the disbursement of funds and contracts will be needed to counteract Iraqi suspicions of corruption and exploitation.

Managing security

The status and conduct of the US military can either undermine or facilitate the transition process. The one factor which does unite troubled Iraq is the antipathy of all groups (excluding the Kurds) to the prospect of a semi-permanent occupation of Iraq by the United States. Thus, if the US forces give every indication of intending to leave as soon as Iraqi security arrangements are in place, this could reduce the incentive to fight them. However, an early withdrawal could heighten ethnic tensions between Kurds and Arabs.

It is nonetheless to be expected that various elements will still seek to derail the transition to elections, fight the US/foreign presence and hope thereby to promote their own position. Ideally the IIG will find ways to bring most alienated elements, such as the supporters of Moqtada al-Sadr and former Ba'athist officials, into the system.

Meanwhile, the US forces have to beware of using heavy-handed tactics in the field, or they will create new enemies. A British Foreign Office memo, leaked to the press in late May, explained the need for greater restraint on the part of US forces if the level of violence and thence opposition to the Americans are to be reduced. US troops probably cannot be expected to learn a whole new *modus operandi* half-way through their engagement in Iraq, so the best recourse may be to keep them outside the main population centres. Also, the Iraqi police and other forces should not have to do the US's bidding, even at the operational level, unless the IIG has expressly instructed accordingly.

As the US retains operational control of the activities of its forces and leadership of the multinational forces, the key to a successful transition lies with the US capacity to accept the views of the IIG on overall strategy yet avoid being co-opted to 'do its dirty work'. The IIG leadership, and Iyad Allawi in particular, have taken a tough posture on security, and most Iraqis reportedly crave better personal security. However, if the approach

is too heavy-handed both the US and the IIG will lose. Their combined interests will be better served if they simultaneously complement, moderate and reinforce each other.

The legacy of the revelations of prisoner abuse will not fade easily and it will not be enough for US and British forces simply to say that they are dealing with this issue internally. Iraqis will need some mechanism through which to seek redress that is accessible within Iraq. Otherwise, the impulse to settle accounts through violence will remain. Some system for investigating future claims of abuse and wrongful arrest will also be required and the involvement of the International Committee of the Red Cross would make sense.

By composition the IIG is itself a power-sharing exercise. It will be neither consistently united nor strong. Weak government means inefficiency and frustration. But since the goal is preparation for elections, along with better living conditions, these will have to be the priorities while other matters, for example related to long-term economic planning, are deferred.

Any suggestion that the US wishes to influence the shape and outcome of the electoral process will be counterproductive. Instead, all the players – the US-led forces, the UN personnel and the IIG – charged with preparing for elections will have to be in caretaker mode, focused on facilitating the process, not the outcome, of elections. Each will thus concentrate on the technical tasks to which it is best suited: the forces on providing basic security, including protection of power lines, installations and business activity in general; the UN on the elections; and the IIG on day-to-day administrative issues, and conflict mediation or prevention.

The result may well be the co-opting of some of the militia forces, tribal groupings and religious communities in local security provision in different parts of the country. A revived and reconstituted Iraqi police force is being trained and deployed, but is far from ready to run a state-wide operation by itself. The nascent Iraqi armed forces are also not ready or equipped to take on the responsibilities of national defence, and a US role in training and equipping this force is envisaged in the coming months. This localization of security may portend fragmentation down the line but could hold the country together through the elections and would be less likely to fuel a general insurgency. In other words, sustaining this scenario requires a trade-off between the short-term goal of holding elections and the long-term goal of national institution-building. But by definition, outsiders cannot do the latter, so either they assist with the former or they fail in both.

3. Regional Remake

For at least a decade Iraq was relatively isolated from interchange with its neighbours. For longer still Iraqi political life was stifled under dictatorship. It has now emerged from authoritarianism and regional isolation, with political actors and groups able to develop their policies and activities with reference to regional dynamics. The internal activities and relative fortunes of members of the three main groupings, Kurds, Sunni Arabs and Shi'a, will resonate beyond the borders and each could be a proxy or conduit for external intervention, as later sections of this paper also make clear.

Kurdish nationalism in Iraq is the leading example to Kurds region-wide. The centre of Shi'ism worldwide is Najaf in Iraq. Sunni Islamists outside Iraq can find common cause with jihadists within. The Turks have links to the Turkmen or at least claim some responsibility for their protection. The stand taken by the citizens of Fallujah against the Americans was an inspiration to anti-American nationalists across the Arab world. Meanwhile, both Kurds and Shi'a in Iraq have periodically served Iran as instruments for destabilization.

Over the past year, it has proved difficult to seal the borders of Iraq, even with the cooperation of neighbouring governments. Some of the tribes of southern Iraq are spread across Syria and into Saudi Arabia as well. The largest of these boast adherents of both Sunni and Shi'a Islam. When the toppling of Saddam's regime cleared the way for the Shi'a of Iraq to celebrate their religious festivals again, they were joined by fellow pilgrims from neighbouring countries and beyond. Normal economic life requires interchange with neighbouring countries. Iraq is thus a state penetrated by regional actors who have an impact upon the unfolding of its political transition.

More problematically, Iraq's neighbours have interests at stake in its political transition which may be inimical to US and IIG plans. Not all, if any, neighbouring governments will favour the emergence of a pluralist democratic state. As many pseudo-democratic Middle Eastern states struggle to manage popular demand for broader representation in government and financial and judicial accountability, an Iraqi democracy would receive a mixed welcome in the region.

Evidence that regional or trans-state dynamics could overtake Iraq is already beginning to emerge, particularly with regard to the Shi'a. The increasing Sunni-associated insurgency is also drawing Islamist volunteers to the country, keen to bring the aspirations of pan-Sunni Islamist fundamentalism to Iraq.

The influence of trans-state political aspirations and affiliations is transmitted through a variety of informal mechanisms, with long histories, which makes the development of transnational consciousnesses difficult to control.

The Shi'a

The politics of Shi'a regionalism are well known and the potential for such a development has for some time been considered the 'worst-case scenario' for the Bush administration. The US concern has always been that the Shi'a in Iraq will be brought under the dominion of the Islamic Republic of Iran, with the emergence of a Khomeini-style theocracy in Najaf preaching anti-Zionism and anti-Americanism. The linkage between the Shi'a of Iran and Iraq is obvious, yet it seems that the US depicted the relationship the 'wrong way round'. Ayatollah Ali Sistani of Najaf remains one of the leading Marja' within Shi'ism, and is a far more powerful figure for the Shi'a masses than any comparable Ayatollah in Iran. Indeed, with the opening of the holy centres of Shi'ism in Iraq at Najaf and Karbala to pilgrims from across the world, Iran is in danger of being theologically sidelined by the true spiritual home of the religion.

Under this scenario, therefore, the Iraqi Shi'a will constitute the driving force for the regionalization dynamic, contrary to initial US assumptions. The possibility that Iraq might become the first Arab Shi'a-dominated state for centuries is leading to the emergence of a newly assertive Shi'a consciousness in the Arab Shi'a communities of Lebanon, the Gulf (Kuwait and Bahrain), and, most importantly, Saudi Arabia. Benefiting from both a shared religious belief and a shared ethnicity, with tribal associations and family links through intermarriage, the Shi'a resurgence in Iraq is making a strong impact south of the Iraqi border.

The Shi'a in Saudi Arabia have long been an underclass within a kingdom dominated by Wahhabism, a puritanical form of Sunnism. In many ways, the situation of the Shi'a in Saudi Arabia, albeit a minority, was quite similar to that of the Shi'a in Saddam's Iraq, with access to power heavily constrained, and with limited ability to exercise economic influence commensurate with their demographic weight. If Iraq is now entering a new phase of Shi'a control, the inspiration to the Shi'a in Saudi Arabia may be very powerful. For the Saudi government, their example is unwelcome, in part because the Shi'a constitute a majority in the oil-rich Eastern Province of the country, and now enjoy unfettered linkage to the Shi'a power base in southern Iraq. Ayatollah Sistani's recent policy of mobilizing Shi'a tribes in southern Iraq must be viewed with great concern in Riyadh, as these tribes straddle the borders between Iraq and Saudi Arabia.

The Iranian regime also has concerns about the growth of the Najafi religious establishment. Although they remain united by religion, the ideals of the Khomeini-ists in Tehran are not shared by the clerics of Najaf, who generally view the involvement of clerics in the government of the Islamic Republic as against the tenets of Shi'ism. The hardliners of Tehran, therefore,

do not have an automatic ally in Sistani. By contrast, many in the Iranian reform camp view the re-emergence of Najaf as the new Shi'a heartland with optimism as it could (a) supplant the legitimacy of their own Ayatollahs with something 'greater'; (b) drain Qom and Mashhad of high-level clergy, and therefore (c) leave the field open for the reform of Iranian politics.

The remainder of the Middle East will also be greatly affected by the transnational characteristics of the Iraqi Shi'a resurgence. Some Gulf states possess considerable Shi'a populations, calling into question the legitimacy of their regimes, and Lebanon, with Ayatollah Fadlallah, remains a prominent player in regional politics, particularly with regard to the confrontation with Israel. The point here is that the dynamic unleashed by the new-found assertiveness of the Shi'a in Iraq has little respect for the international boundaries of states. For the first time in 100 years, there is now the potential for a Shi'a consolidation to occur; international boundaries, already weakened by the forces of globalization, will not be able to contain this trend within state-centric loyalties.

The Kurds

For the Kurds, this is the first time that notions of Kurdish national identity have been seriously considered since the Treaty of Sèvres in 1920. The example of the Iraqi Kurds to the Kurds of Turkey, Iran and Syria is powerful and is responsible for a resurgence of pan-Kurdish feeling across the four countries. United as they are by a common language and experiences of discrimination, Kurds of different countries have linkages that predate the formation of these states. As with the Iraqi Shi'a, the Iraqi Kurds are the trailblazers of the greater transnational movement, buoyed by the success of their 'democratic experiment' since 1991. They are also geographically at the heart of greater Kurdistan, being the only one of the four components to share contiguous boundaries with all three others. Thus the potential for events in Iraqi Kurdistan to affect developments across the whole of Kurdistan is profound. Taking each of the three neighbouring Kurdish population centres in turn:

1. Kurds in Iran have close links with Iraq's Kurds through trade and a shared dialect (in the southwestern region of Iraqi Kurdistan). Iranian Kurdistan has witnessed a surge in pro-Kurdish nationalism, and the Iranian security services have attempted to curb the activities of Kurdish parties.
2. Kurds in Turkey have a long history of opposing their government. Tension between the military and Kurdish parties (DEHAP) in Turkish Kurdistan is growing as Turkey becomes increasingly concerned about trends in Iraqi Kurdistan.

3. Kurds in Syria are facing an uncertain time. Violent clashes broke out in spring 2004 in the Jazeera region bordering Iraq and thousands of Kurds were detained. In June 2004, a number of Kurdish parties were told that their activities would no longer be tolerated.

The focal point for this enhanced activity is the example being set by the Iraqi Kurds. Increasingly, they (and not just their political parties) are discussing independence from Iraq rather than autonomy within it. Such sentiments could easily be echoed across the

surrounding region as the Kurds seek finally to secure a homeland.

The Sunni Arabs

Iraq's Sunni Arabs have consistently promoted a regional cause throughout the history of the Iraqi state as they have considered themselves to be in the vanguard of Arab nationalism. Their version of Arab nationalism is a Western- (Socialist-) inspired vision focusing on pan-Arab causes and associated with a Sunni religious or secular identity. By default, the Sunni Arab cause has

Box 4: The Scenarios in Brief

The **Fragmentation Scenario** represents what will happen if competing elements and interests in Iraq fail to cohere under the new interim government and the combined efforts of the IIG, the US forces and UN personnel prove powerless to reverse the trend. Indeed, the continued US presence could contribute to fragmentation in the near term, if it is seen to be the power behind the new interim government, variously ignoring it or pulling the strings.

Essentially this is the default scenario, in the sense that it best describes the tendencies at work which have to be overcome in order to avoid fragmentation. Under this scenario Kurdish separatism and Shi'a assertiveness work against a smooth transition to elections, while the Sunni Arab minority remains on the defensive and engaged in resistance. Antipathy to the US presence grows, not so much in a unified Iraqi nationalist backlash, but rather in a fragmented manner that could presage civil war if the US cuts and runs. Even if US forces try to hold out and prop up the central authority it may still lose control. At the end of his fact-finding trip to Iraq in February 2004, UN Representative Lakhdar Brahimi warned that the ingredients for civil war were apparent. His warnings should be heeded.

The **'Holding Together' Scenario** represents what will happen if the interim government proves inclusive and effective enough to keep the Shi'a majority, the Sunni Arab minority, secular nationalists, tribal elders and the Kurdish leaders more or less on board. A critical mass of people prepared to work with the interim government for the sake of avoiding fragmentation is secured. No one will be very happy, but no one will monopolize power either.

Essentially this scenario represents the best the United States can hope for, and will require a trade-off between the level of control that the US is able to exercise in Iraq, the powers of the IIG and the involvement of the wider international community. The UN will manage preparations for elections and US influence behind the scenes will be kept to a minimum. US forces will remain in strength but will avoid heavy-handed operations inside the main cities. The Iraqi militias and newly trained and formed units will be grouped in a national security structure, managed from the centre but deployed to reflect local sensitivities around the country (following the Fallujah and Najaf models).

The **Regional Remake Scenario** could take over from either of the other two if the regional dynamics unleashed by intervention in Iraq overtake not just Iraq but the regional state system. Newly assertive Shi'a consciousness in Iraq triggers repercussions among Shi'a communities around the region and thence a Sunni backlash. The Shi'a who predominate in the Eastern Province of Saudi Arabia (where the bulk of Saudi oil reserves are located) look to the pre-eminent *Marja'* (religious leader), Grand Ayatollah Ali Sistani, in Iraq for spiritual leadership and demand more rights within the Kingdom. Iranian Shi'a increasingly infiltrate the social welfare system and factional politics around the mosques in Iraqi Shi'a communities. Tehran maintains channels to all significant Shi'a and Kurdish leaders in Iraq. Radical Salafi Sunni Islamists fighting the Al Saud operate out of Iraq and assist tribal elements in the Iraqi resistance. Syria exports its unwanted nationalist and Islamist activists across the border into Iraq. A wild card within this frame would be the unravelling of Saudi Arabia, but at the very least it will remain a dangerous environment for foreigners over the coming months.

Ethnic tensions spill over between Arabs and Kurds in Kirkuk. The Kurdish leadership falls out with other members of the IIG and separates. Kurds from neighbouring countries either flee to Iraqi Kurdistan or try to emulate their assertiveness. Turkey intervenes. This scenario is the most transformative and beyond US or multinational control.

little room under its umbrella for either non-Arab minorities (such as Kurds or Turkmen) or the Shi'a.

Traditional regional linkages of Arab nationalism, tribalism and Sunni Islamism are readily apparent, and many Sunni Arabs elsewhere would have cause to support their counterparts in Iraq in order to preserve their predominance and forestall the consolidation of a sectarian democracy in an important part of the region. Secular nationalism is both antithetical to and potentially a parallel force to Sunni Arab religious extremism, commonly associated with Al-Qaeda. Although the nationalists and the Sunni Islamists start from radically different positions, they meet on issues of importance to this scenario – anti-Americanism, anti-Zionism, anti-Shi'ism, pro-Iraqi and potentially anti-Kurdish nationalism. A seemingly unlikely alliance of the secular and the religious could occur in Iraq and both strands are focused on the confrontation there.

Arguably, the regionalization of the Iraq conflict has already happened to a significant degree. Particularly with regard to the transnational development of the Shi'a resurgence and Sunni reaction, the trends and dynamics are clear. The Kurds have, perhaps, not as yet emerged in a truly regional sense owing to their constrained position within Turkey, Iran and Syria, but if the Iraqi Kurds continue to consolidate their hold on the north of Iraq then political forces could be unleashed which will be almost impossible to control.

The **Regional Remake** scenario could overtake either of the other two considered here. If the **Holding Together** scenario produces a Shi'a-dominated democracy with Kurdish autonomy, both Shi'a and Kurds will be emboldened elsewhere and some governments may seek to derail the experiment. If Iraq holds together only by perpetuating the position of the various militia in different parts of the country they could serve as a conduit for external interference. And if Iraq **fragments**, then the neighbours cannot but become involved. In any event, this would presage the potential unravelling of the state system that has been in place since the 1920s, and the US intervention in Iraq would indeed have triggered a transformation of the region – albeit clearly not the one hoped for under the US democratization agenda.

MILITANT ISLAMISM

Islamist forces are active in the Iraqi quagmire and will therefore be affected by the various possible outcomes of the Iraq crisis. Both the strengths and failings of the global Islamist movement and its very fissures are to some extent played out on Iraqi terrain and will continue to challenge both the coalition forces and any Iraqi government seen as cooperating with the US. Overall, in all three scenarios, there is likely to be



cause for anger and frustration to intensify across the Muslim world, leading to further radicalization, though not dominance, of the Islamist political groups. Attacks on Western targets can be expected to continue.

Islamist groups

There are a number of main 'Islamist' groups which need to be identified and whose role in Iraq needs to be explained. Early on in the conflict, the US claimed there was a connection between Saddam Hussein and Al-Qaeda, and in turn a linkage was made between the 'War on Terror' and the removal of Saddam's regime. Although this connection was never satisfactorily proven, Al-Qaeda has certainly taken great interest in the conflict in Iraq and in particular the presence of the US there. For example, Al-Qaeda's operative, Abu Musab al-Zarqawi, appears to have masterminded some of the most devastating and ruthless terrorist activities which are designed not only to attack the occupying forces but also to create social and religious disharmony in the country. However, as elsewhere in the Muslim world, Al-Qaeda is not the only player on the scene. It may inspire other groups ideologically and even tactically, but many of these continue to work independently.

Islamist groups in Iraq commonly referred to as the 'jihadists' are foreign elements that have penetrated Iraq's borders to fight a holy war against the Coalition forces, which they consider to be an occupying power. They mainly comprise individuals loosely tied to Al-Qaeda or sympathetic to its ideas. They have surfaced in different parts of the Muslim world during times of conflict, taking up arms in Afghanistan, Bosnia and Chechnya. They are not part of a cohesive or a

widespread force, but they have tended to inspire resistance to the foreign presence in Muslim states and embody something of the anger that exists in the Muslim world against what is perceived as the military occupation of Iraq.

Al-Jam'iyah al-Salafiya al-Mujahida is a new Iraqi Sunni resistance organization that offers a radical Islamic platform and also shares many of Al-Qaeda's ideological leanings. It has been responsible for numerous ambushes of American forces and attacks on police stations.

Salafi groups are also active elsewhere in the Muslim world, and particularly in Saudi Arabia. They are committed to a strict Wahhabi-based interpretation of Islam which sees no room for a new interpretation of religious dogma or compromise with the US.

The more widespread and mainstream Islamist groups, such as the Muslim Brotherhood, its military wing *Kataeb al-Faruk* and the indigenous al-Daw'a party, have a long-term agenda to bring about an Islamic system in Iraq. However, their struggle is not predicated on the resort to violence.

Ansar al-Islam is a small force made up of Kurdish Islamist factions and other nationalities which has operated training camps and carried out attacks in northern Iraq. It has been described as northern Iraq's Al-Qaeda and has been hit hard by the US since the occupation. At the start of the Iraq conflict it was the most prominent of the radical groups but has since been superseded by other groups.

Moqtada al-Sadr's Shi'a Mehdi Army in a sense bridges the two main trends. It is indigenous to the Iraqi political landscape and at the same time has resorted to tactics of violent resistance similar to those of the Islamist newcomers to Iraq.

In the present Iraqi context the various forces opposing the coalition on the ground feed off each other's successes; all these factions view any attack that undermines the present government and the US as a success.

Militancy contained but not eliminated

In the context of an Iraq that holds together as a nationally cohesive player through a combination of US, UN, and Iraqi efforts, it will prove more difficult for forces seeking to disrupt the situation through violence because there will be something of a general consensus to maintain national unity. A greater degree of authority and legitimacy will be afforded to those in power through the very ability of the different parties to hold together, especially if they can draw radicals such as Moqtada al-Sadr into the political process.

Although weakened, the various Islamist and nationalist forces will continue to resist when and if possible. For them the very nature of the alliance between the United States and Iraqi forces, however

broad and inclusive, represents a sell-out and collusion with US interests that has implications not only for Iraq's sovereignty but also for the independence of the region as a whole. The more the US and its allies declare the situation to their liking, the more this will breed antagonism toward those Iraqis who are seen as doing the bidding of foreigners.

An improvement in the security situation is likely to be followed by a withdrawal of foreign Islamist forces, if possible to other terrains in the Muslim world both for refuge and in order to carry out further attacks against US and foreign targets. There are also likely to be continued sporadic attempts by the various groups to attack the Iraqi authorities and US interests in Iraq.

The idea that the UN's sanction of any government or UN involvement on the ground would calm the situation is unlikely as far as Islamist and other combative forces against the Coalition are concerned. Any UN forces are likely to be targeted as the UN itself is viewed by Islamists, as well as by many in the region, as a tool in the legitimization of US policy and interests. Any continued US, Coalition, Arab, Muslim or UN presence in Iraq will be seen as a legitimate target for Islamist forces.

The key issue here is the government's ability to maintain law and order in addition to the actual military and security controls over these different elements and groups. In a scenario in which the Iraqi government begins to deliver on security and the economy, the various violent Islamist forces could lose credibility and be marginalized for fomenting disintegration and threatening stability. They may, however, continue to carry out suicide bombings and assassinations of public figures and ferment sectarian and religious hatred through attacks on places of worship in order to maintain instability which in turn would undermine the government. However, the only Islamist forces that will survive and even flourish are those that could provide a social and economic agenda. Likely candidates would be the al-Daw'a party and other Shi'a groups with broad-based grassroots support. Among the Sunnis there may be room in this scenario for the Muslim Brotherhood to increase its influence as a counterweight to the failure of secular Ba'athism through its traditional welfare agenda.

Competition in fragmentation

Should Iraq fragment, the likelihood is that Al-Qaeda and other militant Sunni groups will contribute to a heightened degree of polarization between Sunnis, Shi'a and other religious (Christian) and ethnic (Kurdish) groups in the country. However, they are unlikely to dominate the political process and, in an overall environment of breakdown and chaos their activities

will remain of secondary significance to the competing Iraqi forces, who will of course include the main Shi'a political factions. Furthermore, a fragmented Iraq is likely to prove a fertile breeding ground for new militant factions, both Islamist and non-Islamist, and the impact of the original Islamist militants may be lessened in this increasingly competitive environment.

A sectarian struggle between Sunni and Shi'a is more likely to flare up in the context of a political breakdown. A political struggle between moderate and radical Shi'a might also play out more violently. So far, for the moderates like Ayatollah Sistani, the US is in Iraq to fulfil a mission and then leave. The assumption is that the internal struggle begins once US troops have withdrawn. The disenfranchised Shi'a led by Moqtada al-Sadr might still incite rebellion in order to wield power, although he has shown signs of moderating his more radical and confrontational stance.

Opportunities

The regionalization of the Iraq crisis will result in three main developments that may occur in a variety of combinations. First, there is the potential for a breakdown in ethnic and religious relations. The issue of heightened Shi'a-Sunni tensions triggered by an assertion of Shi'a identity may influence Shi'a minorities in neighbouring states, for example in Saudi Arabia's eastern province, and contribute to instability in those states. This may trigger a Sunni backlash, not just at governmental level but also at a popular level and from organized militant groups such as the Salafis and Al-Qaeda.

Second, this scenario will allow for a serious challenge to regional regimes. The failure to create stability in Iraq will be viewed throughout the Muslim world as a failure not only of the ability of the US to deliver but also of the Arab state system to protect Iraq and to stand up to the US. Such a perception is already widespread in the region. This perception, coupled with domestic grievances, may then translate into a power struggle between different political as well as ethnic and sectarian forces.

Third, the unravelling of the regional political and geopolitical map may offer the Islamist forces an opportunity to become more dominant, at least in the short term, if there is no political resolution to the turmoil. This crisis and political shake-up of the existing regimes may, however, offer an opportunity for a new political process to get under way through domestic as well as US pressure. This may essentially open up the political arena and allow various forces greater participation. Such a development may well benefit the Islamist trend yet again, albeit in this instance possibly the less radical wing of it.

IRAN

Iran arguably gained most from the invasion of Iraq, which left it in a position of increased geopolitical strength. How Iran chooses to take advantage of this depends upon domestic dynamics as the plurality of the Iranian system means there are differences in foreign policy goals. Iran's policy of constructive engagement with the West has recently waned alongside the reform movement and the rise of the conservatives. Hardline conservatives see gains in worsening instability in Iraq, while pragmatists and reformists would be content with a continuation of the current situation. The future of Iraq also has broader implications for Iran in its difficult relationship with the United States.

The politics of distrust

In order to better appreciate Iran's position towards developments in Iraq, it is essential to recognize the shifts in the internal political dynamics of the country over the past year. It is widely accepted that the reform movement as defined by the presidency of Mohammad Khatami has come to an end, but few observers are fully cognizant of the international dimensions of this failure. One of Khatami's unassailable achievements had been his ability to communicate with the West and to attempt to remove the 'wall of mistrust'. This singular asset was, however, dealt a fatal blow by President Bush's decision in January 2002 to classify Iran as part of an 'axis of evil'. Having assisted the coalition in their war in Afghanistan, many Iranians considered this unjustified, but more damagingly it provided the opportunity for Khatami's opponents to argue that the Iranian President was as inept abroad as he had been at home. In effect it marked the beginning of the end of the dominance of the notion of constructive engagement with the West. The politics of distrust returned.

It became clear that conservatives (albeit pragmatic ones) were taking the lead in negotiating Iran's accession to the Additional Protocol of the Nuclear Non-Proliferation Treaty. This view that the conservatives were very much in charge and could 'deliver' was one which was accepted as a matter of fact by Iran's Western interlocutors, whose own priorities had shifted to a primary focus on security. Immediate developments nevertheless appeared to augur well in so far as the additional protocols were signed in November 2003. The fact that both sides sold the signing to their respective constituents as a victory should have suggested that differing interpretations of the process were being articulated. The conservatives in Iran were very pleased to have surmounted a crisis without recourse to President Khatami, and looked forward to reaping

the political benefits at home. Few could have foreseen how sweeping their triumph would be, and while moderate conservatives were discomfited by blatant manipulation of the electoral contest (the Guardian Council summarily barred some 3,000 Reformists from standing, including many sitting deputies), the reality was that there was no contest.

Iranian gains

Arguably, it was the initial anxiety of the Iranian political establishment at the rapid success of the US invasion of Iraq which encouraged concessions on the brewing nuclear standoff, and the cultivation of relations with the European Union as insurance against the US. Very soon, however, it became apparent that the United States would not be in any position to launch a serious military operation against Iran, and that on the contrary, Iranian assistance (or acquiescence) was being courted in order to stabilize Iraq. So having secured their position domestically, Iranian conservatives found themselves facing an enviable situation in their 'near-abroad', with unprecedented opportunities for the extension of Iranian influence.

Even sceptical Iranian nationalists would find the turn of events intoxicating. Not only was there an Iranian client in Herat, in Afghanistan, for the first time in 150 years, but there were opportunities to make inroads in both the Shi'a heartlands of southern Iraq, and among the Kurds in the north. In the south in particular, Iranians were able to put their local knowledge, as well as their extensive experience of organizing out of chaos, to good use, providing social and welfare services the CPA was neither inclined nor able to provide. In the absence of countervailing factors, this pattern of expansion could continue, and with it the consternation of the United States. For a time at least it began to dawn on observers that the real long-term geopolitical winner of the 'War on Terror' could be Iran.

Iranian visions for Iraq

The current conservative ascendancy in Iran cannot disguise the continued plurality of the system or the incompleteness of their triumph. The consequences of this dynamic for foreign policy are reflected in the differing visions over Iraq and, in a wider context, with respect to the United States.

On a number of broad parameters most Iranians are in agreement. In the first place, they do not want to see the re-establishment of a strong centralizing dictatorship with military pretensions. Neither are they particularly keen to see an American puppet regime in

the country playing host to numerous US bases. Their ideal scenario would be a stable but weak Iraq, preferably federated (maximizing opportunities for Iranian influence), with sufficient economic growth to permit Iraq to grow into a useful market for Iranian goods. The exact character of this economic development depends on political leanings within Iran. While all politicians will be wary of Iraq turning into a magnet for investment and thereby being drawn away from Iran, reformist politicians see some benefit in limited investment as a means of provoking structural change in Iran. Overall, however, Iran would prefer to see Iraq develop as an extended *entrepôt*; it is certainly a vision which would be encouraged by the conservatives and their mercantile constituents. This is, after all, the economic system they best understand and are familiar with.

Politically, the divisions begin to become starker. There is a broad consensus that the development of a rival Shi'a 'Islamic Republic' is undesirable. Reformists would like to see some sort of democratic settlement in so far as they believe it would have a positive influence on developments in Iran, although again the ideal type would be a loose federation. Conservatives will put their weight behind some form of Islamic democracy given that the demographic balance is in their favour and would ensure Shi'a ascendancy. Their desired 'democracy' would however be limited and restricted, very much on the same model as Iran.

Some reformists are content to see an American success, although many more would be wary of too decisive a success on account of the harm this may do to the long-term political and economic livelihood of Iran itself. Many more are content to see a continuation of the present situation, offering opportunities for economic and cultural influence, while offering the potential that the US will eventually be forced to enter into a dialogue. Such a scenario offers the chance of procrastination and indecision, which would suit many Iranian policy-makers very well indeed.

While few Iranians will shed tears for American difficulties in Iraq, pragmatists and reformists alike see a different opportunity arising from this situation. Not wanting to jeopardize an otherwise positive situation, they want to be quietly cooperative rather than provocative, with a view to encouraging the US to the negotiating table and settling a 25-year feud. Only in this way will Iran reap the best of all worlds.

Iran's 'neo-cons'

Radical conservatives and hardliners possess an altogether different outlook, viewing Iraq through the prism of the wider conflict with the United States. Though small in number, they remain influential on account of their control of key positions within the

political economy of the country. For these people the 'West' cannot be trusted – and they will use the current disagreements over the November 2003 nuclear agreement as an example of perfidy. Iran (as the leading power in Islam) can at best manage a continuing 'Cold War', but must not be averse to its heating up on occasion. Indeed there are many among this group who regard America's post-9/11 actions to be a declaration of war against Islam. They may be best understood as Iran's 'neo-cons'.

For these people, anarchy in Iraq is not only an economic opportunity; it is a political necessity inasmuch as it keeps America preoccupied and away from Iran. Furthermore, with the difficulties mounting in Iraq, some actually see an opportunity to inflict a defeat on the United States and seize the moral leadership of the Islamic world. Any scenario in which Iraq remains unstable will help conservative authoritarians within Iran to justify their tough grip on the country. Arguably a dynamic exists in which conservative authoritarians have a vested interest in continued instability within Iraq, as a means of both keeping the US preoccupied and justifying further repression at home.

The growing Salafi movement, the US neo-cons and the Iranian revolutionary radicals could all fuel the fire of continued instability. The Salafis and Al-Qaeda have an ideological distaste for Shi'as and may attack Shi'a sites in Iraq in order to provoke a response. This would undoubtedly lead to Iranian intervention, albeit through 'freelance' fighters, but nonetheless the Iranian presence in Iraq would increase numerically and in terms of their impact. This would provide a rallying cry for Iraqi nationalists, but also an excuse for American neo-cons, many of whom are aching to take the fight to Tehran. While Iranians feel they could sustain a limited US air strike (on their nuclear facilities, for example), which would have the added benefit of stoking nationalist anger, other options being considered by the Pentagon include a limited land grab in Khuzestan – a re-run of the Iran–Iraq War which would be music to the ears of the radicals nostalgic for the glory days of the early revolution. The parading of eight blindfolded British servicemen in June 2004 may have been constructed for the benefit of an Arab audience, but the images were eerily reminiscent of the US embassy hostages in 1979.

Implications for Iran of the three scenarios

1. *Fragmentation*: On the whole the Iranian state will benefit from the fragmentation of Iraq for the simple reason that in geopolitical terms it will no longer have a viable rival on its Western border. If Iraq fragments into separate states which are

internationally recognized, Iran's influence in both cultural and economic terms is likely to increase. If fragmentation occurs but state stability is not achieved, Iran will benefit as long as the disputes which arise are contained. Should the state collapse, Iran will seek to influence and contain tensions but the risk that conflicts would spill over across the border would cause serious concern in Iran.

2. *Holding Together*: The impact of the re-establishment of a centralized state will depend entirely on the composition of that state. If a dictatorship emerges, authoritarians in Iran will benefit, although Iran will feel the pressure of a renewed and reinvigorated Iraqi oil industry, and as such will have to take measures to compete for investment. A democratic Iraq will prove challenging on both economic and political grounds and would give encouragement to the democratization movement in Iran. Few in Iran believe this is a realistic outcome, however.

3. *Regional Remake*: If Iraq fragments it is increasingly likely that Iran will intervene both culturally and economically (both such interventions will of course have political aspects and ramifications). Iran will seek to protect its interests among both the Kurds and the Shi'a, supporting those groups which it feels will optimize its position. Iran will seek as far as possible not to become directly involved militarily, preferring to use proxies, but if other regional powers begin to intervene militarily, then it is possible that Iran will, albeit cautiously, relocate troops across the border – if for no other reason than to protect its borders and contain the flow of refugees.

SAUDI ARABIA

Six weeks after Iraq re-acquired nominal sovereignty, the country remained in turmoil, along with the world oil markets. Saudi Arabia is at the centre of the storm. With world oil prices hitting their highest levels ever, Saudi Arabia's dominant position in the markets as well as its status as key regional ally of the US have been restored. Paradoxically though, it has suffered relative decline as the leading Arab Gulf state. Domestic politics are beset by chaos and fear of instability. Violence is on the increase and talk of reform has halted.

Saudi Arabia is not entirely master of its own fate. Even if the government succeeded in crushing terrorists and reforming the system, events in Iraq could still spill over the border and threaten its survival. The problem, however, is that the Saudi government has no serious domestic reform strategy; moreover, it is spending as much or more energy crushing liberals as it does terrorists. Indeed, appeasement of the extremists seems to be its only policy.

Relations with Washington

Defeat of the democratic project in Iraq would serve to enhance the Saudi position, and relations with the latter would improve because the US would no longer interfere in Saudi domestic politics. Because the US is already focused on crisis management in Iraq, its priority regarding Saudi Arabia is to prevent it descending into anarchy, and it is no longer pressing the Saudis so hard and so publicly for reform.

If the US continues to be bogged down in Iraq it will presumably be more appreciative of its long-term ally, especially given the Kingdom's ability to pump oil at US behest. As oil prices hit new highs in summer 2004, Saudi Arabia exercised its dominant position in the market to slow the upward trend. Riyadh reminded the world, and particularly an increasingly dismissive US government, of its central role in the world economy and politics.

Thus Saudi Arabia stands to regain some of its former stature *vis-à-vis* Washington, but this will happen partly by default. Despite being almost a factory for jihadi terrorists, the country is treated by Washington – at least in public – as an ally in the war on terrorism. The Saudi Ambassador to the US, Bandar bin Sultan, is once again the diplomatic king of Washington. The Saudis have been proclaiming their cooperation with the US, especially the FBI, in clamping down on Saudi jihadis. They have also curtailed financial support to organizations and institutions suspected of terrorist links, as well as sacking hostile imams and religious attachés from embassies. But this rehabilitation is only temporary. Policy-makers in Washington no longer trust the royal family. Moreover a spate of books examining intricate connections between the Bush family and the House of Saud, as well as the smash-hit movie 'Fahrenheit 9/11', have incited hostility among the American public. Neither a Bush nor a Kerry administration will find this easy to contain. However, the US dependence on Saudi oil will continue to define the relationship between the two countries – as much after the November US presidential elections as before. Whoever wins will continue to prop up the House of Saud.

In the case of fragmentation in Iraq, Saudi Arabia will have a central role in a defensive organization of the Gulf states. Although it is not a key player in Iraq compared with Iran, Turkey and Syria, it has tried using its Islamic leadership credentials to design an initiative to help the US out: the offer to pay for Muslim troops in Iraq. There is little wonder that the Arab League rejected this out of hand.

Should Iraq fragment into civil war, the Saudi government will support Iraq's Sunni factions in any battle with the Shi'a, loathed as the latter are by the Wahhabi religious establishment. This religious tension is felt in

other GCC countries, which fear the spread of violence from the Saudi Salafis among their offshoot communities in Kuwait and the United Arab Emirates. If their fears are realized this would play into the regionalization scenario.

Fragile national identity

Iraq's fragmentation is the worst scenario for the Saudi royal family. Conversely, it is the one Al-Qaeda and other violent jihadis desire most of all.

The current of Al-Qaeda runs two ways: into Iraq as Saudi jihadis cross the border, and into Saudi Arabia with the flow of arms from Iraq's vast reservoir. Indeed, the price of arms is dropping fast on the black market. In all likelihood, Saudi Arabia will be contaminated with jihadis in the same way as Afghanistan. Bin Laden's ideological children are returning to his homeland.

If Iraq's instability increases, the Saudi movement for reform will be increasingly blocked. Moderate liberals will be jailed or silenced and Crown Prince Abdullah lacks the power either to free the reformers or to pursue an active reform policy.

Economically, Saudi Arabia will benefit through high world oil prices so long as Iraqi oil exports remain minimal. The Saudi position within OPEC and internationally will be maintained, but this will not compensate for deteriorating internal security and increasing violence. Oil money cannot prevent the termites of terrorism from eating away at the foundation of the Kingdom.

Fragmentation in Iraq will affect the already fragile Saudi national identity, bringing deep divisions to the surface and highlighting the minority status of the Wahhabis. Saudi Arabia will turn into a cauldron of tensions, hatreds and division. Not only will animosity intensify against the West, but age-old internal splits would come more sharply into focus.

Tribal-sectarian-regional antagonisms would also be fuelled, for Saudi Arabia is deeply divided. Asir is viewed as partly Yemeni and the Hijaz is in many ways a separate cultural and religious entity. The Shi'a, immediate neighbours of the Iraqis in the oil-rich Eastern Province, are ambivalent about their Saudi Identity and could demand their own state. The Al Jawf region feels closer to Jordan. Because of this weak national identity and the newness of the state, the Saudi name is becoming a problem.

US interference and loss of regional hegemony

Even if the Iraqi government establishes stability and legitimacy, there could still be problems for the Saudi

government. The US may resume its interference in Saudi politics and continue efforts to counter Wahhabi influence. Although the basis for relations between Riyadh and Washington will not change if Kerry is victorious, the Democrats are likely to feel empowered to pressure the Saudis more than the Bush administration, owing to US domestic disenchantment with the Saudi regime.

If Iraqi oil flows back into the market, US corporate investment will shift from Saudi Arabia into Iraq, leading to a relative decline of Saudi Arabia in the region. Should a central Iraqi government succeed in crushing terrorism, many of the expatriate workers who now feel under threat in the Kingdom could look for work in Iraq. Some key workers have already departed to neighbouring Gulf countries; if job opportunities open up in Iraq, this trickle may become a flood.

Uncertain of itself and obsessed by domestic instability, Saudi Arabia is no longer the regional hegemon. In the event of an effective transition in Iraq, other Gulf states would no longer need Saudi Arabia for protection and security. A centralized and more stable Iraq could act as the new patron of the GCC states and the Saudis would be ignored.

As it is, the GCC states are no longer dealing with the wider world, and Washington in particular, in coordination with Saudi Arabia, which is in any case devoting its efforts to containing its internal problems. Their greater freedom of diplomatic manoeuvre reflects the fact that the GCC countries, especially those that are serious about reform, have become American allies with all the protection that brings. Independence from Saudi Arabia means dependence on the US.

Sham pluralism

Saudi Arabia can live with a Shi'a-dominated government in Iraq, but only if there are prominent Sunni faces in it; and relations would still not be easy. This is because Shi'a ideology is in direct contrast to the Sunni Wahhabi doctrines that underpin the Saudi state. A pluralistic Iraq would mean that Saudi Arabia would also have to play at being pluralist so as not to appear backward and repressive on the international stage.

A national dialogue – where for the first time Isma'ilis, Sufis, Shi'a and Salafis met together for discussions under the guidance of Crown Prince Abdullah – has begun. But this is mere window dressing because the Wahhabi establishment does not legitimize it. A sham religious dialogue is a Saudi signal of change to the West. If Iraq emerges as a pluralistic, federal state, attempts to introduce pluralism into Saudi Arabia will provoke anger among the Wahhabi clerics, especially the neo-Wahhabis, as well as increased Al-Qaeda violence. Schism and religious wars loom for the Kingdom.

New pressures from the US for reform will signify a loss of power for the royal family. The inclusion of other minorities will result in a new allocation of power and the emergence of new domestic political players. Although centralization will bring more security and more economic prosperity to Iraq, this will be antithetical to Saudi interests. Iraq is at best a competitor and at worst an enemy.

The Shi'a threat

The emergence of significantly more assertive Shi'a power in Iraq and increased unity with their ideological brothers in the region would have serious implications for Saudi Arabia. The Shi'a could awake to the geographical accident that has placed the world's major oil supplies in areas where they form the majority: Iran, Bahrain, the Eastern Province of Saudi Arabia and southern Iraq – a powerful 'Commonwealth of Petrolistan'.

To the Saudi royal family nothing is more troubling than the Shi'a question. All Saudi Shi'a are followers of the Iraqi Grand Ayatollah Ali Sistani. Bearded, turbaned and cloaked Shi'a clerics, who are now far more visible in the region, terrify the Wahhabis. From being the region's losers of the last few decades, the Shi'a could now redress the balance, settle old scores and control the wealth of 'Petrolistan'. This struggle could be long and bloody.

Another transnational movement, the Sunni-based Al-Qaeda, would assert itself even more. Sunnis may see it as a force in their struggle with Shi'a Islam. Different militants may unite around figures such as Moqtada al-Sadr in keeping with the concept of the *umma* (community of the faithful), but the various movements remain distinct, parallel and mutually distasteful. The central question is whether the Saudi state, which is the only place where these two transnational waves are crashing at once, can survive the impact. For now, paralysis seems to be the state's answer to questions about its survival. But, as with any living thing, paralysis brings about a slow death.

JORDAN

Jordan's interests would be best served by the 'Holding Together' scenario. Either fragmentation or regionalization could undermine its own stability and deprive it of the opportunity it seeks to piggy-back on a revived Iraqi economy. The Jordanian government has indicated a preference for a pluralist but centralized secular state in Iraq, under a strong interim leadership, until security and thence business activity can be restored.

Jordan's eternal balancing act

Jordan is in a vulnerable position, sandwiched between an unstable Iraq and a continuing conflict between Israel and the Palestinians. Its two other neighbours, Syria and Saudi Arabia, are not exactly tranquil either. And the Americans, in trying to help the Saudis and pressure the Syrians, are not making matters any better.

Jordan is at least spared the hostility that Washington and the Israelis harbour towards Syria, and, more potently, Iran. The Hashemite Kingdom is regarded as a close and supportive ally by Washington and a valuable security buffer by Israel. Yet the embrace of the Americans and the peace treaty with the Israelis are themselves mixed blessings for the monarchy, given the suspicion and antipathy with which both are regarded by the Jordanian population.

King Abdullah II is thus obliged to continue the balancing act pioneered by his father, not only in the regional milieu but also at home. The indigenous East Bank citizenry of Jordan are outnumbered by those of Palestinian origin. At least 1.2 million are registered refugees, and those who still live in the UN administered camps that date back to 1948 are relatively poor, potentially militant and closely monitored by Jordanian security. Unlike Palestinians in other parts of the Arab world, those in Jordan have been accorded citizenship, though their passports denote the different categories that the authorities have devised to make some distinctions between those still identified as West Bankers, refugees and indigenous Jordanians.

Many Palestinian families have members on both sides of the river. As life becomes increasingly intolerable in the West Bank, as Israel sections off Palestinian communities with fencing, concrete blocks and army checkpoints, their only way out and source of respite is Jordan. But the Kingdom does not want to accommodate an Israeli agenda of population transfer by stealth.

For Jordanians of Palestinian origin, the Palestinian national cause is personal. East Bankers back their cause against Israeli repression and expansionism in the name of Arab nationalism and Muslim solidarity, but by the same token and for their own self-interest they do not want to accommodate more migrants.

The complex Iraq connection

Jordan's geographic location and lack of exploitable natural resources mean that its economic future depends on tapping into neighbouring markets. This worked well during the relatively prosperous 1980s: Jordan served as a conduit for Iraqi trade when Iraq was at war with Iran, had broken relations with Syria and needed Jordan as a supply route. Jordan also served as a lifeline for Iraq under UN sanctions in the

1990s when bilateral relations, though not always smooth, were maintained.

Amman was the gathering point for some Iraqi exile groups, one of which in particular (the Iraqi National Accord of the new Iraqi prime minister, Iyad Allawi) plotted against the Iraqi regime with CIA assistance. Monitoring the machinations of different Iraqi factions, including those tied to Saddam Hussein, kept Jordanian intelligence busy in the 1990s. Vigilance is still necessary, given the power struggle in Baghdad and the continued presence of Iraqis in Amman.

Having paid for its refusal to join the coalition against Iraq in 1990–91 through the loss of support from Washington and the oil-rich Gulf states, Jordan was not about to alienate the Americans again over Iraq in 2003. The price this time round was the loss of concessionary oil supplies from Iraq that Saddam's regime had provided throughout the 1990s in payment of outstanding debts.

Development aid from the United States, other Western friends and the Gulf states is now vital to keep the economy afloat while the king pursues a structural reform programme that is supposed to turn the country into a skills-based centre for business and regional trade. Dismantling a system traditionally involving royal patronage and *wasta* (connections) is proving frustratingly difficult for those committed to reform.

Security before democracy

The Jordanian state's interests would be best served by the 'holding together' scenario for Iraq. The king has voiced a preference for a strong leader, most likely with a military background, to set about restoring law and order. He implies that democracy can wait. Jordanian traders and truck drivers plying the trade route from Amman to Baghdad have been attacked, robbed, kidnapped and in some cases killed. Jordan needs the business and for that it needs better security in Iraq.

But Jordanians are not considered neutral players in Iraq. They are accused simultaneously of accommodating the old regime, making business under sanctions and facilitating factional interests in the Iraqi opposition. In August last year the Jordanian embassy in Baghdad was the target of a bomb attack. Some Jordanians suspect the hand of Ahmed Chalabi, the erstwhile favourite of the Pentagon and a former banker wanted for fraud in Amman and now in Baghdad as well.

Chalabi's fall from grace with the American administration, just before the handover to the Interim Iraqi Government (IIG), was welcomed in Jordan. The selection of Allawi as prime minister was cause for relief and King Abdullah welcomed the advent of the IIG as a positive and needed development. Meanwhile,

Jordan has been providing training for recruits to the new Iraqi army and security forces.

The bottom line for Jordan is that Iraq must be run by the Iraqis, and the more effective the regime is in restoring law and order, the better. The formal American occupation was an embarrassment and seen as unsustainable and liable to fuel opposition. The reconstitution of the Iraqi army is also in Jordan's interests, in the name of security. In the political jockeying ahead of elections and devising a constitution, Amman will probably hope for accommodation of the Sunni tribal and secular professional elements.

There is seemingly no identification with the Iraqi Shi'a community in Jordan, although freedom of worship and sectarian harmony is a cause that Prince Hassan of Jordan has worked for, through interfaith dialogue, across the region and between Islam and the West. A secularist state that embraces all Iraqi elements would be the Jordanian government's preferred outcome.

Jordanian businessmen and investors can be expected to promote the case for Iraqi-Jordanian cooperation in competition with other contenders, such as Syria, Kuwait and Iran. They may hope to capitalize on the difficulties Syria and Iran face in winning America's blessing for involvement in Iraq to promote their case. Probably their best friends in Iraq, with whom they can make common cause, come from the Sunni tribal community and the elite that used to predominate under Saddam. This may place them at odds with other elements.

Dangers for Jordan

The fragmentation scenario would be unwelcome to Jordan for many reasons. In their identification with Iraqi nationalism, Jordanians are bound to be opposed to the break-up of Iraq. They have no sympathy for Kurdish nationalism, notwithstanding the apparent parallels between the history of the Kurds and of the Palestinians. Even the Palestinians tend not to favour any comparisons between themselves and the Kurds. In part this is because they are fighting Israeli occupation and it does not fit with either Palestinian or Jordanian narratives to see the Kurds as under occupation. That said, if the Kurds do end up with a break-away state the Palestinians would deem their case doubly urgent.

A civil war in Iraq will end the potential for serious business cooperation and attendant investment in Jordan. It is likely to mean that Iraqi exiles still biding their time in Jordan will remain and new refugees will seek sanctuary there as well. Public hostility to America, whose intervention will be blamed for triggering chaos in Iraq, will make it even more difficult than it is already for the king to maintain close cooperation with Washington.

Fragmentation will also facilitate the operations of Al-Qaeda-type Islamists. Abu Musab al-Zarqawi, a Jordanian of Bedouin origin, is now labelled as a pivotal force among the jihadists at work in Iraq. The Jordanian authorities will not want his reputation or cause to gain in charisma and appeal. The best antidote, from the Jordanian perspective, is Iraqi nationalism. But the composition of the Iraqi resistance suggests a blurring of the lines between religious and secular, tribal and nationalist. Such distinctions are not clearly drawn in Jordan either and cross-border solidarity against 'the West' could be the consequence.

Thus the dynamic underlying the regionalization scenario could engulf Jordan in more potent anti-Westernism, which may in turn derail the King Abdullah's reform programme. The principal beneficiaries of this will be those Jordanian (and Palestinian) Islamists who place the unity of the faithful above loyalty to the state.

Jordan owes its existence to the imperial carve-up of the 1920s, as does Iraq, but the fate of the Palestinians and the Arab depiction of Israel as an imperial implant have resurfaced to undermine the legitimacy of the regional order. However, if presented with the possibility of chaos and strife to remake that order, most Jordanians (including those of Palestinian origin) will probably prefer to hang on to the status quo.

SYRIA

The ease with which Saddam Hussein was overthrown alarmed an unprepared Syrian regime, whose hostility to the war was only one element in its very uneasy relations with the US. Subsequent US pressure on Syria culminated in the imposition of sanctions, but the likelihood of military intervention has diminished with the continuing insecurity in Iraq. With its long border, Kurdish population and strong tribal, familial and ideological links with Iraq, Syria will be deeply affected by the future of its eastern neighbour. The fragmentation of Iraq would have severe implications for Syria's stability. If Iraq holds together under US supervision, Syria will be very isolated and at risk of increased US pressure. The 'regional remake' scenario could also threaten the foundations of the Syrian state. The Syrian government hopes that the continuing chaos in Iraq and increased involvement of foreign actors will force Washington to appreciate its value as a stabilizing power whose cooperation is vital to Iraq's success.

Postwar developments

Syria did not expect Saddam's regime to collapse so quickly and thus was not prepared for the consequences. After Damascus publicly wished for the

defeat of the US invasion, Washington quickly turned its ire on Syria, accusing it of helping insurgents cross into Iraq, allowing weapons to transit, giving refuge to members of Saddam Hussein's regime and even hiding the missing weapons of mass destruction. Unnerved, Syria then realized just how dispensable it was considered by the US.

Eventually, Damascus came to grips with the situation on its eastern border, and attempted to take corrective measures, including closing the border at Washington's request. While ambiguous about its relationship with the Iraqi Governing Council and the Iraqi Interim Government (accepting neither as legitimate, but nevertheless dealing with both), Syria has kept its doors open to all Iraqi political factions. It has also improved its ties with Turkey and further enhanced its relations with Iran.

These measures came in the midst of unprecedented pressure on Syria, on both the economic and the political front. The closure of the Kirkuk-Banyas pipeline and the end of the booming trade between small Syrian enterprises and Iraq hit the economy hard. With American pressure on Syria increasing in intensity, in October 2003 Israel attacked a site it claimed was a training camp for Islamic Jihad, only miles from Damascus. Even though it held a seat on the UN Security Council, Syria's increasing international isolation meant it was unable to drum up enough support even to present a draft resolution against the attack. A month later, the US Congress overwhelmingly passed the Syria Accountability and Lebanese Sovereignty Restoration Act, mandating sanctions that include a ban on exports to Syria (except food and medicine) and on investments there, duly imposed by President Bush in May 2004.

Calls for domestic reform persist and the government has continued to waver in its response, simultaneously promising changes, as in a decree calling for an end to the Ba'ath party's entrenchment in the power structure, and jailing demonstrators, notably in the crackdown on individuals protesting against the 41st anniversary of the imposition of martial law.

A revival of the Kurdish problem shook the regime in spring 2004, when clashes broke out in the Jazeera region, close to the Kurdish areas of Iraq and Turkey. The army's intervention caused numerous casualties and the regime detained thousands of Kurds. The government also launched a very public campaign to promote the integrity of Syria and the equality of all its citizens, regardless of their ethnicity or religion. Unexpectedly, in a pragmatic attempt to calm the situation, Damascus recently announced that up to 100,000 Kurds whose citizenship had been revoked in 1962 would at last be granted citizenship.

Syrian fears of Iraqi fragmentation

Like every Arab country, Syria greatly fears the break-up of Iraq and its repercussions. The fragmentation of Iraq into several entities is certainly the worst-case scenario for Syria, which will fear the emboldening of its own minorities, most notably the Kurds in the northeast. Syria's Ba'athist regime has kept Arabism at the forefront of its ideology for over 40 years, forbidding Kurds from speaking or teaching their own language. An independent Iraqi Kurdistan will give Syrian Kurds the impetus to demand greater rights and some form of autonomy. Syria also fears that the situation could be further inflamed by Turkey's determination to take action in northern Iraq, should the Iraqi Kurds move towards independence. Turkish intervention will also jeopardize Syria's hopes of the Kirkuk-Banyas pipeline reopening.

The problem will not end with the Kurdish issue, and Syria fears that the strengthening of the various ethnic groups in Iraq might encourage other segments of Syrian society to seek their own internal relative liberation, albeit from different types of restrictions. If the regime is seen as being impotent against the Kurds, elements of the civil society may seize the moment to push for reform, liberalization and democratization, leaving the regime with a difficult dilemma: whether to relax its firm grip on power and risk losing control, or to repress dissent on a variety of fronts, thereby provoking even more unrest and possible intervention by the US. Despite its close ties with Iran and with Shi'a factions in Lebanon, Syria will also look unfavourably on the emergence of a quasi-autonomous or independent Shi'a entity in Iraq. It fears that this would increasingly depend on strong ties with Iran and would weaken Syria's own hand in Iraq and Lebanon.

In addition, a fragmented Iraq will render Israel uneasy and more impatient to take action, increasing the possibility that it will hit Syrian targets in Lebanon or again within Syria. A fragmented Iraq will make Syria feel weak on both its eastern and western fronts and would strengthen Israel's resolve to take advantage of the situation, having received what Syria sees a *carte blanche* from the Bush administration.

The 'Holding Together' scenario and the threat from the United States

Syria officially supports the US goal of keeping Iraq intact under a sovereign central government and reducing regional instability. The Syrian government hopes that this would allow the region to return to a semi-normal state of affairs, leaving Syria to 'muddle through' as before. However, if Iraq holds together,

this will signify the success of the US project and demonstrate that regime change is not only possible but also beneficial for people in the region. It will show that the end had justified the means and that leaders and regimes are expendable, something that Syria would rather not acknowledge.

Syria has always considered its main value to the United States to be the stability it was able to maintain in the Middle East, acting as a counter-balance between the various rocky (Lebanon) or rogue (Iraq) states, and keeping the border with Israel trouble-free. This had been the understanding for years, until the current US administration adopted a new agenda.

If Iraq becomes stable and centralized, and in view of the increased leeway the US has given Israel, Syria will lose the one card that could still have held value for the US. Syrians consider such a probability to be materializing rapidly after the passing of the Syria Accountability Act. Simultaneously, Syria fears losing what justification it has used until now for its presence in Lebanon, which will come under real scrutiny.

The successful transition to a calm Iraq with a functioning central government will turn Syria into a lone island of anti-Americanism and pan-Arabism in a sea of pro-American neighbours. This will leave Damascus completely isolated and may tempt it to push for even stronger relations with Iran, leading to even greater ostracization by its immediate neighbours.

Syria is still banking on the presumption that holding Iraq together requires the cooperation and the goodwill of its neighbours, and that the US recognizes this. However, once this goal is achieved, a stable, centralized Iraq will remove one of the major impediments to the Americans turning their attention to Syria – a stated neo-con goal. With a calmer situation in Iraq a re-elected the Bush administration will be free to push its advantage in the name of democratizing the Middle East and follow through on the aims of the Syria Accountability Act.

Relations with Iraqi actors: the 'Regional Remake' Dynamic

The regionalization of Iraq's problems will enable Syria to attempt to display its importance once again as Iraq's neighbours position themselves *vis-à-vis* groups inside the country. This is a scenario that Syria believes is happening anyway, and it has begun to manage its own relations with the powerful movers and shakers in Iraq. With a long history of intervention in Lebanese affairs, and experience in the art of placating numerous forces while playing them off against one another, Syria is trying to recreate the same conditions in Iraq.

However, Syria is well aware that Iraq's dynamics are very different from Lebanon's, and that it is not the

only player, nor even the most influential one there. Numerous other outside forces, not least Iran, are vying for a position of strength. The main Shi'a factions in Lebanon have already loudly declared their solidarity with, and willingness to fight for, even the most radical Shi'a elements in Iraq. In such a context, Syria's role is diminishing significantly, and its influence will increasingly depend on its own relationship with Iran.

Because of the numerous tribes that move easily between Syria and Iraq and that enjoy special privileges along the border, Syria has been able to foster good relations with the major tribes in Iraq. Relations with the Kurds are more sensitive, even though Damascus has consistently kept channels open with both the PUK and the KDP.

It is with the Sunni factions in central Iraq that the development of relations poses the greatest problems. The Syrian people openly defended the Sunni insurgents and were enraged by the assault on Iraqis in the Sunni heartland at the centre of Iraq. Before Syria agreed to close the border and control the flow of foreign fighters, scores of volunteers had entered Iraq and joined the resistance. While many were inspired by pan-Arab, nationalist and anti-American sentiments, all of which have Syria's blessing, many were also infused with a more religious fervour. The regime allowed this situation to develop when it suited its purposes, but can only be anxious about its resurgence within its own borders. While the Syrian regime has at times used Shi'a fundamentalism for its own ends, it remains fiercely opposed to Sunni fundamentalism after a long history of fractious relations. Furthermore, support for pan-Arab nationalist Sunnis is suggestive of support for or affinity with Saddam's Ba'athists, which Syria is trying to counter.

ISRAEL

Supporters of the Iraq War argued that removing Saddam Hussein would improve conditions for a resolution of the Israeli-Palestinian conflict. This link has yet to materialize and the Road Map for peace lies in tatters while Israeli relations with the region remain at an impasse. Israel's improved strategic position has resulted not in renewed dialogue with the Palestinians but rather in increased Israeli unilateral actions. While some Israelis see advantages in the collapse of central authority in Iraq, the forces unleashed by this would be highly dangerous and uncertain. The best scenario for Israel is that these forces are contained by Iraq holding together under US direction and that the rebuilt Iraqi state is less hostile to Israel.

Responses to the war: The eastern threat diminished

When US forces entered Baghdad in April 2003, Israelis felt a combination of relief that the threat from the east had diminished, together with a degree of retributive satisfaction at the demise of the Iraqi leader who had tormented Israel in 1991 by firing 39 Scud missiles at its cities. Though the number of casualties was very low, the attacks caused severe damage to property and, more importantly, added to the Israeli sense of vulnerability that has existed since the establishment of the state in 1948. Hence, in the lead-up to the 2003 war, the government of Israel did not conceal its support and even encouragement for international action against the regime in Iraq.

In many ways there has been little debate in Israel about the repercussions of the war for the country's foreign policy and its position in the Middle East. In the months leading up to the war, the conventional wisdom was that the removal of Saddam Hussein and the dismantling of the Iraqi military machine would enhance Israel's security. In practice it brought, for the foreseeable future, an end to lingering fears of an Arab coalition that could pose a threat to Israel from the east. After the war, Ariel Sharon turned his attention to other countries. He moved swiftly to demand that Iran, Libya and Syria should also be stripped of weapons of mass destruction. However the active involvement of Israeli intelligence in exaggerating the threat of the Iraqi weapons of mass destruction programme has been a blow to Israel's credibility.

The proliferation of WMD in the Middle East is clearly a cause of considerable concern to Israel. Nevertheless, since September 2000, when peace negotiations with the Palestinians collapsed and the Al Aqsa Intifada broke out, Israel's main and immediate security threat has been less from WMD and more from highly motivated Palestinian suicide bombers. This horrific militancy has contributed substantially to changes in the political configuration in Israel and, more portentously, to the psychological barriers between the two nations. On the Palestinian side, decades of repressive occupation coupled with Israel's methods of indiscriminate war against terrorism have caused immense resentment and seriously hindered the prospect of reconciliation with Israel. Daily death tolls occur in a vicious cycle of violence where innocent people from both sides pay an intolerable price for extremist leadership positions and incompetent efforts to engineer a peaceful solution.

Longer term considerations: security and identity

For Israel the two major issues that have informed the socio-political debate for a very long time are security and identity. The merit of any of the scenarios examined here depends on Israel's foreign policy goals and the leadership's vision regarding the character of the state of Israel and its place in the Middle East. The political discourse in Israel is centered on the question of how to ensure that Israel remains Jewish, democratic and safe at the same time – a goal which even without the pressure of external conflict is problematic, let alone while three and half million Palestinians remain under Israeli occupation.

With the exception of the hardcore right wing, most Israelis do understand that preserving the long-term Jewish and democratic character of the country depends on bringing to an end the occupation of the West Bank and Gaza. Nevertheless, many in Israel who support a comprehensive deal along the lines of the Clinton Parameters or what was agreed in Taba,¹ or even the non-official Geneva Accords, do not believe that this is achievable because of the lack of a willing and capable partner on the other side. This sentiment is not only echoed by the Israeli leadership, but also encouraged and exaggerated, both for domestic political reasons and to justify unilateral actions.

Thus, even though in theory the fall of Saddam's regime and disbanding of Iraq's armed forces could, by reducing Israel's sense of strategic vulnerability, have freed the Israeli government to re-enter into a dialogue with the Palestinians using the officially agreed Road Map for peace, that is not what occurred. Instead, Ariel Sharon embarked on a unilateral course of action, which included building the security fence; targeted assassinations of leaders of Hamas and Islamic Jihad, (among them Sheikh Ahmed Yasin and Abdel Aziz Rantisi) and the Gaza disengagement plan. The Palestinian Authority, for its part, hindered the prospect of peace by not fighting terrorism as it had agreed to do under the terms of the Road Map, and by not taking actions to improve governance and combat corruption.

For Sharon, the strategy was twofold. On one level he concluded that the cost of holding on to the occupied territories, especially Gaza, outweighed the benefits; hence his public support for a Palestinian state, unilateral disengagement from Gaza, and the security fence. The other aspect of his policy was to discredit the Palestinians by equating Israel's fight against Palestinian militancy with America's war

¹ The Clinton Parameters were a framework for an agreement put to the parties in December 2000. At Taba, an agreement was reached between the Israeli and Palestinian negotiators in early 2001, in the dying days of Barak's premiership.

against terrorism. It is evident from the exchange of letters between Sharon and President Bush on 14 April 2004 that the US President subscribed to most of Sharon's assumptions and vision for the future of the Israeli–Palestinian peace process.

Mixed responses to developments in Iraq

Developments in Iraq may not have been a primary consideration in Sharon's thinking; however, there is a connection inasmuch as the Iraq situation affects the way the government and the public at large perceive the Middle East and their country's position and role in the region. Different political factions will experience hope or apprehension, depending on the way they define Israel's national interests. Some might argue that a stable and democratic Iraq will serve Israel's interests best, while others might see the potential for instability and conflict there as enhancing Israel's position in the region as a democratic ally to the West.

If Israel's interests lie in a more democratic, pro-Western region, the 'holding together' scenario is a move in the right direction. Two main factors make this scenario appealing to Israel. First, a more pacified Iraq with a representative form of government which concentrates on developing its economy and reconciling its society means that a potential enemy will disappear from the scene. In its place may emerge, if not an ally, at least a country that is preoccupied with rebuilding and less concerned with the Arab–Israeli conflict. If in the long run the process of democratization takes hold and is Western-aligned in nature, it may also lead to some level of normalization of relations with Israel. If, on the other hand, this kind of pluralism does not emerge, the result could be the rise of religious nationalism in which there will be fierce competition for anti-Zionist rhetoric.

Another consideration for Israel is how well the US comes out of its undertaking in Iraq. Israel is so closely associated with the US that its failure or success in transforming Iraq will have different policy implications for Israel. Here, success means the 'holding together' scenario, and if the United States comes out looking strong, that should be a boost for Israel. Yet this may also mean Israel is galvanized to pursue its unilateralist policies rather than seek renewed dialogue with its Palestinian and other opponents, while Washington takes on Damascus and Tehran.

The dangers

Even if 'fragmentation' overtakes Iraq and the United States is forced out, the effect on Israel will depend in

part on how the US defines the outcome and what role evolves for its staunch ally Israel as a result. If the forces of extremism and interference by the 'rogue' states of Iran and Syria take the blame, then US sympathy and support for Israel in the face of its struggle with terrorism is likely to be redoubled.

Outcomes along the lines of either the 'fragmentation' or the 'regionalization' scenarios are likely to be taken as vindication by those Israelis who have long argued that the Arab world is not ready for pluralism and democracy, nor willing to promote change through peaceful means. The implications for negotiations with the Palestinians, and even with Syria, are quite obvious. Some may even entertain the idea that the weakening of Iraq as a result of a civil war is an outcome which Israel should not lament.

This perspective will be countered by those Israelis who cherish the hope of making peace with their neighbours and being able to live without fear and hate. As they will point out, both fragmentation and regionalization will most likely result in the rise of extreme Arab nationalism, religious fundamentalism and subsequent violence from which Israel could hardly benefit. If fragmentation occurs in the region, Israel will again become a butt in regional rivalries, which spells increasing animosity towards the Jewish state.

Meanwhile, as long as the Israeli–Palestinian conflict is unresolved, this can only complicate and exacerbate relations. Also, a more sober reading of the effect on American foreign policy, in a region which would place the blame on both the United States and Israel for the ensuing chaos and conflict, must count this a blow to Israel's strength, influence and indeed security in the region. Israel can do nothing to directly influence the outcome in Iraq, but how it handles the conflict with the Palestinians will either compound or ameliorate the negative fallout from 'fragmentation' or 'regionalization'.

TURKEY

Of all Iraq's neighbours, Turkey is the only one that is part of the institutional framework of the Western security architecture. A member of NATO, Turkey is also a candidate for membership in the European Union. The significance of Turkey as a frontline state is a function of its secular and increasingly democratic system, a predominantly Muslim country integrated with the world markets. Such a status informs as well as complicates Turkish policy choices towards Iraq.

The end of the strategic partnership with the US?

The Turkish establishment, as well as the general public, opposed the war and advised the US administration

against it. Turkey preferred the devil it knew, even though Saddam's regime issued threats and supported the violent separatist Kurdish Workers Party (PKK) against Turkey during the 1990s. Once the inevitability of war became apparent Turkey proceeded with a two-track policy. One involved negotiations with the US to allow the deployment of American troops in Turkey; to open a northern front and to deploy Turkish troops in a security zone in northern Iraq; plus compensation for its possible losses with either \$6 billion in grants or \$24 billion in loans. The other track attempted to mobilize Iraq's neighbours to devise a policy that might help avoid war.

On the first track, developments took a surprising turn. When the Turkish Parliament turned down the government's request to approve the agreement, a new page had opened in Turkey's strategic posture. In effect, the vote brought to an end the much publicized, if not necessarily substantiated, 'strategic partnership' between the US and Turkey. The balance of power within the country shifted in favor of politically liberalizing civilian forces, led by the Justice and Development Party (JDP) government which has an Islamist pedigree.

Equally important, the perception of Turkey in the EU and the wider Arab/Muslim world changed. For the core countries of the EU, Turkey could no longer be considered as an American lackey. This meant that in the search for a new strategic balance between the two sides of the Atlantic, it could be of immense use to the EU. For the Arab countries, the vote showed that Turkey was not the spearhead of the American Imperial design in the region in spite of its close security relations with Israel. As a result the tone and intensity of Turkey's relations with the Arab world in general became more constructive.

In the months following the US led invasion of Iraq, concerned that the country might break-up, Turkey maintained close and cooperative relations with its neighbours Syria and Iran. In a way this was in defiance of the American policy to isolate these two countries. Turkish relations with the US reached a nadir in July 2003 when members of the Turkish Special Forces were apprehended in a humiliating fashion by American troops in Sulaimaniah, taken to Baghdad and not freed until Vice President Dick Cheney intervened two days later.

In the interests of mending relations and exercising some control over developments in Iraq, the Turkish government responded positively when the US requested broader military support. The offer to send troops was made against overwhelming popular opposition and was ultimately turned down, since neither the Kurds nor the US appointed Governing Council found it acceptable.

While relations with the United States unfolded along a continuum of cooperation, tension, mistrust and mutual dependence, Turkey made moves that

brought it closer to the EU. With the help of the pro-EU factions within the military and the civilian bureaucracy, and despite hardline nationalist opposition, the JDP pushed legislation through parliament that removed all obstacles to Turkey's fulfillment of the (Copenhagen political) criteria demanded by the EU for accession negotiations to start. The government also took bold steps towards solving the Cyprus problem with a view to EU entry. This also paved the way for the election of a Turk as the Secretary General of the Organization of Islamic Conference.

The Kurdish problem

One of the casualties of Turkey's newfound posture was the state's domestically focused strategic vision. Concern with the domestic Kurdish problem had long prevented Turkey from having a more comprehensive Iraq policy that could accommodate an end to Ba'athist rule and Sunni Arab dominance, as well as a different status for the Kurds. Ironically, Turkey had contributed significantly to the consolidation of Kurdish self-rule in northern Iraq in the 1990s and even provided Kurdish leaders Barzani and Talabani with diplomatic passports. The war and Turkey's non-participation in it meant that the Kurds were the main partners of the US military.

Equally, this militated against Turkey intervening militarily across the border on any pretext, although there were influential voices in the country that supported such a move. The aim was both to finish off the remnants of the PKK located in northern Iraq and to prevent the emergence of an independent Kurdish state.

However, the American position was made absolutely clear. Turkey would not be allowed to make any unilateral moves in northern Iraq against the Kurds or even against the PKK. In fact, once the war began Turkey's self-proclaimed red lines were all but erased. More importantly perhaps, although furious with the Kurdish parties in the north and seething over their actions in Kirkuk in particular, the Turkish authorities gradually became more accommodating towards them.

From Turkey's perspective the CPA and Washington failed to keep promises made to Ankara on two issues. The American military made no effort to disarm the PKK, which Washington lists as a terrorist organization, or destroy its camps despite repeated undertakings that it would do so. Ankara also believes that the CPA did not respect the rights of the Turkmen minority whose well-being has been a matter of priority for the Turkish public. In fact, the Americans put a tight noose on Turkmen activities and Turkish assistance to them.

Hopes for Iraqi integrity

This is the context in which Turkey's current policy and possible reactions to different scenarios for Iraq need to be seen. The refashioning of Turkey's Iraq policy took place with a view to EU membership prospects. Therefore, reactions to different scenarios will reflect the shift in perceptions and priorities that attach to this goal.

Turkey's main priority in Iraq is the maintenance of the territorial integrity of the country. The fear of border changes that could trigger fragmentation within Turkey itself is a legacy from the break-up of the Ottoman Empire. Yet, the single-minded commitment to Iraq remaining whole is not solely a function of the fear of separatism within Turkey. Turkey's aversion to the fragmentation scenario is also a function of the changing strategic balances in the region. The fall of the Saddam regime removed the counterweight to Iran. A fragmented Iraq, even if it avoids a bloody civil war between factions, will not be able to serve that function. Turkey has no desire to substitute for Iraq as the counterweight to Iran.

If fragmentation goes so far as the creation of two or three states, Iraq will undoubtedly be generating regional instability for a long time to come. An independent Kurdistan in northern Iraq is highly undesirable for Turkey because of the instability that it would generate both internally and in the region. In other words, with its evolving perspective, Turkey's policy choices are informed by the real and potent possibility of strife within an independent Kurdistan and the fallout from this. Turkey believes that the still unresolved differences between Kurdish parties would inevitably lead to a Kurdish civil war. The instability in Kurdistan would also be fueled by the inimical attitude of all surrounding states to the infant and land-locked Kurdish state.

New horizons

Ankara does not fear an independent Kurdish state so long as Turkey is on the path to EU membership. It is expected that this prospect would make an independent Iraqi Kurdistan much less appealing to Turkey's own Kurds, a majority of whom do not appear to be inclined towards separatism as evidenced by their voting patterns. EU reforms recognizing cultural and linguistic rights help keep this deep fault-line of Turkey's politics inactive.

Therefore, the common expectation that Turkey will immediately intervene militarily if the fragmentation scenario prevails is overdrawn. Two other conditions must be present for such a development. Turkey's EU aspirations must have been dashed by the EU in

December 2004 – which they would be if the Council decides not to start accession negotiations. Such a decision will fan the flames of anti-Western nationalism. The second condition would be the absorption of Kirkuk by the Kurds, putting Turkmen rights in jeopardy.

Turkey would only accept the continuation of the current special status of Kirkuk if fragmentation falls short of breaking up the country completely. Judging by recent dialogue between the Kurdish and Turkish authorities, the Kurds themselves understand how much they would need a friendly Turkey, particularly if fragmentation is truly looming. Turkey is their opening to the world and their lifeline, in ways that a much more self-interested Iran would not be.

Wary of regional dynamics

The regionalization scenario represents Turkey's nightmare if it becomes all consuming. However, the impact would likely vary in different parts of Iraq's neighborhood. Whereas Turkey, Iran and Syria could probably withstand the pressures of transnational aspirations, the states to the south may not. For Turkey and particularly if the EU process remains on track the impact of regionalization ought to be minimal. Unless the Iraqi Kurds make irredentist moves, the prospects of Turkey being driven to a military confrontation are again determined by the fate of Kirkuk and the Turkmen. Yet there is no question about the undesirability of such an outcome. It would create a quagmire in Iraq and in the countries to its south that might end up sucking in all the regional actors.

Reconciled to federalism

For Turkey the most palatable scenario is that Iraq holds together. Initially Ankara preferred that a strong central authority emerge and was averse to a federated system. It is now reconciled to a federal solution and sees it as the most feasible way of keeping Iraq's territorial integrity. Ankara is genuinely interested in the emergence of a democratic, or at least representative, government in Baghdad that is secularly oriented. The emergence of an Islamist regime would be of great concern. The ideal is that ways be found of integrating the deposed Sunni elite, or its non-Ba'ath component into the power structure. Unlike other neighbours Turkey has no fears of either a strong Iraqi state or a democratic one. So far it has maintained good relations with the Shi'a leadership and it is telling that the first official trip abroad made by Ghazi Yawer, Iraq's interim President, was to Turkey.

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