



PROGRESS OR PERIL?

MEASURING IRAQ'S RECONSTRUCTION

SEPTEMBER 2004

THE POST-CONFLICT RECONSTRUCTION PROJECT



Project Directors
Frederick Barton
Bathsheba Crocker

ABOUT CSIS

For four decades, the Center for Strategic and International Studies has been dedicated to providing world leaders with strategic insights on—and policy solutions to—current and emerging global issues.

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A private, nonpartisan institution, CSIS is headquartered in Washington, D.C. CSIS is led by Dr. John J. Hamre, formerly deputy secretary of defense, who has been president and CEO since April 2000. We are also guided by a board of trustees chaired by former senator Sam Nunn and consisting of prominent individuals from both the public and private sectors.

ABOUT THE POST-CONFLICT RECONSTRUCTION PROJECT

In the fall of 2001, in recognition of the U.S. government's inability to respond to the challenges of post-conflict reconstruction, CSIS President John Hamre and U.S. Army General Gordon Sullivan (retired) established the Post-Conflict Reconstruction (PCR) Project. Initially a collaboration between CSIS and the Association of the U.S. Army (AUSA), the project has since become the leading source of authoritative recommendations and information on post-conflict reconstruction. The PCR Project continues to pursue reforms within the government to improve U.S. effectiveness in rebuilding post-conflict areas.

Last year, PCR Project experts traveled to Kosovo, Iraq, Sudan, and Sri Lanka to conduct research for several influential reports. The project also published a major paper on the reconstruction of Afghanistan this spring. Currently, the project is undertaking a comprehensive study to measure progress in post-Saddam Iraq. For more information on these and other PCR studies, please contact Morgan Courtney (mcourtney@csis.org) and Rebecca Linder (rlinder@csis.org).



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January 2004

Department of Peacekeeping Operations
Cartographic Section

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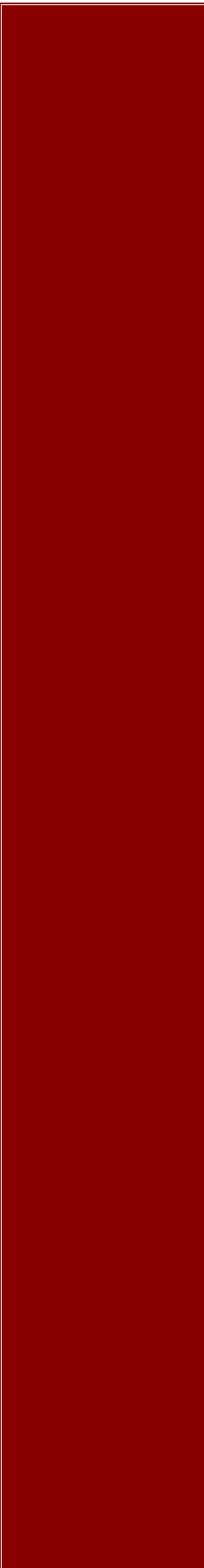
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Acknowledgements

This report is the follow-on to *Capturing Iraqi Voices*, released by the Post-Conflict Reconstruction (PCR) Project at the Center for Strategic and International Studies (CSIS) in July 2004. Both reports drew extensively on the PCR Project's work to date, including its early collaboration with the Association of the United States Army (AUSA), and its series of action strategies for upcoming post-conflict reconstruction cases. This report is a new product, which uses Iraq's reconstruction as a test case for a methodology to measure progress in reconstruction efforts from the perspective of the country's people, in this case, Iraqis.

The project directors would like to thank Dr. John Hamre, President and CEO of CSIS, for his invaluable support of the PCR Project and Kurt Campbell and Julianne Smith of CSIS's International Security Program, who provide continued guidance and advice.

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We thank James Surowiecki for his inspiration and guidance. We are also grateful for the excellent and insightful feedback we received on early versions of this report, including from Brian Katulis, Robert Kramer, and Makram Ouass, the World Bank's Post-Conflict Reconstruction Fund, Daniel Serwer and others at USIP, numerous offices at the U.S. Agency for International Development, and CSIS's International Security Program and External Relations department.

The project directors are entirely responsible for the content and judgments in this report.

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Executive Summary

Two months after the United States transferred sovereignty to an Iraqi interim government, on June 28, 2004, Iraq remains embroiled in an insurgency, with security problems overshadowing other efforts to rebuild Iraq's fragile society in the areas of governance and participation, economic opportunity, services, and social well-being. U.S. policymakers attempt to strike a balance between promising a U.S. exit strategy and promising to stay the course. Reports of gruesome violence compete with triumphalist descriptions of success in various areas.

Post-conflict reconstruction theory and practice have advanced considerably over the last few years, yet the U.S. government and the international community still lack forward-leaning, pragmatic, reliable models for measuring progress in post-conflict settings. Efforts to assess progress in Iraq have been lost in the midst of rumors on the one end and overblown lists of achievements on the other. The sources usually relied upon, from media to U.S. government-generated, do not on their own tell a complete story, and often reflect underlying biases or weaknesses. The Iraqi voice has been a key missing ingredient in most discussions and assessments of Iraq's reconstruction.

In this context, we set out to develop a broad-based, data-rich, multidisciplinary model for measuring progress in Iraq that has as its core the Iraqi perspective. This report assesses the readiness of Iraqis to take charge of their country, both in terms of actual progress on the ground in reconstruction efforts and the way Iraqis perceive current events. We blended several popular theories for methodology, diversified our research, and devised a system to evaluate information and progress in a quantifiable way.

THE REPORT

In developing our methodology, we drew primarily on the Center for Strategic and International Studies/Association of the U.S. Army *Post-Conflict Reconstruction Task Framework*, James Surowiecki's *The Wisdom of Crowds*, Michael Porter's *The Competitive Advantage of Nations*, Abraham Maslow's hierarchy of human needs, the social capital model theory, and Malcolm Gladwell's *The Tipping Point*. We also referenced U.S. government metrics

for evaluating Iraq's reconstruction and efforts by other research organizations to assess progress in Iraq and other post-conflict cases.

This report represents six months of research to measure the progress of reconstruction in Iraq according to an analysis of hundreds of data points drawn from 60 media sources, 17 public and official sources, 16 polls, and close to 400 interviews with Iraqis. We reviewed data from these sources covering the time period June 2003 through July 2004. Seven Iraqi researchers conducted interviews in 15 Iraqi cities from June 12-27, 2004. Because our research evaluated the information by source type, this report highlights trends in reporting according to different sources—e.g., whether the media is more negative than other sources—as well as particular trends in reporting in the different sectors we reviewed.

We cross-referenced the data against a series of simple statements that serve as a barometer of progress in five areas of Iraq's reconstruction: security, governance and participation, economic opportunity, services, and social well-being. The statements are:

Security

I feel secure in my home and in my daily activities.

Governance and Participation

I have a say in how Iraq is run.

Economic Opportunity

I have a means of income.

Services

I have access to basic services, such as power, water and sanitation.

Social Well-Being

My family and I have access to health care and education.

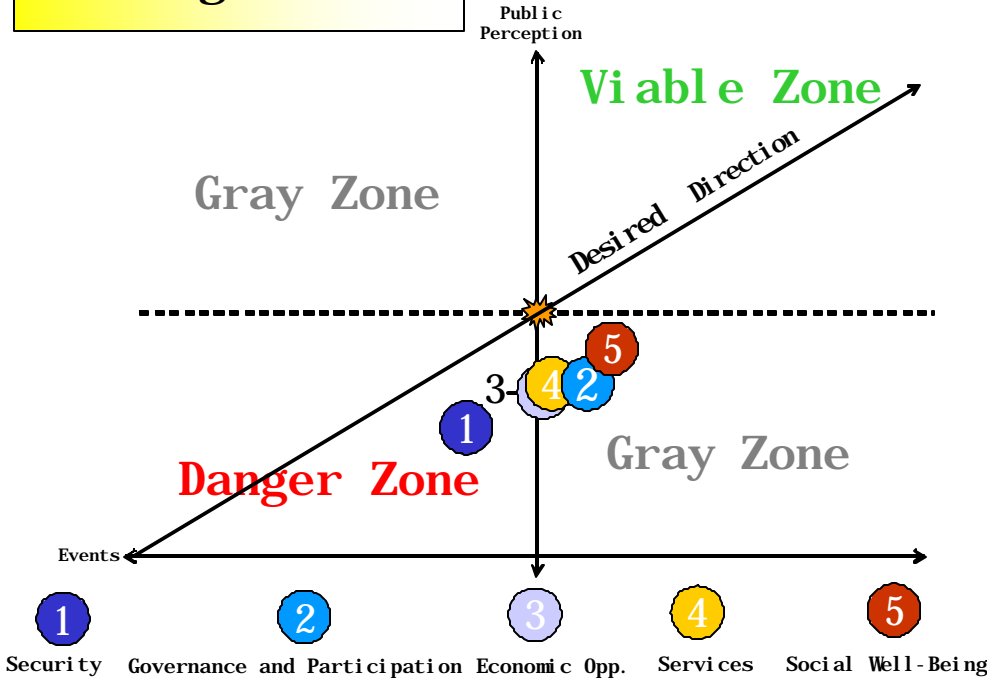
We also defined a desired end-state and a trajectory of progress toward longer-term self-sustainability for each sector. Our aim was to evaluate whether Iraq has crossed a “tipping point,” modestly defined, from the perspective of the Iraqi citizen, in terms of achievable goals for each sector. The idea being that once those goals are reached, Iraq is likely headed in a clear direction toward self-sustainability and further progress.

The model allowed us to establish a baseline to describe the status of Iraq's reconstruction in the five areas and to assess whether Iraq is progressing, regressing, or remaining static in those areas. It will also provide an index for future measurement of progress.

FINDINGS

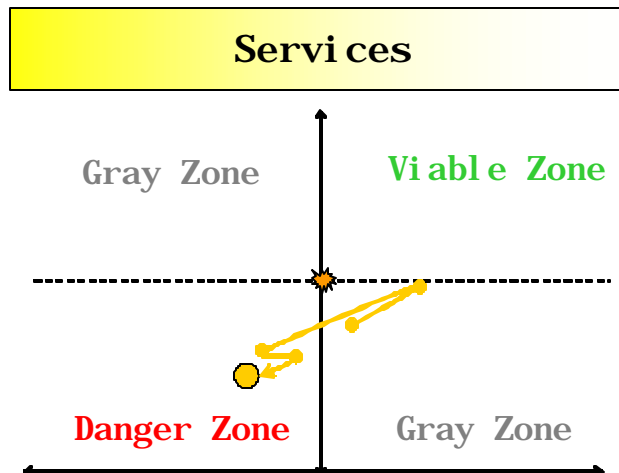
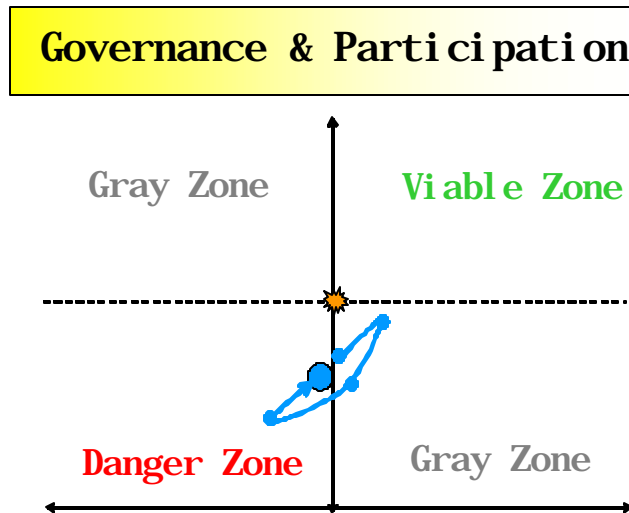
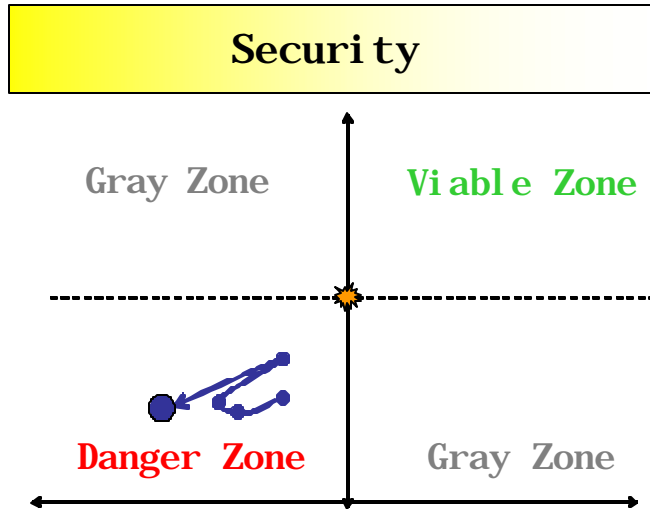
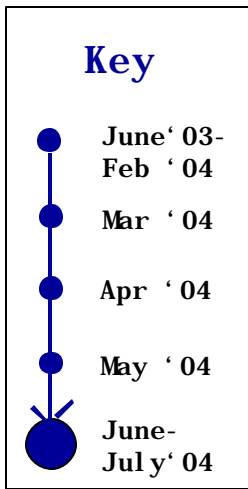
Iraq has not yet reached the realistic goals described in this report as the tipping points in any of the five sectors of reconstruction.

The Big Picture

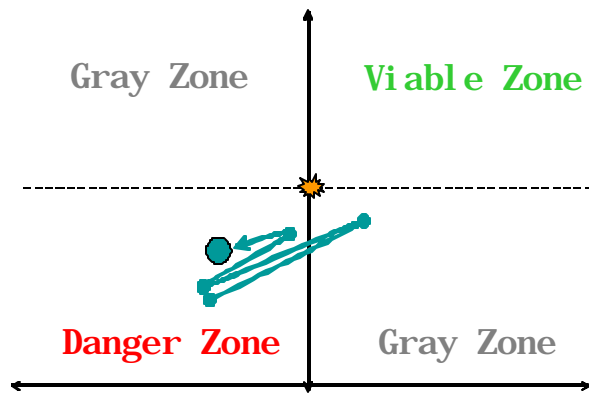


Cumulative view from June 2003- July 2004

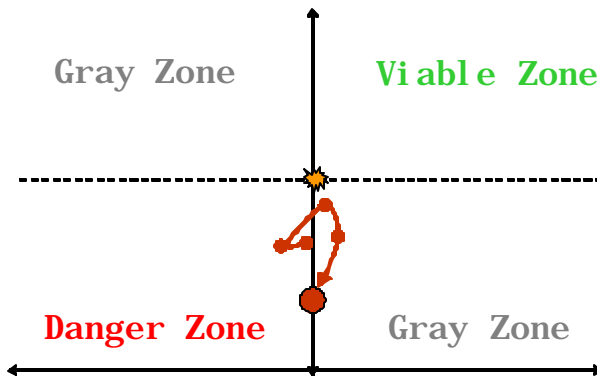
Iraq is not yet moving on a sustained positive trajectory toward the tipping point or end state in any sector.



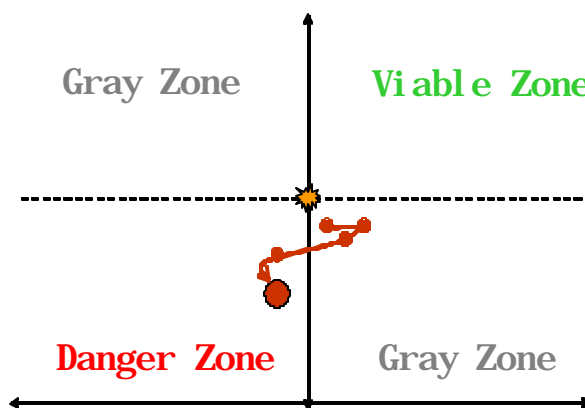
Economic Opportunity



Health Care



Education



The five sectors we reviewed are separate issues, yet they are all interlinking to various degrees. Progress in any one sector will depend on progress in others. Security and economic problems continue to overshadow and undermine efforts across the board.

Despite consistent criticism that the media portrays the situation in Iraq in an overly negative light, the media has not been significantly more negative than other sources of information on the issues of security, governance and participation, and economic opportunity. The media has been regularly more negative than other sources about services and social well-being issues. But in those areas, the media is arguably more balanced than public sources, in that it tends to include descriptions of the impact of security and reports of the Iraqi perspective.

Iraqis remain grounded in realism and patient about the future; they have modest expectations about the reconstruction but grander ones about Iraq's longer-term prospects.

Iraqis are judging U.S. actions and achievements by several standards: in contrast to those of Saddam Hussein, in light of Iraq's many desperate, unmet needs, and by what they assume U.S. wealth and power should be able to achieve.

Interviews and polling show that Iraqis remain guardedly optimistic about further progress in all five sectors. In some cases, the optimism appears unrealistic and could dissipate rapidly.

- **Security** continues to be the predominant issue, hampering reconstruction efforts on all other fronts. Crime is rampant, and, along with fears of bombings, militias' roadblocks, banditry on the highways, and regular kidnappings, continues to impact Iraqis' ability to go about their daily lives with any semblance of normalcy. Iraqis are well disposed toward their own security forces and clearly want them to play the leading role in bringing stability to the country, but those forces are still not up to the task. Iraqis have little confidence in U.S. and other international forces.
- **Governance and Participation** is a largely negative picture, despite a slight boost in optimism related to the June 28 transfer of sovereignty. Iraqis are knowledgeable and enthusiastic about the January elections but otherwise remain starkly pessimistic about governance and participation issues. Most are willing to give their government a chance, although they continue to question its credibility. Corruption is rampant, and there are worrisome trends in terms of protection of women's and minority rights and religious freedom. Kurds showed surprisingly negative results on governance; they are frustrated with their own political parties and wary about protection of Kurdish interests by a new Iraqi government. U.S. efforts have been overly focused on national level politics and central government institutions. Efforts to develop local and regional political bodies have not been adequately backed up by the resources and technical assistance that would meaningfully empower decentralized governance institutions.
- The continuing lack of **Economic Opportunity** and high levels of unemployment impact reconstruction in other sectors, fueling security problems and leading to entrenched frustration and anger at the occupying

forces. Iraq's perceived wealth sustains Iraqis' positive view of the future, but security problems continue to undermine oil production and export. Unemployment continues to overshadow the U.S.-driven macroeconomic reform efforts and salary increases for Iraq's civil servants. Iraqis currently have a negative view of job availability, and those who choose to work for foreign companies or in Iraq's security forces face serious security risks.

- Iraqis remain unhappy with the level of **Services** they are receiving. The lack of sufficient electricity in major cities continues to undermine public confidence, fueling worrisome discontent in cities like Falluja and Mosul, which were favored under Saddam and now receive considerably less power than in prewar days. Sewage systems are worse than they were under Saddam, causing spillover health and environmental problems. There is a wide gap between the level of services actually being provided (at least, according to U.S. government sources) and Iraqis' perception that services are inadequate.
- **Social Well-Being** has seen significant improvement in terms of access to education and health care, although there has been a downward trend in recent months. There was an initial boost in the education sector with thousands of schools rebuilt and children returning to school, but this has been countered in recent months by Iraqi frustration at the lack of longer-term, sustainable efforts in the education sector. There are signs that Iraqi children continue to drop out of school at high rates in order to work and help supplement the family income. The health care sector has suffered due to Iraq's security problems and inadequate basic services. Militias' roadblocks and highway banditry hinder access to and supplies for medical care, and the lack of a functioning sewage system has led to an increase in water-borne diseases.

RECOMMENDATIONS

Accelerate and enhance training, supplying, and mentoring of Iraqi security institutions to fit security threats.

- The United States must urgently remove remaining bureaucratic or policy hang-ups in order to speed the provision of its assistance funds for supplying and training Iraqi forces.
- Put an Iraqi face on security operations wherever possible.
 - Develop several highly trained and capable Iraqi units to build a reputation as Iraq's next generation of peace enforcers.
 - Create community public safety groups to improve the sense of security and create a link to local governing institutions.

- Develop and promote model joint security units, made up of mostly Iraqi forces with international back-up.
- Revamp U.S. force posture to ensure the availability of over-the-horizon, rapid response capacity throughout Iraq.
- Develop and fund a regionally balanced and more robust demobilization, disarmament and reintegration (DDR) program for Iraq's militia and former army members.

Revise the U.S. assistance program to increase direct Iraqi involvement and ownership.

- U.S. assistance funds should be targeted to providing more direct assistance to Iraqis.
- Provide resources to local and provincial governing councils to generate local ownership of the rebuilding process.
- Prioritize addressing Iraq's unemployment crisis.
- Prioritize basic services.
 - Expand the mix of projects, to include more smaller scale, local ownership of electrical power.
 - Place short-term focus on particularly disaffected cities, such as Baghdad, Mosul, and Falluja.

Reinvigorate the effort to expand international engagement.

- Actively support the return of the United Nations and other international organizations to provide election assistance.
- Reinvigorate the international community's financial commitment to Iraq's reconstruction.
- Revitalize efforts to forge an international consensus on Iraq's debt restructuring needs.

Prioritize Iraq's justice system.

- Give precedence to Iraq's judicial sector as part of the State Department's review of funding priorities for the \$18.4 billion in U.S. reconstruction funds.
- Focus on protecting Iraq's judicial and legal personnel.

Acknowledge and address the deteriorating situation in the north.

- Support the development of more responsive Kurdish regional governments.
- Address the Peshmerga as part of a national plan to deal with Iraq's militias.

Decentralize governance efforts.

- Empower and resource local and regional governments.
- Mobilize Iraq's silent majority to participate in Iraq's political life, helping to counteract the potency of the insurgents' message.
- Give Iraqis a stake in the country's oil wealth as part of a three-way balance: national assets, local revenue sharing, and wide public ownership.

As the United States heads into its own elections in November, the pressure will only grow to think about ways to define success in Iraq, perhaps as an attempt to define or set parameters for a U.S. exit strategy. That is a dangerous course: Iraq will not be a "success" for a long time. In fact, one thing this project highlights is the difficulty in defining success at all. It is better to focus on catalyzing Iraq's recovery by concentrating on a set of measurable benchmarks, like those laid out in this report, and setting Iraq on the right trajectory to meet those benchmarks. Setting our sights on realizable benchmarks instead of on defining a U.S. exit strategy will be more beneficial for Iraq, and suggest achievable goals for the United States. Iraqi optimism and patience have somehow endured. They must be harnessed, because they could easily be fleeting, particularly if the Iraqi government is no more successful than the CPA was in righting the course in Iraq.

To narrow the gap between U.S. descriptions of successes in Iraq and Iraqis' perceptions, the United States must do more than revamp its communications efforts to more persuasively describe its actions. It must calibrate those actions in light of Iraqi priorities and with a view to shoring up the fledgling Iraqi institutions in which the population has placed so much hope. Currently, those institutions lack the necessary capacity to make or sustain progress on their own, in terms of security, governance, justice, the economy, basic services, health, and education.

With the possible exception of the Kurds, Iraqis generally dislike the continued presence of the U.S.-led military forces in their country; many consider the occupation to be ongoing despite the June 28 handover of sovereignty. The sentiment is caused by the mere fact of occupation, rather than by the particular qualities and experiences of this occupation—such as the atrocities at Abu Ghraib prison, civilian deaths, or cultural insensitivity—although those factors certainly exacerbate it. As such, the United States should expect continuing resentment and disaffection even if the U.S.-led re-

construction efforts seem to be making positive, incremental improvements to the country according to various quantifiable measures. In other words, the occupation will not be judged by the sum of its consequences, but rather *qua* occupation. Put simply, Iraqi pride in national sovereignty is a more deeply-rooted sentiment than the United States anticipated.

It is possible to recognize progress in certain areas (e.g., number of hospitals rebuilt) while also concluding that it is insufficient, overshadowed by massive remaining hurdles, or not making a quantified or qualified difference to Iraqis. The U.S. efforts thus far have been largely divorced from the Iraqi voice and undermined by security problems and the lack of jobs, and they are not leading toward entrenched sustainability of Iraqi capacity. They are also not leading to positive trend lines across the sectors. Metrics that focus too heavily on quantifiable inputs do not tell a complete story. Moreover, U.S.-driven metrics and U.S. government propaganda are not trusted sources of information for Iraqis. As rosy as they are, they do not make a dent in changing Iraqis' perceptions. Until we start to see a positive trend line and arrive at a point (i.e., the tipping point) where Iraqis can sustain that trend, it is too early to claim success, and too risky to try to define circumstances that would justify an exit.

While we focus on U.S. elections at home, the political process in Iraq will also be opening up in the lead-up to January's elections. It is highly likely that the single unifying theme espoused by Iraq's politicians will be to invite the United States to leave Iraq once there is an elected Iraqi government in place. Everything the United States does should be in anticipation of that likelihood.

The challenge for U.S. and Iraqi officials alike is to harness and capitalize on Iraqis' optimism but at the same time not to overstate its significance, because there is real potential it could swing the other way if events in Iraq continue to trend negatively. This will require modulating goals to better reflect realistic milestones for getting Iraq headed toward self-sustainability. Grandiose goals and projects, while well intentioned, have little resonance for the average Iraqi. Progress should be measured in terms of Iraqi priorities and tangible impact on Iraqi lives. More importantly, Iraqis at all levels must be more directly involved in reconstruction efforts, and buy into those efforts. Whether or not U.S. forces are invited to leave in 2005, Iraq's ultimate success depends on building Iraqi capacity to take the country forward in the areas reviewed in this report.

Recent post-conflict reconstruction efforts, from Kosovo and Bosnia to Afghanistan and Iraq, have been hampered by a lack of direction. Claims of success and criticisms ring equally hollow in the absence of an understanding of a baseline measure, where reconstruction efforts are headed, or what success might look like. This is as true of U.S.-led coalitions of the willing as it is of United Nations-coordinated interventions.

Throughout the world, people are eager for ownership, in addition to a better way of life. In post-conflict settings, the international engagement should be catalytic in nature; it should provide local citizens with basic freedoms, more open practices, and some resources to get going.

Instead of nation building, efforts to define success should focus on something more akin to “nation jumpstarting.” The goal is to reach a point where the people of the country have a realistic chance of sustaining their own reconstruction and development. Recent history has produced few examples of success.

With this background, John Hamre, President and CEO of CSIS, and Gen. (Ret.) Gordon Sullivan, President of the Association of the United States Army (AUSA), convened the Post-Conflict Reconstruction Commission, a group of 27 distinguished Americans, to address needed improvements and changes in the way the United States approached post-conflict reconstruction. The Commission’s January 2003 report, *Play to Win* (<http://www.csis.org/isp/pcr/playtowin.pdf>), made 17 policy recommendations, many of which have become the basis for both legislative and administrative initiatives.

The lack of policy and operational models is a central weakness in the post-conflict field, and the early work of the CSIS/AUSA project emphasized the development of practical tools to fill that gap. The *Post-Conflict Reconstruction Task Framework* (<http://www.csis.org/isp/pcr/framework.pdf>) compiled post-conflict practices, tasks, and activities into a matrix that is now used globally as a functional tool for post-conflict efforts and as a training instrument. *Winning the Peace: An American Strategy for Post-Conflict Reconstruction* (CSIS Press, 2004) provides an intellectual overview and a number of case histories (<http://csis.zoovy.com/product/0892064447>).

This early work indicated that the United States and the international community still lack anticipatory, pragmatic, non-bureaucratic, and action-forcing models for developing strategies and measuring progress.

In September 2002, the Post-Conflict Reconstruction Project (PCR) at CSIS began anticipating the possibility of a post-conflict Iraq. Recognizing a consistent weak-

ness in the U.S. government's capacities, we tried to address the first challenge: developing an action strategy that focused on priority issues, made choices, recognized core weaknesses, and suggested who would be most capable of delivering success. Rather than being held captive by existing bureaucracies, funding streams, or programs, we emphasized the critical challenges that would define early efforts to win the peace in Iraq. Our January 2003 report, *A Wiser Peace: An Action Strategy for a Post-Conflict Iraq* (<http://www.csis.org/isp/wiserpeace.pdf>), detailed ten fundamental elements that would improve the likelihood of a lasting peace. Follow-on reports focused on specific issues of concern, such as Iraq's financial obligations ([http://www.csis.org/isp/wiserpeace I.pdf](http://www.csis.org/isp/wiserpeace_I.pdf)) and the Oil-for-Food Program ([http://www.csis.org/isp/wiserpeace II.pdf](http://www.csis.org/isp/wiserpeace_II.pdf)), and provided an early measure of progress in Iraq's reconstruction (<http://www.csis.org/isp/scorecard.pdf>; <http://www.csis.org/isp/areweready.pdf>; and <http://www.csis.org/isp/areweready2.pdf>).

As the reconstruction process began to falter in the late spring and early summer of 2003, the Secretary of Defense invited the PCR Project, under Dr. Hamre's leadership, to conduct the first independent review of the ongoing efforts in Iraq. The team's July 17, 2003 report, *A Field Review and Recommendations* (<http://www.csis.org/isp/pcr/IraqTrip.pdf>), set forth seven priority steps to meet this enormous challenge.

In each phase of the PCR Project's work, we have focused on addressing issues that would benefit from advance consideration and planning. We recognized that the June 28, 2004 transfer of sovereignty in Iraq would spark considerable debate about the amount of progress in Iraq, or whether there had been progress at all. In that context, we found the swirling claims of progress and counterclaims of criticism wanting as a means to assess progress and realized there was no baseline or index with which to measure progress in Iraq's reconstruction.

The sources of information themselves were increasingly suspect. Some deem the press too critical; others argue that officials are propagandistic. Yet our experience in Iraq and dozens of other conflicts have shown that quantitative data can often be unreliable and qualitative information is often filled with rumor. We set out to build a broad-based and data-rich model that would cut across various weaknesses and biases.

Most of all, we wanted to highlight the perspective of Iraq's people, because the ultimate success of the country will depend on their commitment, beliefs, and actions. The Iraqi voice was the key missing ingredient in most discussions leading up to June 28.

The "measures of progress" model described in this report combines the voices of thousands of Iraqis to assess their readiness to take charge of their country, both in terms of actual progress on the ground in reconstruction efforts and the way Iraqis perceive current events. The information we have compiled suggests two troubling realities. First, Iraq has not yet reached the realistic goals described in this report as the tipping points in the five reconstruction areas we reviewed: security, governance and participation, economic opportunity, services, and social well-being. Second,

Iraq is not yet moving on a sustained positive trajectory toward the tipping point or end state in any of those sectors. In fact, in every sector we looked at, we saw backward movement in recent months. The goals we articulate are not utopian but rather set out an achievable Iraqi state, with a clear sense of direction, as seen from the perspective of the Iraqi citizen.

The five sectors we studied are separate issues, yet they are all interlinking to various degrees. Progress in any one sector will depend on progress in others. This helps explain why disparate examples of progress—for example, numbers of children vaccinated or hospitals rebuilt—do not on their own signal real progress in the reconstruction, even if one views particular sectors individually. Security and economic problems continue to overshadow and undermine efforts across the board.

Our interviews suggested that Iraqis' expectations for the reconstruction process are grounded in realism, which accounts for their continued patience despite 17 months of missteps in the reconstruction effort. After having survived decades of a corrupt, dictatorial regime, multiple wars, and crippling sanctions, they did not expect much from the successor government, the Coalition Provisional Authority (CPA). Iraqis are judging U.S. actions and achievements in Iraq in contrast to those of Saddam Hussein and in light of Iraq's many desperate, unmet basic needs. But they are also judging U.S. efforts in light of what our overwhelming wealth and power imply we should be able to achieve. Therefore even if U.S. efforts succeed in making Iraq "better" than it was pre-invasion, Iraqis may end up seriously disappointed.

At the same time, interviews and polling show that Iraqis remain guardedly optimistic about further progress, in terms of security, governance, economic opportunity, basic services, and social well-being. In some cases, that optimism appears unrealistic. Many Iraqis we interviewed, for example, base their optimism about the economy on the prospect of foreign investment; others clearly expect that government subsidies will continue to ease their economic woes. Iraqi optimism on the security front is largely driven by their faith in Iraq's security institutions and the ability of an Iraqi government to gain control of the country. If expectations are unmet, their optimism and patience could dissipate rapidly.

The massive reconstruction effort in Iraq has provided multiple lessons and led to the development of several important products that will improve post-conflict work. The PCR Project's "measures of progress" model is meant to serve as a baseline measure of progress to date, an indicator of trends, and an index for the future. It will not only help to reliably answer the question of how well things are going in Iraq but also serve as a model for assessing progress in other post-conflict settings.

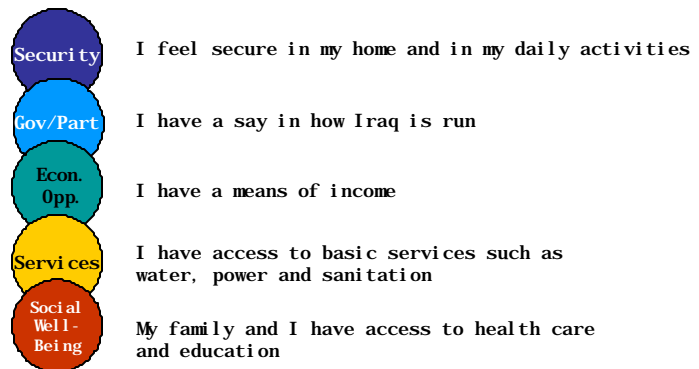
PROJECT SUMMARY

This project grew out of the dearth of available metrics or evaluation tools for assessing progress in Iraq's post-conflict reconstruction. U.S. government-generated assessments have tended to focus on inputs into the reconstruction efforts—such as megawatts of electricity produced or number of Iraqi security forces trained—which, on their own, do not present a full picture of progress in Iraq, and which have been largely divorced from Iraqis' perception of how things are going. On the other hand, individual media stories or polling of Iraqis on their own also do not present the full story. When we began this project, looking forward to the June 28 transfer of sovereignty, it looked as if success would be marked merely by the passage of time rather than any particular events or trends in Iraq. Official sources continued to present an overly rosy picture of success in many sectors in Iraq, while media sources tended to publish stories that seemed to contradict such success. Without entering into a debate as to the respective reliability or utility of the two, which ultimately would have served only to signal bias on our behalf, we decided to create our own mechanism to measure progress in Iraq.

We began by brainstorming a successful end-state for Iraq. We set out to draft simple statements we believed Iraqis should be able to make in order to argue that the United States had been successful in Iraq. As described by Jackson Diehl in a February 16, 2004 *Washington Post* opinion piece about this project, the aim was to draw up a list of specific conditions that would be present in a successful Iraq, each of which could serve as a barometer of progress.² We initially described eight statements that spanned various sectors and ultimately whittled those statements down to the five stated here (see Chart 1).

CHART 1

Defining the End State

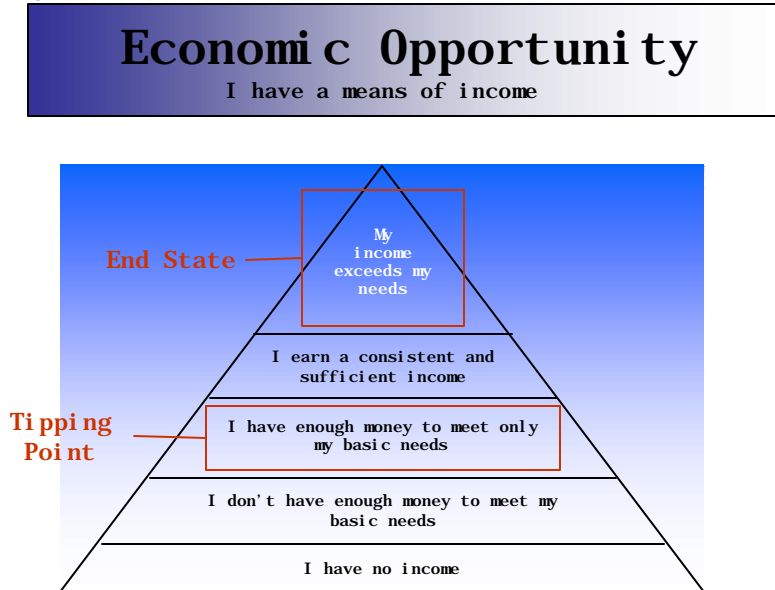


¹ When we began this project, we referred to it as “Measures of Success,” a title that stuck for some months. As we delved deeper into our research, and consulted with outside experts, we grew concerned about the implications of a title that focused on the notion of success. For one, we are not attempting to determine whether the United States has succeeded in its efforts in Iraq so much as analyzing whether Iraq is headed in the right direction. We worried about the possibility that our report could serve as a proxy for those looking for an exit strategy in Iraq. Moreover, although it is certainly fair to argue that there have been individual reconstruction success stories in Iraq, the vast majority of our research—looking at media sources, official sources, polling, and interviews in the field—suggested that successes were limited. We settled on referring to our project as “Measures of Progress in Iraq.”

² Jackson Diehl, “Winning the Post-Postwar,” *Washington Post*, February 16, 2004, p. A27.

We then focused on creating a hierarchy of human needs for each sector, as described in further detail in the methodology section that follows. This helped us refine our research according to relevant indicators and assess trends in terms of whether Iraq was progressing or backsliding with respect to any of the five statements, and in overall terms. We developed five separate levels of satisfaction, determined on the basis of Iraqis' needs and goals as they define them, for each of the five issue areas covered in the report. The satisfaction levels run from zero (least satisfaction) to four (highest satisfaction). Thus, for example, the scale for economic opportunity is (see Chart 2):

CHART 2



The PCR Project generated the statements in Washington, on the basis of its expertise in Iraq's reconstruction and with input from other experts both in Washington and Iraq. We validated the statements' relevance to Iraqis as part of the interviewing process (described below), and we are confident that they fairly represent Iraqi sentiment and priorities.

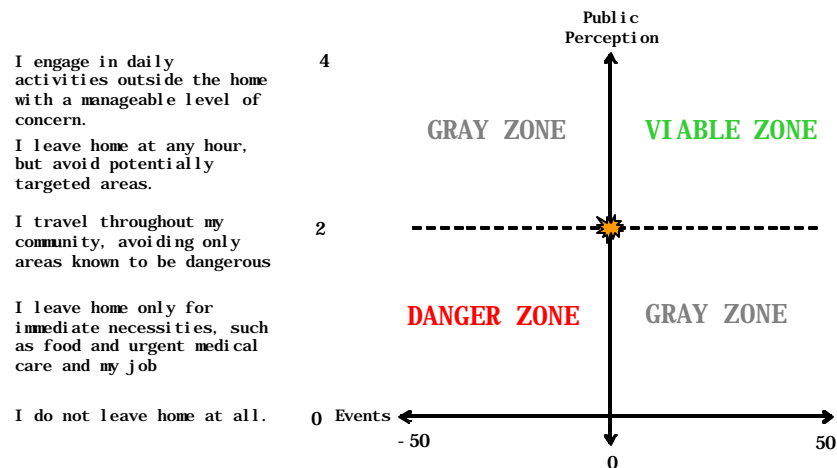
Once the hierarchies were developed, we identified indicators that were particularly influential in each sector. Examples are the protection of freedoms in the governance sector, job creation in the economic opportunity sector, and power production in the services sector. We then began canvassing multiple sources in order to develop as complete a picture as possible with respect to each sector, compiling data relevant to the indicators we had identified. We tracked multiple publicly available sources, namely media, public (or official) sources, and polls. We also hired seven Iraqi researchers, who conducted a series of nearly 400 interviews of Iraqis in 15 cities in June 2004. (We released "Capturing Iraqi Voices," a preliminary report on results from those interviews, in July 2004. It can be found at http://www.csis.org/isp/pcr/0407_Capturing_Iraqi_Voices.pdf.) Our use of the various sources is described in greater detail below. Using this blend of different source material has enabled us to provide a richer picture of the state of Iraq's reconstruction than tracking any individual source type.

In addition to the scale of Iraqis' satisfaction levels, we developed another scale to measure the positive or negative effect of a particular event, poll, or interview on the reconstruction, as opposed to how that event might be perceived by Iraqis in terms of their satisfaction level. This scale runs from -50 (signifying an extremely negative event) to +50 (signifying an extremely positive event), with zero representing a neutral event. All our data points were plotted on a two-axis graph, with the vertical axis representing a point's effect from the perspective of Iraqis (their satisfaction level) and the horizontal axis representing the impact of the event on efforts to reconstruct Iraq. Taken together, they provide a picture of the trend lines in Iraq according to multiple data points and sources (see *Graph 1*).

GRAPH 1

Mapping the Data

Data points are thought of in terms of the positivity/negativity of an event and the public's perception of that event



Our focus on trends rather than particular events or inputs was deliberate: we wanted to move away from the idea of nation building, in favor of nation jumpstarting. Reconstruction efforts should be a catalytic process, centered on developing institutions and programs that move a country in the right direction. We decided to create graphical representations for the data, so that we could more readily describe the trends in any particular sector, including according to the various indicators studied in each sector. Graphing the data also enables us to assess overall progress across the range of sectors, and identify trends according to the source of particular data points. In other words, we can determine whether data suggests different trend lines according to whether it derives from a media source, official U.S. government information, or Iraqi interviews.

Blending Popular Theories

Post-conflict situations are notoriously difficult to evaluate, due to myriad factors that arise in the aftermath of violent conflicts, including continued hostilities, political upheaval, ethnic divisions, and mass exploitation. Yet the international community's ability to create and preserve peace in conflict zones around the world depends on an ability to accurately assess progress in these efforts. As the CSIS/AUSA bipartisan Commission on Post-Conflict Reconstruction found, it is important to set measures of success "at the beginning of a mission and evaluate progress constantly in order to manage expectations and facilitate transitions from one phase of an operation to the next."³ Moreover, reliably measuring progress in an international intervention is fundamental to an "exit strategy," as achieving success is the only true exit strategy.

To develop the methodology used in this report, the Post-Conflict Reconstruction (PCR) Project decided to blend popular theories from a variety of disciplines, including economics, sociology, and psychology. Each discipline adds a unique analytic and interpretive dimension on its own, but by blending them, we have ensured that our final analyses and recommendations are more penetrating, interdisciplinary, and ultimately persuasive. Moreover, by focusing on multiple sources for our research and involving numerous people in compiling our data and formulating our analysis, we relied on the argument, forcefully advanced by James Surowiecki, among others, that collective knowledge is wiser than individual expertise.

In *The Wisdom of Crowds* Surowiecki argues, on the basis of considerable evidence, that the collective knowledge of groups is consistently superior to the thinking of even the smartest individuals or small collection of experts. As one example, the consistent best predictor of a professional football game's outcome is not a TV analyst or former player but rather the betting line, which represents the cumulative knowledge of football fans across America. For groups to reach their highest potential as wise decision makers, their members must meet three conditions: they must have a balance between the public information they all share and the private information they do not; they must be a diverse collection of people, in terms of knowledge and opinion; and they must be able to think and act independently from each other. Assuming these conditions are met, Surowiecki argues his thesis as follows: "[I]f you can assemble a diverse group of people who possess varying degrees of knowledge and insight, you're better off entrusting it with major decisions rather than leaving them in the hands of one or two people, no matter how smart those people are."⁴

This project used Surowiecki's theory as a guidepost, making use of the broader conceptual implications of *The Wisdom of Crowds* as an invaluable tool for evaluating

³ Center for Strategic and International Studies and Association of the U.S. Army, "Play to Win," Final Report of the Bipartisan Commission on Post-Conflict Reconstruction, January 2003, p. 8, <http://www.csis.org/isp/pcr/playtowin.pdf>

⁴ James Surowiecki, *The Wisdom of Crowds* (Doubleday, 2004): 31.

complex situations, such as post-conflict Iraq. On a daily basis, Americans and Iraqis receive news from a variety of sources reporting on both positive and negative events in Iraq. The challenge is to accurately evaluate the overall situation. If we simultaneously read, for example, that the U.S. Agency for International Development (USAID) has rehabilitated over 2,351 schools across Iraq since 2003 *and* that many Iraqi girls do not go to school for fear of being kidnapped, does that indicate that education is improving, deteriorating, or neither? In this report, we decided to let the crowd decide.

We collected thousands of different data points on the situation in Iraq during the time period June 2003 to July 2004, from a variety of sources including print and other media, official government and international organizations sources, and information culled by other think tanks and expert groups, polls conducted in Iraq, interviews with individual Iraqis, and focus groups. Using this grouping of people and sources to better understand the actual situation in Iraq fits well with Surowiecki's definition of a crowd able to make intelligent decisions: it is a large, diverse group of people (both Iraqis and outsiders), with varying knowledge levels and opinions, who are able to think and act independently from each other.

We relied for organizational and analytic purposes on the “four pillars” of post-conflict reconstruction identified in the CSIS/AUSA *Post-Conflict Reconstruction Task Framework*: public safety and security, governance and participation, justice and reconciliation, and economic and social well-being.⁵ The pillars were then enhanced to more directly match the situation in Iraq, and we ultimately decided to examine five broad issue areas that most accurately reflect the priorities of Iraqis in the reconstruction of their country: security, governance and participation, economic opportunity, services, and social well-being.

We developed the rating scale discussed above to measure Iraqis' perceptions and satisfaction in these five areas, based on an adaptation of Dr. Abraham Maslow's humanistic psychological theory of a hierarchy of human needs.⁶ In brief, Maslow's model of human behavior contends that humans have both lower order needs—water, food, shelter, and security—and higher order social needs—self-respect and self-actualization—and that people become concerned with their higher order needs only once their lower order needs are satisfied. Drawing on this concept, we developed the five separate levels of satisfaction for each of the five issue areas covered in the report.

It is important also to indicate how the PCR Project numerically rated the data points collected, so they could be transformed from disparate sentences or results to points on a graph. Eleven members of the PCR Project and the CSIS Middle East Program separately rated each piece of information, according to their evaluations of the

⁵ CSIS/AUSA, “Post-Conflict Reconstruction Task Framework,” May 2002, <http://www.csis.org/isp/pcr/framework.pdf>

⁶ Abraham Maslow, *Toward a Psychology of Being* (Van Nostrand, 1968); Abraham Maslow, *Motivation and Personality* (Harper, 1954).

impact of the event itself and the Iraqis' perception of that event. This methodology is open to the criticism of inconsistency with *The Wisdom of Crowds* in that a group of just eleven people were charged with assigning values to each data point. This criticism does not carry weight for three reasons.

First, our methodology actually blends several popular theories but does not claim strict adherence to any one of them. *The Wisdom of Crowds* is certainly central to the report's overall objective of telling the Iraqi story from multiple points of view, but it does not dominate any of the other theories in such a way as to prevent their useful application.

Second, this report presents our understanding of thousands of pieces of information collected from a diverse group of sources, guaranteeing that it represents the collective, or group, knowledge of people involved in and observing Iraq's reconstruction, rather than the ideas of a select experts' group. Though the number of people who rated events was limited, because each person rated several hundred different types of events from multiple sources, any particular bias in rating technique is overshadowed by the pure wealth of information presented. Moreover, Surowiecki does not actually suggest that small groups are inherently poor sources of knowledge. He argues that there are two potent threats to the decision-making ability of small groups: groupthink and group polarization. Groupthink occurs when individuals conform due to peer pressure to reach overconfident or extreme conclusions. Group polarization occurs when individuals espousing opposing positions tend toward extreme positions in response to one another during group deliberations. Because we rated data points independently from each other and without discussion amongst ourselves, neither of these group dynamics presented itself during our rating process.

Third, the number of people who rated data points may in fact be entirely adequate given the project's aims. The report does not purport to present the definitive or precisely accurate picture of either the events occurring in Iraq or Iraqis' perception of those events. Rather, it attempts to paint a picture that is solid enough to allow analysis of whether Iraq's reconstruction across a range of sectors is generally progressing well or backsliding, and more specifically, whether Iraq's reconstruction has reached a tipping point, in any specific sector or overall.

To interpret the meaning of a given point's location on these graphs, we relied on Malcolm Gladwell's "tipping point" theory, which maintains that in social movements, there is a particular point in time (the tipping point) when enough interested people are involved in the movement to guarantee its forward progress.⁷ Similar to the physics concept of critical mass, Gladwell's *The Tipping Point* essentially argues that if there is an adequate amount of human momentum behind an idea, it will spread and succeed. In developing our methodology, we also referenced the Social Capital Model theory, which argues that people must attain certain levels of skill and capability in order for their institutions and societies to function effectively. Our

⁷ Malcolm Gladwell, *The Tipping Point: How Little Things Can Make a Big Difference* (Back Bay Books, 2002): 7.

report blends these notions as a means to judge whether Iraq's reconstruction has reached a level—both in the five separate sectors and as a whole—where Iraqis themselves could continue to drive their country's rebuilding without continued extraordinary assistance from the international community, particularly the United States. We thus attempt to assess whether the reconstruction in Iraq has reached a tipping point.

Although we make use of Gladwell's tipping point theory, we acknowledge that it does not exactly capture the essence of this project. The tipping point is often viewed as a take-off point, after which exponential growth will occur. In the post-conflict field, however, Gladwell's theory may more accurately represent a break-even point, at which a struggling nation can take over running things itself and be reasonably successful. Crossing that tipping point would not necessarily ensure continued progress, but it would increase its prospects. We firmly believe that the people of a post-conflict country must own the reconstruction process and be its prime movers.⁸

The question is: at what point can power, decision-making authority, and ownership be transferred to a local population in good faith that it will have a fighting chance of positively shaping its own future?

For any piece of data to be rated as having passed the tipping point on our graphs, it must be rated both as a positive event on the -50 to +50 scale and as equal to or greater than two (the middle rating) in terms of Iraqis' perception of events. For example, Iraqis might not yet be able to say "My income exceeds my basic needs," which may represent an end state, but if they can say "I have enough money to meet only my basic needs," this should suggest that economic reconstruction efforts will continue to progress, and that Iraqis will be largely capable of managing those efforts without substantial international community involvement. If Iraqis are not able to meet their basic needs, however, we would not expect their economic conditions to continue to advance on their own, without continued significant outside assistance.

The four-quadrant system used to plot data was modeled after the differentiation graphing scheme as described by Michael Porter in *The Competitive Advantage of Nations*.⁹ Our graphing method does not mirror Porter's, but we used his general construct as a guide.

Essentially, this report attempts to evaluate the clash between two opposing vectors in Iraq: reconstruction efforts and "spoilers" to those efforts—the large number of people who have shown themselves determined to undermine the successful reconstruction of the country. We attempt to assess both where Iraq is in the reconstruction process 17 months after Saddam's overthrow and the direction in which it is moving.

⁸ "Play to Win," 6.

⁹ Michael Porter, *The Competitive Advantage of Nations* (The Free Press, 1990).

Monitoring a range of sources for our research, and analyzing them separately, allowed us to reveal any discrepancies that might exist between source type and the kind of information reported. As is the case with most post-conflict environments, there was a lack of reliable numbers and a preponderance of rumor-filled anecdotes about the status of Iraq's reconstruction. To help resolve this, we devised a system to collect and consolidate information that would also allow us to differentiate source types. We collected 359 media points, 301 points from official and public sources, 72 points from polls, and 75 points from original interviews and then weighted each of these source types equally in our overall graphs.

The Media

Initially, our media research strategy was to monitor a number of particular sources on a daily basis, and let the coverage help identify important topics and indicators. A team of six researchers started out monitoring daily domestic and international newspapers in English, French, Spanish, and Arabic (as well as in translation), in addition to periodicals, journals, and magazines. For the first three months of research (March-May 2004), we monitored a core 15 sources daily (*see Table 1*). We also researched these same sources for articles from the time period June 2003-July 2004. We chose our sources on the basis of multiple criteria, including those which had on-the-ground correspondents and spanned the political spectrum, with views both sympathetic to and critical of the U.S. occupation. Much of the data presented in the media was overlapping; for example, major events such as bombings and attacks against coalition and Iraqi security forces and civilians tend to be widely reported. Coverage of sectors other than security tended to be more varied in its portrayal of positive as well as negative aspects of the reconstruction efforts. Tracking the same sources over a period of months enabled us to evaluate broad trends in the media coverage that extend beyond political biases.

Table 1

The New York Times	The Washington Post	The Wall Street Journal	The Early Bird	The Christian Science Monitor
The British Broadcasting Company	Al-Jazeera	The Financial Times	The Los Angeles Times	The Washington Times
The Guardian	Le Monde	Arab News	Al-Sharq-al Awsat	Associated Press

This source-specific research provided a strong basis of information, but it was also extremely repetitive and missed many articles that discussed overlooked events and trends in Iraq. To supplement this preliminary research we began to research individual sectors (e.g., security, governance and participation) and indicators within those

sectors across an expanded pool of sources, which included other newspapers, journals and periodicals, wire services, radio, and television programs (see Table 2).

Some media reporting is actually secondary information taken from polls or statistics provided by the U.S. government and other official sources. Where possible, we relied on primary source data and identified something as a media source only when it contained information not derived from another source. The media data tend to include reporting on events, anecdotes, opinion pieces, and analysis of the situation on the ground.

Media Sources

TABLE 2

Iraqi Press Monitor	Al-Sabah al-Jadeed	San Francisco Chronicle	Al-Mutamar	The Baghdad Mosquito
CNN	Defend America News	New York Review of Books	Al-Bayan	Iraqia Television
Al-Ittihad	Reuters	USA Today	NPR	The Middle East Economic Digest
The New Republic	El Pais	Azzaman	Online News Hour with Jim Lehrer	Al-Dawa
Al Addustour	Al Arabiya TV	Toronto Star	The Daily Star	The Economist
Agence France Presse	The Scotsman	Bloomberg News	University Wire	The New Yorker
Tareek al-Shaab	Knight Ridder	The International Herald Tribune	Xinhua News Service	Al-Adala
Maclean's	The Yomiuri Shimbun	The Chicago Tribune	Gulf News	The Western News

Public Sources

We categorized publicly available official and non-official information, excluding the media, as public source data. Official sources encompassed information from reports, press releases, and statements by different U.S. government entities (Department of Defense, USAID, Central Command, General Accounting Office, U.S. Department of State, Coalition Provisional Authority) and various United Nations agencies and newswires. We also included under “public sources” information from NGOs and research compiled by other research institutions, such as the Brookings Institution’s “Iraq Index.” These sources were monitored for information covering the time period June 2003 through July 2004 (see Table 3).

Much of the information from official sources takes the form of quantifiable inputs:

Public Sources

Table 3

Coalition Provisional Authority	United States Agency for International Development	Central Command	United States General Accounting Office	United States Department of State
United States Department of Defense	Embassy of the United States in Baghdad	United Nations Integrated Regional Information Networks	United Nations Children's Fund	Office of the United Nations High Commissioner for Human Rights
Department For International Development (UK)	ReliefWeb	Middle East and North Africa Business Reports	Kurdistan Regional Government	The Brookings Institution: Iraq Index
Save the Children	Institute for War and Peace Reporting			

accomplishments of the reconstruction effort as measured by schools built, troops on the ground, money allocated, contracts awarded, and number of projects completed. In isolation, the inputs would suggest an Iraq on the road to recovery, and we thus assumed that public source material would be overwhelmingly positive. We found, however, that information from other public sources (the UN news service, reports from other research organizations, and NGOs) did not overemphasize inputs. Because all of these sources were catalogued as public source data, on the whole, they too present a mixed picture.

Public Opinion Polls

We incorporated 16 public opinion polls, representing five polling organizations and numerous sponsors, into this analysis. Except for November and December of 2003, these surveys captured facets of Iraqi public opinion in every month from August 2003 through July 2004. This section describes which surveys were included and highlights essential facts about them.

The following table describes the 16 polls examined herein. Note that most of the polls have multiple authors or sponsor organizations. The organization most immediately involved with conducting actual interviews is always listed first.

Because polls have been conducted in Iraq on a fairly regular basis since August 2003, many of them repeatedly posing the same questions, changes and trends in public opinion over the past nine months—on certain issues, at least—can be seen

Polls Examined

Table 4

Survey Dates	Polling Organization(s)	Size	Sample Composition
August 2003	Zogby, American Enterprise Institute		Basra, Kirkuk, Mosul, Ramadi surveyed
8/20/03-9/5/03	ICRSS, Department of State, Coalition Provisional Authority (CPA)	1,444	Ages 18 and up; 7 cities surveyed
8/28/03-9/4/03	Gallup, CNN, USA Today	1,178	Only Baghdad surveyed
9/28/03-10/10/03	ICRSS, Department of State, CPA	1,620	Ages 18 and up; 7 cities surveyed
10/15/03-11/15/03	Oxford Research International	3,244	Ages 15 and up; 12 governorates; ¾ urban
January 2004	IIACSS, Department of State, CPA	1,209	Ages 18 and up; 6 cities surveyed
2/9/04-2/28/04	Oxford Research International	2,652	Ages 15 and up; 12 governorates; ¾ urban
March 2004	IIACSS, Department of State, CPA		Ages 18 and up; 6 cities surveyed
3/16/04-4/2/04	Oxford Research International	2,746	Ages 15 and up; 12 governorates; ¾ urban
3/22/04-4/9/04	Gallup, CNN, USA Today	3,444	16 provinces surveyed; ¾ urban
4/20/04-4/29/04	ICRSS, Department of State, CPA	1,530	Ages 18 and up; national survey
4/21/04-5/1/04	IIACSS, Department of State, CPA	1,111	Ages 18 and up; 6 cities surveyed
5/14/04-5/23/04	IIACSS, Department of State, CPA	1,093	Ages 18 and up; 6 cities surveyed
5/19/04-6/14/04	Oxford Research International	3,002	Ages 15 and up; 12 governorates; ¾ urban
5/27/04-6/11/04	IIACSS, International Republican Institute (IRI)	1,920	All 18 governorates; ¾ urban
7/24/04-8/2/04	IIACSS, IRI	2,846	All 18 governorates; ¾ urban

in great chronological detail.

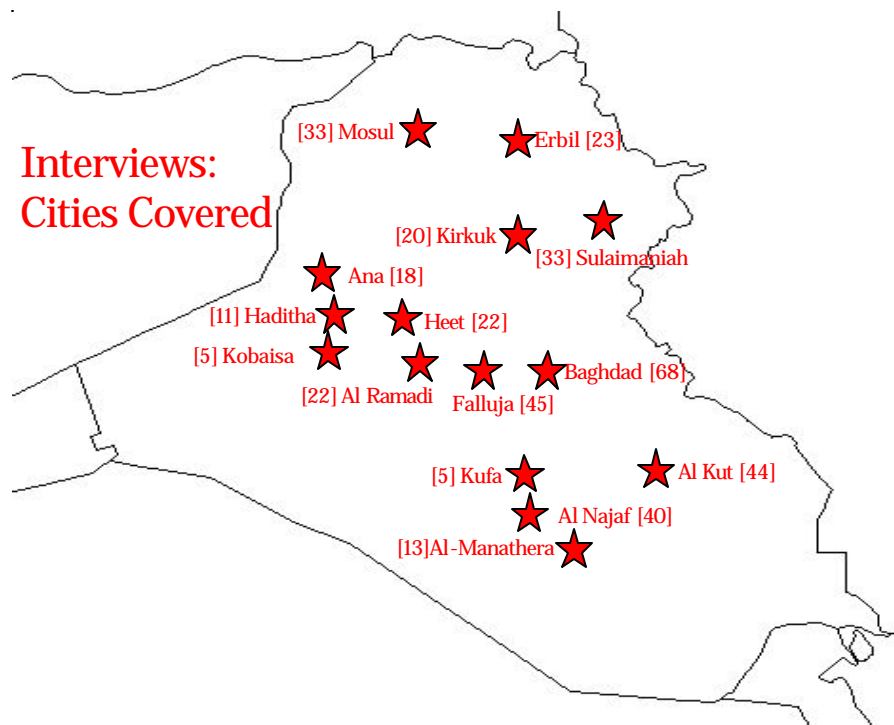
Poll samples were all quite large, at least for the vast majority of polls for which those

numbers were available. 2,074 people was the average sample size, and 1,770 was the median. Known sample sizes ran from 1,093 to 3,444 individuals. In most polls, men and women were represented equally, cities in different ethnic and geographic regions were incorporated, and people across a wide range of ages were questioned. The most sophisticated polls from Oxford, IIACSS, and Gallup incorporated results from most or all of Iraq's 18 governorates and surveyed rural as well as urban locations. In these polls, samples were taken or results weighted so that each governorate, as well as urban versus rural areas, was represented according to its population size. Other polls, however, surveyed only urban populations and neglected the roughly 25 percent of the population living in rural areas. Because of potentially vast disparities in opinion from region to region, it is hard to apply nationwide findings to particular cities or governorates within Iraq.

Interviews

The Project hired and trained seven Iraqi researchers, who conducted approximately 400 interviews/structured conversations with over 700 Iraqis in 15 cities from June 12-27, 2004 (see Chart 3). Most interviews were individual, but some were conducted with small groups of people that shared particular demographic qualities such as age or education level. The interviews provided both quantitative and qualitative data.

Chart 3



The quantitative value was provided by the number of interviews conducted in a representative sample of most urban centers across Iraq, in eight governorates with ethnically and religiously mixed populations. The interview technique employed by the researchers provided the qualitative value. Rather than run through structured questionnaires based on an outside understanding of the key issues in Iraq's recon-

struction, researchers used an informal conversational style designed to elicit narratives from their Iraqi interviewees, a “structured conversation.” In this sense, interviews were conducted in an iterative fashion, with each conversation building on the one before it. For a more detailed explanation of the interview process and results, see http://www.csis.org/isp/pcr/0407_Capturing_Iraqi_Voices.pdf.

REPORTING TRENDS

Given the consistent criticism of the media’s coverage as depicting an overly negative situation, we were particularly interested in contrasting information from the media with that from official and other public sources. Those criticizing official sources note that they have tended to make exaggerated claims of success that are inconsistent with other information coming from Iraq. Polling and interviews added an Iraqi perspective to help evaluate claims of bias with respect to both sources.

After a thorough review of countless news organizations’ reporting, it appears, in general, that media reporting has been at most only marginally more negative than public source data when reporting about security, governance and participation, and economic opportunity. The media reporting is regularly more negative in the areas of services, education, and health care. But in those areas, the media is arguably more balanced than public sources are, in that it tends to include descriptions of the impact of security, for example, on efforts to rebuild infrastructure or parents’ fears about sending children to school in light of security threats. U.S. government sources in particular tend to focus mainly on inputs—how many schools have been built or megawatts of electricity produced—without necessarily factoring in the impact of security or the Iraqi perspective.

The vast majority of security-related media data we looked at was negative but despite this, the results we found would be only marginally more positive if media reporting were ignored. Public source and polling data are also firmly negative. In the security sector, it is only the addition of interview results that makes the overall picture slightly more positive than it otherwise would be. Similarly, in terms of economic opportunity, the media reporting overall is not markedly more negative than the public source information. The media has tended to paint a balanced picture: its positive points focus on inputs and CPA reform efforts; its negative stories focus on Iraqis’ economic well-being and lack of jobs.

In the area of governance, inputs alone cannot capture the level of Iraqi trust in their government; the majority of negative media reporting in this area is anecdotal Iraqi responses to questions about their respect for the Iraqi government and its institutions. The public source data largely focuses on the CPA’s progress in establishing local, municipal, and provincial-level political councils and resources devoted to developing civil society throughout Iraq. These inputs present an incomplete picture, though, not dealing with the reality that the political councils still have not been

given the resources they need to govern their localities and respond to their citizens' demands.¹⁰

Media information in the other sectors we reviewed was far more negative—primarily because it incorporates the Iraqi perspective and does not overlook the relevance of factors such as security on the impact of quantifiable facts and numbers. Press stories about services have tended to focus on the coalition's difficulties in restarting basic services, Iraqis' unhappiness with the slow pace of reconstruction in this area, and security problems that have undercut reconstruction of basic services, particularly sabotage of power and oil infrastructure and targeting of foreign contractors that has caused the delay or shutdown of certain projects. The negative media reports for education and health care also focus on security issues, such as fear of children being kidnapped, bombings at schools, and the recent surge in kidnapping doctors that has reportedly led over 1,000 doctors to emigrate from Iraq.¹¹ There is also reporting on the rapidly fading influence of the coalition's quick impact school projects, such as stories about coats of paint that are already peeling and a lack of adequate, functional infrastructure and material.¹² Most of the public source data we reviewed on health care and education was positive, and in large part reflects coalition inputs in these sectors—for example, the number of schools and hospitals refurbished, distribution of textbooks, desks, and medical supplies, and amounts of U.S. and other international funding dedicated to rehabilitation.

FINDINGS

“I take it that rebuilding Iraq faces two stages: a terrible stage and eventually a very successful one.”

**- 27-year old male
journalist,
Sulaimaniyah**

In many ways, this quote is reflective of the current state of play in Iraq, at least as Iraqis seem to see it. Iraqis are enormously frustrated with the pace of reconstruction and the state of affairs across most of the five sectors we examined, with social well-being a possible exception. Yet, they are not willing to write off the possibility that

¹⁰ See Rajiv Chandrasekaran, “Death Stalks An Experiment In Democracy; Fearful Baghdad Council Keeps Public Locked Out,” *Washington Post*, June 22, 2004, p. A1.

¹¹ See “Authorities Seeks to End Kidnapping of Doctors,” *Al-Adala* (Iraqi Press Monitor), July 7, 2004; Somini Sengupta, “For Iraqi Girls, Changing Land Narrows Lives,” *New York Times*, June 27, 2004, p. A1; Edmund Sanders, “Kidnappings Bleed Iraq of Doctors,” *Los Angeles Times*, May 31, 2004, p. A1; “Iraqis Kidnapped,” *Morning Edition* (National Public Radio), May 13, 2004; Neela Banerjee, “At Least One Iraqi Child is Killed in an Explosion in a Schoolyard,” *New York Times*, February 14, 2004, p. A8.

¹² See Dan Murphy, “Quick School Fixes Won Few Iraqi Hearts,” *Christian Science Monitor*, June 28, 2004, p. 1; Rajiv Chandrasekaran, “An Educator Learns the Hard Way: Task of Rebuilding Universities Brings Frustration, Doubts and Danger,” *Washington Post*, June 21, 2004, p. A1; Christine Spolar, “Iraqi Schools Offer Frustrating Lesson: Pace of Rebuilding Vexes U.S. Military,” *Chicago Tribune*, January 3, 2004, p. 1.

things will turn around. With the exception of Kirkuk residents, most do not take seriously the possibility that Iraq could descend into civil war, pointing out that there has never been one in the past.

Although Iraqis we interviewed as part of this project express optimism in virtually every area of the reconstruction, the quotes taken from interviews are often critical or negative. One explanation for this, according to our researchers, is that Iraqis actually expect less out of the reconstruction process than is generally assumed. They have lived through a terrible government, and they did not expect much better from the CPA. Because their expectations are low, they are more optimistic about meeting them.

Iraq has not yet reached the realistic goals described in this report as the tipping points in any of the five sectors of reconstruction.

Iraq is not yet moving on a sustained positive trajectory toward the tipping point or end state in any sector.

The five sectors we reviewed are separate issues, yet they are all interlinking to various degrees.

- Progress in any one sector will depend on progress in others. Security and economic problems continue to overshadow and undermine efforts across the board.
-

Iraqis remain grounded in realism and patient about the future.

- They have modest expectations about the reconstruction but grander ones about Iraq's longer-term prospects.

Iraqis are judging U.S. actions and achievements by several standards.

- In contrast to those of Saddam Hussein, in light of Iraq's many desperate, unmet needs, and by what they assume U.S. wealth and power should be able to achieve.

Interviews and polling show that Iraqis remain guardedly optimistic about further progress in all five sectors.

- In some cases, the optimism appears unrealistic and could dissipate rapidly.

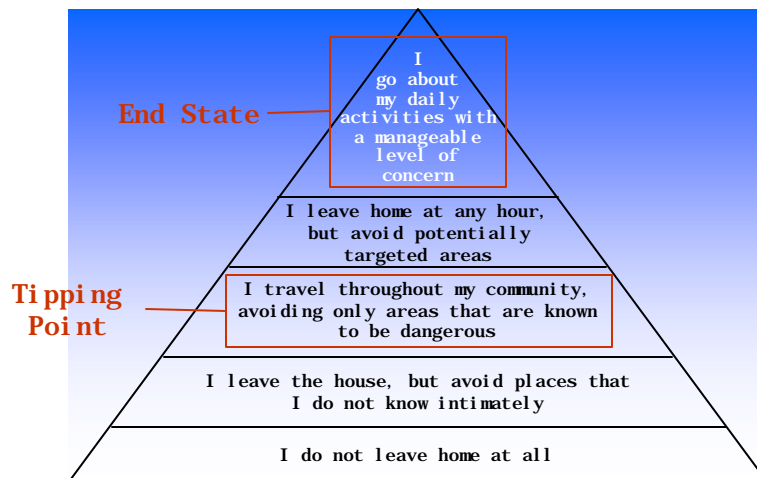
A closer look at the five sectors we reviewed provides some insights into the current state of affairs in Iraq.

SECURITY

I Feel Secure in My Home and in My Daily Activities

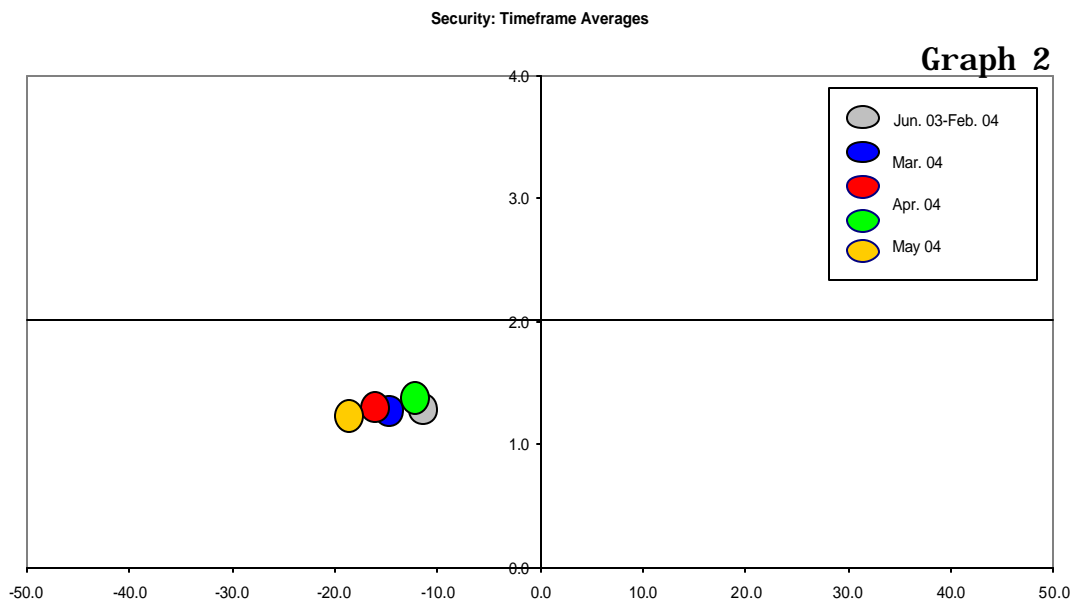
Security: Definition

I feel secure in my home and in my daily activities



The Bottom Line

Iraq has not reached the tipping point in this sector, meaning the average Iraqi cannot yet say “I travel throughout my community, avoiding only areas that are known to be dangerous.” The data collected in this sector is largely negative, with a lower percentage of positive data points than in the other four sectors we reviewed. Unlike most of the other sectors, which have at least shown some initial progress since the fall of Saddam, security has been static, not showing a clear trend-line in any direction (see *Graph 2*). Moreover, there is little variance among sources in this sector, with the exception of the interviews, which reflected more positive results than any of the other sources (see *Graph 3*). At the same time, the more positive interview results appear to be an initial reaction to recent events such as the formal end of the occupation and the pullout of U.S. forces from Falluja in the late spring.



We reviewed four security indicators: Iraqi security force capacity, Iraqi civilian safety, the insurgency, and coalition safety and effectiveness (see *Table 4*). Our analysis shows that no indicator is beyond the tipping point, although Iraqi security force capacity is far more positive than any of the other indicators, reflecting the Iraqis' gratitude toward their own forces and faith that Iraqis will have more success in battling the insurgency than U.S. forces have. This point came out with particular force in interviews and media reports, which showed that many Iraqis consider their police officers to be heroes and that Iraqis seem more optimistic as they see a higher presence of Iraqi police and Civil Defense Corps (ICDC) patrolling their neighborhoods. As those forces are directly challenged these ratings should be expected to fluctuate.

This report does not enter into the debate over the adequacy of coalition troop levels that has raged in Washington policy circles and among military officers throughout the postwar period. That debate reflects opinion and is therefore difficult to quantify

“I don't feel safe at home because of constant explosions and random attacks. And on the streets, I feel an explosive will go off at any moment.”

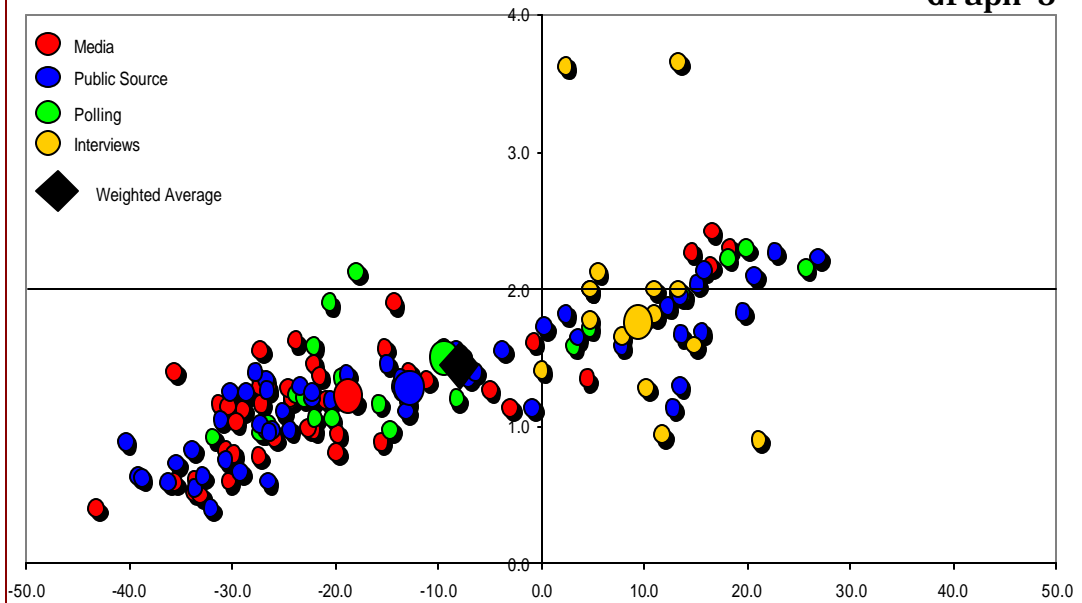
- 20-year old female, Baghdad

“This country will never be stable. I wish we could return to the 1960s when I could walk in the middle of the night along the Tigris in the middle of the city.”

- 60-year old male, Al-Kut

Security: Overall by Source

Graph 3



in terms of data. At least one expert has tried to estimate the ratio of peacekeepers to citizens that would be needed to stabilize a post-conflict country in the immediate aftermath of a conflict,¹³ but the current environment in Iraq has moved beyond any argument about troop numbers that might have helped stabilize Iraq in the early months.

Most of the indicators we reviewed about security cluster closely together when graphed, reflecting the overall negative picture in this sector and the lack of substantive change in the 17 months since Saddam’s overthrow (see Graph 4). Data about Iraqi security force capacity is an exception, exerting a positive pull on all the security data.

Indicators

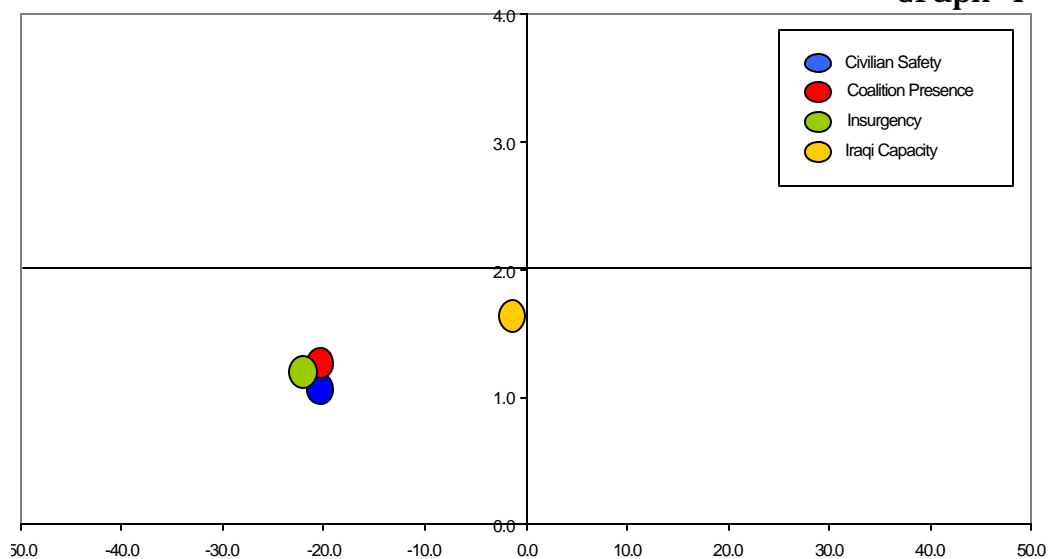
Table 4

Security	
Indicator	Details
Civilian Safety	Violence against ordinary citizens (bombings, kidnappings, rapes, etc.), disruption of daily activities, street crime, murder rates, property crime, crime protection activities.
Coalition Safety and Effectiveness	Attacks against coalition forces and foreign civilian contractors, Iraqi attitudes toward coalition forces and the CPA; coalition’s ability to provide security.
Insurgency	Targeted bombings, sabotage, and political assassinations; Iraqi attitudes toward the insurgency; number, composition, and strength of insurgents.
Iraqi Capacity	Iraqi security policy; size and ability of Iraqi army, police, and other security forces; attacks against Iraqi forces.

¹³ See James Traub, “Making Sense of the Mission,” *New York Times Magazine*, April 11, 2004, p. 32.

Security: Indicator Averages

Graph 4



Iraqi Security Force Capacity

Iraqis throughout the country have reacted positively to the heightened presence of Iraqi police officers and the ICDC, optimistic that they will ultimately gain the upper hand in dealing with crime and the public safety situation generally. The data we reviewed on the capacity of the Iraqi forces varies widely. There is, on the one hand, a sense of optimism and gratitude toward the Iraqi security forces. In Falluja, there is a distinct sense that residents feel safer when U.S. forces are not around and when Iraqi police patrol their neighborhoods.¹⁴ In a poll taken at the end of March, the Iraqi police received the most positive rating of the seven Iraqi government institutions surveyed: 79 percent of Iraqis gave the police a positive rating, while 61 percent gave the new army a positive rating.¹⁵ In another recent poll, Iraq's police earned a rating of a "great deal" or "quite a lot" of confidence from the majority of Iraqis, as did Iraq's new army.¹⁶ Public source and media reporting on inputs—for example, the numbers of the various Iraqi security forces out on patrol—also account for some of the positive data in this area.¹⁷

On the other hand, much of the negative data reflects the continuing inadequacy of the Iraqi security forces, in terms of their numbers, percentages trained, and their

¹⁴ Scott Peterson, "More Iraqis Accept their U.S.-Trained Forces," *Christian Science Monitor*, May 12, 2004, p. 1.

¹⁵ See Thomas E. Ricks, "80% in Iraq Distrust Occupation Authority," *Washington Post*, May 13, 2004, p. A10.

¹⁶ Oxford Research International, "National Survey of Iraq," June 2004.

¹⁷ See e.g., Department of Defense, "The New Iraq: A Year of Progress," March 2004, <http://www.defenselink.mil/transcripts/2004/tr20040504-0724.html>; Jeffrey Gettleman, "The Struggle for Iraq: The New Government," *New York Times*, June 13, 2004, p. A1

readiness in terms of having the necessary equipment, arms, and uniforms.¹⁸ The refusal of the Iraqi police and armed forces to respond to the U.S. call during the April 2004 uprisings was the most blatant sign of the failed U.S. attempt until that point regarding the training of Iraqi security forces. But for months, even the U.S. government's own data has reflected the disturbingly low percentages of active duty Iraqi security forces that have actually been trained.¹⁹ In response to this, in April 2004, the United States announced a reinvigorated training program. Yet problems persist, including continuing difficulties related to delays in spending U.S. funds that have been earmarked for training and equipping Iraqi forces.²⁰

Iraqis we interviewed seemed uncomfortable discussing security in terms of their own individual experience and focused instead on the government's ability to control the security situation. In this regard, Iraqis have generally seemed pleased that interim Prime Minister Ayad Allawi has shown an inclination to exert control, including by signing a law that will allow the government to impose martial law as it deems necessary.

Iraqi Civilian Safety

Although they tend to express optimism in their security forces, Iraqis' daily lives are profoundly affected by the security environment, both by high crime and the ongoing insurgency. In fact, our Iraqi researchers found that Iraqis' comfort in going about their daily activities is directly related to what they hear in the news about the overall security picture in Iraq. The data we collected suggests that Iraqis have had to alter their daily activities because of security concerns. Thus, shop owners have started to close their businesses earlier and girls' school attendance is down because parents do not want their daughters to go outside the home.²¹ The dire security situation seems to be impacting women and girls disproportionately, with girls largely confined to their homes with the exception of going to school.²² Our Iraqi researchers note that Iraqi men will still leave their homes, even in the midst of a live battle, in order to get to work or attend to the family's needs. The question is less whether a man will leave his home than what route he travels when he does so; Iraqis stick to well-known streets in order to be better able to detect anything out of the ordinary.

For Iraq's professional class, for whom the risk of assassination and kidnapping is palpable, the question is far more serious: whether they can afford to stay in Iraq at all.

¹⁸ See Anthony H. Cordesman, "Inexcusable Failure: Progress in Training the Iraqi Army and Security Forces as of mid-July 2004," Center for Strategic and International Studies, July 20, 2004, http://www.csis.org/features/iraq_inexcusablefailure.pdf; Mitch Potter, "Iraqi Police Yearn for Bullets, Badges" *Toronto Star*, July 5, 2004, p. A1; Jeffrey Gettleman, "The Struggle for Iraq: The New Government," *New York Times*, June 13, 2004, p. A1; "General: Iraq Police Training a Flop," *Associated Press*, June 9, 2004; Adriana Albuquerque, Michael O'Hanlon, and Amy Unikewicz, "The State of Iraq: An Update," *New York Times*, May 16, 2004, p. 13.

¹⁹ See Anthony H. Cordesman, "Inexcusable Failure: Progress in Training the Iraqi Army and Security Forces as of mid-July 2004," CSIS, July 20, 2004, http://www.csis.org/features/iraq_inexcusablefailure.pdf; www.gao.gov/new.items/d04902r.pdf

²⁰ Ibid.

²¹ Tom Squitieri, "One Year After War, Security is Greatest Concern for Iraqis," *USA Today*, March 18, 2004, p. 1A; Susan Miligan, "In Postwar Iraq, Women Lead a Life of Fear," *International Herald Tribune*, August 22, 2003, p. 3.

²² Somini Sengupta, "For Iraqi Girls, Changing Land Narrows Lives," *New York Times*, June 27, 2004, p. 1.

Some professional Iraqis will not accept jobs in the interim government because of this risk.²³

Although hard to document, by all accounts, crime rates have risen significantly in postwar Iraq. This is very much a factor in how Iraqis perceive the country's security picture, although the U.S. public tends to focus on the security issues related to the ongoing insurgency. As a result, polling and some of the public source reporting suggest that a majority, or a large minority, of Iraqis do not feel safe in their own neighborhoods.²⁴ Morgue statistics during the first year of the occupation showed a sharp increase in violent deaths and murder rates in Baghdad and several other major urban centers, statistics that largely do not include deaths from major terrorist bombings.²⁵ Since then, these statistics have largely evened out, although the murder rate is still quite high.²⁶ At the same time, Iraq has seen an alarming spate of kidnappings and assassinations of Iraqi professionals and their children.²⁷ Iraqi police estimate that dozens of Iraqi professionals (doctors, lawyers, judges, and bureaucrats) are kidnapped every day by gangs demanding ransom.²⁸ In some instances, this is causing Iraqi professionals to decide to leave the country altogether, fearing they cannot otherwise protect their families, which is detrimental to the country's rebuilding efforts.

Despite the recently increased presence of Iraqi police officers on the streets of most cities, crime rates have not improved. In certain places, such as Mosul and Baghdad's Sadr City neighborhood, our interviewers witnessed that organized criminal activity exists with near impunity, even in the direct sightline of an Iraqi police station. In Basra, residents have noted that Iraqi police and British forces alike seem to be ineffective against regular street crime.²⁹

Insurgency

The three-week relative calm in Iraq after the United States transferred power to Iraq's interim government on June 28, 2004 provided a fleeting moment of hope that perhaps the insurgency would die down with the formal end of the U.S. occupation of Iraq. A resurgence of violence quickly belied this hope. Active fighting, bombings, assassinations, and kidnappings continue to dominate the daily news cov-

"It may seem okay in Kurdistan right now, but deep down, we don't feel secure. All our suffering has made us dictators at heart, ready to oppress others to keep ourselves safe. Expect the worst to happen."

- 26-year old male university student, Erbil

²³ Robin Wright and Thomas E. Ricks, "U.S. Faces Growing Fears of Failure," *Washington Post*, May 19, 2004, p. A1.

²⁴ See Oxford Research International, "National Survey of Iraq," June 2004; IRIN, "Iraq: Women Afraid to Seek Healthcare in South," April 6, 2004.

²⁵ See Saban Center for Middle East Policy, Brookings Institution, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," August 30, 2004; Daniel Cooney and Omar Sinan, "Morgue Records Show 5,500 Iraqis Killed," *Associated Press*, May 24, 2004.

²⁶ Saban Center for Middle East Policy, Brookings Institution, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," August 30, 2004.

²⁷ See, e.g., "Iraqis Kidnapped," *Morning Edition* (National Public Radio), May 13, 2004; Jeffrey Gettleman, "In Hundreds of Killings, Assassins Strike Iraqi Professionals," *International Herald Tribune*, February 9, 2004, p. 5.

²⁸ Ashraf Khaliq, Carol J. Williams, and Richard C. Paddock, "Seven Killed as Bomb Rocks Baghdad," *Los Angeles Times*, July 14, 2004, p. A1.

²⁹ IRIN, "Iraq: Basra Residents Express Dissatisfaction," April 13, 2004.

“The security situation isn’t good enough. Business requires a more stable situation, and we still cannot do business in Iraq.”

- 52-year old businessman involved in food trade, Sulaimaniyah

erage of Iraq and show no signs of abating. Perhaps the most interesting thing about the data collected on the insurgency is its constancy. U.S. government and military sources tend to focus on how many Iraqi insurgents have been killed by U.S. forces, estimates of numbers of insurgents, or numbers of attacks on U.S. forces. This input-driven data almost seems to exist in a vacuum, unrelated to the persistence of the insurgency and its continued effect on daily life in Iraq, in particular on the high numbers of Iraqi civilians who have been killed in its wake.³⁰ Senior U.S. officials continue to estimate the number of insurgents at around 5,000, although these are far off from the 15,000-35,000 totals quoted by Iraqi and U.S. intelligence officials.³¹ It is still unknown exactly how much of the insurgency represents terrorists who have flooded across Iraq’s open borders, and how directly those terrorists are working with the Iraqi insurgency.

Although in the immediate aftermath of the war, the insurgency focused on attacking U.S. forces and Iraqi infrastructure, massive bombing attacks that have disproportionately impacted Iraqi civilians began late last summer and have continued since then. The insurgency’s focus also shifted early on to targeting Iraqis seen as collaborating with the U.S.-led occupying authority, including Iraqi police officers and government officials. Those attacks have continued since the transfer of power, and the insurgency now seems to be aimed at anyone, Iraqi or foreigner, who is linked to Iraq’s interim government or efforts to support that government. Moreover, sabotage of Iraq’s key infrastructure, particularly oil pipelines and the power grid, has continued in force, undermining economic reconstruction efforts.

The insurgency will continue to be the dominant security issue for Iraqis and the United States in Iraq, and it shows no signs of easing in the near-term. Iraq’s interim government seems to have a two-pronged strategy for dealing with the insurgency—approving the U.S. use of heavy force to go after insurgents while also trying to entice or co-opt the insurgents to join the political mainstream—but it is too early to determine the plan’s effectiveness.

Coalition Safety and Effectiveness

Although the number of attacks against U.S. forces decreased from May to June, largely due to their less visible street presence and increased capacity to detect and thwart attacks,³² attacks increased throughout July and August, suggesting it is too soon to predict a positive trend in terms of attacks against coalition troops.³³ Average numbers of monthly attacks have vacillated throughout the postwar period, and several previous decreases have been followed by sharp upsurges. Further, although the

³⁰ See, e.g., “Iraq Body Count,” September 3, 2004, <http://www.iraqbodycount.net>; Saban Center for Middle East Policy, Brookings Institution, “Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq,” August 30, 2004.

³¹ See Anthony H. Cordesman, “Inexcusable Failure: Progress in Training the Iraqi Army and Security Forces as of mid-July 2004,” CSIS, July 20, 2004, http://www.csis.org/features/iraq_inexcusablefailure.pdf

³² See Saban Center for Middle East Policy, Brookings Institution, “Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq,” August 30, 2004; Eric Schmitt, “Despite New G.I. Tactics, Bombs Are Still Biggest Threat,” *New York Times*, March 5, 2004, p. A10.

³³ Abdel Hussein al-Obeidi, “Iraqi Guardsmen Ring Najaf Shrine,” *Washington Post*, August 24, 2004, p. A10.

number of attacks against U.S. forces or deaths among U.S. soldiers may be useful quantitative measures of progress, they are largely meaningless without also considering the number of Iraqi deaths due to the insurgency, U.S. counter-measures, or the high crime rates. Iraqi deaths have continued to spike in recent months, and go largely unreported in the press and public sources.³⁴

Iraqi Perception

In this and the following sections, we analyze Iraqi perception on the basis of polling and interviews, the two sources that most directly represent the average Iraqi's voice. Press reports often include interviews with individual or small groups of Iraqis but tend to be more anecdotal and less broadly representative than polling or interviews. As discussed elsewhere, the public sources generally provide the least insight into Iraqis' perception, which in part explains the continuing gap between the quantitative measures the United States has relied on to assess progress and Iraqis' perceptions of progress.

Polling

Polling consistently shows that Iraqis have a high level of confidence in their nascent security forces. Iraqi army and police forces have ranked far higher in terms of public confidence than coalition forces in all Independent Institute for Administration and Civil Society Studies (IIACSS) and Oxford Research International polls studied here. Moreover, unlike coalition forces, their support has not appeared to erode in light of the deterioration in public safety in recent months. According to Oxford, their approval levels may actually be increasing.

The following tables and graphs, derived from IIACSS and Oxford data, illustrate the disparity between Iraqis' confidence in their own security forces and their confidence in coalition forces.

I. IIACSS: How much confidence do you have in the [new Iraqi police] to improve the situation in Iraq?			
	Jan. '04	Apr.-May '04	May '04
Great Deal	44.80%	47.90%	47.30%
Fair Amount	35.00%	29.60%	28.70%
Not Very Much	6.70%	8.60%	5.70%
None at All	11.00%	11.20%	15.80%

IIACSS, Department of State, CPA, "National Poll of Iraq."

³⁴ See Saban Center for Middle East Policy, Brookings Institution, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," August 30, 2004; Daniel Cooney and Omar Sinan, "Morgue Records Show 5,500 Iraqis Killed," *Associated Press*, May 24, 2004.

II. Oxford: How much confidence do you have in the [new Iraqi police]?

	Oct.-Nov. '03	Feb. '04	Mar.-Apr. '04	Jun. '04
Great Deal	19.70%	27.60%	33.00%	35%
Quite a Lot	30.60%	43.30%	39.20%	39%
Not Very Much	33.40%	20.60%	17.60%	20%
None at All	16.30%	8.50%	10.20%	7%

Oxford Research International, "National Survey of Iraq."

Figure 1

IIACSS: How much confidence do you have in the [new Iraqi police] to improve the situation in Iraq?

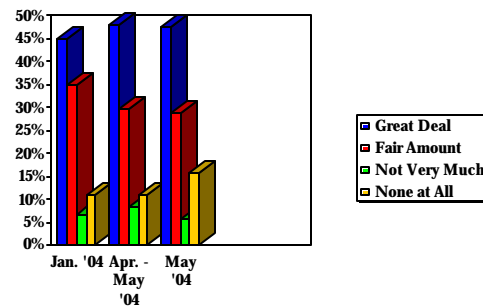
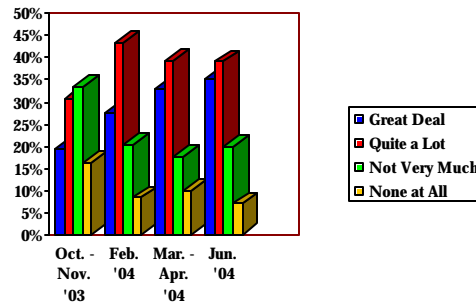


Figure 2

Oxford: How much confidence do you have in the [new Iraqi police]?



III. IIACSS: How much confidence do you have in the [new Iraqi army] to improve the situation in Iraq?

	Jan. '04	Apr.-May '04	May '04
Great Deal	34.70%	36.50%	32.90%
Fair Amount	28.40%	25.00%	28.50%
Not Very Much	9.70%	9.90%	8.60%
None at All	17.20%	17.80%	20.10%

IIACSS, Department of State, CPA, "National Poll of Iraq."

IV. Oxford: How much confidence do you have in the [new Iraqi army]?

	Oct.-Nov. '03	Feb. '04	Mar.-Apr. '04	Jun. '04
Great Deal	16.00%	19.70%	24.40%	24%
Quite a Lot	30.10%	42.20%	46.70%	50%
Not Very Much	34.30%	27.50%	17.10%	20%
None at All	19.50%	10.70%	11.80%	6%

Oxford Research International, "National Survey of Iraq."

Figure 3

IIACSS: How much confidence do you have in the [new Iraqi army] to improve the situation in Iraq?

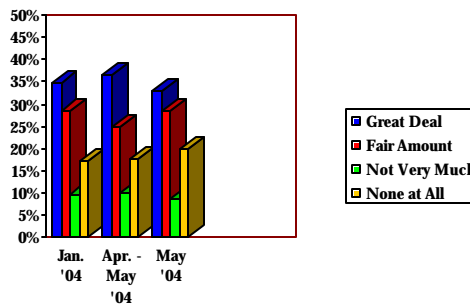
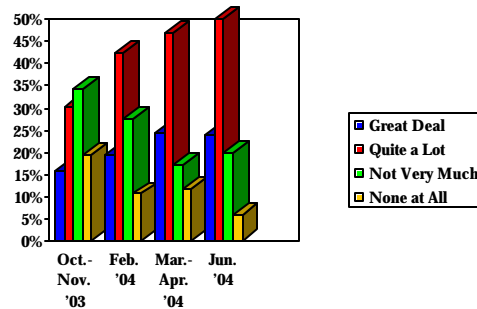


Figure 4

Oxford: How much confidence do you have in the [new Iraqi army]?



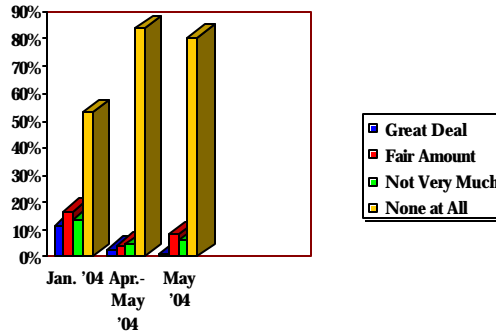
V. IIACSS: How much confidence do you have in [Coalition forces] to improve the situation in Iraq?

	Jan. '04	Apr.-May '04	May '04
Great Deal	11.60%	2.60%	1.50%
Fair Amount	16.70%	4.40%	8.20%
Not Very Much	13.70%	4.70%	6.10%
None at All	53.30%	83.50%	80.60%

IIACSS, Department of State, CPA, "National Poll of Iraq."

Figure 5

IIACSS: How much confidence do you have in [Coalition forces] to improve the situation in Iraq?



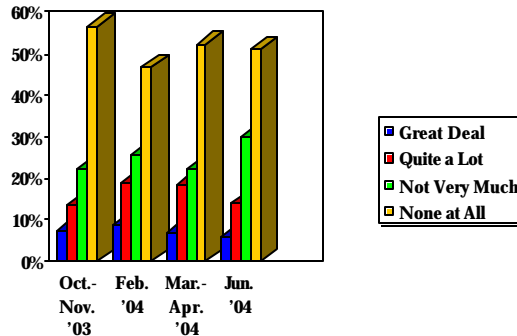
VI. Oxford: How much confidence do you have in the [U. S. and UK occupation forces]?

	Oct.-Nov. '03	Feb. '04	Mar.-Apr. '04	Jun. '04
Great Deal	7.60%	8.70%	7.00%	6%
Quite a Lot	13.60%	19.00%	18.40%	14%
Not Very Much	22.20%	25.60%	22.30%	30%
None at All	56.60%	46.80%	52.30%	51%

Oxford Research International, "National Survey of Iraq."

Figure 6

Oxford: How much confidence do you have in the [US and UK occupation forces]?

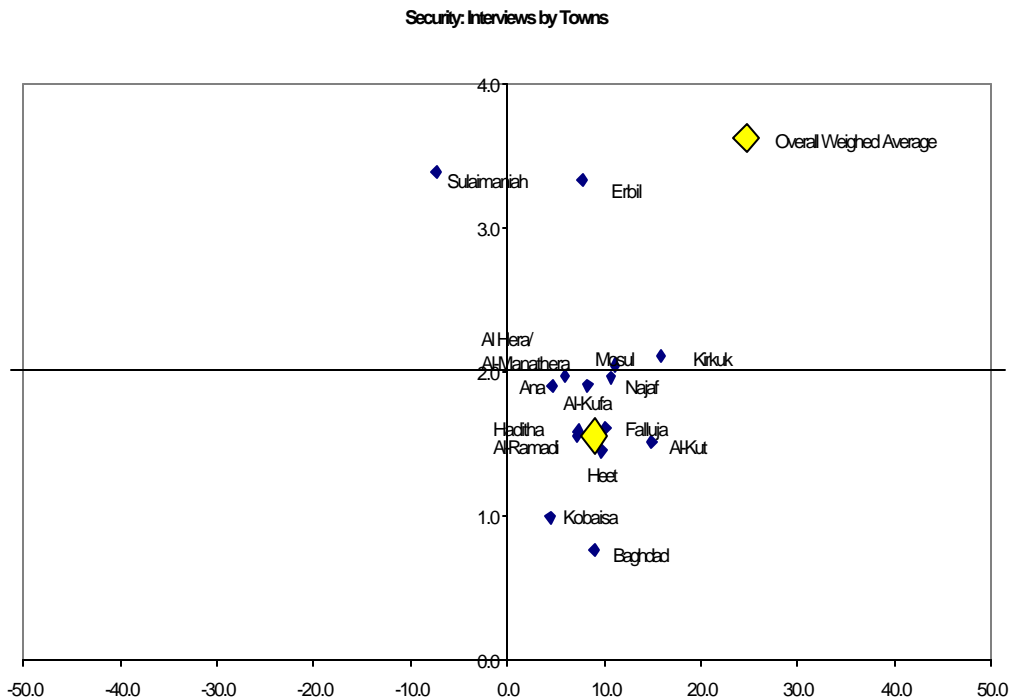


Interviews

The security findings of our interviews demonstrated the most dramatic regional variation of any of the five areas of reconstruction we reviewed (see Graph 5). Ratings for Erbil and Sulaimaniah, in northern, Kurdish Iraq, were far higher than for municipalities in the Arab parts of Iraq. These two cities are under the firm control of the Peshmerga, the armed forces of the Kurdish regional government that have operated

autonomously from the rest of Iraq since 1991.

Graph 5



Of the other cities, researchers found that the three municipalities of al-Najaf governorate (Najaf, Kufa, and al-Hera) and the northern cities of Kirkuk and Mosul were near the tipping point, but all other cities where we conducted interviews fell short, in some instances far short. The lowest rating was for Baghdad, which has continued to be the scene of daily fighting.

Security findings also reflected a range of concerns. Violent conflict was clearly a factor in all regions surveyed, particularly Baghdad. But crime rates were high in Mosul and Sadr City, where organized gangs appear to operate with impunity. Security concerns in the Najaf governorate related mostly to the arbitrary ways in which Muqtada al-Sadr's followers have been exercising control over the city. In the four towns we surveyed in al-Anbar province, security concerns related as much to the lawlessness of a region where justice is dispensed according to tribal customs as to any fighting between U.S. forces and insurgents.

The security situation in Iraq had a direct impact on some of our researchers as they conducted their interviews. Our researcher in Haditha (al-Anbar province) had to cut one of his interviews short when the group of young men he was talking to became suspicious of the political nature of his questions. Our researcher in Falluja was trapped there for several days when U.S. forces began bombing the city in the third week of June. Other researchers felt safe operating in their home cities, but they say they will face real threats if it becomes known they were working on behalf of a U.S. organization. Our researcher in Baghdad asked that his name not appear in any Arabic language translation of this report, lest his neighbors in Sadr City find out.

Conclusion

Given the daily, gruesome coverage of violence in Iraq, it almost seems unnecessary to state that security remains the crucial missing link in postwar Iraq. Yet the data collected as part of this report present some interesting angles to the daily barrage of reports. There is greater convergence of information on security, according to source type, indicator, and timeframe. Thus, although the public source information presents more positive security-related data than the media does, there is so much highly negative information even in public sources that the media basically tells the same story on security issues, as does polling. The interviews suggested a somewhat more optimistic longer-term outlook, but at the same time, they confirmed Iraqis' overall difficulties due to the security situation.

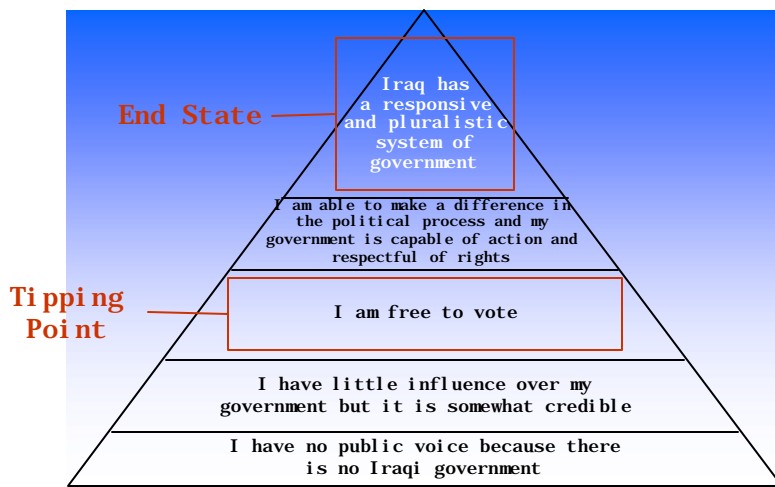
The four indicators we studied are also uniformly negative, with only one indicator—Iraqi security force capacity—anywhere close to the tipping point. As discussed above, that indicator is heavily influenced by Iraqis' current optimism and sense of pride in their Iraqi forces, which could easily backslide in the face of the continuing chaotic security environment.

High crime and the continued insurgency are highly disruptive to ordinary Iraqis' lives, and are undermining progress in all the other sectors we reviewed. Although Iraqis are positive about their security forces, in reality, those forces' capacities are untested, and they remain under-trained and under-resourced. There is little evidence that the U.S. military has developed a viable strategy for facing down the entrenched insurgents in places like Falluja, and Iraq's militias remain a potent destabilizing threat.

If anything, our research confirms that Iraq's security environment has progressively deteriorated since Saddam's fall.

Governance and Participation

I have a say in how Iraq is run



“I am now free to vote, which I couldn’t do before. But the new government was appointed by the Americans, not elected by the people of Iraq. I look forward to having a government elected by the people.”

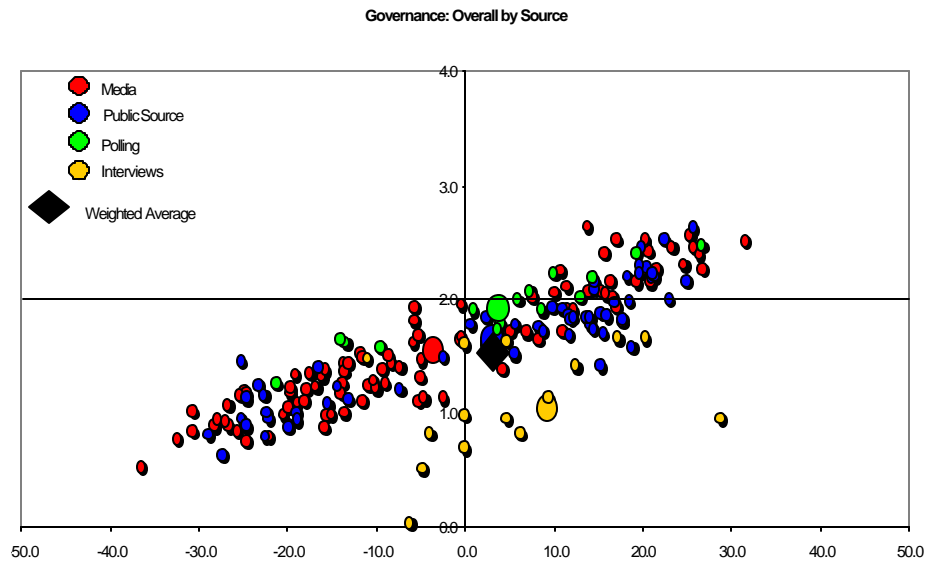
- 36-year old man, Al-Kut

The Bottom Line

Iraq has not yet reached the tipping point in the governance sector, meaning the average Iraqi cannot yet say “I am free to vote.” The data collected in this sector shows a largely negative picture. The media and interview sources account for the most negative data, with the interviews exerting a strongly negative pull on the overall picture in terms of governance (see Graph 6). Polling, on the other hand, presented the most positive results, and the polling data alone would suggest Iraq is close to passing the tipping point on governance.

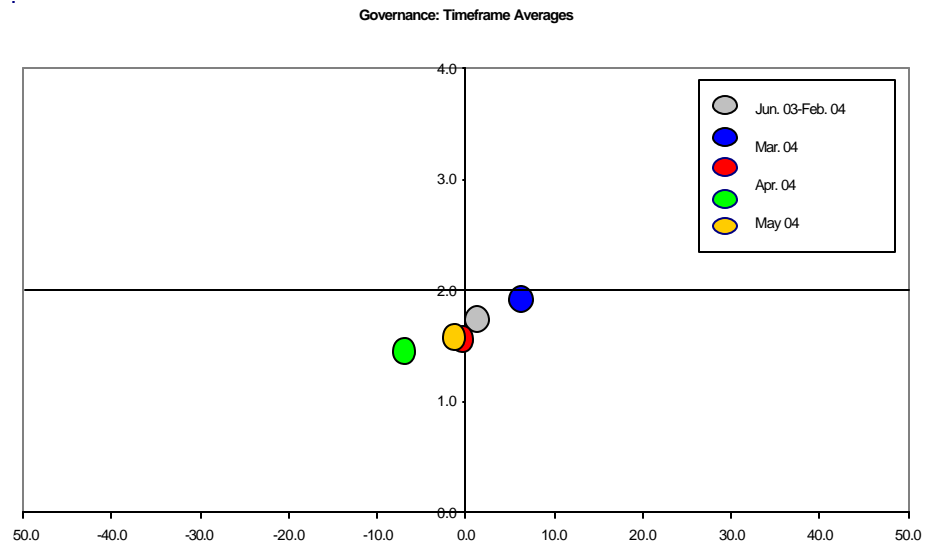
The governance results from our interviews were surprisingly negative, particularly because the interviews were conducted just before the transfer of sovereignty at the end of June, which might have been expected to increase Iraqis’ satisfaction with the state of governance in the country. On the basis of the interviews alone, though, Iraqis seem to feel they have marginal influence over a government that is somewhat credible. This was the only issue on which not one of the towns we interviewed passed the tipping point. Other sources appear to be portraying the governance situation more positively due to the transfer of sovereignty on June 28. After receiving a

Graph 6



small positive boost in March 2004, the trend line swung dramatically backward in May 2004, only to see a small boost in the data collected in June-July 2004, which is arguably linked to the CPA's dissolution and the assumption of power by an Iraqi interim government (see Graph 7).

Graph 7



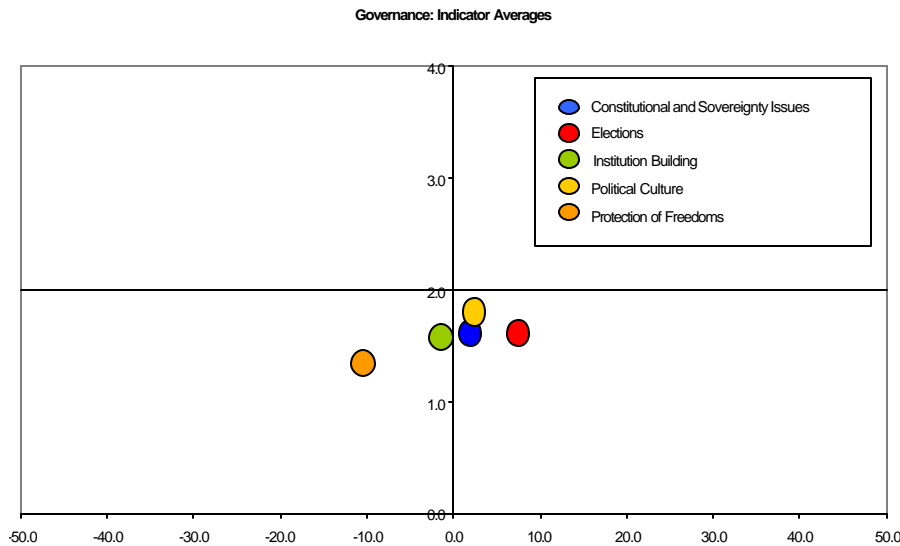
Our data collection in this sector focused on protection of freedoms, elections, political process development, constitutional and sovereignty issues, and institution building (see Table 5). The range of information in this sector is not as great as in some others, and all of the indicators we looked at hover close together (see Graph 8). Because the tipping point in this sector is "I am free to vote," and elections have not yet occurred in Iraq (aside from some local level elections), it is not surprising that Iraq has not crossed the tipping point. But at the same time, the statement is meant to encompass not only the notion of an election taking place but also any hindrances to the average Iraqi's freedom to participate in that election, whether due to harassment,

lack of rights, or security problems. The protection of rights data we reviewed was particularly troubling on the issue of the increased curtailment of women's rights. The security-related data shows an increase in assassinations of government officials, harassment of women and minorities, and the risk that security problems will delay or undermine national elections scheduled for January 2005.

Table 5

Governance and Participation	
<i>Indicator</i>	<i>Details</i>
Protection of Freedoms	Women's rights, minority rights, human rights, and detainee issues.
Elections	Organization of or participation in elections and Iraqi interest in elections.
Political Process Development	Iraqi interest and involvement in politics, political party and process activities.
Constitutional and Sovereignty Issues	Iraqi sovereignty, June 28 transfer, constitutional issues.
Institution Building	Government institutions, corruption, training of officials, violence against officials.

Graph 8



INDICATORS

Protection of Rights

This issue showed a completely mixed picture. On the one hand, the CPA oversaw the opening of women's centers and human rights centers throughout the country. On the other hand, women in some parts of Iraq have been increasingly forced or pressured to wear headscarves and full body coverings since the fall of Saddam, and are seeing their rights eroded in other ways.³⁵ Similarly, a freer press has blossomed since Saddam's fall. Hundreds of Iraqi newspapers opened under the CPA's tenure

³⁵ See "Female Harassment from Religious Conservatives," *ReliefWeb*, April 14, 2004; Jo Wilding, "The Girls' Day Out," *Electronic Iraq*, March 26, 2004.

and are still in operation now. Yet the CPA also closed down Sadr's al-Hawza newspaper, and the U.S. government consistently criticizes al-Jazeera's reporting on Iraq. Allawi has authorized al-Hawza to resume publication, but he also shut down al-Jazeera's Iraq operations for at least one month, on August 7, arguing that it has been inciting violence and encouraging terrorists.³⁶

During the postwar period, Christians in Iraq have had mounting difficulties, from store bombings in Baghdad (because Christian establishments sell alcohol) and kidnappings to outright attacks on individuals and Christian churches.³⁷ A recent media report suggests that Iraqi Christians have started to flee the country to escape growing persecution, many settling in Iraq's neighboring countries.³⁸ Some reports suggest that Iraq's Christians may be targeted because of their perceived religious affiliation with the United States.³⁹ The increased persecution of women and religious minorities is particularly troubling given Iraq's history of relative tolerance toward its Christian minority and acceptance of women in education, the workforce, and public life.

Iraq's interim constitution, the Transitional Administrative Law (TAL), contains broad-ranging protections of civil rights, and Iraqi government officials publicly avow such rights, but the general lack of law and order and the rule of law throughout Iraq complicates their protection. It is not at all clear that an elected Iraqi government will continue to emphasize the rights contained in the TAL, particularly broad rights for women and religious minorities. There is also some concern about whether women will play a real role in Iraq's future government, and in local governments throughout the country. The TAL sets forth that women should make up 25 percent of the transitional national assembly, and the UN's electoral team has established a system meant to ensure this.⁴⁰ Iraqi women have four seats in the interim government, and 24 were chosen to sit on the interim national assembly, but there was only lukewarm support for meeting the aspiration of having 25 percent women members in the interim assembly, which suggests that meeting the TAL's goal could prove difficult. Iraq's Christians have complained recently about not being adequately represented in the interim government.⁴¹

Moreover, as discussed further below, Iraq's justice system is not yet capable of ensuring the rights enshrined in Iraq's interim constitution, even if this and future Iraqi governments choose to extend those rights. Until Iraq has an effective justice system, Iraqis have few options in terms of trying to press for protection of the civil rights and liberties they support, including the right to free and fair elections, the rule of law,

³⁶ "Media Watchdog Criticizes Iraq's Al Jazeera Ban," *Agence France Presse*, August 9, 2004; "Aljazeera Vows to Defy Iraq Ban," *Aljazeera.net*, August 7, 2004, <http://english.aljazeera.net/NR/exeres/9C888134-9481-485A-A675-DD3C50DA224D.htm>.

³⁷ See "Iraq's Christians: Less Safe than Before?" *Economist*, August 5, 2004; Henry Chu, "Eleven Killed in Coordinated Attacks on Iraqi Christians," *Los Angeles Times*, August 2, 2004, p. A1; "Female Harassment from Religious Conservatives," *ReliefWeb*, April 14, 2004.

³⁸ Katherine Zoepf, "Many Christians Flee Iraq, With Syria the Haven of Choice," *New York Times*, August 5, 2004, p. A11.

³⁹ "Iraq's Christians: Less Safe than Before?" *Economist*, August 5, 2004; "Edmund Ghareeb Discusses the Christian Communities of Iraq," *National Public Radio*, August 1, 2004.

⁴⁰ IRIN, "Iraq: Ration Cards to be Basis for Electoral Register, Says UN Official," June 6, 2004.

⁴¹ "Edmund Ghareeb Discusses the Christian Communities of Iraq," *National Public Radio*, August 1, 2004.

including punishment of criminals, freedom of expression and speech, a free press, and equal rights for women.⁴²

Elections

This indicator showed the most positive results of all those we reviewed, reflecting progress being made to prepare for national elections, scheduled for January, and Iraqi participation in local elections that have already been held in certain parts of the country.⁴³ Although Iraqis have not yet had the opportunity to vote, many are starting to have experience with democracy at the local level via the local, municipal, and provincial-level political councils that have been set up. Yet the councils have not been provided adequate resources, by either the CPA or Iraq's interim government, meaning they are largely hamstrung in terms of governing their locales or responding to citizens' demands.⁴⁴

Many Iraqis we interviewed are clearly looking forward to having an elected Iraqi government, and will not view any government as fully legitimate unless it is elected. This is also borne out in the polls; Iraqis overwhelmingly consider free and fair elections to be important to Iraq.⁴⁵ At the same time, recent polling suggests that almost 90 percent of Iraqis would prefer Iraq to be governed by a single strong leader, which could be viewed as somewhat incompatible with elections and democracy.⁴⁶

Security issues account for most of the negative data on elections. There is real concern that if security does not improve, it will be difficult to carry out reasonably free and fair elections throughout Iraq. The potential for the United Nations to fall behind in its elections preparations increases everyday because there is still no UN protection force to protect election workers, as called for in Security Council Resolution 1546.⁴⁷ Security risks will also make it difficult for Iraqi politicians to engage in countrywide campaigning in the lead-up to the elections. Security is already impacting the ability of politicians to do their jobs, as assassins have been targeting members of Iraq's interim government and local politicians.⁴⁸

Political Process Development

The positive data we collected on this issue is mostly drawn from public sources, and largely reflects CPA efforts to develop local governance and civil society throughout Iraq. For example, USAID claims that over 20 million Iraqis are engaged in policy

⁴² Iraq Center for Research and Strategic Studies, Public Opinion Survey, August-September 2003.

⁴³ See e.g., Anthony Shadid, "In Iraqi Towns, Electoral Experiment Finds Some Success," *Washington Post*, February 16, 2004, p. A1.

⁴⁴ See Rajiv Chandrasekaran, "Death Stalks an Experiment in Democracy: Fearful Baghdad Council Keeps Public Locked Out," *Washington Post*, June 22, 2004, p. A1; Dan Murphy, "Local Iraqi Councils Struggle for Relevance," *Christian Science Monitor*, May 24, 2004, p. A1.

⁴⁵ Iraq Center for Research and Strategic Studies, Public Opinion Survey, August-September 2003.

⁴⁶ Oxford Research International, "National Survey of Iraq—June 2004," <http://www.oxfordresearch.com/publications.html>.

⁴⁷ UN Security Council Resolution (UNSCR) 1546, S/Res/1546 (2004), [http://daccess-ods.un.org/access.nsf/Get?Open&DS=S/RES/1546%20\(2004\)&Lang=E&Area=UNDOC](http://daccess-ods.un.org/access.nsf/Get?Open&DS=S/RES/1546%20(2004)&Lang=E&Area=UNDOC).

⁴⁸ See Rajiv Chandrasekaran, "Death Stalks an Experiment in Democracy: Fearful Baghdad Council Keeps Public Locked Out," *Washington Post*, June 22, 2004, p. A1; Dan Murphy, "Local Iraqi Councils Struggle for Relevance," *Christian Science Monitor*, May 24, 2004, p. A1.

discourse, through local government entities and civil society organizations,⁴⁹ a claim that seems inflated given that Iraq's population is estimated to be 25 million, of which over 50 percent are under the age of 20. The United States has also devoted considerable resources to political party development activities in Iraq.⁵⁰ Still, this issue has not passed the tipping point, and there are as many negative as there are positive data points on efforts to develop political processes in Iraq.

Most of the negative points reflect Iraqis' general lack of interest in or knowledge about politics and government. During the CPA's tenure, many Iraqis continued to view their government as forbidden territory, just as they had during the brutal reign of the Ba'ath party.⁵¹ Recent polls suggest that the majority of Iraqis are either "somewhat interested" or not interested in politics; only 26.7 percent claimed to be "very interested in politics."⁵² Our interviews suggest major regional differences in terms of level of interest in politics, with residents in the southern cities of al-Hera and Kufa, for example, being completely apolitical, or at least uninformed about political events. Iraqis also seem disinclined to back particular political parties, likely a legacy of the Ba'ath party's reign. Although our interviews suggest that Iraqis are by and large giving their new government a chance, they are also incredibly frustrated with governance issues generally, suggesting a considerable hurdle in terms of laying the groundwork for democracy.

Constitutional and Sovereignty Issues

Like many issues related to governance, the data on constitutional and sovereignty issues is mixed. For example, various sources, including our interviews, suggest that Iraqis welcomed the transfer of sovereignty on June 28 but remain skeptical about whether it represented a true transfer of power. Many Iraqis are concerned that so long as the multinational forces remain in Iraq, the Iraqi government will not be truly sovereign. There is also some concern that the United States will continue to call the shots. U.S. officials have insisted that the transfer was more than in name only, yet the U.S. resistance to Prime Minister Allawi's plan to extend amnesty to certain insurgents, which ultimately led Allawi to revise his initial plans, was an early sign of continuing U.S. influence over the Iraqi government.⁵³ The role of the Iraqi government with respect to actions of the U.S. military forces will also be a bell-weather as to how real the claim of sovereignty is.

Debates surrounding the TAL portend real difficulties when Iraqis begin negotiating a permanent constitution, which is supposed to occur once an elected transitional government is in place. Leading Iraqi Shiites, in particular Grand Ayatollah Ali al-Sistani, have resisted all TAL provisions that would give the Kurds power to veto a permanent constitution. To accommodate these concerns, the United States did not push for the UN Security Council resolution passed in June to include any reference to the TAL. The Kurds, in turn, are incredibly worried about whether their demands

⁴⁹ USAID, "Iraq Reconstruction and Humanitarian Relief," March 30, 2004, www.usaid.gov/iraq/updates/.

⁵⁰ Ibid.

⁵¹ Edward Cody, "Exhausted by the Daily Grind, Iraqis Pay Little Heed to Politics," *Washington Post*, May 30, 2004, p. A29.

⁵² Oxford Research International, "National Survey of Iraq," June 2004.

⁵³ "Iraq Notebook: Iraq Revises Plan for General Amnesty," *Seattle Times*, July 21, 2004.

will be respected in the new Iraq, going so far as to write a letter to President Bush outlining their concerns.⁵⁴ This helped account for the surprisingly low ratings on governance issues we collected in our interviews in Iraqi Kurdistan.

Most Iraqis seem to have very little understanding of what the TAL contains and the future political plans for the country. In a nationwide poll conducted from April 20-29, 2004 by the ICRSS, only 5.7 percent of respondents claimed to be adequately informed about the TAL, while 67 percent claimed to need more information. In the same poll, little more than a quarter of respondents said they knew either a great deal (3.9%) or a fair amount (23.0%) about the TAL, while an overwhelming majority said they knew either not very much (31.9%) or nothing (39.5%) about it. In particular, 57.7 percent admitted they had heard too little about the TAL to say that it was an interim step toward freely elected government, while just 28.6 percent felt informed enough to agree with that claim.

Institution Building

One of the major challenges highlighted by our research on institution building is the rampant corruption in Iraq, including in its government ministries. The CPA made some attempt to address the problem, passing anti-corruption measures, but it is not clear that Iraq's fledgling institutions will be able to enforce those measures, especially given the lack of law and order in the country. Moreover, Iraqis are accustomed to corruption, and thus do not necessarily blame the new government for failing to address it, or for lacking transparency and accountability.⁵⁵ The lack of adequate capacity in Iraq's justice system hinders efforts to address corruption and the lack of law and order generally.

When the CPA transferred power to Iraq's interim government, Iraq's courts were not yet functioning at prewar levels; by some estimates, the courts in Baghdad, for example, were functioning at about one-third their prewar capacity.⁵⁶ Even the Central Criminal Court of Iraq, which the CPA established, lacks the basic materials needed to stock an office—it has no computers, typewriters, or filing cabinets and only a few bare desks and chairs.⁵⁷ The CPA did undertake efforts to reform Iraq's justice system, including vetting Iraq's judges for ties to the Ba'ath party and corruption, and reestablishing the judiciary as an independent branch of government. It also began addressing Iraqi judges' outdated legal skills, including with a training program for a small number of judges in the Hague.⁵⁸ Nonetheless, the justice system is completely overstretched by the rampant crime and security problems.

⁵⁴ Masoud Barzani and Jalal Talabani, Letter to President George W. Bush, June 1, 2004, http://www.unpo.org/news_detail.php?arg=34&par=757.

⁵⁵ See Adam Davidson, "Still on the Take: The U.S. Has Not Ended Iraq's Culture of Corruption," *Los Angeles Times*, May 2, 2004, p. M1; Ariana Eunjung Cha, "At Iraqi Port, Progress is Matter of Perception," *Washington Post*, March 25, 2004, p. A1.

⁵⁶ General Accounting Office, "Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues," Report to Congressional Committees, June 2004.

⁵⁷ See Edmund Sanders, "Trials and Tribulations for Iraqi Judges," *Los Angeles Times*, August 9, 2004, p.A1.

⁵⁸ Akbar Khan, "Back on the Path to Justice, With Saddam Gone, Iraq is Reestablishing a Fair and Independent Legal System," *Independent*, August 9, 2004, p. 7.

The data on institution building is negative overall, reflecting Iraqis' opinions about the Iraqi Governing Council before the appointment of the interim government and continuing skepticism as to the degree of independence the interim government has from the United States. The positive points consist mostly of U.S. government reporting on inputs in the governance area, for example USAID reports of training and resources provided to local political councils and to build civil society organizations.⁵⁹ The focus on inputs presents an incomplete picture, though. It does not address the reality that the political councils still have not been given the authority or resources they need to govern their localities and respond to their citizens' demands.⁶⁰ Despite programs such as USAID's "Ministry in a Box,"⁶¹ Iraq's government ministries are also in their early stages.

Security also plays a role here, as insurgents are targeting Iraqi government officials at the national and local level. Before the CPA closed its doors, over 100 Iraqi government officials had been killed,⁶² and several more have lost their lives since the end of June. Iraqi doctors, lawyers, and other professionals have also been the targets of assassins and kidnappers;⁶³ their willingness to remain in Iraq despite those risks will be vital to Iraq's progress. The lack of security has also affected Iraq's nascent justice system; judges and other court personnel have been assassinated, and protection for judges remains inadequate.⁶⁴ It also impacts the ability of U.S. and Iraqi officials and NGOs attempting to support and implement the local governance programs; they have had to pull staff out of certain areas and limit field visits. In some areas, NGO facilities have been looted or destroyed.⁶⁵

Iraqi Perception

Polling

Polling was the most positive source we reviewed on governance issues. A recent poll conducted by University of Baghdad researchers showed that 89 percent of Iraqis are willing to cooperate with the new Iraqi government, with 54 percent agreeing with Prime Minister Allawi's installment of martial law.⁶⁶

⁵⁹ See USAID, "Iraq Reconstruction and Humanitarian Relief: Weekly Update #25," March 30, 2004, www.usaid.gov/iraq/updates.

⁶⁰ See Pratap Chatterjee, "Inventing Iraqi Democracy in North Carolina," *CorpWatch*, July 1, 2004, <http://www.warprofiteers.com/article.php?id=11402>; Dan Murphy, "Local Iraqi Councils Struggle for Relevance," *Christian Science Monitor*, May 24, 2004, p. 1; Peter Ford, "Iraqi Town Councils Stymied by a Lack of Resources, Higher-ups Getting Bulk of Reconstruction Aid," *Christian Science Monitor*, October 2, 2003, p. 3.

⁶¹ General Accounting Office, "Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues," Report to Congressional Committees, June 2004.

⁶² See Rajiv Chandrasekaran, "Death Stalks an Experiment in Democracy: Fearful Baghdad Council Keeps Public Locked Out," *Washington Post*, June 22, 2004, p. A1.

⁶³ See Ashraf Khalil, Carol J. Williams and Richard C. Paddock, "Seven Killed as Bomb Rocks Baghdad," *Los Angeles Times*, July 14, 2004, p. A1; Paul Alexander and Danica Kirka, "Philippine Peacekeepers to Leave Iraq," *Associated Press*, July 11, 2004; "Who Kills Iraqi Scientists?" *Iraq Press Online*, April 20, 2004, <http://www.iraqpress.org/english.asp?fname=ipenglish%5C2004-04-20%5C000.htm>; Ahmed Janabi, "Iraqi Intellectuals Flee 'Death Squads,'" *al-Jazeera.net*, March 30, 2004; Jeffrey Gettleman, "The Struggle for Iraq: Killings; Assassinations Tear Into Iraq's Educated Class," *New York Times*, February 7, 2004, p. A1.

⁶⁴ General Accounting Office, "Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues," Report to Congressional Committees, June 2004.

⁶⁵ *Ibid.*

⁶⁶ "Iraqis Support New Government," *AlMashriq* (Iraqi Press Monitor), July 8, 2004.

Indeed, Iraq's new leaders face a delicate challenge: to preserve executive power and flexibility without sacrificing civil liberties or public accountability. The latest polling by Oxford Research International (June 2004) shows that Iraqis clearly recognize the need for both sides of this equation. Overwhelming majorities "strongly agree" that the country now needs both democracy (70.1%) and "a (single) strong leader" (74.0%), and most of the rest "somewhat agree" with each proposition.

The following tables and charts track Iraqi responses to both prompts over the course of Oxford's four surveys. Iraqi support for a single strong leader has risen substantially since the fall of 2003, due largely to deteriorating security conditions. Meanwhile, support for immediate democracy has ebbed somewhat since April, perhaps due also to the security situation.

I. Iraq now needs a (single) strong Iraqi leader. How much do you agree or disagree?

	Oct.-Nov. '03	Feb. '04	Mar.-Apr. '04	Jun. '04
Strongly agree	53.6%	69.9%	73.5%	74.0%
Somewhat agree	17.6%	15.4%	13.1%	15.4%
Somewhat disagree	15.2%	4.9%	5.0%	4.8%

II. Iraq now needs an Iraqi democracy. How much do you agree or disagree?

	Oct.-Nov. '03	Feb. '04	Mar.-Apr. '04	Jun. '04
Strongly agree	69.3%	76.3%	78.6%	70.1%
Somewhat agree	21.0%	14.5%	12.1%	18.2%
Somewhat disagree	7.0%	4.3%	4.0%	7.3%
Strongly disagree	2.7%	4.9%	5.3%	4.5%

Oxford Research International, "National Survey of Iraq."

Figure 1

Iraq now needs a (single) strong Iraqi leader. How much do you agree or disagree?

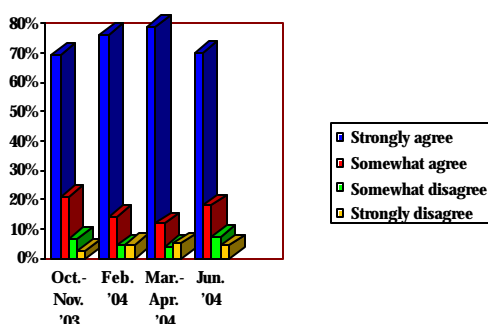
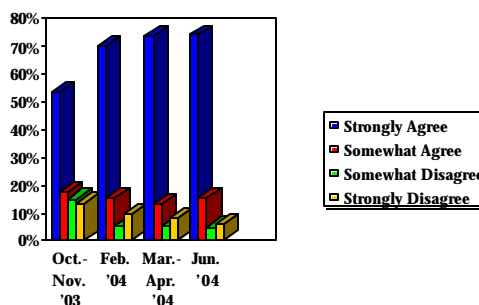


Figure 2

Iraq now needs an Iraqi democracy. How much do you agree or disagree?



"The new Iraqi government is promising because it is composed of well-educated, non-political people from all over the country."

- 25-year old male food vendor, Al Kut

It bears emphasizing that, while most Iraqis want democracy for their country immediately, even larger numbers want to have it at some point. In August and September 2003, the U.S. Department of State Office of Research commissioned the ICRSS to conduct a public opinion survey in seven Iraqi cities. Eighty-seven percent of respondents agreed that the right to free and fair elections was "very important" to Iraq, and an additional eight percent said it was "somewhat important." The same ICRSS poll

“The current Iraqi government isn’t trustworthy. The future Iraq will be an Arabic Iraq, so I’m pessimistic for the future of the Kurds. Arabs in the new Iraq have taken advantage of all that we Kurds did to get rid of Saddam, and are now taking power for themselves.”

- 23-year old male clerk, Erbil

also found widespread support for many civil liberties associated with democracy, although a free press and women’s equality received moderate enthusiasm.

This table shows the results of the ICRSS query regarding the importance of various civil liberties and values:

Are the following political values important in Iraqi society? (Only positive responses shown)			
	Yes, very	Yes, somewhat	Sum
Right to free and fair elections	87%	8%	95%
People follow law and criminals are punished	90%	4%	94%
Nationalities share power in government	74%	15%	89%
Religious groups share power in government	76%	11%	87%
Right to criticize the government	73%	13%	86%
Media report without censorship	61%	17%	78%
Equal rights for women	50%	21%	71%
Religious leaders play role in politics	38%	18%	56%

Iraq Center for Research and Strategic Studies, “Public Opinion Survey.”

Of particular importance are the ways in which Iraqis perceive the relationship between religion and government. Public opinion polls suggest that this issue is quite complicated. On one hand, most Iraqis not only have great confidence in their religious leaders but also want them to double as political leaders. The latest Oxford poll, from June 2004, indicates that 57 percent of Iraqis have “a great deal” of confidence in their religious leaders. Another 30 percent put “quite a lot” of confidence in them. Nearly a quarter of Iraqis “strongly agree” that Iraq now needs “a government made up mostly of religious leaders,” while nearly a third “somewhat agree” with that proposition. (These numbers square nicely with those from ICRSS in summer 2003—see final line of table above.)

The following tables and graphs follow chronological trends in the Oxford data. Of particular interest is how confidence in religious leaders has risen steadily since last fall, which could be explained by their vocal resistance to the U.S.-led occupation.

I. How much confidence do you have in [Iraq’s religious leaders]?				
	Oct.-Nov. ’03	Feb. ’04	Mar.-Apr. ’04	Jun. ’04
Great Deal	42.20%	46.40%	55.00%	57%
Quite a Lot	27.60%	30.20%	23.50%	30%
Not Very Much	19.20%	13.80%	13.70%	9%
Not at All	11.00%	9.70%	7.90%	4%

Oxford Research International, “National Survey of Iraq.”

II. Iraq now needs a government made up mainly of religious leaders. How much do you agree or disagree?

	Oct.-Nov. '03	Feb. '04	Mar.-Apr. '04	Jun. '04
Strongly agree	30.8%	29.4%	33.4%	23.1%
Somewhat agree	29.5%	27.6%	26.4%	33.0%
Somewhat disagree	25.5%	17.3%	16.1%	25.8%
Strongly disagree	14.2%	25.7%	24.1%	18.1%

Oxford Research International, "National Survey of Iraq."

Figure 1

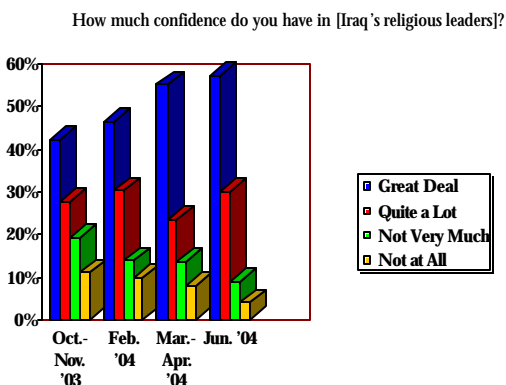
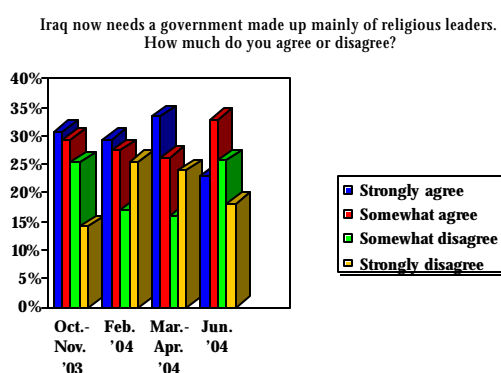


Figure 2



Despite their confidence in religious leaders as such and as political figures, Iraqis are generally wary of looking to them for political knowledge. In Oxford's June survey, less than two percent of respondents named religious leaders as their most important source of political information, and over 80 percent claimed that they would never seek such information from religious leaders.

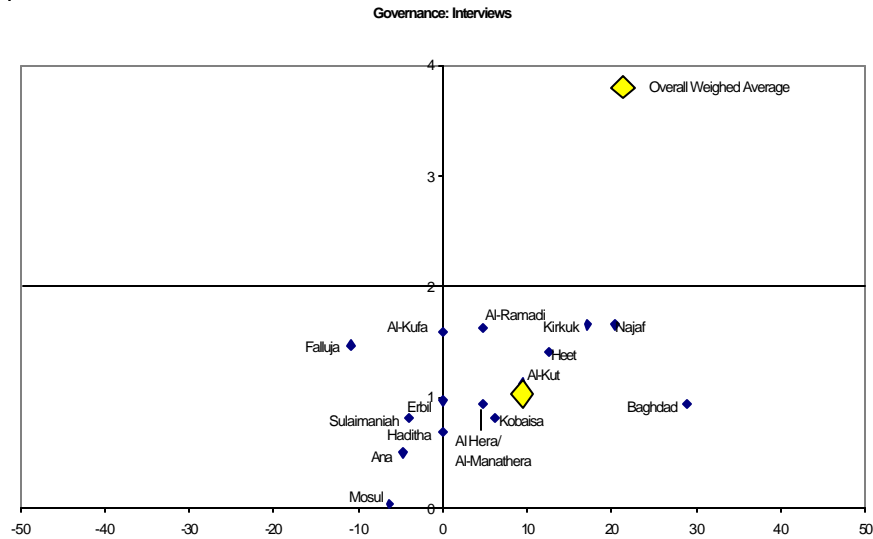
Interviews

According to the Iraqis interviewed as part of this project, governance is the area of poorest performance to date in Iraq's reconstruction (see Graph 9). It is the only sector we looked at in which not one average rating for any city hit the tipping point and also the only one in which significant numbers of results from our interviewees remain at the worst-case scenario, or "I have no public voice because there is no Iraqi government." Findings were not even close to the tipping point in most areas of Iraq.

The regional distribution of governance findings shows some unexpected results. Najaf, the scene of continued fighting between al-Sadr's militia and U.S. forces, showed some of the highest results on governance. Residents in Kirkuk, whose communal tensions and history of ethnic divisions make it a likely frontline in any future civil war, were not as negative as might be assumed. Al-Ramadi, in the heart of the "Sunni triangle," actually shows relative satisfaction compared to the rest of Iraq.

This is certainly not the case in other Sunni-dominated areas. Al-Anbar governorate is predictably skeptical of the new interim government and angry at the presence of

Graph 9



U.S. forces. Mosul is the scene of the greatest fury, however; our interviewer there was taken aback by the hostility of his interviewees.

The Kurds of Erbil and Sulaimaniah are just as angry as the Sunnis and Moslawis. After 13 years of one-party rule in the respective administrations of the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK), Kurds are fed up with their regional governments. They are also at the point of losing hope for an adequate recognition of their rights in the constitutional negotiations, set to begin after January's elections, that will take place with their Arab counterparts to design the institutions and make-up of the new Iraq. Kurds are disillusioned at the regional level and apprehensive at the national level.

On balance, the optimism that Iraqis demonstrate in other areas of reconstruction also registers with respect to governance, but just barely. Residents of Mosul, Sulaimaniah, al-Ana, and Falluja were largely pessimistic. Residents of Baghdad were optimistic about likely improvements, although they rated poorly on governance; Baghdadis are open to any government that can restore public order. Throughout the country, our researchers got the sense that Iraqis are genuinely giving their new government a chance. Yet any bounce the governance ratings got due to the timing of the interviews—midway between the selection of the interim government and the transfer of sovereignty—was minor and may well wear off quickly if the government continues to be seen as faltering in its attempts to restore stability.

Conclusion

Governance continues to be in flux in Iraq, with respect to both event trends and Iraqi perception. The transfer of sovereignty to Iraq's interim government at the end of June represented a step forward in terms of Iraq's self-sufficiency, but at the same time, the national conference planned for mid-July was postponed until mid-August,

due to security concerns and inadequate participation by all of Iraq's important political factions. The August conference was successful in choosing an interim assembly to provide balance to Iraq's interim executive, but certain key political factions, including Muqtada al-Sadr, refused to participate in the conference, and independent parties were largely sidelined, raising concerns about whether it is adequately representative. Elections may also be put off, or at least hindered, due to security problems. The United States has started political and civil society development at the local level, but its commitment so far has not been backed up by the resource support that would allow local and provincial political bodies to gain experience in governing their communities.

Iraqi perception is also mixed. Iraqis seem eager for their own institutions to be in the lead, but the faith placed in the capacities of those institutions could wane quickly. They are desperate for a strong leader, for a government that can reassert control. Yet they also look forward to having an elected government, and are overwhelmingly in favor of the protection of most civil rights that underpin democracies. Interviews and polling suggest that most Iraqis continue to keep political issues at arms length, portending difficulties in efforts to build democracy. The negative interview results on governance perhaps capture these conflicted views best. They also suggest that more focus is needed on the Kurds in the north, who are surprisingly dissatisfied with governance issues.

Until local and provincial level political activity garners greater attention and importance, efforts to build democracy from the ground up will continue to falter. Iraqis need to experience interacting with effective political bodies and government institutions at the local and provincial level, more so than at the national level, and those bodies must be able to respond to their citizens. Moreover, efforts so far have focused myopically on building national level players, leading inevitably to the entrenchment of known quantities—political parties and personalities—in Iraq's interim government, without allowing for the development of new political talent. There is waning time between now and the January elections to develop the talent that could pose a counterweight to Iraq's better organized parties that have been ruling the national scene since the Ba'ath party was driven out.

**“The
Iraqi
government
is a
puppet
regime
since it
has not
been
elected.
We have no
influence
over it.”**

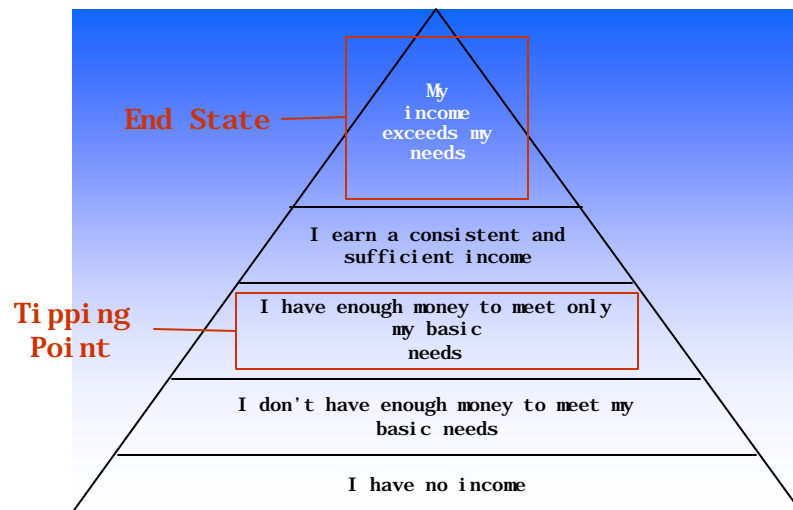
**- 24-
year old
male
engineering
student,
Erbil**

ECONOMIC OPPORTUNITY

I Have A Means of Income

Economic Opportunity

I have a means of income

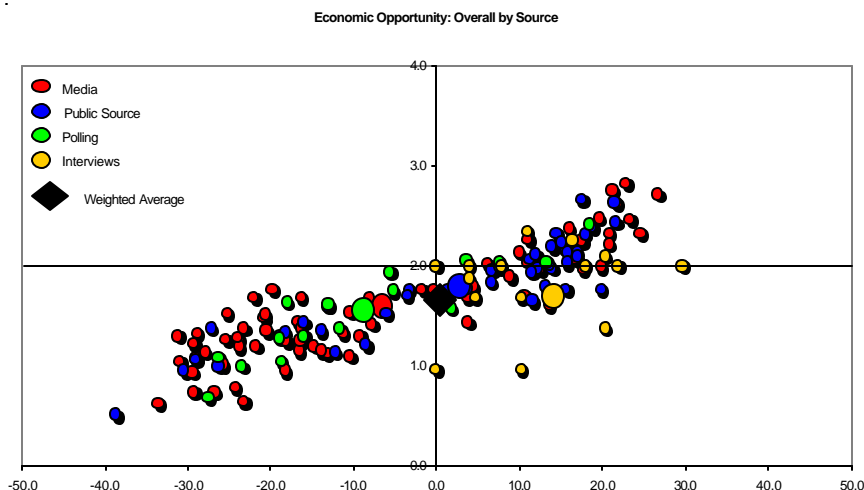


The Bottom Line

Iraq has not reached the tipping point in this sector, meaning the average Iraqi cannot yet say “I have enough money to meet only my basic needs.” The data collected in this sector show a decidedly mixed picture, ranging almost evenly between the negative and positive in terms of reconstruction efforts (*see Graph 10*). The perception scale is weighted more heavily on the negative side, hovering somewhere between “I don’t have enough money to meet my basic needs” and “I have enough money to meet only my basic needs.” The trend line has moved in a negative direction in the past few months. Although there was a sizable improvement in this sector from our initial collection (June 2003-February 2004) to March 2004, after March 2004, the trend line has been negative. There was some improvement from April 2004 to May 2004, but our data from June and July 2004 shows backward movement once again (*see Graph 11*). At this point, it does not appear that Iraq is yet on a steady path toward passing the tipping point in this sector.

Our data collection in this sector focused on Iraq’s banking and financial sector, commerce and investment, industry, unemployment and job creation, poverty and

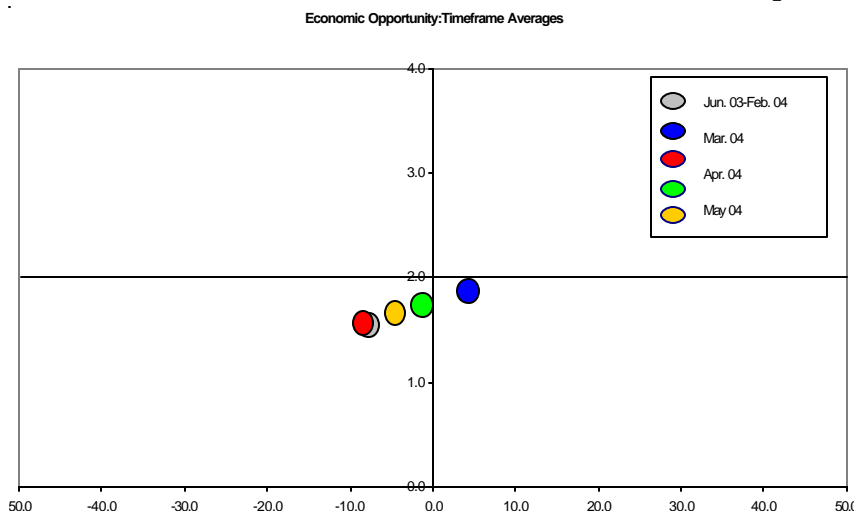
Graph 10



homelessness, and government subsidies (see Table 6). In general, the more positive information represents two factors: (1) the CPA's economic reform efforts and (2) that salaries for some sectors of the economy, particularly civil servants, have risen steeply since the war's end. While good news stories, both deserve further scrutiny.

The CPA made some real headway in terms of reforming Iraq's legal and regulatory structure to set the framework for Iraq to become a market economy. Most of its changes could have a longer-term impact on Iraq's economy but have not noticeably improved Iraqis' lives or economic opportunity in the near term. The more negative data we collected reflect this, as they generally represent the continuing high levels of unemployment in Iraq and the failure of the United States thus far to adequately address that problem. It is undoubtedly positive news that civil servants' salaries have risen, but for Iraqis who do not work for the government, the story is more complicated. Many Iraqis are faced with the difficult choice of either earning a good salary working for a foreign contractor or the United States or working for an Iraqi com-

Graph 11



pany or state-owned enterprise. Option one entails the risk of becoming a target of the Iraqi insurgency, while option two generally means earning a meager salary that may not be enough to support a family.

Security-related factors exert a fairly negative pull on the overall picture in terms of economic opportunity.

Table 6

Economic Opportunity	
<i>Indicator</i>	<i>Details</i>
Banking and Financial Sector	Bank reform measures, banking industry, debt relief, and reparations.
Commerce and Investment	Foreign investment, local trade, local economy and markets, what people are buying or can afford.
Industry	Primarily state of the oil sector; some information on other sectors such as agriculture.
Unemployment and Job Creation	Wage increases and decreases, job creation, Iraqis employed through reconstruction efforts, unemployment numbers.
Poverty and Homelessness	Iraqis living below the poverty line, homeless rates.
Government Subsidies	Food rations, percentage of citizens dependent on government subsidies, industry dependence on government subsidies, remnants of Saddam-era command economy.

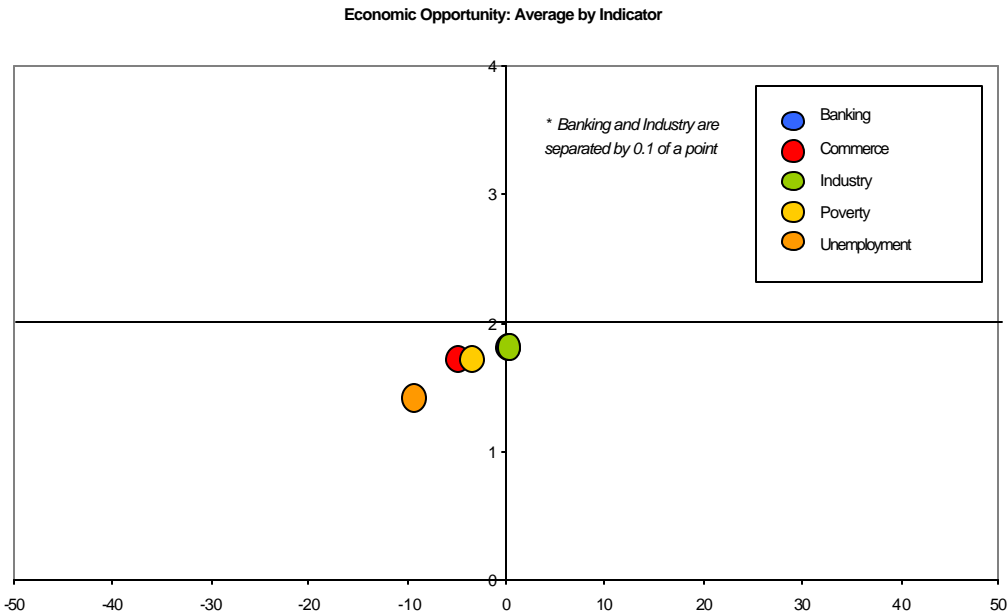
The Indicators

Perhaps the two most pertinent indicators we looked at in this sector were the banking and financial sector and unemployment/job creation (*see Graph 12*). The former represents most clearly the CPA priorities in the economic sector: setting in place reforms that will lay the foundation for a market economy. If the reforms stick and Iraq becomes more stable, its economy has real potential in the longer term. Iraq's enormous debt overhang casts a large shadow in that regard, however, and recovery in the oil sector will also be a key factor. Iraq's gains from high oil prices need to be matched by reliable, higher production, and Iraq's leaders need to start transparently addressing the issue of oil ownership. The unemployment/job creation indicator, on the other hand, reflects a marked failure of the reconstruction efforts to date, and is emphatically a short-term priority, although the United States has not to date treated it as such in terms of its assistance funds. By mid-July 2004, only \$458 million of the \$18.4 billion in U.S. reconstruction funds for Iraq had been spent, and U.S. officials admitted that their spending practices had not yet addressed the immediate need for job creation.⁶⁷ Efforts are now underway to create short-term jobs in troubled areas, which

⁶⁷ Richard Lugar, "Opening Statement for Hearing on Iraq—Post Transition Update," Chairman's statement, Senate Foreign Relations Committee, July 22, 2004, <http://www.senate.gov/~foreign/testimony/2004/LugerStatement040722.pdf>

are expected to produce short-term gains.

Graph 12



“Money and resources are not American gifts. We should have high income as Iraq is full of oil and resources.”

- 26-year old female, Baghdad

Banking and Financial Sector

This indicator shows a stark mix of positive and negative data. This reflects that we looked both at CPA economic reform efforts and at the impact of Iraq’s debt on Iraq’s economy, in an effort to gauge the short, medium, and long-term potential for Iraq’s economic recovery. The CPA prioritized banking and financial institutions reforms, and in terms of setting in place legal and institutional reforms, it made progress. Reforms such as new banking laws and a new tax code, a new Iraqi dinar, the recent reopening of the Baghdad stock exchange, and other macroeconomic reforms could point the way to strong economic recovery for Iraq, in the medium to long term. Most will have little to no impact on the average Iraqi in the short-term, however, as they do not address the rampant unemployment and high rates of poverty in Iraq. Perhaps in acknowledgement of this, the CPA began, late in its tenure, to provide microfinance credits (loans of between \$500,000 to \$5 million) to small and midsize Iraqi companies.⁶⁸ Moreover, the longer-term viability of the CPA’s reforms will depend on many factors that remain open questions at this point: security, political stability, Iraqi buy-in, and codification as part of Iraq’s permanent legal code.⁶⁹

Iraq’s enormous debt and reparations burden plagues the longer-term economic prospects. Iraq is estimated to owe \$120 billion to foreign creditors, and the United States

⁶⁸ David J. Lynch, “Cash Crunch Curbs Rebuilding in Iraq,” *USA Today*, May 31, 2004, p. 1B.

⁶⁹ Bathsbeba Crocker, “Reconstructing Iraq’s Economy,” *The Washington Quarterly* 27 (Autumn 2004): 73-93.

and other creditor nations continue to disagree about how much of that debt they are willing to forgive. The International Monetary Fund (IMF) has estimated that creditor nations must write-off at least 80 percent of Iraq's debt to reach a number Iraq could sustain with its gross domestic product (GDP).⁷⁰ Iraq also owes tens of billions of U.S. dollars in Gulf War reparations; five percent of Iraq's oil revenues are already consumed by paying off those reparations, under a system laid out in multiple UN Security Council resolutions. Uncertainty about how the debts and claims will be resolved clouds Iraq's economic future, makes investors wary, and is already interfering with Iraq's internal banking operations.⁷¹

Commerce and Investment

The CPA also set about to expand markets and trade in Iraq, attempting to revitalize the local economy and make Iraq attractive to foreign investment. Iraq did become more business-friendly under the CPA. Local markets have been bustling; new businesses have sprung up; and consumer goods have flooded across Iraq's unchecked borders. For the most part, businesses and markets have remained open despite security problems, but some business owners report having to close earlier in the evening than they used to; certain service providers (like the hotel and trucking industries) have taken severe hits due to security-related declines in tourism and transport of goods.⁷²

The security situation has had a much greater impact on the ability of foreign companies to operate in Iraq and the willingness of foreign investors to commit to Iraq to a degree that would provide a significant boost to Iraq's economy.⁷³ U.S. officials have noted that in order to truly address the unemployment problem, Iraq needs the capital and technology that only foreign investment can bring.⁷⁴ Yet security continues to stymie efforts to entice that foreign investment; the three foreign banks that were granted licenses in early 2004 to enter the Iraqi market have yet to do so because of security concerns.⁷⁵

Although experts predict a strong ultimate recovery for Iraq's economy, security threats and political instability have coalesced to stall that recovery. The slow pace at which the United States has spent its reconstruction funds has undermined the immediate

⁷⁰ "Bush, Thwarted by France, Gains No Ground on Iraq Debt, Troops," *Bloombergnews.com*, June 10, 2004. See also James Surowiecki, "The Financial Page: A Clean Slate for Iraq," *New Yorker*, April 7, 2003, p. 33.

⁷¹ See David J. Lynch, "Cash Crunch Curbs Rebuilding in Iraq," *USA Today*, May 31, 2004, p. 1B.

⁷² See e.g., "Budget Shortfalls, Instability Hit Iraqi Oil Sector," *Daily Star*, May 10, 2004; "Al-Sadr's Standoff in Iraq Threatening Shiite Unity," *Wall Street Journal Online*, May 10, 2004; "Baghdad Trade Traffic Comes to a Halt," *al-Jazeera.net*, April 19, 2004.

⁷³ See "Turkish Businessmen Keep Low Profile in Iraq Amid Hostage Crisis," *Agence France Presse*, June 27, 2004; Carola Hoyos, "Oil Groups Snub U.S. on Iraq Investment," *Financial Times*, July 25, 2003, p. A1; Joshua Chaffin, "Dangers that Haunt Iraq's New Business Opportunities: Western Entrepreneurs Must Weigh Openings Afforded by Country's Rebuilding Against Chances of Being Shot," *Financial Times*, July 10, 2003, p. A20.

⁷⁴ "Iraq Officials Court Italian Business Investment for Reconstruction," *Associated Press*, February 27, 2004.

⁷⁵ "A Tricky Operation," *Economist*, June 26, 2004, p. 73.

kick-start to Iraq's business climate that the CPA had hoped for.

Industry

Security problems have also forestalled recovery of Iraq's industries, in particular the oil sector, which dominates Iraq's economy. Continuous sabotage against oil infrastructure, combined with a lack of the foreign investment needed to revitalize and rebuild that infrastructure, has slowed efforts to get oil production back up to prewar levels, or even past those levels. Iraq has been expected to pull in about \$14 billion in oil export revenue in 2004,⁷⁶ up from \$5 billion in 2003 and about \$10 billion in the last years of Saddam's rule. Decreased production and exports due to sabotage may reduce that amount, although declines should be somewhat offset by a near doubling of world oil prices.

Iraq has seen some modest improvements in other sectors, particularly agriculture, which has historically been the second-largest part of the economy.⁷⁷ Yet many Iraqi state-owned enterprises and other businesses have been idle in the postwar period. Iraq's economy has been heavily subsidized for years, in addition to being closed off from foreign competition. The decline in those subsidies and the flooding of Iraq's market with foreign-made goods and products has destroyed many Iraqi businesses. In order to avoid massive unrest, the CPA decided to keep operative many non-competitive Iraqi state-owned enterprises, even if unprofitable.⁷⁸ Although this is a drain on Iraq's already limited resources, it was necessary during the early postwar period, in order not to create hundreds of thousands of additional unemployed Iraqis.

Unemployment/Job Creation

The United States' heavy focus on financial sector and business climate reforms can be contrasted with its lack of results in terms of creating jobs and easing Iraq's unemployment woes. It is difficult to estimate precisely Iraq's unemployment rate; both pre- and postwar data are spotty and vary widely depending on source. Most estimates put Iraq's current unemployment and underemployment rate at anywhere between 25 to 60 percent. The CPA claimed a major decline (of up to 50 percent) in the unemployment levels since the fall of Saddam;⁷⁹ the U.S. government's estimates

“My two kids and I work, and we still have financial problems. We have schools, but due to economic insecurity, I had to force my two kids to drop out of school and work.”

- 66-year old male sunflower seed vendor, Erbil

⁷⁶ “Without Peace, Reconstruction Stalls,” *Economist*, May 15, 2004; “Iraq, A Year On: A Glimmering of Hope,” *Economist*, March 20, 2004.

⁷⁷ CPA, “Ministry of Agriculture Turns Saddam's Helicopter Into Crop Duster,” May 28, 2004, http://www.iraqcoalition.org/pressreleases/20040527_helospray.html; CPA, “Weekly Report: Essential Services,” May 22-28, 2004, http://www.iraqcoalition.org/ES/consolidated/May28_ES.doc.

⁷⁸ Ariana Eunjung Cha, “At Iraqi Port, Progress is a Matter of Perception,” *Washington Post*, March 25, 2004, p. A1; Alex Berenson, “Short on Capital, Iraqi Economy Stagnates,” *New York Times*, November 5, 2003, p. A6.

⁷⁹ See “Bremer Marks 100-day Countdown to Power Handover,” *Xinhua*, March 24, 2004.

“I don’t have a fixed income, but I find something to cover my needs.”

- male
journalist,
Sulaimaniyah

put current unemployment levels at ten to 30 percent.⁸⁰ Middle class and civil servant salaries rose significantly under the CPA, accounting for much of the more positive data we collected about this indicator.

What is known is that the CPA focused on large, capital-intensive reconstruction projects, such as rebuilding the power grid and the oil industry, which have not created anywhere near the number of jobs needed or, for that matter, promised by the CPA.⁸¹ Even when the United States has focused on labor-intensive projects to suck up some of the unemployment, the vast bulk of the money for U.S.-funded projects goes to U.S. contractors, and up to 50 percent may be lost to profits for U.S. or other international contractors, security and insurance costs for contractors, and administrative and overhead costs; only a small portion ever makes it into the hands of Iraqi laborers or companies.⁸² The United States estimates that as of mid-July, U.S. assistance had created non-security sector jobs for more than 30,000 Iraqis,⁸³ a small number in comparison to the overall workforce, estimated at 7 million. The high unemployment has compounded security problems in Iraq; in some cases, frustrated, unemployed Iraqis have joined the ranks of the insurgency. Iraqis can make up to \$100 by agreeing to plant a roadside bomb or shoot at U.S. forces.⁸⁴ Iraq’s overwhelmingly young demographic—50 percent of the population is under the age of 20—necessitates addressing the unemployment problem urgently.

Some news stories have highlighted the impact that small-scale reconstruction projects can have, in terms of providing hope for a community and employing out-of-work Iraqis.⁸⁵ This was borne out in our interviews as well, which suggested that the visible presence of community-level reconstruction projects increases a local population’s optimism about its future economic prospects. The State Department is reviewing the U.S. funding practices and priorities for Iraq, in the hopes of streamlining bureaucratic requirements, which have held up the spending of the \$18.4 billion in U.S. reconstruction funds, and figuring out how to ensure that more of those funds are spent quickly, used to employ Iraqis, and put money directly into Iraqi hands in a more decentralized manner.⁸⁶ This should be an urgent priority. Yet even that review is behind schedule. State Department officials hoped to have it completed by the end of August, but cautioned that the pace of reconstruction spending will continue to depend on the security situation, regardless of when their review is complete.⁸⁷

⁸⁰ Ronald L. Schlicher, Deputy Assistant Secretary of State, Statement before the Senate Foreign Relations Committee, July 22, 2004, <http://foreign.senate.gov/testimony/2004/SchlicherTestimony040722.pdf>

⁸¹ See e.g., James Glanz and Erik Eckholm, “Reality Intrudes on Promises in Rebuilding of Iraq,” *New York Times* June 29, 2004, p. A1.

⁸² See “Iraqi Garbage,” *Morning Edition* (National Public Radio), July 23, 2004; Alan Fram, “Iraq Contractors Spending More on Security,” *Associated Press*, April 25, 2004; F. Brinley Bruton, “Iraq Security Eating Chunks of Contractors’ Costs,” *Reuters*, April 13, 2004.

⁸³ Ronald L. Schlicher, Deputy Assistant Secretary of State, Statement before the Senate Foreign Relations Committee, July 22, 2004, <http://foreign.senate.gov/testimony/2004/SchlicherTestimony040722.pdf>

⁸⁴ See Edward Wong, “Heart of Iraqi Rebellion: Angry Young Men,” *New York Times*, June 20, 2004, p. A2; Jon Lee Anderson, “The Uprising: Shia and Sunnis Put Aside their Differences,” *New Yorker*, May 3, 2004, p. 63; IRIN, “Iraq: Basra Residents Express Dissatisfaction,” April 13, 2004; Neela Banerjee and John H. Cushman Jr., “Persistent Job Shortage Frustrates Idled Iraqis: Security and Employment Tightly Linked,” *New York Times*, February 5, 2004, p. A11.

⁸⁵ James Glanz, “Rebuilding Iraq, A Well at a Time,” *New York Times*, July 20, 2004, p. A1.

⁸⁶ Richard Lugar, “Opening Statement for Hearing on Iraq—Post Transition Update,” Chairman’s statement, Senate Foreign Relations Committee, July 22, 2004, <http://www.senate.gov/~foreign/testimony/2004/LugerStatement040722.pdf>

⁸⁷ Cam Simpson, “State Department Stalls on \$18 Billion Aid Review,” *Chicago Tribune*, August 17, 2004, p. C17.

Poverty/Homelessness

Although Iraq's poverty statistics are disheartening, the country has not suffered a large-scale humanitarian crisis in the postwar period. An estimated 55 percent of Iraqis live below the poverty line, and an estimated 60 percent remain completely dependent on the monthly food ration provided by Iraq's government (a vestige of the UN-run oil-for-food program).⁸⁸ As noted above, Iraqis working for the government have seen their wages increase exponentially since the war's end; Iraqis who work for foreign companies can also earn sizable sums.⁸⁹ Yet both Iraqi government employees and those who work for foreigners face significant security risks, as they have been frequent targets of Iraq's insurgents. Moreover, this salary increase has not impacted the levels of poverty or food dependence at all, a fact reinforced by our interviewees, who found significant wage disparities in several of the towns and cities they visited. Homelessness remains widespread.⁹⁰

Iraqi Perception

Polling

Aside from the Iraq-based IIACSS, few of the polls to date have focused on Iraqis' economic opportunity or employment status. In general, public opinion polls paint a decidedly negative picture in terms of how Iraqis perceive their economic opportunities. Consistent with the results from our interviews, polling does not reveal much regional differentiation in this area. Both indicate that Iraqis throughout the country are frustrated by the lack of economic opportunity.

IIACSS has tracked the employment status of Iraqi citizens in several of its national polls. The following table shows the results from four of those polls.

Are you currently employed?

	January 2004	March 2004	April 2004	May 2004
Public sector, full time	17%	12.70%	15.80%	15.90%
Public sector, part time	2.50%	1.20%	3.00%	1.90%
Private sector, full time	12.90%	9.60%	11.90%	9.80%
Private sector, part time	7.20%	8.00%	7.20%	8.30%
Student	9.30%	6.70%	7.80%	6.60%
House wife	25.30%	44.90%	40%	41.40%
Pensioner	9.20%	7.20%	5.90%	6.70%
Unemployed	16.70%	9.70%	8.40%	9.30%

IIACSS, Department of State, CPA, "National Poll of Iraq."

⁸⁸ IRIN, "Iraq: Briefing Paper on Food Security," May 26, 2004; CPA, "Weekly Report: Essential Services," May 22-28, 2004, http://www.iraqcoalition.org/ES/consolidated/May28_ES.doc.

⁸⁹ See "The New Iraq: A Year of Progress," *Defend America*, March 2004, <http://www.defendamerica.mil/iraq/mar2004/tni-1yr0318042.html>; Ariana Eunjung Cha, "At Iraqi Port, Progress is Matter of Perception," *Washington Post*, March 25, 2004, p. A1.

⁹⁰ IRIN, "Iraq: New Housing Project for Displaced People," June 8, 2004; Matthew B. Stannard, "Turmoil, Neglect Have Millions Homeless in Iraq," *San Francisco Chronicle*, January 5, 2004, p. A1.

The February 2004 poll by Oxford Research International supplements these results with an account of Iraqis' subjective opinions regarding employment and quality-of-life issues. The poll asked respondents to rate various conditions as very good, quite good, quite bad, or very bad. The next table shows how employment, household necessities, and non-basic products and services stacked up. Strikingly, virtually half of those polled rated job availability as very bad, while little more than a quarter rated that condition as very or quite good.

How would you rate the following using very good, quite good, quite bad, and very bad?

	Very good	Quite good	Quite bad	Very bad
Availability of jobs	6.9	20.2	23.9	48.9
Availability of basic things needed for household	18.4	39.5	24.3	17.8
Availability of products and services beyond basic needs	14.3	37.4	27.8	20.5

Oxford Research International, "National Survey of Iraq."

The IIACSS polls demonstrate that in Iraq, the unemployed tend to stay unemployed. The institute has consistently found that an overwhelming majority of unemployed Iraqis have been without work for over four months.⁹¹ Following those polls from month to month in the table below, one can see some vacillation in the size of that majority, but no stable trends emerge.

If unemployed, how long have you been out of work?

	Jan. 04	Mar. 04	Apr. 04	May 04
A few days	1.50%	Not Asked	Not Asked	Not Asked
A few weeks	4.00%	0.90%	Not Asked	4.90%
1-4 months	10.40%	6.60%	1.10%	4.90%
Longer than 4 months	84.20%	92.50%	98.90%	90.20%

IIACSS, Department of State, CPA, "National Poll of Iraq."

"Right now, I sell my paintings, which I was unable to do previously, just as I couldn't open my exhibitions, because I was afraid of Ba'athists."

- 42-year old male visual artist, Mosul

⁹¹ Because the four-month time period is not further divided, it is difficult to determine how long Iraqis remain unemployed.

Among those Iraqis who are employed, the picture is only somewhat brighter. A majority of them feel at least “somewhat concerned” about losing their jobs, and roughly a third are “very concerned.” This has been a consistent finding of IIACSS polls over the months, as shown in this table.

If employed, how concerned are you that you will lose your job?

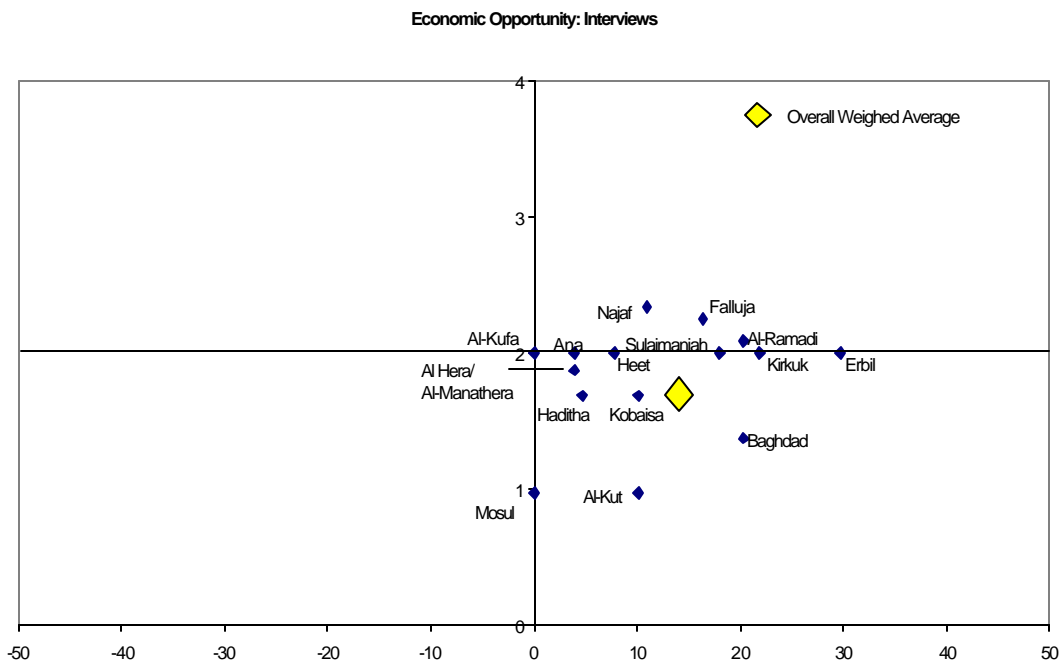
	Jan. 04	Mar. 2004	Apr. 04	May 04
Very concerned	27.80%	32.70%	39.00%	35.10%
Somewhat concerned	22.80%	24.40%	23.00%	25.40%
Not very concerned	12.10%	9.80%	9.70%	12.20%
Not concerned at all	34.20%	33.00%	26.40%	27.00%

IIACSS, Department of State, CPA, “National Poll of Iraq.”

Interviews

Our Iraqi interviews resulted in high ratings in the area of economic opportunity; ratings for this sector were the second highest, after social well-being. Results were lowest for Al-Kut, Mosul, and Baghdad (see Graph 13). The results in Mosul and Najaf demonstrate the visible economic impact that accompanies changing political fortunes. Mosul had been a stronghold of the Ba’ath regime and is suffering in the

Graph 13



postwar period because government largesse has dried up. Najaf, by contrast, is thriving now that it is no longer disfavored by the government because it is a Shi'a stronghold. In a country where massive state resources produced regional economies built on patronage, the shift in government preferences has produced some dramatic results.

Our researchers found Iraqis to be generally optimistic about economic opportunity, perhaps a surprising result given the continuing high levels of unemployment. Indeed, the addition of the interview results makes the overall picture considerably more positive. Our researchers repeatedly heard Iraqis express confidence that foreign investment would begin to produce economic returns for Iraq. If that confidence is driving the optimism the interviews suggest in this area, caution is warranted, as foreign investment has been slow to arrive due to insecurity and political instability, a reality that could pertain for some time.

Conclusion

Overall, there is a clear sense that arriving at a positive trend line in this sector will be a long-term process, for several reasons. First, security problems and political instability will continue to plague efforts to turn Iraq into a thriving economy; reconstruction projects have been delayed, and foreign investment will be slow to trickle in under the current circumstances. Second, Iraq's turnaround is heavily dependent both on the oil sector—which remains hostage to the security situation—and on diversifying the economy away from oil, something that has not been a heavy focus. Third, until there is a permanent Iraqi government and constitution, it is difficult to predict whether the interim laws and regulations put in place by the CPA will continue to provide the framework for economic activity in the coming years. Finally, the vestiges of the Saddam-era command economy are in some cases deeply entrenched—from government subsidies on food and fuel to hundreds of state-owned enterprises, some of which are being paid to operate even if they sit idle.

At the same time, Iraq has a huge unemployment problem that must be addressed in the immediate term, and thus far, the U.S. reconstruction efforts have focused too heavily on the longer-term priorities. When seen in light of the reality that over 50 percent of Iraq's population lives below the poverty line, over 60 percent is food insecure, and that Iraq has an overwhelmingly youthful population, job creation becomes an urgent priority.

Iraqis consistently rank having enough money to support one's family and owning a

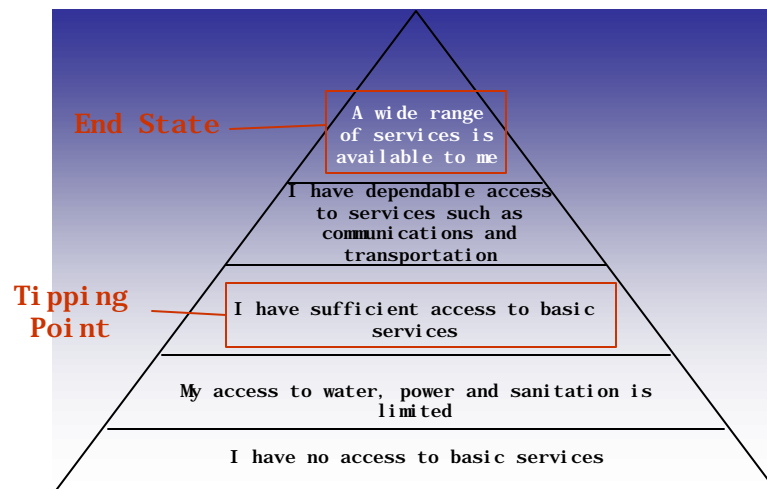
home high on their lists of priorities, and the polling, interviews, and media reports highlight that Iraqis are highly dissatisfied with their lack of economic opportunity. The security situation impacts this sector—largely by staving off foreign investment, delaying reconstruction projects that could create Iraqi jobs, and eating away at available reconstruction funds. But the problem is circular—without those jobs, Iraqi frustration will continue to fuel the insurgency. Although intensely frustrated now, Iraqis do show signs of optimism that their economic situation will turn around, encouraged by Iraq’s potential oil wealth and the promise of foreign investment.

SERVICES

I Have Access to Basic Services, such as Power, Water, and Sanitation

Services

I have access to basic services, such as water, power and sanitation

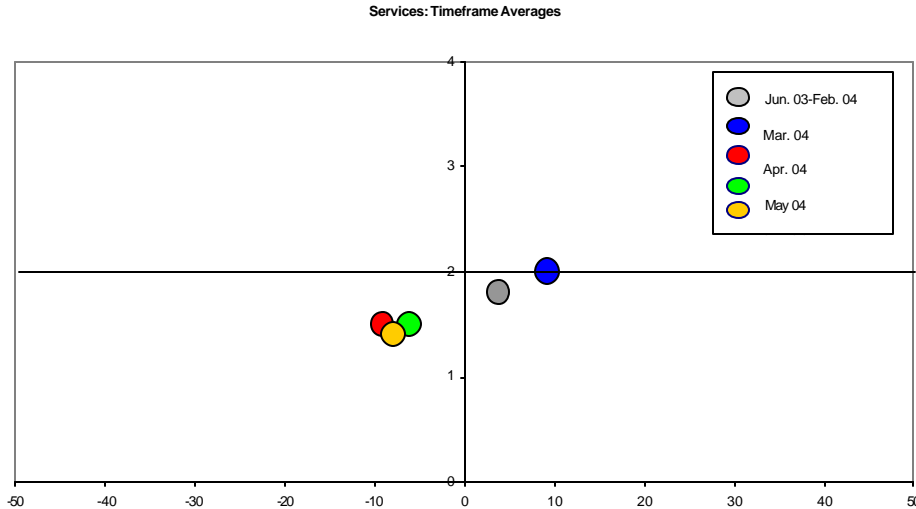


The Bottom Line

Iraq has not reached the tipping point in this sector, meaning the average Iraqi cannot yet say “I have sufficient access to basic services.” Essentially, the picture in this sector is mixed, with Iraqi perception hovering somewhere between “My access to water, power, and sanitation is limited” and “I have sufficient access to basic services.” When mapped by time, the picture is troubling, suggesting Iraq is not progressing on a positive trend line (see *Graph 14*). The first nine months of data collected (June 2003-February 2004) and the March 2004 data suggested that Iraq was near the tipping point and progressing upward. The last four months of data (April 2004, May 2004, June-July 2004) suggest a rather severe backward trend, with services back in the “danger zone” quadrant of the graph in all four months.

Across the board, Iraqis remain unhappy with the level of basic services they are receiving, defined for purposes of our data collection as power, fuel, sanitation, water, transport, and communications (see *Table 7*). Along with security, the coalition’s problems in providing basic services to the Iraqis probably received the most

Graph 14



attention under the CPA's tenure. Iraqis and the media tend to focus on electricity, and in fact, when the CPA turned over authority to Iraq's interim government, it had fallen short of its goal of producing 6,000 megawatts of electricity by the summer of 2004. With the exception of communications, no indicator we studied has passed the tipping point.

Table 7

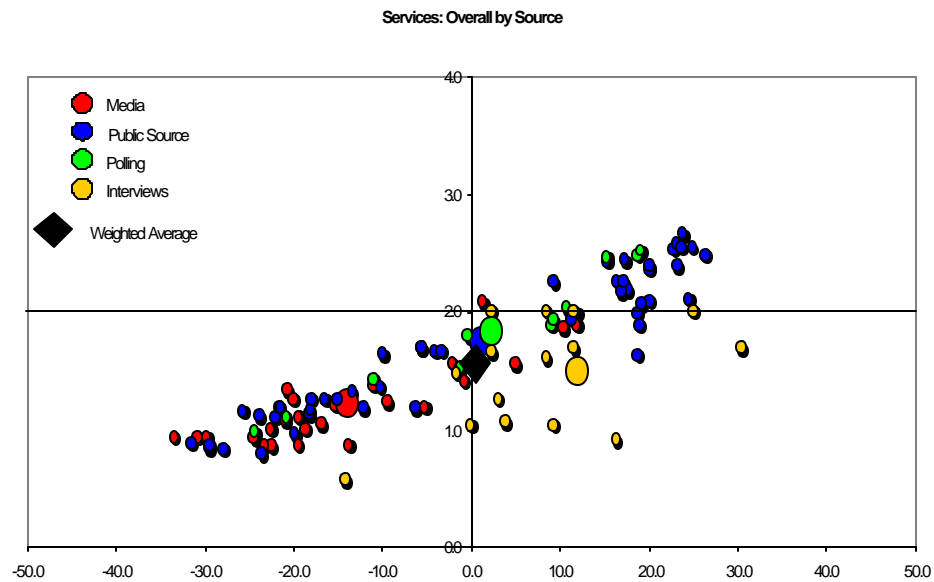
Services	
<i>Indicator</i>	<i>Details</i>
Power	Levels of power consumption and electrical generation, number of generators, infrastructure capacity.
Fuel	Oil distribution and availability, fuel and cooking fuel availability.
Water	Gallons of water treated, gallons pumped through the system.
Sanitation	Sewage management, trash collection.
Transport	Road infrastructure, trains, buses, cars, ships, ports, airports
Communications	Landline and mobile telephone infrastructure and accessibility, internet infrastructure, satellite, postal system, television, and radio.

There is a wide range of information about public services, reflecting the fact that provision of services is mixed, that progress with respect to the different indicators varies widely, and that the four different sources we studied tell more varied stories than in other sectors (*see Graph 15*). Security-related factors feature strongly in this sector, reflecting in particular the delay in reconstruction projects due to the sabotage of infrastructure and attacks against foreign contractors. In some cases, attacks have led to the wholesale pullout of foreign companies.

“We have been deprived of a water supply and electricity since the Saddam era, and the trend continues. The sewage system has gone to the dogs, even in the most prestigious areas in Mosul, including some main streets near the university.”

- 37-year old music shop owner, Mosul

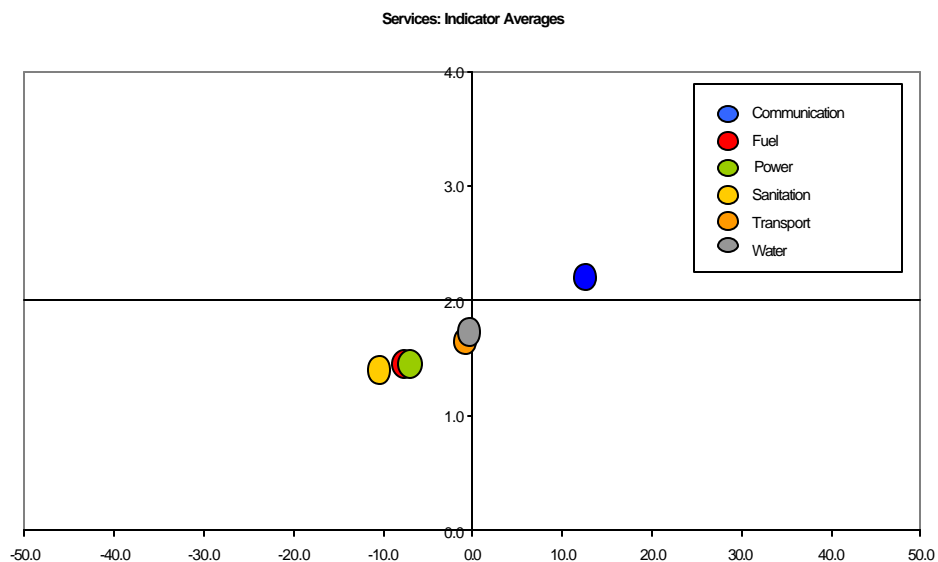
Graph 15



The Indicators

Among the indicators we focused on, power, fuel, and sanitation cluster together in the “danger zone,” area of the graph (see Graph 16). Power perhaps most poignantly describes the reality vs. perception gap that appears in this sector. In fact, Iraqis seem to understand the term “reconstruction” in the narrow sense of getting the power restarted. Although this report will briefly discuss fuel, sanitation, and water, it focuses on power, because it is broadly illustrative of the general state of affairs in this sector and receives the most attention from Iraqis.

Graph 16



Electricity

In early June, the CPA claimed that electricity production was actually ten percent higher nationwide than it was before the war, while admitting that power production would not meet demand during the summer. This is not a terrible story, and in part the CPA (and now the Iraqi government and USAID) have suffered because they made lofty promises about significantly increasing production that have not been fulfilled. Yet the reality is that electricity production is far below demand, remaining squarely in the “danger zone” quadrant, and most Iraqis equate the coalition’s inability to develop an adequately functioning electrical system with the slow pace of reconstruction more generally. Thus, when asked by our interviewers “what is your opinion on the state of reconstruction?” many Iraqis answered, “it has not yet started.” This reflects that Iraqis who are sweltering in 120-degree heat with many hours of blackouts a day do not feel that Iraq is being reconstructed.

In certain parts of the country, Iraqis’ low perception of their access to electricity reflects that they are actually receiving fewer hours of electricity per day than under Saddam. He provided more constant electricity to Baghdad, Tikrit, Falluja, and tribes who favored his leadership, whereas the CPA distributed power equitably across the country, a practice that has so far continued under the interim Iraqi government. Areas that were favored under Saddam are receiving significantly less power now and are intensely frustrated by that loss. In late June, for example, Baghdad was receiving an estimated eight-12 hours of electricity per day, compared to the 18-22 hours per day they received under Saddam.⁹² Conversely, certain areas of the country that received no power under Saddam now receive some electricity per day.⁹³

Middle class Iraqis have coped with the continuing spotty provision of electricity by using home generators, which at least can power lights, a fan, and a refrigerator (although generally not an air conditioner). Yet because of the link between power production and the water supply, without power, water cannot be distributed. The CPA addressed this problem by installing generators at 14 Baghdad water facilities and pumping stations, to help ensure continuous water supply.⁹⁴ Although where possible, middle class Iraqis and fortunate neighborhoods purchased their own generators, it does not appear that the CPA made a systematic attempt to address the lack of adequate power supply through a more robust use of electrical generators throughout Iraq.

Rampant insecurity has plagued the power sector, driving away foreign contractors in droves, as they have become targets of the insurgency. Electricity infrastructure

“By and large, we rely on generators.”

- 35-year old vendor, Najaf

⁹² See Robert Collier, “Power Struggle: Baghdad Fumes Over Off-On Electricity—A Critical Economic, Political Problem,” *San Francisco Chronicle*, June 30, 2004, p. A1; Dan Murphy, “Quick School Fixes Won Few Iraqi Hearts,” *Christian Science Monitor*, June 28, 2004, p. 1.

⁹³ See Ariana Eunjung Cha, “At Iraqi Port, Progress is Matter of Perception,” *Washington Post*, March 25, 2004, p. A1. Al-Ana (al-Anbar province), one of the small towns covered in our interviews, receives a remarkable 23 hours of power a day. The town was constructed in 1988 by a French engineering firm to house people displaced by the building of a major dam on the Euphrates River. Its infrastructure is thus relatively new, and its electrical grid is in excellent shape compared to most of Iraq’s.

⁹⁴ USAID, “Iraq Reconstruction and Humanitarian Relief,” *Weekly Update #25*, March 30, 2004.

“Considering how much money the government has, we get terrible services. Electricity is only available for ten hours a day.”

- 29-year old female university student, Erbil

has been attacked and supply routes interrupted. In fact, by late June 2004, all power programs operated by non-Iraqis had actually been halted.⁹⁵

Fuel

There is a similar mixed storyline about fuel production and availability. Crude oil production remains lower than it was before the war, when it averaged about 2.8 to 3 million barrels per day (bpd). Throughout the spring and early summer of 2004, oil production averaged around 2.4 million bpd.⁹⁶ Antiquated infrastructure and frequent insurgent attacks on oil refineries and pipelines have also contributed to a mismatch between supply and demand, meaning Iraq continues to import gas from abroad and long gas lines persist. Compounded by a recognition that Iraq is one of the leading fuel producing countries in the world, this feeds Iraqi anger.⁹⁷ At the same time, stock levels for all major fuels, including benzene, kerosene, and liquefied petroleum gas (LPG) (which Iraqis use for cooking), have been at seven days' supply or better nationwide.⁹⁸ This sector too suffers due to insecurity: gas trucks bringing fuel into the country are routinely attacked by insurgents, with their fuel being sold on the black market; truckers have gone on strike; and in some cases, imports have ceased altogether.⁹⁹

Sanitation

The most negative indicator in the services areas is sanitation; in February 2004, Bechtel (the U.S. contractor working on the sewage plants) estimated that 75 percent of Iraq's sewage was flowing directly into its rivers.¹⁰⁰ In May 2004, all three of Baghdad's sewage treatment plants remained closed; together, these plants make up three-quarters of Iraq's sewage treatment capacity. By June, Bechtel had managed to open one of the Baghdad plants, but security concerns meant the CPA chose not to publicize its location.¹⁰¹ Free flow of wastewater is related to the increase in water-borne diseases and hepatitis in Iraq since the war's end, which is reflected in the social well-being data.

⁹⁵ See IRIN, "Iraq: Power Shortage in South Prompts Major Health Concerns," June 21, 2004; "Without Peace, Reconstruction Stalls," *Economist*, May 15, 2004; "Abductions Prompt Iraq Evacuation," *BBC*, April 14, 2004, <http://news.bbc.co.uk/2/hi/europe/3624847.stm>; Ariana Eunjung Cha, "After Attack, South Korean Engineers Quit Iraq," *Washington Post*, December 8, 2003, p. A1.

⁹⁶ Saban Center for Middle East Policy, Brookings Institution, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," August 30, 2004; CPA, "Weekly Report: Essential Services," May 22-28, 2004, <http://www.iraqcoalition.org/ES/consolidated/index.html>.

⁹⁷ See Taraq al-Araji, "More Twenty-Four Hour Gas Stations," *Al-Sabah (Baghdad Mosquito)*, June 29, 2004; IRIN, "Iraq: Petrol Pump Shortages Still Problematic," June 22, 2004.

⁹⁸ CPA, "Weekly Report: Essential Services," May 1-7, 2004 and May 22-28, 2004, <http://www.iraqcoalition.org/ES/consolidated/index.html>.

⁹⁹ See "Without Peace, Reconstruction Stalls," *Economist*, May 15, 2004; "Looting Sends Petrol Prices Soaring," *Azzaman (Iraqi Press Monitor)*, May 6, 2004; "Baghdad Trade Traffic Comes to a Halt," *al-Jazeera.net*, April 19, 2004; Rajiv Chandrasekaran, "Fueling Anger in Iraq: Sabotage Exacerbates Petroleum Shortages," *Washington Post*, December 9, 2003, p. A1.

¹⁰⁰ Ariana Eunjung Cha, "Iraqi Experts Tossed With The Water; Workers Ineligible To Fix Polluted Systems," *Washington Post*, February 27, 2004, p. A1.

¹⁰¹ See James Glanz, "It's a Dirty Job, But They Do It, Secretly, in Iraq," *New York Times*, June 19, 2004, p. A1; IRIN, "Iraq: Briefing Paper on Water on Sanitation," May 24, 2004; USAID, "Iraq Reconstruction and Humanitarian Relief, *Weekly Update #31*, May 11, 2004; Ariana Eunjung Cha, "Iraqi Experts Tossed with the Water; Workers Ineligible to Fix Polluted Systems," *Washington Post*, February 27, 2004, p. A1.

Water

The data on water supply and availability varies widely. On the extreme positive side, in January 2004, the availability of potable water was up 170 percent from its prewar levels.¹⁰² Iraqis also rate availability of clean water positively, with 80 percent of Iraqis rating the availability of clean water as the same or better than before the war.¹⁰³ Nonetheless, when asked generally (rather than in comparison to prewar) to rate availability of clean water, Iraqis were split evenly,¹⁰⁴ suggesting that Iraqis have particularly heightened expectations in the area of services. In certain parts of the country, water supply, like sewage, appears to have become an enormous problem, and this was reflected in our interviews. Residents of Mosul, Erbil, Falluja, Kufa, and al-Hera, for example, told of being dependent on heavily polluted water taken directly from rivers, and in some cities open sewage runs through the streets.

Iraqi Perception

Polling

Like the public sources in this sector, the polling data we reviewed on services ranged fairly widely and includes both strongly negative and strongly positive points. The most striking result to come out of the polling in this area is the marked decline in Iraqis' opinion about the availability of electricity in the last few months of the occupation.

There was little regional differentiation on the question of services. All regions of the country reflected similar results when asked the same questions about their prioritization of repairing basic services infrastructure and their opinion on whether availability of electricity has improved, worsened, or stayed the same. One regional discrepancy clearly emerges from public opinion polls, though. In the January 2004 IIACSS poll, respondents were prompted to select which one of several kinds of shortages—electricity, drinking water, gasoline for automobiles, medicine or medical care, and food—caused the most trouble for their families. By huge margins, shortages in electricity were selected as the greatest problem in five of the six cities polled: Baghdad (89.3%), Mosul (92.3%), Ramadi (85.7%), Samarra (84.5%), and Karbala (95.7%). But in Basra, the majority (57.9%) citing electrical shortages was underwhelming, while a sizable 21.3 percent of the sample cited drinking water shortages as the biggest problem.

The public opinion polls conducted by IIACSS show how Iraqis have prioritized the

¹⁰² Saban Center for Middle East Policy, Brookings Institution, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," August 30, 2004; Dan Murphy, "Better and Worse: A Progress Report on Iraq," *Christian Science Monitor*, March 19, 2004, p. 1.

¹⁰³ "Iraq: Where Things Stand," *ABC News Poll*, March 15, 2004.

¹⁰⁴ *Ibid.*

issue of public services differently over time. In the three most recent IIACSS polls researched for this report, Iraqis drawn from six cities were asked to select one of at least ten alternative issues as “the most urgent issue facing [Iraq] at the present time.” The two later polls also gave Iraqis a chance to name a second priority. One of the response options was, “Repairing infrastructure, such as electricity, gas, power, and schools.” As a first priority, infrastructure always ranked third, after security and economic issues, respectively. As the following table shows, however, the improvement of infrastructure did make significant gains in its perceived importance over time.

What do you think is the most urgent issue facing your country at the present time?

	Mar. 04	Apr. 04	May 04
Infrastructure as first most urgent issue	8.5%	7.3%	15.4%
Infrastructure as second most urgent issue	not asked	18.6%	26.3%

IIACSS, Department of State, CPA, “National Poll of Iraq.”

The four Oxford Research International polls conducted in postwar Iraq also tracked which issues represent priorities for the Iraqis. These polls asked Iraqis to select, from a predetermined list of alternatives, which issues were their first, second, and third priorities. Unlike the IIACSS findings, these polls showed infrastructure remaining at a constant level of perceived importance over time. The following chart shows specifically how infrastructure was prioritized in each of the polls.

I am going to read some ideas about priorities for the next 12 months. Please tell me which one is your first priority, your second priority, and your third priority.

	Fall 2003	Feb. 04	Mar.-Apr. 04	Jun. 04
Infrastructure as first priority	10.6%	7.0%	6.9%	8.7%
Infrastructure second	31.2%	28.9%	28.7%	32.4%
Infrastructure third	17.7%	19.6%	18.9%	16.5%

Oxford Research International, “National Survey of Iraq.”

On a more specific note, the IIACSS polls give an important account of how Iraqis’ satisfaction with the availability of electricity has changed over time. In several of its polls, the institute asked its respondents to say whether electricity in their households had improved, worsened, or stayed the same during the past month. The following table shows what percentage of Iraqis chose each response in four different months.

Over the past one month, has the electricity improved, worsened, or stayed the same?

	Jan. 04	Mar. 04	Apr. 04	May 04
Improved	15.2%	64.6%	31.5 %	14.0%
Worsened	65.4%	12.5%	45.3%	70.4%
Stayed the same	19.2%	22.9%	22.7%	14.7%

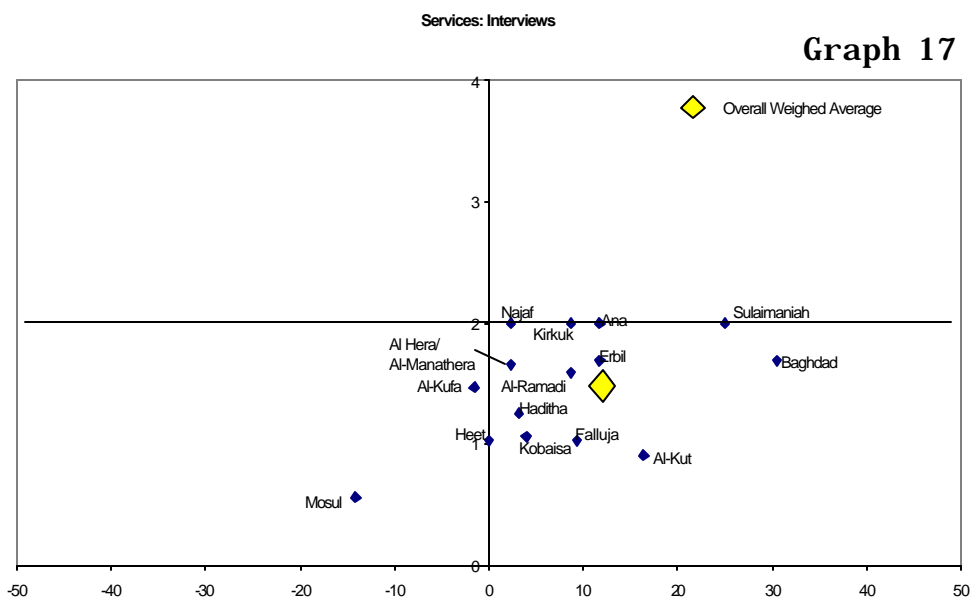
IIACSS, Department of State, CPA, "National Poll of Iraq."

This table clearly illustrates that, although electricity was widely seen as shrinking in availability at the beginning of the year, by early spring most Iraqis observed a positive trend in this service. During the later spring months, however, Iraqis were progressively more likely to say that provision of electricity was on the decline once again.

Interviews

A poignant anecdote told to one of our interviewers seems to sum up the way Iraqis across the country have experienced reconstruction in the services sector thus far. An interviewee was glued to his TV set, awaiting the announcement of the new Iraqi president. When the correspondent finally received the bulletin and was about to read the name, the electricity blacked out. This image of Iraqis being left in the dark both literally and politically captures the moment.

One hopeful note sounded by at least three of our interviewers was the visible presence of public works projects aimed at improving basic services. This played a role in the optimistic interviewee results found, except in Mosul and some of the marginal, rural areas in al-Anbar and Najaf governorates (see *Graph 17*).¹⁰⁵ With the exception of Mosul and Kobaisa (al-Anbar province), all the towns interviewed ended up in the



¹⁰⁵ See also James Glanz, "Rebuilding Iraq, A Well at a Time," *New York Times*, July 20, 2004, p. A1.

“I have a cellular phone in my possession, which wasn’t allowed during Saddam’s regime.”

- 25-year old visual arts graduate and housewife, Mosul

slightly to moderately positive area in terms of judging the efforts in the services sector. In terms of perception, all the towns still fell below the tipping point, with the exception of Kirkuk, Najaf, Sulaimaniah, and Erbil. Al-Kut and Baghdad, for example, interviewed poorly in this sector, falling below even the statement that reads “My access to water, power, and sanitation is limited.”

Public sources and polling paint the most positive picture in the services sector; yet recent polls suggest that Iraqis across the country believe their access to services is diminishing. Moreover, Iraqi voices, in the form of anecdotal information collected by the media and interviews of Iraqis all over the country, suggest that Iraqis continue to believe they have limited access to services.

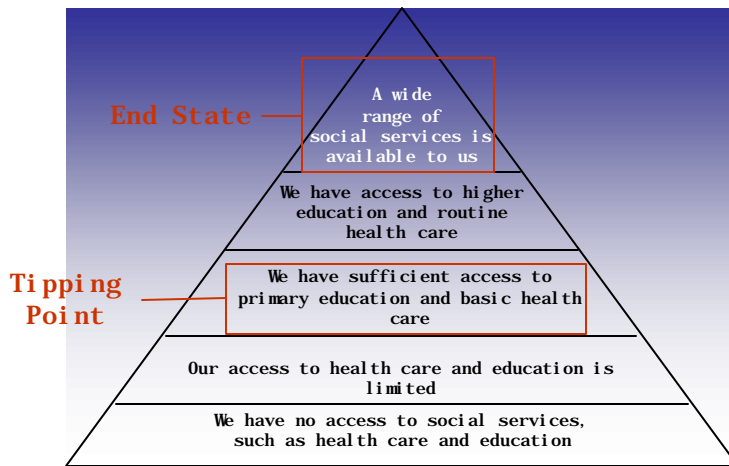
Conclusion

Because this area above all is the one Iraqis associate most closely with reconstruction efforts, the negative trend line in recent months merits attention, as do Iraqis’ generally negative perceptions of where things stand with respect to services. Across the country, they do seem optimistic there will be improvement in this area, but do not feel as if they are seeing it yet. The gap between the level of services actually being provided (according to U.S. government sources) and Iraqis’ perception that services are limited is so striking that it is worth exploring. It likely reflects several issues:

- Here, as in other sectors, the public and official information is input-driven and does not factor in the impact of those inputs on the average Iraqi;
- The United States thus far has focused on large, long-term projects, such as rebuilding power plants, rather than short-term projects more relevant to an immediate transition period, such as importing generators to ensure stable provision of electricity in the worst summer months;
- The United States prioritized equitable provision of services to regions throughout Iraq, meaning that regions favored during Saddam’s rule (Baghdad and al-Anbar in particular) have felt especially adversely affected after the war;
- Iraqi demand for public services since the war’s end has increased, as they have purchased more cars and electrical equipment;
- In general, Iraqis’ expectations of the coalition were higher in this sector than in others; they exhibited strong coping mechanisms to get by, often without access to the most basic of services, yet they also seemed to expect that this sector would show far more improvement, particularly vis à vis service provision under Saddam. Thus, although the CPA managed generally to get production of power, water, and fuel back to around prewar levels, Iraqis remain unsatisfied.

My Family and I Have Access To Health Care and Education

Social Well-Being
My Family and I Have Access to Health Care and Education

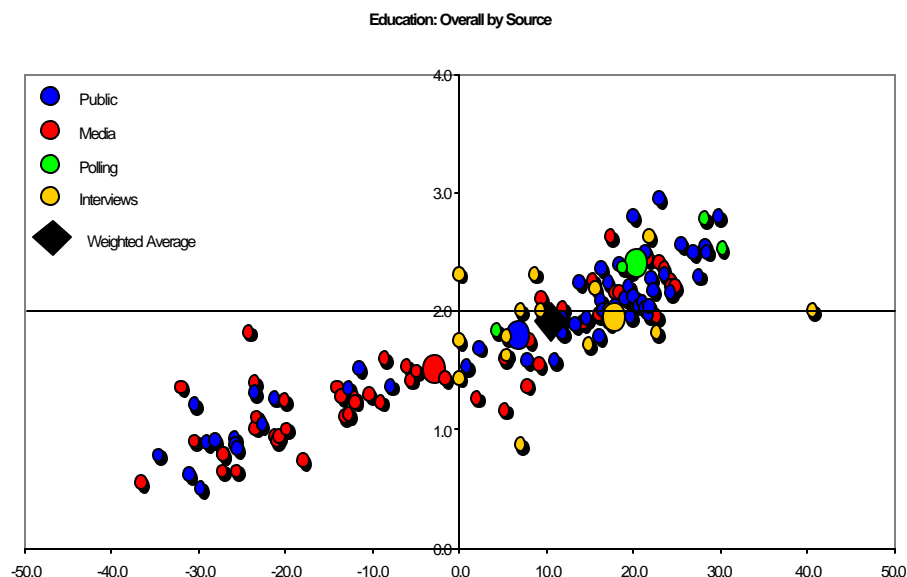


The Bottom Line

Iraq has not yet reached the tipping point in this sector, meaning the average Iraqi cannot yet say “We have sufficient access to primary education and basic health care.” Yet among the Iraqis we interviewed, this sector rated the highest by a considerable margin, reflecting both that Iraqis are beginning to see some real improvement in terms of their access to education and health care, and that they are optimistic this sector will continue to advance. Security and economic opportunity impact this sector very directly; the main barriers to access seem to be caused not by lack of facilities, teachers, or medical practitioners but by insecurity and lack of economic opportunity.

There is a wide divergence among the sources reviewed on education, with media, public sources, polling, and interviews painting different pictures of Iraqis’ access to education (see *Graph 18*). In addition, there is a wide range among the indicators we reviewed: basic education, quality of education, higher education, economics, and

Graph 18

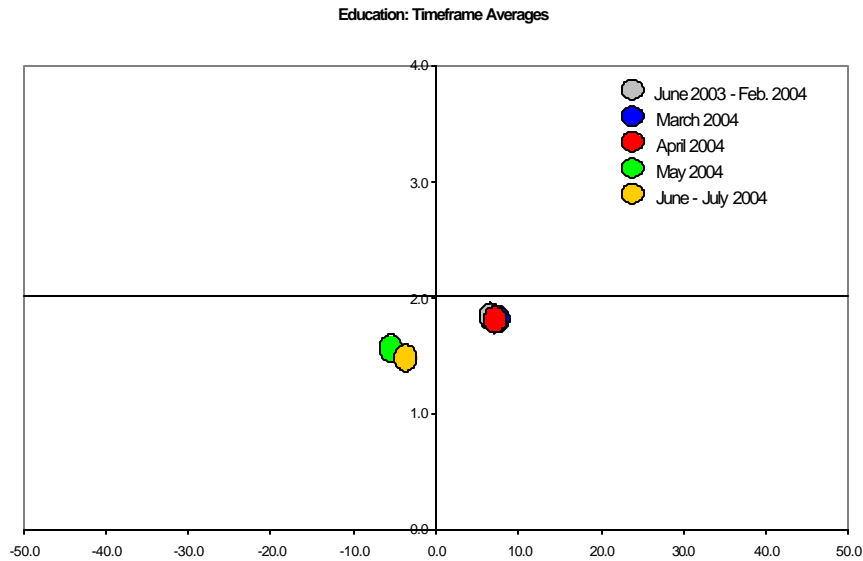


equity (see Table 8). The strong divergence between positive and negative information likely reflects two factors: the short-term or quick impact strategy employed by the CPA and the deteriorating security environment. Although the quick impact projects meant there was an initial positive surge in terms of access to education, this was followed by a severe downturn starting in the late spring of 2004 as Iraqis started to expect follow-on reconstruction that has not materialized; this coincided with the faltering security climate (see Graph 19). Because the coalition began with a series of small but widespread school reconstruction projects that were immediately visible to Iraqi communities, data for the first ten months were largely positive. But as the more significant projects sat idle, with money promised but not delivered, longer-term Iraqi education needs were left unmet, and this is reflected in the steadily negative trend in this sector since April 2004.

Table 8

Education	
<i>Indicator</i>	<i>Details</i>
Basic Education	Schools built/refurbished, school/student/teacher security, transportation, enrollment rates, number of teachers.
Quality of Education	Literacy rates, graduation rates, dropout rates, general quality of teaching/facilities/materials.
Higher Education	University infrastructure, materials, faculty, training programs, enrollment rates.
Economics	Costs for parents/students, costs for and funding from Iraqi government, funding from NGOs and foreign donors.
Equity	Ratio of males to females at various levels of enrollments, ratio of male to female graduates and dropouts, attitudes toward female education, ratios across various disciplines.

Graph 19



Moreover, reconstruction efforts that have been geared to long-term needs, such as training teachers and education administrators, do not show immediate impact. Thus the data show two relative extremes: the positive data reflect the reaction to the coalition’s early efforts, while the negative data reflect the later-in-time frustration with a lack of continued progress.

The faltering security climate since April, including an increased fear of kidnapping, has also impacted education in Iraq, particularly for female students, and further accounts for much of the negative data collected.

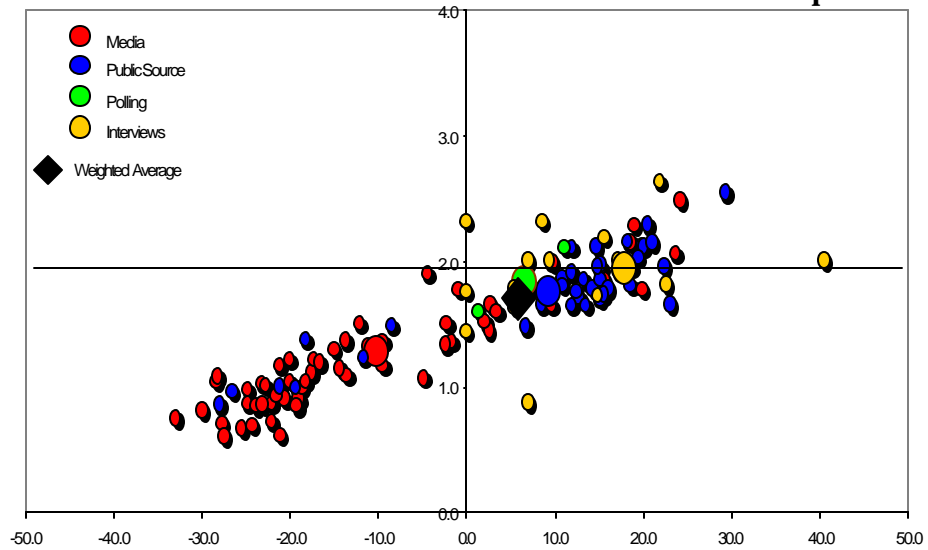
There is also a range of data on the health care sector, although very little of the information collected is actually positive in terms of falling in the “viable zone” or upper right quadrant of the graph. Iraqis’ perception is that the health care system is mixed, but not as negative as media sources would suggest. The media data on health care are far more negative than the public sources, polling, or interview data. At the same time, none of the sources reviewed suggests that Iraq has passed the tipping point in terms of health care (see *Graph 20*).

International donors have provided significant amounts of assistance to the health care sector, and it is still heavily subsidized by the Iraqi government. On the one hand, the end of the sanctions regime has meant real and visible improvements in this sector, in terms of new clinics being built and more medicine and some newer technologies being available. On the other hand, polls suggest that Iraqis remain dissatisfied with their access to medical care, or at least less satisfied than one might expect, given the amount of assistance that flows to this sector. A February 2004 poll showed that close to 40 percent of Iraqis think medical care has stayed the same since the days of Saddam, and that Iraqis are split almost evenly as to the state of medical care.¹⁰⁶ A poll taken in March-April 2004 suggests that 25 percent of Iraqis

¹⁰⁶ ABC News Poll, “Iraq - Where Things Stand,” March 15, 2004.

Healthcare: Overall by Source

Graph 20



cannot get any access to health care; only 15 percent of Iraqis claimed that was the case under Saddam.¹⁰⁷ Our interviews showed a population largely satisfied with the level of health care available to them, and the interviews alone make the overall picture far more positive than it otherwise would be.

We looked at four health care indicators: essential health care, access, quality, and financing (see Table 9). The most interesting divergence among the data reviewed is that between essential health care, which remains firmly in the “danger zone” quadrant, and financing, which is far more positive. The low results on essential health care can be explained in part by the continued insecurity and an increase in waterborne illnesses throughout Iraq due to a lack of proper sanitation services, despite the more positive data on economics in this sector. It suggests that Iraq and its donors should have prioritized meeting basic health needs—like clean drinking water, proper

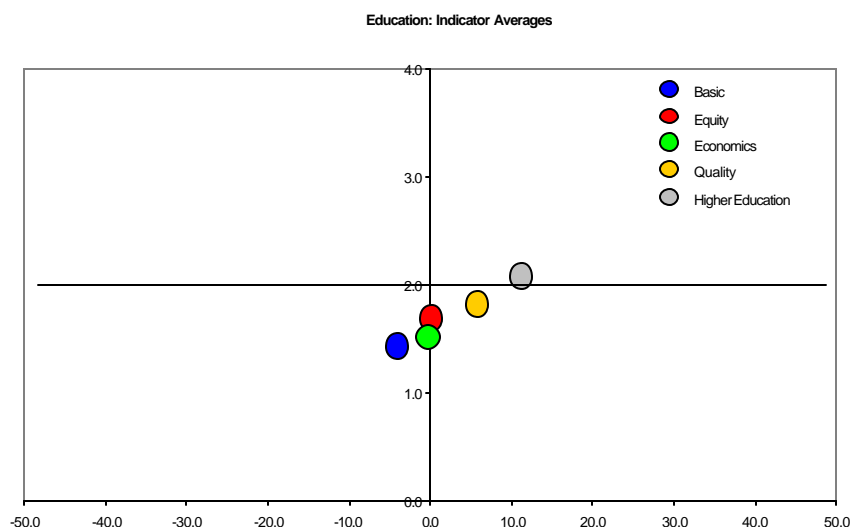
Table 9

Health Care	
<i>Indicator</i>	<i>Details</i>
Essential Health Care	Availability of simple drugs and supplies; capacity to provide basic care concerning preventable diseases, maternity, nutrition, and other needs with high frequency or low marginal costs.
Access	Number of buildings, permanent equipment items, and personnel available; distribution of care and supplies; difficulty in doctors and patients getting to facilities.
Quality	Training and skill levels, specialized services and personnel, sophistication of facilities and technology.
Financing	Foreign and domestic funding for health care, providers' salaries, price of care.

¹⁰⁷ USA TODAY/CNN/Gallup Poll, “The Gallup Poll of Iraq,” March-April, 2004.

nutrition, and immunization against preventable diseases—over developing more sophisticated capacities. Although health care appeared to be trending positively in March and April of this year, recent data has been more negative.

Graph 21



The Indicators

Education

Among the indicators we focused on in this sector, most cluster together around the middle of the graph, telling a mixed story overall (see *Graph 21*). Higher education is the exception, with the highest overall average of all the indicators we reviewed.

Basic Education

Security-related points did tend to drag down the average with respect to basic education. Security concerns have led parents to keep young children home rather than risk kidnappings or their children being caught in the crossfire of fighting.¹⁰⁸ In at least one case, bombs were planted at a school, and April suicide bombings in Basra killed 23 children on their way to school.¹⁰⁹ Data on the postwar state of Iraq's schools are negative. The war left Iraq's schools badly damaged, both by bombings and looting. The CPA reported, for example, that in central and southern Iraq,

¹⁰⁸ See Somini Sengupta, "For Iraqi Girls, Changing Land Narrows Lives," *New York Times*, June 27, 2004, p. 1; CPA, "Administrator's Weekly Report: Essential Services," May 29-June 4, 2004, http://www.iraqcoalition.org/ES/consolidated/May28_ES.doc; "Iraqis Kidnapped," *Morning Edition* (National Public Radio), May 13, 2004; IRIN, "Iraq: School Attendance Reportedly Dropping, Says UNICEF," May 3, 2004.

¹⁰⁹ See Ian Fisher, "Attacks on Basra Extend Violence to a Calm Region," *New York Times*, April 22, 2004, p. A1; Neela Banerjee, "At Least One Iraqi Child is Killed in an Explosion in a Schoolyard," *New York Times*, February 14, 2004, p. A6.

where 15 percent of Iraq's schools are located, around 200 schools were destroyed during the initial conflict in the spring of 2003 while another 2,753 were looted and 197 burned in the immediate postwar period.¹¹⁰ This only compounded the already deteriorated state of Iraq's schools by the late 1990s. In 1999, UNICEF estimated that over half of Iraq's schools were unfit, in terms of leaking roofs, water availability, and sanitation.¹¹¹

Discussions of school reconstruction efforts generally include both positive and negative information. They acknowledge the quick impact projects that have taken place while reporting that the more challenging, expensive, and time-consuming needs have not yet been tackled. Bechtel Corporation, which has overseen most of the initial school projects in Iraq, has argued that certain of its school contracts did not include money for longer-term projects such as sewage.¹¹² One media report points to "a 4 month old paint job that is already peeling, a roof that was caulked but leaks, and new porcelain toilet bowls installed on backed up sewage lines."¹¹³ Thousands of schools are still in need of repair.¹¹⁴

Moreover, although the CPA prioritized getting children back to school, an estimated 50 percent of Iraqi children drop out of school before the age of 12, and 40 percent drop out by age 15.¹¹⁵ In the early 1980s, Iraq had near universal enrollment in primary schools and was widely regarded as having one of the best education systems in the Middle East. During the following decades, however, many children were forced to drop out of school, for economic reasons or due to government oppression.¹¹⁶ As a result, recent polling shows that 14 percent of Iraqis have no education, 25 percent have completed primary education, 20 percent have finished intermediate education, and 16 percent have completed secondary education.¹¹⁷ The U.S. government boasted that more than 5.5 million Iraqi children returned to school in 2003,¹¹⁸ but that represents a small portion of Iraq's school age population, and large numbers are still out of school.

¹¹⁰ CPA South, "Achievements and Progress," May 31, 2004, http://www.cpa-iraq.org/regions/CPA_South.doc.

¹¹¹ Rula Amin, "Amid Isolation Iraq's Educational System Deteriorates," *CNN.com*, October 14, 1999, <http://www.cnn.com/WORLD/meast/9910/14/iraq.schools/>.

¹¹² Dan Murphy, "Quick School Fixes Won Few Iraqi Hearts," *Christian Science Monitor*, June 28, 2004, p. 1. See also, Christine Spolar, "Iraqi Schools Offer Frustrating Lesson: Pace of Rebuilding Vexes U.S. Military," *Chicago Tribune*, January 3, 2004, p. 1.

¹¹³ Dan Murphy, "Quick School Fixes Won Few Iraqi Hearts," *Christian Science Monitor*, June 28, 2004, p. A1.

¹¹⁴ See Adriana Albuquerque, Michael O'Hanlon, and Amy Unikewicz, "The State of Iraq: An Update," *New York Times*, May 16, 2004, p. A21.

¹¹⁵ See CPA South, "Achievements and Progress," May 31, 2004, http://www.cpa-iraq.org/regions/CPA_South.doc; Fadi Fadel, "Don't Forget the Children," *Toronto Star*, April 27, 2004, p. A19.

¹¹⁶ USAID, "School Drop-Outs Get a Second Chance," March 2004, http://www.usaid.gov/iraq/pdf/iraq_year1_alp.pdf; USAID, "Iraq Education Program Year One: May 2003-March 2004," March 2004, http://www.usaid.gov/iraq/accomplishments/education_year1.html.

¹¹⁷ IIACSS, "National Poll of Iraq," June 2004.

¹¹⁸ Department of Defense, "The New Iraq: A Year of Progress," March 2004, <http://www.defendamerica.mil/iraq/mar2004/tni-1yr0318042.html>.

Equity

The most significant issue impacting female school attendance appears to be security, with fears of kidnapping and other security risks impacting girls more heavily. There have been some reports of girls being forced to wear more conservative dress in schools, including by our interviewer in Najaf. Although some media and UN-issued reports suggest that girls' attendance at school is lower than boys,¹¹⁹ U.S. government sources have reported that female attendance actually surpassed boys, and that its programs are according "full" equality to girls and women in terms of access to educational programs.¹²⁰ Public sources also highly tout U.S.-funded programs to ensure greater training and literacy skills for women and more equal access to public services generally.¹²¹ Historically, Iraqi girls attended school in greater proportions than in neighboring Arab countries, and literacy rates among women were among the highest in all Muslim countries.¹²²

Quality

The quality of education in Iraq remains low, but for the most part this is due to the destruction wrought by Saddam's rule and sanctions. Just a few decades ago, Iraq boasted high literacy rates relative to its neighbors, but under Saddam, the illiteracy rate is estimated to have reached 61 percent for males and 77 percent for females.¹²³ Even at its height under Saddam only 40 percent of Iraq's population was literate—55 percent of men but only 23 percent of women.¹²⁴ The quality of teaching, facilities, and school materials also deteriorated in the last decade or so of Saddam's rule. It will take years to adequately address the needs, which span from teacher training to textbook rewriting to school supplies to infrastructure repair.

Higher Education

There has been an enormous outpouring of support for Iraq's universities during the postwar period by foreign universities and the Iraqi diaspora, particularly its exiled academic community. This has resulted in the donation of textbooks and computers, and plans by Iraqi expatriates to return to Iraq as visiting lecturers.¹²⁵

¹¹⁹ See Somini Sengupta, "For Iraqi Girls, Changing Land Narrows Lives," *New York Times*, June 27, 2004, p. A1; Office for the Coordination of Humanitarian Affairs and Integrated Regional Information Network, "Iraq: Briefing Paper on Education," May 20, 2004, <http://www.cidi.org/humanitarian/hsr/iraq/ixl107.html>; IRIN, "Iraq: School Attendance Reportedly Dropping, Says UNICEF," May 3, 2004.

¹²⁰ See International Women's Issues, U.S. Department of State, Office of the Senior Coordinator for International Women's Issues, "U.S. Commitment to Women in Iraq," May 24, 2004; President Bush, "Topic: Iraq," President's Radio Address, October 18, 2003, <http://www.whitehouse.gov/news/releases/2003/10/20031018.html>.

¹²¹ State Department, "U.S. Funds Projects to Train, Educate Iraqi Women," May 24, 2004, <http://usinfo.state.gov/mena/Archive/2004/May/24-778630.html>.

¹²² Christina Asquith, "Turning the Page on Iraq's History," *Christian Science Monitor*, November 4, 2004, p. 11.

¹²³ See Office for the Coordination of Humanitarian Affairs and Integrated Regional Information Network, "Iraq: Briefing Paper on Education," May 20, 2004, <http://www.cidi.org/humanitarian/hsr/iraq/ixl107.html>; President Bush, "Topic: Iraq," President's Radio Address, October 18, 2003, <http://www.whitehouse.gov/news/releases/2003/10/20031018.html>.

¹²⁴ See Neela Banerjee, "Poverty and Turmoil Cripple Iraq's School, Driving Students from Learning to Labor," *New York Times*, March 14, 2004, p. A10.

¹²⁵ See e.g., CPA, "Administrator's Weekly Report: Essential Services," May 29-June 4, 2004, http://www.iraqcoalition.org/ES/consolidated/June4_ES.doc; Eric Miller, "U. Oklahoma Students Collect Books for Iraq," *University Wire*, April 15, 2004; "Baghdad University Has Library Restocked," *CPA Press Release*, March 6, 2004; Christina Asquith, "Back to the Future," *Guardian*, January 6, 2004, p. 18.

"There are schools and teachers, but the education system needs to be improved."

- 24-year old Kurdish woman, Erbil

College applications rose in the 2003-04 year to 97,000, up from 63,000 the year before. Iraq's Ministry of Education attributes this to applicants' beliefs that, with the ousting of the Ba'ath party, they will no longer be denied admission for political or ethnic reasons.¹²⁶ Yet Iraq's universities, too, have suffered from the security problems. They experienced massive destruction due to looting after the war, and many continue to need basic supplies such as desks and chairs.¹²⁷ Professors have been threatened and in some cases targeted by assassins or kidnappers.¹²⁸

Economic Opportunity

Like security, lack of economic opportunity directly affects a family's access to education. News reports and public sources suggest that some parents are forced to keep their children out of school so that they can work, while other children have to both work and attend school. Numbers are hard to come by, but by most accounts, millions of Iraqi children have dropped out of school, often to help supplement the family income.¹²⁹

Health Care

Essential Health Care

The CPA cited major gains in the health care sector, including that disease epidemics did not break out after the invasion, the looted health ministry was refurbished, health workers' salaries rose, and the supply of medicine and medical equipment increased.¹³⁰ USAID sponsored a successful campaign to vaccinate children and pregnant women. Yet of the four indicators surveyed, essential health care ranked the lowest (*see Graph 22*).

Sewage treatment infrastructure is lacking in much of Iraq, and contaminated water is a serious threat to the health of many Iraqis, which helps account for the negative overall picture.¹³¹ In response, teams from Iraq's Ministry of Health and USAID are distributing water purification tablets and drinking water, but sewage projects con-

¹²⁶ CPA, "Administrator's Weekly Report: Essential Services," October 12-18, 2003, http://www.iraqcoalition.org/pressreleases/20031001_Oct1BackSchoolPR.html.

¹²⁷ See Rajiv Chandrasekaran, "An Educator Learns the Hard Way: Task of Rebuilding Universities Brings Frustration, Doubts, and Danger," *Washington Post*, June 21, 2004, p. A1; Jay Reeves, "Adviser: Iraq Universities Not Rebuilt," *Associated Press*, May 21, 2004.

¹²⁸ See Christina Asquith, "Welcome Back, Professor," *Christian Science Monitor*, December 9, 2003, p. 1.

¹²⁹ See Neela Banerjee, "Iraq's Children: Turmoil, Poverty Cripple Chances for Education," *New York Times*, March 14, 2004, p. A10.

¹³⁰ Andrew Zajac and Christine Spolar, "Insiders Shape Postwar Iraq: Republican Ties Often Trumped Experience in Coalition," *Chicago Tribune*, June 20, 2004, p. 1.

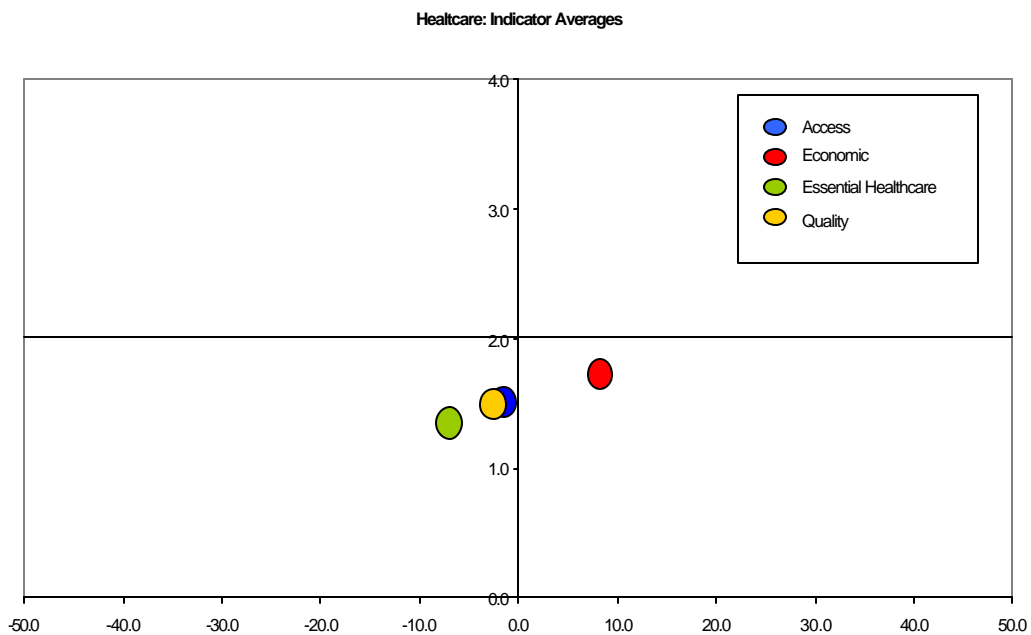
¹³¹ See Abdel Kareem al-Hashemy in al-Rustamiya, "Poisoned River Blights Lives," Institute for War and Peace Reporting No. 69, June 21, 2004, http://www.iwpr.net/index.pl?archive/irq/irq_69_4_eng.txt; "Councillor Warns of Polluted Water," *Iraqi Press Monitor (Azzaman)*, May 13, 2004; Ariana Eunjung Cha, "Iraqi Experts Tossed with Water: Workers Ineligible to Fix Polluted Systems," *Washington Post*, February 27, 2004, p. A1; Jennie Matthew, "Scenes of Horror Still Plague an Iraqi Hospital," *Agence France Presse*, February 11, 2004.

tinue to lag. In addition, malnourishment plagues much of the country, and children suffer from delayed growth. Sixty percent of Iraqis continue to rely on fixed food rations that lack high protein foods and dairy products.¹³²

Access to Health Care

Iraqis' access to health care has improved considerably since the end of Saddam's regime and the UN sanctions. The CPA and Iraq's Ministry of Health restored 1,200 health clinics and reopened all 240 hospitals in Iraq. Around seven percent of Iraqi hospitals were damaged during the war, and 12 percent were looted after the war.¹³³ Iraq's health care system suffered particularly from the sanctions regime, and Iraqis had high expectations for quick improvement in the health sector once sanctions were removed. Those expectations have not yet been met, and Iraqis generally recog-

Graph 22



nize their health care system does not meet international standards. But most Iraqis seem to feel the availability of health care is improving; a March 2004 poll showed that 75 percent expect conditions to improve within a year.¹³⁴

The dismal state of Iraq's health care system under Saddam is complicating reconstruction efforts; even though hospitals and clinics have reopened, nurses and other staff, equipment, medicine, general supplies, and beds continue to be in short sup-

¹³² Save the Children, "Emergencies, Iraqi Crisis, One Year Later," April 7, 2004, http://www.savethechildren.org/emergencies/iraq/one_year_later_icap.asp.

¹³³ Saban Center for Middle East Policy, Brookings Institution, "Iraq Index: Tracking Reconstruction and Security in Post-Saddam Iraq," August 30, 2004; Department of Defense, "The New Iraq: A Year of Progress," March 2004, <http://www.defendamerica.mil/iraq/mar2004/tni-1yr0318042.html>; "Challenges to Health Service Development in Iraq," *Lancet*, vol. 362 no. 3929, October 18, 2003, p. 1324.

¹³⁴ ABC News, "Iraq: Where Things Stand: One Year Later, ABCNEWS, BBC and Time Assess Iraq," March 14, 2004, http://abcnews.go.com/sections/WNT/GoodMorningAmerica/Iraq_anniversary_assessment_040314.html.

“Medical services are available, but you need a lot of money.” - 22-year old female engineering student, Erbil

ply.¹³⁵ USAID has created mobile health care teams to visit Iraqis with difficulty accessing health care, and Iraqi and international NGOs operate clinics, including mosque-based programs, throughout Iraq.¹³⁶

Security has greatly impeded Iraqis' access to health care services. Roadblocks set up by militias throughout the country inhibit access to emergency clinics; women are more afraid to leave their homes to seek medical care; and banditry, fighting, and the threat of attacks constrict the flow of medical supplies and pharmaceuticals.¹³⁷ This problem continues: during the August siege in Najaf, hospital workers complained that ambulances could not get through the city to reach the injured, and hospital staff could not get to the hospitals.¹³⁸ The security situation and targeted threats against foreigners have obstructed the work of international and nongovernmental organizations, such as the International Red Cross/Red Crescent Society and the United Nations. Health programs run by these groups have been seriously compromised as foreign workers have been evacuated.¹³⁹

Quality of Health Care

The quality of health care services in Iraq has improved, with an influx of resources and materials from international donors. But the improvement has been marginal thus far, as Iraq's health facilities are still suffering the effects of the sanctions regime and decades without access to modern technology and medical knowledge. Advanced treatment facilities, such as cardiac centers, children's hospitals, and psychiatric care facilities, are sorely limited; for example, there is not one cardiac center in all of southern Iraq, and all heart-related cases must be taken to Baghdad.¹⁴⁰ Doctors, nurses, and pharmaceutical staff often lack modern training in nutrition and health care, and rely on decades-old textbooks instead.¹⁴¹ The Ministry of Health and USAID have started to address these issues, with training programs and a 24-hour call center at the Ministry of Health, which allows telephone connections to hospitals, something that had been missing for the first year of the postwar period due to the CPA's difficulties in restarting Iraq's telecommunications system.¹⁴²

¹³⁵ See Julius Strauss, "Dying in Squalor, the Children Betrayed by Broken Promises, Baghdad Doctors Despair at Hospital's Filthy Conditions and Lack of Drugs," *Daily Telegraph*, June 5, 2004, p. 15; Sewell Chan, "Iraqis Take Control of Health Ministry," *Washington Post*, March 29, 2004, p. A15; Sanjay Gupta, "Weekend House Calls: Iraq's Health Care System in Tatters, Struggles Toward Recovery," *CNN Saturday Morning News*, Transcript, March 6, 2004, <http://www.cnn.com/TRANSCRIPTS/0403/06/smn.02.html>; "Iraqi Doctors Desperate to Revive Crippled Health Care System," *Agence France Presse*, February 15, 2004; "Bush: Iraqi Healthcare at Prewar Capabilities," *MENA Business Reports*, December 17, 2003.

¹³⁶ See Shahhen Chughtai, "Iraq's Ailing Health Care Sector," *Al-Jazeera*, July 5, 2004; USAID, "Accomplishments in Iraq, March 2003-March 2004, Fact Sheet," March 18, 2004, <http://www.usaid.gov/press/factsheets/2004/fs040318.html>.

¹³⁷ See Julius Strauss, "Dying in Squalor, the Children Betrayed by Broken Promises, Baghdad Doctors Despair at Hospital's Filthy Conditions and Lack of Drugs," *Daily Telegraph*, June 5, 2004, p. 15; IRIN, "Aid Agencies Continue to Supply Falluja and Najaf," April 29, 2004; CPA, "Administrator's Weekly Report: Essential Services," April 10-16, 2004, <http://www.iraqcoalition.org/ES/consolidated/Apr16.doc>; Jeffrey Gettleman, "Chaos and War Leave Iraq's Hospitals in Ruins," *New York Times*, February 14, 2004, p. A1.

¹³⁸ See "Shiite Leader Killed in Shooting in Iraq," *Associated Press*, August 11, 2004.

¹³⁹ See Scheherezade Faramarzi, "Iraqi Kids Suffer at Underfunded Hospital," *Associated Press*, June 4, 2004; Jeffrey Gettleman, "Chaos and War Leave Iraq's Hospitals in Ruins," *New York Times*, February 14, 2004, p. A1.

¹⁴⁰ "Iraqi Doctors Being Treated in Motol Teaching Hospital," *Czech News Agency*, July 7, 2004.

¹⁴¹ See Scheherezade Faramarzi, "Iraqi Kids Suffer at Underfunded Hospital," *Associated Press*, June 4, 2004; Sewell Chan, "Iraqis Take Control of Health Ministry," *Washington Post*, March 29, 2004, p. A15; Sanjay Gupta, "Weekend House Calls: Iraq's Health Care System in Tatters, Struggles Toward Recovery," *CNN Saturday Morning News*, Transcript, March 6, 2004, <http://www.cnn.com/TRANSCRIPTS/0403/06/smn.02.html>.

¹⁴² CPA, "Administrator's Weekly Report: Essential Services," April 10-16, 2004, <http://www.iraqcoalition.org/ES/consolidated/index.html>; "The Joys and Irritations of Indirect Rule: Iraq," *Economist*, April 3, 2004, p. 49.

Financing

The Iraqi government subsidizes health care. The CPA continued a system of user fees introduced three years ago, aiming for the Iraqi government budget to subsidize ten percent of health care costs, and user fees for Iraqis remain low.¹⁴³ In fact, public health spending is estimated to be 26 times higher than it was during 2002, the last year of Saddam's reign. His regime spent an estimated \$16 million on health care in 2002, or 65 cents per Iraqi. The 2004 budget is \$900 million, or \$40 per person.¹⁴⁴ Salaries of doctors have risen considerably, but given how little they were earning under Saddam, this has not done much to improve morale.¹⁴⁵

Bilateral donors, international organizations, and NGOs have contributed substantial amounts to Iraq's health care system in the postwar period, with the United States being the largest donor. The United States currently plans to spend about \$800 million of its \$18.4 billion in reconstruction funding on health care, and spent around \$200 million in Iraq's health care system in 2003.¹⁴⁶ Yet Iraqi medical professionals have criticized the U.S. spending plan for being good on paper but failing to address the real woes in the health care system.¹⁴⁷

Iraqi Perception

Polling

Education

There has been little postwar polling done on education-related issues. The February 2004 Oxford Research International poll found that local schools were relatively popular institutions in Iraq. Close to three quarters of respondents rated local schools very good (37.6%) or quite good (35.6%). The remaining quarter of respondents rated them quite bad (15.4%) or very bad (11.4%). Similarly, when asked to compare current school quality to that of the previous spring (or just after the war's end), close to half responded that schools had gotten much better (24.4%) or somewhat better (23.9%), compared to only ten percent who claimed they had gotten somewhat worse (6.7%) or much worse (2.9%). But 42 percent of respondents answered that school quality was basically unchanged.

¹⁴³ See "Challenges to Health Service Development in Iraq," *Lancet*, October 18, 2003, vol. 362 no. 9392, pp. 1331-1332.

¹⁴⁴ See Shaheen Chughtai, "Iraq's Ailing Health Care Sector," *Al-Jazeera*, July 5, 2004; U.S. Department of Defense, "The New Iraq: A Year of Progress," March 2004, <http://www.defendamerica.mil/iraq/mar2004/tmi-1yr0318042.html>; Mark Sherman, "Infant Mortality Tops Iraq's Health Agenda," *Associated Press*, February 27, 2004; Ceci Connolly, "Fixing Iraq's Health Care Comes at Expense of U.S. Needs, Critics Say," *Washington Post*, October 18, 2003, p. A25.

¹⁴⁵ IRIN, "Iraq: Special on Healthcare in the North," April 7, 2004.

¹⁴⁶ USAID, "Iraq Reconstruction and Humanitarian Relief, Weekly Update #25," March 30, 2004; Sewell Chan, "Iraqis Take Control of Health Ministry," *Washington Post*, March 29, 2004, p. A15; Ceci Connolly, "Fixing Iraq's Health Care Comes at Expense of U.S. Needs, Critics Say," *Washington Post*, October 18, 2003, p. A25.

¹⁴⁷ See Andrew Zajac and Christine Spolar, "Insiders Shape Postwar Iraq: Republican Ties Often Trumped Experience in Coalition," *Chicago Tribune*, June 20, 2004, p. 1.

In the March-April 2004 Gallup poll of Iraq, only 17 percent of respondents agreed that U.S. forces were “trying a lot” to repair Iraqi schools. Fifty percent thought U.S. forces were “trying only a little” to repair Iraqi schools, and 26 percent thought they were “not trying at all.”

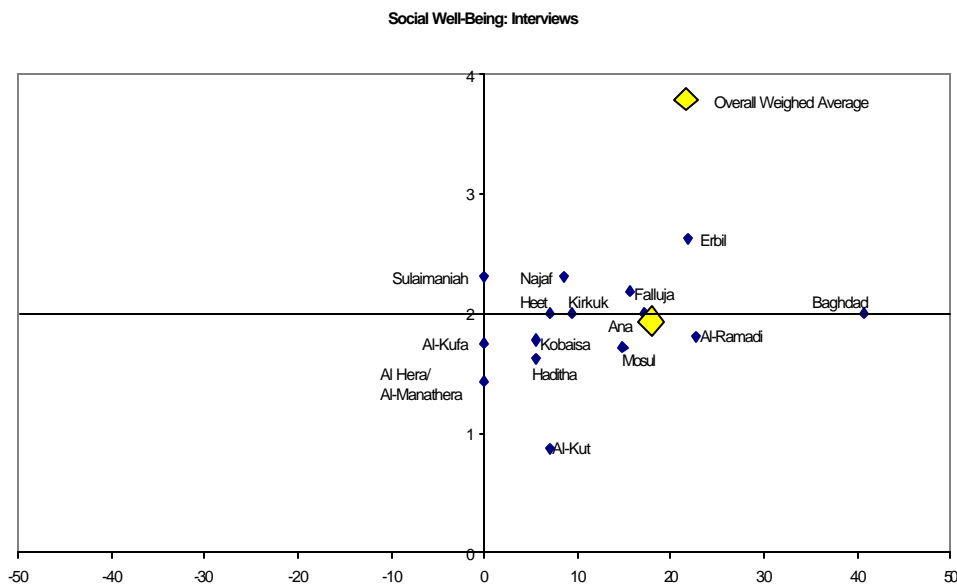
The polling is by far the most positive source we reviewed on education, yet even in polling, recent results are decidedly mixed, matching the recent trend overall on education. Thus, close to half of respondents in February thought school quality had not improved at all since the end of the war, and well over half of respondents in March-April put little stock in U.S. efforts to rehabilitate the Iraqi school system.

Health Care

The postwar polling on health care is similarly scant. The February 2004 Oxford Research International poll found that little more than half of Iraqis rate the availability of medical care as very good (17.4%) or quite good (35.1%), while the other half rate it as quite bad (25.1%) or very bad (22.4%). A slightly more positive picture emerged when respondents were asked how the availability of medical care compared to the previous spring, before Saddam’s fall. Over 45 percent said that medical care had gotten much better (16.6%) or somewhat better (28.8%); 38.6 percent believed medical care had stayed the same, and only 16 percent believed it had become somewhat worse (11.0%) or much worse (5.0%).

The March-April 2004 Gallup poll, however, recorded somewhat less positive results. Fifteen percent of those polled said they had been unable to get medical assistance or medicine before the invasion, while 25 percent said they were unable to get medical assistance or medicine in the post-invasion time period.

Graph 23



Interviews

Results for the social well-being area were the rosier of any (see Graph 23). The end

of the sanctions regime that had a devastating impact on health care in particular produced high expectations for quick improvement. While many of those have not been met, all our researchers reported that access to both education and health care has improved. Anecdotal stories of a medical system in complete disrepair have started to fade, with our Iraqi researchers reporting that these kinds of stories were much rarer lately.

The impact of foreign assistance appears to have had the greatest visibility to date in the area of education and health care. Researchers reported the beneficial impact of particular programs in several of the cities and towns they visited, from a foreign clinic providing health care for street children in Mosul to a new college in Falluja to literacy campaigns in Kirkuk.

Of course, not all is positive news in this area, and the poor state of reconstruction in other areas is having worrisome spillover effects on education and health care. A rash of kidnappings of doctors in Baghdad has greatly disrupted access to certain specialized forms of health care in that city, for example.

The majority of cities and towns interviewed showed similar results. Erbil stands out with strongly positive results, and Baghdad and al-Kut, again, were far lower than the national average.

Conclusions

The recent downward trend in terms of access to education is troubling. The impact of continued security problems is arguably to be expected; more worrisome is that the U.S. focus on short-term fixes while neglecting longer-term needs in this sector appears to have left Iraqis more frustrated with, or at the very least suspicious of, U.S. intentions to address more than superficial needs. Interviews suggest that Iraqis are hopeful about the likelihood of further improvements, but their hopes are belied by the level of funding the United States has committed to this sector, which is far less than the estimated needs.¹⁴⁸ The U.S. decision to rely on major U.S. contractors, such as Bechtel, has not fared well with respect to school rehabilitation projects. Unused to smaller scale jobs, Bechtel and other contractors have been accused of making quick fixes to patch over longer term needs, leaving frustrated communities in their wake. While the response of “it wasn’t in the contract” may be accurate, it does not satisfy the expectations of Iraqis eager to reclaim their country’s status as the regional leader in education.

Our analysis of Iraqis’ access to health care also illustrates that U.S. funding plans, even when they involve significant amounts of money, do not necessarily translate

¹⁴⁸ See Rajiv Chandrasekaran, “An Educator Learns the Hard Way: Task of Rebuilding Universities Brings Frustration, Doubts and Danger,” *Washington Post*, June 21, 2004, p. A1.

into a positive impact on Iraqis' daily lives. Early on, the CPA did not adequately prioritize health spending, and initially included too little money in Iraq's health budget. But the United States and other donors have actually contributed fairly sizable sums for Iraq's health system, and there have been some improvements. Nonetheless, because the health system had deteriorated to such a damaged state under Saddam, even after pouring significant amounts of money into reinvigorating that system, Iraqis still suffer with badly outdated facilities and shortages of supplies. Polls and interviews suggest that Iraqis are mixed as to whether the health system is any better than it was under Saddam, but do expect improvements, in part because of Iraq's history of having an advanced health care system and in part because they have seen tangible results of the foreign assistance that has flowed in to build clinics and renovate hospitals. As in all areas, security is impeding Iraqis' access to health care, from women who feel unsafe traveling to hospitals to delays in staffing or supplying health centers because of checkpoints and violence.

RECOMMENDATIONS

1. Accelerate and enhance training, supplying, and mentoring of Iraqi security institutions to fit security threats.

The United States has yet to undertake a realistic assessment of what it will take to win urban battles in Iraq, at least not publicly. The al-Anbar region, with the volatile cities of Falluja and Ramadi, remains essentially off-limits to U.S. and coalition forces since they pulled out of Falluja in April. Reports suggest that terrorists, insurgents, and Islamic extremists have free rein in those cities, terrorizing the local population and those seen as sympathetic to the United States or Iraq's new government.¹⁴⁹ Since backing off in Falluja and Najaf last April, U.S. and Iraqi leaders seem to have determined that flattening cities is not a winning formula for rooting out insurgents. Although doing so might mean a short-term military victory, it has massive political costs as a consequence of civilian casualties and economic losses. An alternative is needed, but the standoff in Najaf in August would suggest that neither the U.S. military nor the Iraqi government has yet defined one.

One clear strategic choice is to isolate the security problems to the Falluja/Ramadi area. This will require making Baghdad safe, at whatever cost: the Kabulization of Baghdad, essentially. Progress on the security front in Iraq is not possible until Baghdad is secured. Similar focus is needed on ensuring that the Shiite areas of Iraq are once

¹⁴⁹ John F. Burns and Erik Eckholm, "In Western Iraq, Fundamentalists Hold U.S. at Bay," *New York Times*, August 29, 2004, p. A1.

again quieted and the Kurdish areas remain settled. Both will take considerable effort. Until the most troubling security issues are isolated to the al-Anbar cities (as they were at the beginning of the post-Saddam era), it is unlikely that Iraq can begin to turn the corner toward a positive trajectory of progress in the security sector.

Until Iraq's security forces are capable on their own, the multinational forces (MNF) in Iraq are the primary option for addressing security issues. At the same time, the MNF themselves are part of the problem, in terms of fueling the insurgency. The only real solution to the security woes is an Iraqi one, and it must include a political strategy. Yet until now, U.S.-led efforts to train Iraq's army and security forces have fallen drastically short of expectations. The necessary human and monetary resources to train and equip Iraq's new forces are lacking and out of step with the threats faced and indigenous intelligence capacities needed.¹⁵⁰

Because of that reality, in the short term, the MNF will continue to play a carefully calibrated role of supporting the Iraqi forces and leading offensive actions. The greatest contribution the United States can make to stabilizing Iraq will come in the form of training, supplying, and mentoring Iraqi security institutions while providing rapid response, emergency back-up to supplement Iraq's forces or take offensive action where needed.

- **The United States must urgently remove remaining bureaucratic or policy hang-ups in order to speed the provision of its assistance funds for supplying and training Iraqi forces.** The State Department is reportedly considering reprogramming some of the \$18.4 in reconstruction funds to shift more money to security, among other changes. More funding would certainly be a start, assuming there are means to spend it quickly.
- **Put an Iraqi face on security operations wherever possible.** The U.S. and Iraqi governments must capitalize on Iraqis' faith in their own security institutions and continued willingness to volunteer for Iraq's security forces despite the risks. This will require enhancing the capacities of those institutions through improved training and mentoring.
 - *Develop several highly trained and capable Iraqi units to build a reputation as Iraq's next generation of peace enforcers.* The initial elite units being trained, one of which was deployed during the August Najaf standoff, could be a model for this idea. The United States must redouble its efforts to persuade NATO and Iraq's neighbors to support Iraq's nascent forces, through training missions, intelligence sharing, and counter-terrorism and border control measures.
 - *Create community public safety groups to improve the sense of security and create a link to local governing institutions.* In the absence of a fully trained, highly capable Iraqi police force, Iraq's countless militias are the only alternative for keeping the peace. The result has been a proliferation of extra-legal security forces and ad hoc practices, and an insecure

¹⁵⁰ Anthony H. Cordesman, "Inexcusable Failure: Progress in Training the Iraqi Army and Security Forces as of Mid-July 2004," CSIS, July 20, 2004, http://www.csis.org/features/iraq_inexcusablefailure.pdf

population. The U.S. and Iraqi governments should consider giving Iraq's local and provincial governing institutions resources to hire local "crimewatch" officers and develop localized training programs. This would increase the presence of Iraqis responsible for ensuring law and order, improving the average Iraqi's sense of public safety. It would also begin to bring security within the purview of Iraq's government as opposed to diverse political parties and tribal and militia leaders.

- **Develop and promote model joint security units, made up of mostly Iraqi forces with international back-up.** Joint patrols should be prioritized over tasking the U.S. military to take over military actions every time the fighting is serious. Iraqi forces should take the lead wherever possible. The Iraqi government should make clear that joint operations are a transitional answer to Iraq's security problems.
- **Revamp U.S. force posture to ensure the availability of over-the-horizon, rapid response capacity throughout Iraq.** Iraqi police stations and officers continue to be attacked, undermining the capacity of Iraq's institutions and threatening Iraqi faith in those institutions. International forces must be immediately available to respond to security threats and supplement Iraqi forces as needed.
- **Develop and fund a regionally balanced and more robust demobilization, disarmament and reintegration (DDR) program for Iraq's militia and former army members.** Until now, DDR has not been adequately prioritized or funded by the United States. An announcement by Iraq's interim government in early June that 12 Iraqi militias had agreed to a demobilization plan generated some initial excitement,¹⁵¹ but there has been no noticeable movement to implement the plan since then. For any militia DDR plan to work, it has to start, and prove effective, in all regions of the country at once. No militia will want to disarm and demobilize without the comfort that others are doing so as well, and without the knowledge that Iraq's fledgling security institutions and the MNF are capable of providing security throughout the country.

Moreover, a more comprehensive DDR effort targeted at Iraq's former military is needed. Former soldiers and their families continue to suffer the loss of economic opportunity and feel marginalized by the current government. They provide ready fodder for the insurgency. Although Iraq's government has begun experimenting with amnesty offers for Iraq's insurgents, addressing the disaffection and economic marginalization of Iraq's former soldiers will require more than an offer of amnesty to those who have joined the insurgency.

¹⁵¹ Peter Y. Hong, "Iraqi Militias to Disband, Join Official Forces," *Los Angeles Times*, June 8, 2004, p. A6; James Hider, "Iraqi Militias Agree to Disband Before Elections," *The Times*, June 8, 2004, p. 15.

2. Revise the U.S. assistance program to increase direct Iraqi involvement and ownership.

The U.S. assistance program has focused on large scale, capital-intensive infrastructure rebuilding and the reestablishment of central government ministries. This has not succeeded in providing for Iraqis' basic needs, like electricity, and has also failed to counter Iraq's unemployment problem, capitalize Iraq's economy, or instill Iraqi ownership in the reconstruction process. The State Department is currently reviewing the U.S. assistance program, in the hopes of streamlining procedures, speeding up the disbursement of funds, and providing more funding for smaller scale projects. Early signs suggest that the State Department is considering reprogramming serious amounts of the \$18.4 billion. Its review should provide the basis for a major revision of the U.S. reconstruction program in Iraq.

Community-level projects, driven by local and regional priorities, will increase Iraqi ownership and buy-in. Our interviewers noted that the presence of visible local projects, such as schools, health clinics, and generators, tends to increase a community's optimism about reconstruction efforts. U.S. assistance should be targeted toward Iraqi firms and hiring Iraqis. Despite efforts to rebuild Iraq's power sector and verifiable claims about megawatt production, supply remains spotty, and Iraqis throughout the country remain dissatisfied with the efforts. Locally owned generators have proved effective at providing needed power and spawning local economic and political activity. Assistance programs should move from larger public works projects to locally owned initiatives, from central government capacity building to local government delivery of services, from international-led to Iraqi implementation.

- **U.S. assistance funds should be targeted to providing more direct assistance to Iraqis.** The focus should be balanced between larger scale projects and community level initiatives. In addition to employing Iraqis, smaller scale projects run by Iraqis are more viable given the security environment. Security risks have severely hindered the ability of foreign contractors and their staffs to work in Iraq. They and their projects provide ready targets for insurgents and criminals. Reliance on large U.S. contractors and other foreign companies also means far less money is available for Iraq's reconstruction, with money lost to profits and security-related costs, among other things.
- **Provide resources to local and provincial governing councils to generate local ownership of the rebuilding process.** Iraqis themselves must own the rebuilding process—including by setting priorities in terms of spending—or outsiders will continue to be blamed for delays and problems. Locally driven initiatives will lead to community ownership and also result in quicker and more noticeable results. Moreover, they will begin to instill the lessons of democracy among Iraqi citizens, who will start to hold their local governments accountable for reconstruction efforts.

- **Prioritize addressing Iraq’s unemployment crisis.** In recent weeks, the U.S. military and USAID have prioritized local public works projects, such as sewage projects in Sadr City in Baghdad, as a means to show rapid results and hire Iraqis. Although this is a necessary interim step, “dollar-a-day” programs must feature local ownership and some promise of longer-term employment. This should be harnessed as another opportunity to build local government acceptance.
 - A massive micro-loan program, preferably channeled through the fledgling Iraqi lending industry and local governments, will generate direct ownership and immediate job expansion in a highly dynamic fashion.
 - The United States should consider funding education grants, through the local and central governments, to entice young Iraqis back to schools and universities, and help relieve economic burdens that currently require many kids to drop out of school in order to supplement the family income.
 - A “crimewatch” program like that suggested in recommendation #1 could employ hundreds of young people in cities throughout Iraq for several years.

- **Prioritize basic services.** Iraqis’ most basic needs, from electricity to sanitation services, have not been met. The United States should shift some of its focus away from the grander, longer-term rebuilding plans (such as revising banking laws) toward projects that will address basic needs. Iraqi perception of the reconstruction is tied to the provision of electricity, which still lags. Sewage systems are worse than they were under Saddam, with resulting complications from sewage flowing into Iraq’s canals and rivers, causing water-borne diseases and pollution.
 - *Expand the mix of projects, to include more small-scale, locally owned electrical power projects. This would discourage continued sabotage of power lines and supply. Moreover, local ownership would counteract the disruptive effects of knocking out centrally run power stations.*
 - *Place short-term focus on particularly disaffected cities, such as Baghdad, Mosul, and Falluja. Although equitable distribution of power should be the ultimate goal, the decrease in basic services in these and other cities favored by Saddam has resulted in worrisome levels of frustration in these volatile areas. Short-term solutions, such as portable generators, could help stave off longer-term problems that will result from a continued sense of marginalization among important populations in these areas.*

3. Reinvigorate the effort to expand international engagement.

Aside from the United States and a handful of other countries, the international community has still not bought into Iraq's reconstruction. The international community set a standard for its engagement in Iraq when 15 members of the UN Security Council unanimously passed Resolution 1546 on June 8, 2004; it is not being met. Iraq is still viewed as a U.S. enterprise, with support from non-coalition countries coming mostly in the form of grudging acceptance rather than active engagement. Yet Iraq urgently needs the full and active support of the international community, and for reasons other than the relief of U.S. forces typically cited by American politicians. More international troops may not be the answer to Iraq's security problems, but other countries and international organizations are needed to provide expertise and resources across a range of issues that the United States simply cannot provide on its own.

The political transition process is but the first example. The TAL calls for a tight schedule of complex events between now and the end of 2005. In that time, Iraq is to hold two national level elections, draft a permanent constitution, and hold a national referendum on that constitution. Iraq's first post-occupation test with democracy was not auspicious. The August national conference was meant to allow over 1,000 Iraqis, drawn from various political parties, religions, ethnicities, tribes, and geographical areas, to select an interim assembly of 100 Iraqis to provide a check on interim Prime Minister Allawi's government. Instead, maneuvering by Iraq's largest political parties resulted in the withdrawal of the only slate of independent candidates. This left Iraq's two interim political bodies in the hands of those parties and politicians that have been in the forefront of the national political scene since the United States invaded Iraq, most of whom have little street recognition among ordinary Iraqis.¹⁵²

- **Actively support the return of the United Nations and other international organizations to provide election assistance.** The next real test in Iraq's political process will be the elections for a transitional national assembly, scheduled for January 2005. Most Iraqis will not consider the political process legitimate until elections are held. Resolution 1546 sets forth that the United Nations is to provide advice and technical assistance in support of those elections, and a UN elections team has helped establish an electoral commission and lay some initial groundwork. But the United Nations has only a token presence on the ground in Iraq, out of continuing concern for the safety of its staff. Without the UN protection force called for in Resolution 1546, UN staff in Iraq will be forced to rely on the U.S.-led MNF for protection, which could undercut the UN's credibility. The 15

¹⁵² "Guns or Government?" *NewsHour with Jim Lehrer*, August 19, 2004, http://www.pbs.org/newshour/bb/middle_east/july-dec04/violence_08-19.html.

Security Council members have abdicated their commitments as laid out in 1546, leaving UN Secretary-General Kofi Annan with no good options.

The United Nations and other international organizations and NGOs have valuable experience and expertise in supporting elections and other democratizing activities in post-conflict countries. The U.S. government is relying on small U.S. NGOs to oversee the myriad political activities related to Iraq's January elections, none of which has ever overseen as complex and large an elections operation. The United States must make a high level political push to ensure adequate protection for the UN personnel in Iraq, as soon as possible. The longer the UN's preparations are held up, the more danger that elections will be delayed or badly flawed. The United States should also reach out to other organizations and countries with critical expertise.

- **Reinvigorate the international community's financial commitment to Iraq's reconstruction.** Donor fatigue is a real concern, with countries reluctant to consider increased funding commitments even though most of the pledged funds have yet to be spent. Even with the \$18.4 billion the United States has committed to the effort and an additional \$13 billion from other donors, the total falls short of the World Bank and CPA estimates of Iraq's overall needs (closer to \$55 billion over the next 3-5 years).¹⁵³ The United States must renew its own financial commitment to Iraq at the end of the 2004 fiscal year (which will occur in January 2005 due to delays in last year's budget process), to demonstrate its continued commitment to Iraq's future. But even reinvigorated U.S. funding will not alone cover Iraq's needs in the coming years. A follow-on to the Madrid donor conference is scheduled to take place in October in Japan. The United States should energize other donors by signaling its own continuing commitment to Iraq's reconstruction. It should make clear its further funding request to Congress well before January, even though this issue is likely to get trapped in election year politicking in Washington.
- **Revitalize efforts to forge an international consensus on Iraq's debt restructuring needs.** The United States has largely let the debt issue fall flat since Secretary Baker's January trip to creditor countries. This is yet another issue that needs immediate attention if Iraq's economic recovery is not to be hamstrung by its financial obligations.

¹⁵³ Steven R. Weisman, "The Struggle for Iraq: Donors; Envoys Gather In Madrid To Discuss Aid To Rebuild Iraq," *New York Times*, October 23, 2003, p. A18; Roula Khalaf and Joshua Levitt, "Billions in Aid Sought to Rebuild Iraq," *Financial Times*, October 23, 2003, p. 12; World Bank Group, "United Nations/World Bank Present Iraq Reconstruction Needs to Core Group: News Release No: 2004/103/S," October 2, 2003, <http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,contentMDK:20130299~menuPK:34463~pagePK:64003015~piPK:64003012~theSitePK:4607,00.html>.

4. Prioritize Iraq's justice system.

Justice and the rule of law impact security, governance, and economic issues directly. Rebuilding Iraq's justice system has been given short shrift by the United States thus far, with too few resources and technical expertise devoted to the sector. Crime and violent acts should be handled through the justice system; courts, lawyers, and judges are needed to process criminals arrested by Iraqi police. Military and police alone cannot defend against the virulent lack of law and order without an effective justice sector.

As it stands, Iraqis have nowhere to turn, whether they are complaining about human rights violations by coalition military officers, government-sanctioned corruption, or religious, minority, or gender persecution. The justice sector will be a fundamental underpinning of any Iraqi democracy. Without it, democracy cannot take root, even if elections are successfully held. Although the CPA set in place regulations meant to ensure the independence of Iraq's judiciary, far more attention is needed to this area in order to protect that independence and enhance the capacities of the justice sector.

- **Give precedence to Iraq's judicial sector as part of the State Department's review of funding priorities for the \$18.4 billion in U.S. reconstruction funds.** Iraqis will only gain faith in the ability of their government to maintain control when they see criminals tried and punished. An effective judicial system will also provide an outlet for Iraqis seeking to protect their rights and hold their government accountable. According to the General Accounting Office, U.S. officials predict it will take many years to develop the judicial system and train and protect legal personnel.¹⁵⁴ A functioning justice system is needed long before then.
- **Focus on protecting Iraq's judicial and legal personnel.** Iraq's judges and lawyers are being targeted as part of the campaign of kidnappings and assassinations of Iraqi professionals. Like attacks on Iraqi police officers, these attacks counteract and undermine efforts to build Iraqi faith and trust in their institutions. More resources should also be devoted to protecting Iraq's judicial and legal personnel to ensure that judges and lawyers are able to do their work in safety.

¹⁵⁴ "General Accounting Office, "Rebuilding Iraq: Resource, Security, Governance, Essential Services, and Oversight Issues," Report to Congressional Committees, June 2004, p. 79, <http://www.gao.gov/new.items/d04902r.pdf>

5. Acknowledge and address the deteriorating situation in the north.

U.S. and Iraqi officials ignore the undercurrent of disaffection in the north at their peril. Northern Iraq, from the ethnically mixed cities of Mosul and Kirkuk to the Kurdish cities of Erbil and Sulaimaniah, is a real cause for concern, with mild to intense frustration simmering just beneath the surface. As recent violence in Mosul shows, that city is a ticking time bomb, with residents angered at the worsened public services and downturn in economic opportunity and fearful of marginalization in a new Iraqi government. Its residents were some of the most dissatisfied of those we interviewed. Kirkuk is a similar worry. Residents there bemoan the presence of oil, recognizing it as the root of the city's turmoil. Property disputes between Arabs and Kurds are one illustration of ethnic tension, and Iraq still lacks a working land rights or judicial system to address such problems. It was the one city where residents we interviewed worry about civil war breaking out, highlighting the ethnic divisions in the city.

In the Kurdish cities, residents are pessimistic about how Kurdish demands will be addressed by a new "Arab" Iraqi government and at the same time are dissatisfied with their own politicians. The strength of the Kurdish Peshmerga, which effectively keep the peace in much of the northern territory, means Kurdish discontent and expansionist tendencies could aggravate tensions in the rest of the country.

- **Support development of more responsive Kurdish regional governments.** After 13 years of one-party rule in the respective administrations of the KDP and PUK, Kurds are unhappy with their regional governments. Greater transparency and responsiveness to local demands and concerns are needed to ensure continued support or acceptance among the Kurdish population for a unified Iraq. With no faith in an Iraqi government to protect Kurdish interests, it is essential that Kurds believe their own leaders are willing and able to protect those interests.
- **Address Peshmerga as part of a national plan to deal with Iraq's militias.** The Peshmerga have been allowed to operate as a sanctioned, extra-governmental security institution, encouraged to keep the peace in large swaths of the country. While Kurds view the Peshmerga as essential to protecting their autonomy, the Peshmerga's existence also threatens the viability of a new Iraqi government, just as all independent militias do. The Kurds have shown willingness to include the Peshmerga in a larger Iraqi plan to deal with militias, and the Iraqi government should capitalize on that readiness to pursue a nationwide initiative. As discussed above, U.S. and Iraqi officials should concentrate on developing a regionally balanced DDR program.

6. Decentralize governance efforts.

The August national conference was hailed as an important milestone in Iraq's political transition, but it took place without the participation of average Iraqis and is unlikely to change Iraqis' generally negative perceptions about the state of governance in their country. The U.S., and now Iraqi, focus has been on national level political events and the creation of central government institutions, but for most Iraqis, what happens in Baghdad has little impact on their lives. Iraqi disaffection can only be countered by localized experiments with governance and democracy building, which have been given too little attention and resources.

- **Empower and resource local and regional governments.** To harness Iraqi faith in their own institutions, Iraqis must start to see results from their government. They are demanding greater responsiveness from their politicians, but accountability to citizens will occur only if local and regional governments are empowered and resourced to respond to their constituents. Thus far, only the central government institutions have been provided with the resources to start performing their duties. Local and regional governments exist in name and on paper, but lack the resources, capacity, or technical expertise to address Iraqis' concerns and satisfy their desires. The United States should channel its assistance programs through local and regional governments, and those governments should be charged with setting priorities for community programs. This would enable communities and provinces to begin defining their own rebuilding goals and generate enthusiasm for local experiments with democracy. It would also help develop the next cadre of Iraqi political leaders.
- **Mobilize Iraq's silent majority.** Iraq's silent majority remains unwilling to actively condemn or take steps to prevent the activities of insurgents in its midst, despite evidence that most Iraqis do not support the insurgency. Iraq's interim government, although sovereign, is still viewed as minimally credible at best, with Iraqis awaiting elections in January to bestow legitimacy on their government. Regional and local governments lack any real authority. There is little to draw Iraqis more fully into a political process that could counteract the potency of the insurgents' message. The average Iraqi must begin to feel a stake in his country's future, through participation in the economy, daily interaction with empowered local government institutions, and ownership of the country's resources.
- **Give Iraqis a stake in the country's oil wealth.** Neither U.S. nor Iraqi officials have handled the question of oil ownership transparently or with a sense of urgency. The greatest challenge remains to get production and export levels back up, a continuing struggle due to ongoing sabotage of pipe

lines and fields. A balance must be struck, between recognizing the oil as a national asset, allowing for local revenue sharing, and devising some means of individual Iraqi ownership in or benefit from their national bounty (such as a trust fund or shareholder arrangement). Without such a combination, Kirkuk will continue to roil Iraq's recovery, and Iraq could easily fall prey to the "resource curse" that strikes so many resource rich, conflict-prone countries.¹⁵⁵ Moreover, the right balance between national, local, and individual ownership will ultimately undermine Iraq's insurgents, whose attacks will become a direct challenge to each Iraqi's ownership stake in the country's oil wealth.

Conclusion

As the United States heads into its own elections in November, the pressure will only grow to think about ways to define success in Iraq, perhaps as an attempt to define or set parameters for a U.S. exit strategy. That is a dangerous course: Iraq will not be a "success" for a long time. In fact, one thing this project highlights is the difficulty in defining success at all. It is better to focus on catalyzing Iraq's recovery by concentrating on a set of measurable benchmarks, like those laid out in this report, and setting Iraq on the right trajectory to meet those benchmarks. We have not yet reached even the more modest, Iraqi-driven goals described here—Iraq has not reached the tipping point in any of the five sectors; nor is it yet on the path to reaching those objectives. But setting our sights on realizable benchmarks instead of on defining a U.S. exit strategy will be more beneficial for Iraq, and suggest achievable goals for the United States. Iraqi optimism and patience endure, somehow. They must be harnessed, because they could easily be fleeting, particularly if the Iraqi government is no more successful than the CPA was in righting the course in Iraq.

To narrow the gap between U.S. descriptions of successes in Iraq and Iraqis' perceptions, the United States must do more than revamp its communications efforts to more persuasively describe its actions. It must calibrate those actions in light of Iraqi priorities and with a view to shoring up the fledgling Iraqi institutions in which the population has placed so much hope.¹⁵⁶ Currently, those institutions lack the necessary capacity to make or sustain progress on their own, in terms of security, governance, justice, the economy, basic services, health, and education.

With the possible exception of the Kurds, Iraqis generally dislike the continued presence of the U.S.-led military forces in their country; many consider the occupation to be ongoing despite the June 28 handover of sovereignty. The sentiment is caused by the mere fact of occupation, rather than by the particular qualities and experiences of this occupation—such as the atrocities at Abu Ghraib prison, civilian deaths, or cultural insensitivity—although those factors certainly exacerbate it. As such, the United States should expect continuing resentment and disaffection even if the U.S.-led reconstruction efforts seem to be making positive, incremental improvements to the

¹⁵⁵ See Nancy Birdsall and Arvind Subramanian, "Saving Iraq From Its Oil," *Foreign Affairs* 83, no. 4 (July/August 2004): 77-89.

¹⁵⁶ See Bathsheba Crocker and Doug Henry, "Build on Iraqi Hopes," *Baltimore Sun*, August 9, 2004, p. 11A.

country according to various quantifiable measures. In other words, the occupation will not be judged by the sum of its consequences, but rather *qua* occupation. Put simply, Iraqi pride in national sovereignty is a more deeply rooted sentiment than the United States anticipated.

It is possible to recognize progress in certain areas (e.g., number of hospitals rebuilt) while also concluding that it is insufficient, overshadowed by massive remaining hurdles, or not making a quantified or qualified difference to Iraqis. The U.S. efforts thus far have been largely divorced from the Iraqi voice and undermined by security problems and the lack of jobs, and they are not leading toward entrenched sustainability of Iraqi capacity. They are also not leading to positive trend lines across the sectors. Metrics that focus too heavily on quantifiable inputs do not tell a complete story. Moreover, U.S.-driven metrics and U.S. government propaganda are not trusted sources of information in Iraq. As rosy as they are, they do not make a dent in changing Iraqis' perceptions. Until we start to see a positive trend line and arrive at a point (i.e., the tipping point) where Iraqis can sustain that trend, it is too early to claim success, and too risky to try to define circumstances that would justify an exit.

While we focus on U.S. elections at home, the political process in Iraq will also be opening up in the lead-up to January's elections. It is highly likely that the single unifying theme espoused by Iraq's politicians will be to invite the United States to leave Iraq once there is an elected Iraqi government in place. Everything the United States does should be in anticipation of that likelihood.

The challenge for U.S. and Iraqi officials alike is to harness and capitalize on Iraqis' optimism but at the same time not to overstate its significance because there is real potential it could swing the other way if events in Iraq continue to trend negatively. This will require modulating goals to better reflect realistic milestones for getting Iraq headed toward self-sustainability. Grandiose goals and projects, while well intentioned, have little resonance for the average Iraqi. Progress should be measured in terms of Iraqi priorities and tangible impact on Iraqi lives. More importantly, Iraqis at all levels must be more directly involved in reconstruction efforts, and buy-into those efforts. Whether or not U.S. forces are invited to leave in 2005, Iraq's ultimate success depends on building Iraqi capacity to take the country forward in the areas reviewed in this report.

About the Project Directors

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