

USAWC STRATEGY RESEARCH PROJECT

BEYOND IRAQ: THE LESSONS OF A HARD PLACE

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ABSTRACT

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The war in Iraq is revealing the weakness of a U.S. foreign policy focused disproportionately on conventional military power and unilateral action, and distracted from the challenge of a global *jihadist* insurgency that is undercutting the modern states system. Understanding cultural and historical differences between the West and the rest of the world, as well as the primacy of economic development over political process is critical to ensuring U.S. interests are advanced. Alliances with and mechanisms for support of regional states are essential to safeguard the current order. Even as military capabilities to mount counterinsurgency operations are improved, containment and shaping of the inevitable instability in the Middle East remain key challenges for U.S. strategists and policy makers.

BEYOND IRAQ: THE LESSONS OF A HARD PLACE

The blunder into Iraq has done little to enhance the post 9/11 security of the American public. The idea that a Middle East-altering democracy could be introduced on the cheap at the point of a bayonet, that it could leap full blown from the brow of a country as riven, as inchoate, as historically different from the U.S. as Iraq is now understood to have been naïve. As a series of early strategic failures drove wedge after wedge into the fragile Iraqi society,¹ the policy objective of a “united, stable and democratic Iraq”² at peace with its neighbors fell victim to shortsighted decisions and poor preparation. More ominously, our prolonged engagement in Iraq has distracted us from the greater threat of a stateless insurgency arrayed against the current world order. At best, a mechanism for constraining U.S. prerogatives is emerging – at worst, a recipe for our defeat.

As illustrated by French knights’ resistance to the British introduction of the longbow in 1346,³ or the British befuddlement when confronted by colonial snipers during the American Revolution, advantage accrues to the creative. And sometimes, as in these cases, innovation can shift the odds of victory. Low-tech approaches can easily threaten high-tech yet doctrinaire capabilities,⁴ the very deployment of which (for the U.S. at least) is delicately balanced on fragile political will and low tolerance for casualties. Overwhelming U.S. military superiority relegates conventional force-on-force conflict to the past, and today’s strategic leaders should recognize the vulnerability created by a hard point (i.e., the very capable military forces themselves), and a soft tail (the civil society those forces are designed to protect). Eisenhower’s warning⁵ is coming true, and the juggernaut of our defense bureaucracy and the attendant industrial complex is animated by factors that have become obsolete.

The audit of war in Iraq is guiding us toward correcting deficits in our strategy, and we are beginning to adapt our military doctrine, training, and tactics.⁶ In addition, the conflict is exposing broader lessons for our policy toward the Middle East, and more specific lessons for dealing with the insurgent *jihadi* threat. Nevertheless, solving the equation of national security requires looking beyond simple use of force.

Divergent Histories

The conflict was perhaps inevitable. As the world collapsed, constricted by an ever-tightening web of communications and transportation networks, a global insurgency of some order was almost a given. Like molecules excited by steady compression of a closed system, the distillation of global cultural differences was bound to generate heat and friction. Thus, a war of some magnitude and description was unavoidable.

In the West, in the tradition of Clausewitz, we came to view war as “politics by other means”.⁷ Subsequently, recognizing war’s destructive force as rendered in the experience of two world wars, we sought to isolate it as an extraordinary anomaly. Others – particularly Muslim extremists – continue to view war as it once was, as “the continuation of religion,”⁸ and as a standing commandment to the pious for action against nonbelievers. Their investment in the system of states is small, what little there is deriving from a perceived unfair imposition of Western precepts and an entourage of generally unjust rulers, many of whom were installed and occasionally replaced by capitals far away.⁹

The modern states system growing out of European history, which fixed borders as a means to limit conflict, established the ground rules for diplomacy and interaction of peoples, and imbued those states with a monopoly on the use of violence, remains far from universal acceptance. From among the array of possible global insurgent opponents who view the states system with skepticism, the Muslim *jihadists* are among the most formidable – not because of their military might, but because of the alien nature and strength of their views, and of their global solubility. With modern transport and communication at their call, they melt easily into the world milieu only to coalesce at the time and point of attack. Past successes, from bombings in Africa to downtown Manhattan, Washington, London and Madrid, coupled with the hardening of battle in Iraq, embolden them. Indeed, our efforts in Iraq have served to stir together separate forms of insurgency to produce a hybrid that multiplies the threat. We must begin to adapt our policies and strategic approach, lest the global insurgency spiral out of control and threaten the existing world order.¹⁰

The Margin of Blood

Borders are the seams of history, sanctified in blood.

—Attributed to French Jesuit theologian Pierre Teilhard de Chardin

Samuel Huntington wrote of early wars that “[t]he most dramatic and significant contacts between civilizations were when people from one civilization conquered and eliminated or subjugated the people of another. These contacts normally were not only violent but brief.”¹¹ In today’s smaller, interconnected world, such wanton treatment of a subjugated people is no longer an option. In questions of war, the West is saddled with history and tradition that draw focus to conflict *between* states. Marked as beginning with the Peace of Westphalia in 1648, the modern states system grew out of a concerted effort to limit the negative effects of decades of religious wars in Europe, first by founding and then developing the right of the sovereign to determine conditions within his or her area of control. Following the Reformation, the

Enlightenment rationalized and ultimately limited religion's role as a means to organize Western political systems, a circumstance fueled by the American experiment with the separation of church and state. While other accumulated trappings of sovereignty remained intact (in particular, the state's monopoly on the use of force), the intervening history of the West shows the Westphalian system nonetheless failed to deliver the peace and stability intended. On the contrary, one can marshal a sturdy argument that the system exacerbated conflict in Europe up to and through WWII by concentrating resources and manpower.

Meanwhile, around the globe, the emerging dominant Western culture attempted to stipulate, via a series of colonialist, deal-driven cartographic exercises, a mapping of the world in which many of the resulting borders lacked any real legitimacy or "sanctification" of the sort implied by the quote above.¹² For the West, borders remained hallowed, even as war moved from hot to cold. The Western fetish with borders was imbedded in the Charter of the United Nations as an agreement among members to refrain from use of force against the "territorial integrity" of another state.¹³

Anti-colonial forces gathered strength after WWII, generating conflicts throughout Africa and Asia, driven primarily by nationalist movements. The then-ongoing Cold War added complexity by stirring in ideological elements as the U.S. and Soviet Union engaged in proxy battles to promote and defend respective systems. However, the extended conflict did little to threaten the existing international system of states. States and borders remained the building blocks of order. Even as some hoped the subsequent end of the Cold War spelled the "end of history,"¹⁴ others were warning, and had warned, of new dangers.¹⁵ Then suddenly, the rising challenge of radical Islam was highlighted in the spectacular attack of September 11, 2001, an event that served to expose numerous vulnerabilities in our defenses.¹⁶

The historical give-and-take that fixed borders in the West has yet to occur in much of the rest of world. The Arab-Israeli conflict, Kashmir, the Korean peninsula, central Asia, much of Africa, and present-day Iraq, are just a few worrisome areas where the question of borders remains unresolved. Neither the carefully constructed international system, the UN, nor the threat of overwhelming, technologically-superior U.S. military force appear to be particularly effective in dealing with these time bombs. Modern borders continue to be seen by some as illegitimate and increasingly ephemeral barriers, particularly by radical Muslims taking the long view of history.¹⁷

So we find ourselves in a new era with a portion of the world settled into a system of collective security and cooperation between states, set against large, encapsulated pockets of culture and ideology that have little real stake in the modern states solution. Portions of the

world left behind fail to accept or even understand associated rules. They do not recognize that precision bombing has made aerial assault somehow superior to now-outlawed chemical warfare. Indeed, terrorist use of weapons of mass destruction of any type is an acute concern among Western powers. For our modern enemies, available technology is exactly that – available. Whether by converting civilian aircraft into guided missiles, or introducing the IEDs to the streets of urban centers throughout the Middle East (and perhaps beyond), the enemy is committed to attack. *Jihad* apparently provides a flexible enough doctrine to permit the breaking of all Western rules.

Then there is the case of Israel, a state supported by many Western powers, which provides a provocative example of a circumstance in which borders have been proven to be not so inviolable after all. The Islamic world is now trapped somewhere along a continuum of societal development, is left with a cultural and historic foundation that may not be completely compatible with the international system devised by the West, and it encounters internal challenges certainly not easily resolved by outsiders. These incompatibilities, coupled with the perception of Western inconsistencies, exacerbate the conditions for radicalization of Islam as it is pulled in different directions. Radicalized groups within the larger Islamic community have shown themselves to be both deadly and innovative opponents in bringing the war to our doorstep. These groups now target the West, taking aim at the will of the population, nibbling away at public confidence. It is clear that conflict with such an adversary will require rethinking of where and who we are, relative to our enemy, in order to develop successful strategies.

Afghanistan as Warning

Afghanistan was one of the last of the Cold War's proxy battles. The mistakes we made there are well known,¹⁸ but were driven home to the author in a personal conversation. "Some of us warned you this would come back to haunt us," a highly-placed Pakistani official confided in the autumn of 2006. "When you encouraged the clerics in the border region and helped the extremists in their fight against the Soviets in Afghanistan, you shifted power away from the states. Now they are unmanageable."¹⁹ His point was that by assisting the regional insurgency, the genie of Muslim extremism was let out of the bottle of state control. Compounding the problem, once the Soviets departed, was the fact we left Taliban-era Afghanistan alone to fester, to incubate the al Qaida threat that culminated on 9/11. The case starkly demonstrates that we undermine states at our own peril.²⁰

How might we have acted differently? Our choices in those days were manifold. We could have simply permitted the Soviet project to continue, in which case we might be dealing

with something like Bulgaria in today's post-Cold War Afghanistan. Or we might have engaged in a program of post-Soviet reconstruction in which moderates in Kabul and the countryside were encouraged and empowered; or we might have supported another exhausting insurgency against the very insurgents who waged their own fight against the USSR. We did none of these things, and the seeds we planted by supporting the *mujahadeen*, and the radical clerics who encouraged them, grew into the al Qaida threat that delivered terror to our doorstep.²¹ In retrospect, we would have been better served to spend more time in the "Citty upon a Hill"²² and less "in the shadows" as Vice President Cheney proposes.²³ At the very least, our ability to see the future, in the form of downstream effects resulting from our meddling, needs vast improvement.

The schism with Iran emanating from our 1953 overthrow²⁴ of the democrat Mossadegh, under the thinnest of pretexts, is but one other case in point.²⁵

Iraq as Crucible

Some have suggested it may be necessary to "let civil war rage for a while, but try to contain it [in Iraq.]"²⁶ Indeed, our best course may be strategic retreat, pulling in our horns and withdrawing from attempts to engage our radical Muslim foe in conventional military terms. A Cold War-style containment policy might provide an effective alternative to combat operations over the longer term, and would certainly be more palatable to the U.S. public than one generating mounting U.S. casualties. However, beyond its internal divisions Iraq suffers numerous tensions that span its many borders, ranging from broader Shia/Sunni conflicts, moderate/extremist divisions, to the Kurdish/Turkish impasse. Containment is thus a risky strategy that could inevitably lead to violent confrontations along the fault lines, divisions and fractures within the Islamic world, perhaps leading to intra-religious conflict similar to the pre-Renaissance religious wars of Europe. The West would not be immune to such violence. Nonetheless, history suggests resolution of this conflict will require a good bit more blood before seams are settled and sanctified. Iraq's weak seams are coming apart; three patches – Shia, Sunni and Kurd – are becoming more distinct. It is unclear if U.S. blood can or should stop the unraveling.

Future military engagements in the Middle East, forced to confront local Muslim insurgencies, could continue to erode U.S. power. The reality is that military power is at its strongest when implied but not practiced, since it is in the execution that weaknesses are observed and can be acted upon by opponents. While we can adjust military organization, training and equipment to respond to the challenge of local insurgency – necessary in the

aftermath of failure in our last two outings in Vietnam and Iraq – it will remain the best strategy to keep our military power at our back as we face the present global challenge. Moreover, by recognizing the broader threat for what it is, we take the first step toward an approach that will allow us to overcome it. Muslim extremist terrorism is not wanton. It has political purpose, is based on warped but attractive religious precepts, and is built around the cause²⁷ of confronting Western oppression and restoring Islamic dignity. It is best understood as an insurgency against the current world order. To employ those tools we do have by attacking states is counterproductive, since an implicit target of the Muslim insurgency is the system of states itself, at least insofar as it can be forcibly altered to permit reestablishment of the caliphate.²⁸ Each failed or defeated state becomes another opportunity for al Qaida or other Muslim extremists to gain ground. An assertive U.S., by providing these extremists with an external target, bleeds off pressure inevitably mounting in a populace dissatisfied with the violence and instability those elements bring. With the enormous tensions present in the Middle East, we can best contribute to dissipation of this threat by focusing it inward, against itself.

Key among our other challenges is repair of the erosion of the system of states, to which the actions of our Muslim extremist enemies as well as our own, have contributed. Collective security makes as much sense for the community of nations as it does for local communities – our success derives from our ability to cooperate, expand vigilance and coordinate action. Alliances will be key as we seek to contain the amorphous, stateless threat that plays on terror and fear, and which plays by its own rules. We must insulate the states system from the turmoil brewing in the Muslim world, and prepare for long and bloody rivalries between moderates and fundamentalists, between Sunni and Shia, and between nationalist forces throughout the Middle East. Despite the risks, our own policy should be one of containment, and of example. By upholding the liberal democratic principles we hold to be universal and demonstrating success in application of those principles we can swing support of many Muslim fence sitters unhappy with their situation and prospects. Attempting to do so at the point of a bayonet will fail, and increase our own vulnerability.

Iraq as Case Study – The Economics of Power

Persuasive guessing has been at the core of leadership for so long, for all of human experience so far, that it is wholly unsurprising that most of the leaders of this planet, in spite of all the information that is suddenly ours, want the guessing to go on.²⁹

Recently-deceased Nobel Prize-winning economist Milton Friedman enjoyed telling the economic success story of Chile.³⁰ After General Augusto Pinochet and a military junta (aided

by the CIA) seized power from the democratically-elected socialist Allende, the military, in its traditional top-down fashion, attempted to restore and direct the already-crippled³¹ economy. The results were disastrous. In a few months, inflation approached 1000%, the economy ground to a halt, and Chileans took to the streets. Realizing the military's lack of capacity to accomplish the task, Pinochet desperately turned to the only economists in the country who were not tainted by association with Allende's socialists, a group (the so-called "Chicago Boys") who happened to have trained at the University of Chicago where Friedman taught. Using free market principles, the group stabilized the situation and reoriented economic activities, and Chile's economy has since outperformed that of every other Latin American country. Friedman notes that the economic freedoms introduced, and the increasing power of individuals deriving from growth and prosperity, eventually led to popular demand for democratic reforms in Chile, forcing the brutal dictator Pinochet to concede power to elected officials and complete the transformation back to democracy.

Friedman's bottom line was that there can be no political power without economic power. The empirical data support this conclusion. The pattern he describes (i.e., economic power first, then democracy) can, in fact, be applied in the case of every single developed country. No modern, industrial country developed its economy under a system of fully representative democracy. For example, in the early days of the U.S. only landed gentry participated in elections; it was the 1920's before half the population, i.e., the female half, could vote. Adam Smith, the father of modern capitalist economic theory, was unable to vote in Great Britain because he lacked enough property to qualify.³² From the U.S. and the UK to postwar Germany and Japan, populations have succeeded in acquiring political power only after the acquisition of economic power through relatively free markets. There is today a broad amnesia regarding the sequence of economic and political development. The threats we face demand we recalibrate our approach to ensure we do not continue to get the cart before the horse.

Impoverished, poorly educated people do not make good democrats. They are too easily manipulated by the powerful, and the choices they make are seldom in the collective best interest. Moreover, whether in Algeria in 1991 or in the Palestinian territories in 2006, the specter of "one man, one vote, one time" has led us to back away from democratic outcomes not considered to be in the U.S. interest, thus casting doubt on our professed commitment to promotion of democracy. That specter is rising once again as we witness Iraq drift toward an Islamist government that may fall far short of our policy objectives. Our first priority should be establishment of free market systems, dispersion of wealth and grass roots stimulation of an economy that can grow a powerful populace able to shoulder the responsibilities of democracy.

This is not “chicken or egg.” Friedman wrote, “[v]iewed as a means to the end of political freedom, economic arrangements are important because of their effect on the concentration or dispersion of power. The kind of economic organization that provides economic freedom directly, namely, competitive capitalism, also promotes political freedom because it separates economic power from political power and in this way enables the one to offset the other.”³³

From the standpoint of economic theory, our focus on bringing democracy to post-Saddam Iraq, without at least a commensurate focus on economic reform, was a recipe for failure. There were no “Chicago Boys” managing economic reform for the Coalition, nor are any present in the Iraqi government. The pattern of Pinochet’s junta has replicated. Admittedly, open borders and free conversion of the Iraqi dinar ensured that inflation was held in check, and an increase in the price of oil has kept money in the central account, but in all other measures, the post-war economic performance has been dismal.

As we know from classic counter-insurgency literature, the center of gravity in an insurgency is the populace. The key kitchen table issue for people everywhere is productive employment. People so employed and with prospects to improve their condition are more difficult for insurgents to manipulate. They have a stake in continuity and stability. Without such simple things they more readily “contract a taste for change and grow accustomed to see all changes effected by sudden violence,”³⁴ i.e., through insurrection. As the Coalition conducted stability operations in Iraq after the fall of Baghdad, commanders and civilians up and down the line clamored for resources to fund employment schemes,³⁵ a reflection of due recognition of the priority need to address the kitchen table issue noted above. To the degree these schemes were practical, they remained dependent on external funding (e.g., U.S. or other international aid), and were thus, in the longer run, unsustainable. Meanwhile, a holistic mechanism to employ internal resources and generate sustainable economic activity that would have included multipliers to expand the economy was largely ignored.

Compared to a developed economy, the one prevailing in Iraq in 2004 was relatively simple, as one would expect of a centrally planned, oil-dependent state. In round dollar numbers, oil revenues for the year were near \$20 billion. This was around half of Iraq’s GDP. Another 35% of GDP derived from government services, i.e., the value of goods and services rendered by government employees. Over 95% of all Iraqi government revenues issued from the single source of oil revenues, which effectively comprised the budget. This meant only 15% of Iraq’s GDP was generated within something like a private sector, from activities such as agriculture, manufacturing and trade. The concentration of power represented by this level of government presence in Iraq’s economy should be obvious. Legal reforms in line with

Friedman's philosophy were introduced but could not be enacted without correction of fundamental flaws in Iraq's existing economy.

Of the \$20 billion the government took in revenue, around \$8 billion (40% of total) was reintroduced into the economy in the form of energy and food subsidies, running at around \$5 and \$3 billion respectively. By subsidizing energy costs, the government kept gasoline prices at around .25 cents per gallon, and (occasionally) provided electricity essentially free of charge. Meanwhile, the UN's pre-war Oil for Food program was sustained, a tainted subsidy which placed a monthly basket of food and other household essentials on every kitchen table in Iraq (roughly 5 million households).³⁶

While other subsidies were present, the perverse and distorting effects of just these two most costly ones can hardly be overstated. The wealthy urban dweller with a car or two and an electric generator for use as back-up when the power failed took far more of the energy subsidy than the rural farmer with no vehicle and no access to the power grid. Meanwhile, that same farmer found he could not compete with free food provided by the food subsidy, destroying incentives for him to invest time, energy or capital in agriculture, historically Iraq's economic mainstay. Back in the city, the low costs of energy fed rising demand for energy-hungry appliances and automobiles, both of which saw exponential increases in the months following the fall of Saddam. Economists would say that the lack of price signals or "pushback" generated excess demand unconstrained by the costs of running those appliances or fueling those vehicles. Thus, Coalition attempts to restore the power system on a damaged and inadequate grid while simultaneously chasing spiraling demand, or to kick start the vital agriculture sector, were doomed from the outset by the distorting effects of these massive subsidies. Over time the frustration generated by these distortions was a boon to insurgents and a growing nightmare for the Coalition, as the fence sitters became disenchanted with the Coalition's inability to deliver better conditions.

Plans to fix these problems, i.e., "rationalize the subsidies," fell victim to the accelerated timetable for transferring sovereignty back to the Iraqi government and to the growing rift between CPA chief Bremer and MNFI commander Sanchez. When approached in early 2004 with a plan to gradually back the subsidies out of the economy, General Sanchez reportedly refused the approach on the grounds it would be destabilizing and add fuel to the insurgency. Ambassador Bremer, a diplomat with more experience in wet-finger political estimates than economic theory, yielded.³⁷

Friedman would have held the opposite view from that of General Sanchez. By converting the subsidies, already a cost to the budget, into direct payments to households, the

inherent economic power could have been broadly dispersed to the grassroots of Iraqi society. Instead of the dependencies created by these subsidies, households would have been free to make their own economic choices, paying the costs for goods and services as they saw fit. Full monetization (i.e., conversion to cash versus below-cost energy and food) of these subsidies would have generated tranquilizing monthly payments of around \$140 to the approximately 5 million Iraqi households – far from enough to make them wealthy, but, at annual per capita income levels of just \$1000, certainly adequate to stimulate revitalizing street-level economic activity. And, once in the hands of ordinary Iraqis, such an “oil dividend” would have been extremely difficult to pry loose, an effective balance of power along the lines suggested in the Friedman quote above. Moreover, their interest in continued payments would have increased their vigilance and reporting on insurgent attacks on infrastructure. And, perhaps most importantly, such a mechanism would have given all Iraq a unifying interest in maintaining common territorial integrity, binding some of the seams weakened by earlier CPA missteps.

In fairness to General Sanchez, this scheme would have required an orderly and well-telegraphed increase in energy and food prices to ensure their full costs were recovered, which is the only way to regain the costs to the budget. A sudden, poorly communicated and disorderly change might have spurred the instability he feared. However, the unsustainable nature of these subsidies, their powerful distorting effects and the concentration of power they reflect, will be addressed sooner or later in Iraq, through evolution or revolution. As we have seen, distribution of oil revenues has become one of the most divisive issues for the new Iraqi government, threatening to destroy the remnants of a unified country.

Beyond Iraq

As the Cold War ended, we were seduced by claims of a unipolar world in which the U.S. was characterized as the hyper power, and the global police. Our own strategy demands we maintain this dominance.³⁸ Yet, in reality, we can no more control instability around the world than we can in any given city in the U.S. – if the population rises against our efforts. Counterinsurgency writers have long informed us the prize in such conflict is the people. The use of force is less likely the solution to the current security dilemma than it is part of the problem. Many in the world view us through historical prisms that differ from our own, and they judge us by deeds they see as inconsistent with our goals of “freedom, democracy, and human dignity.”³⁹ Against the backdrop of such suspicions, the U.S. leadership role promoted by our current National Security Strategy is best gained by a return to the City on the Hill, from which

we lead by example, acknowledging our mistakes and seeking alliances that can help us confront the advance of stateless terror.

In attempting to maintain access and bring stability in pursuit our interests, we risk doing exactly the opposite if we fall short militarily. The U.S has come to be seen as guarantor of “the global commons,”⁴⁰ i.e., sea lanes, regional security alliances, lines of communication and, increasingly, cyberspace. In effect, the world pays us for this police work by investing in the U.S. economy and U.S. government securities,⁴¹ permitting us to run up trade and budget deficits, and to consume beyond our present means. If we fail to accomplish this police work, or even if confidence in our ability to do so arises, a resulting sudden and disorderly shift away from investment in the U.S. could have major consequences for our economy, such as weakening or collapse of the dollar and/or a fall in U.S. stock prices.⁴² Failure to continue providing a steady level of global stability can thus easily affect our national interests and even endanger our way of life. Among others, this is reason for alarm over our performance in Iraq.

Clausewitz wrote that combat is the cash transaction of war.⁴³ With average annual defense spending running higher than the next several countries combined,⁴⁴ the United States has cornered a significant portion of the market. No potential enemy is able or willing to confront us in the conventional, force-on-force conflict our military is currently designed to win. This leaves unconventional, asymmetrical warfare as the only reasonable course of action for our opponents.⁴⁵ We have thus entered an era of the reverse security dilemma where, in order to protect and defend the American people from our *jihadist*, insurgent foe, we must alter the spiral of profligate spending on high-tech conventional⁴⁶ and nuclear force structure to focus on the drudgery of the long war. We need to establish better balance in our efforts and resources in order to confront this enemy. If U.S. military strength remains narrowly fixed on conventional warfare and neglectful of asymmetrical threats, such strength becomes a weakness, the U.S. population is exposed to danger, and the mission of defense will fail.

Specifically, our opponents are as capable as we are in identifying weakness in our struggle with the local insurgencies of Iraq and Afghanistan. It follows that our response to the global insurgency may be vulnerable as well. As a necessary condition for success in future conflicts with states, we must field adequate numbers of appropriately trained forces to secure the theater. The U.S. Army will, by nature, have the dominant role in filling this large niche in our national defense. The utility of multi-skilled reserve components in stabilization and reconstruction efforts will be significant, particularly once they are effectively trained in counterinsurgency. Moreover, securing broad international support for expeditionary military

operations, in the form of unequivocal UN Security Council authorization, will buttress our activity and ensure a broad international team is available to support Phase IV and V efforts.⁴⁷

In general terms, our lashing out in the wake of 9/11 may have done more to further the interests of our *jihadi* opponents than ours, in that it has weakened an international system they view as illegitimate and has destabilized the Middle East in a manner they now seek to exploit. Afghanistan aside, by attacking Iraq with only a small fig leaf of international support, we weakened the fabric of the global order based on the system of states and international consensus. Our friends and allies have been uneasy for years regarding the imbalance inherent in America's comparatively excessive military spending.⁴⁸ With Iraq, we have shown we too are capable of what some see as foolish aggression. A radical adjustment will be required of us to regain international confidence. As noted, a perceived inability of the United States to alone deliver global security, and at the same time unwilling to see itself constrained by international opinion and cooperative arrangements, could erode global confidence, lead to additional economic and political instability, and further contribute to insurgents' goals. Within the Middle East region, our natural allies in this fight are strong, moderate states, even if some of those states espouse views that run counter to our own. To do the work necessary to restore vitality to the system, clearly we must begin to reconcile with regional states such as proto-democratic Iran and secular Syria.

As the National Security Strategy notes,⁴⁹ many countries accumulating oil revenue suffer weak leadership. The problem is not so much in the transfer of power, through money, to these countries as it is distribution of that power within them. Saddam Hussein maintained an even tighter grip on economic power than on political power. He did so by concentrating economic power (oil wealth) in a single account, over which he maintained control. In the Lord Axton sense, we can expect such power to have corrupting influence. In the end in Iraq, we left Saddam's system intact for a weak and divided government to squabble over. We should not be surprised if the result is unfavorable. When faced with similar opportunities in the future, we must not fail to focus on the priority of establishing capitalist, free-market systems that will disperse power, and which complement and enable any political and humanitarian goals we also wish to advance. Absent new exercises in preemption and regime change, economic reforms should remain at the very top of our national agenda in all international relationships, particularly in the Middle East. A strong middle class in countries there will do more to support our goals than all the military spending we can muster.

Our own history tells us states are not created a vacuum. They are more often forged in the crucible of violence. If we wish to see mature states in the Middle East, we must make way

for violence there, reserving the exercise of force and subversion to those instances when truly vital U.S. interests are at stake, which, as U.S. tolerance for higher pump prices show, do not necessarily include oil. The U.S. and its allies have apparently succeeded in tamping down one of Huntington's fault-line wars⁵⁰ in the Balkans, doing so in a manner that some hoped would appease Muslim disquiet. Any such gains now lay in the ashes of an Iraq that, much like the Balkans before, appears to be coming apart. In this case the clash of Islam is internal, reflecting a division within a religion. We have seen something like this in our own history. It will be a bloody fight. The battle is on, but it is not ours. The best we can hope is to contain it and shape the outcome in ultimate support of the modern states system. The states maturing in the Middle East will diverge from our own conceptual framework. As the system develops, we should avoid the mistake of European monarchies seeking to undermine upstart republics. Just as we have accepted a nuclear-armed religious state wrapped around democratic principles in Israel, we may have to accommodate one in Iran.

Finally, it is time to stop guessing. The way forward is clear enough. Beyond the carrots of assistance and the sticks of sanctions, economic policy holds great promise for troubled regions of the world. Eminent economist Mancur Olson described "two conditions required of a market economy that generates economic success."⁵¹ The first is an environment in which individual rights are well defined and secure; the second is the absence of predation. From a military perspective, these conditions equate to rule of law and a secure, stable social environment. Without them, economic and thus political stability are doomed. Developing states follow a prescribed progression. They must crawl before they walk. We can help, but we cannot dictate their economic and political development, and certainly not at the barrel of a gun. Therefore, our primary military responsibility in ending conflicts in which we are engaged is restoration of security. Inadequate manpower and an allergy to counterinsurgency caused us to fall short of this goal in Iraq, and both economic and political development were stunted as a result, creating additional stimulus for the insurgency. More broadly, promoting the primacy of economic versus political development is as crucial to stability in the Middle East today as it was in our own history.⁵² Economic sanctions and empty embassies do little to advance this interest. In the end, encouraging development of strong, vibrant and moderate states in the Middle East is our best hedge against the global *jihadi* threat.

Endnotes

¹ These failures are widely reported and range from the decision to short staff stabilization and reconstruction (i.e., Phase IV) efforts, to failure to establish unity of command, to an

overzealous de-Ba'athification campaign, to ill-considered disbanding of the Iraqi army, to the inability to recognize and respond to the developing insurgencies.

² 2006 National Security Strategy, opening letter. This phase has received wide use by administration officials from the period of the run up the Iraq war.

³ Roger Trinquier, *Modern Warfare: A French View of Counterinsurgency*, trans. D. Lee (New York/London, Frederick Praeger, 1964) p. 114.

⁴ See Colonel Thomas X Hammes, USMC *The Sling and the Stone: On War in the 21st Century* (Zenith Press/MBI Publishing Co., St. Paul, Minnesota 2006) pp. 232-233.

⁵ From President Eisenhower's departing address, January 17, 1961. "... In the councils of government, we must guard against the acquisition of unwarranted influence ... by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes ... Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together."

⁶ See, for example, the new, 2006 joint Army/Marine Counterinsurgency manual, FM 3-24

⁷ Carl von Clausewitz *On War*, edited and translated by Michael Howard and Peter Paret (Princeton University Press, Princeton, New Jersey 1976) p. 87.

⁸ Martin van Crefeld, *The Transformation of War* (New York, The Free Press/Macmillan Inc, 1991) p. 142

⁹ See, for example, Robert Cooper *The Breaking of Nations: Order and Chaos in the Twenty-first Century* (New York, Atlantic Monthly Press 2003) pp.55-80. Cooper divides the world into the Post-modern (e.g., Europe), the Modern (U.S.) and Pre-modern (the rest of the world). His description of Pre-modern states is particularly applicable in this argument, pp.16-18.

¹⁰ Lest this appear overblown, consider Jim Garrison *America As Empire* (San Francisco, Berret-Koehler Publishers 2004) van Crefeld *The Transformation of War*, and Naom Chomsky's *Hegemony or Survival*, (New York, Metropolitan Books 2003) all pessimistic about the resilience of the existing states system. Huntington (see below) is also pessimistic regarding the outcome of the clash between the West and Islam.

¹¹ Samuel P. Huntington *The Clash of Civilizations: Remaking the New World Order* (New York, Touchstone 1997), p. 50.

¹² With regard to the Middle East, this point is fully explored in David Fromkin's *A Peace to End All Peace* (New York, Henry Holt and Company 1989): pp. 563-565 offer a condensed argument.

¹³ The Charter of the United Nations, Article 2, section 4.

¹⁴ Francis Fukuyama, *The End of History?*, *The National Interest* (Summer 1989).

¹⁵ Insurgency has long troubled military strategists. Conventional warfare waged against any insurgency is generally unprofitable, an act once described by early counterinsurgency expert Roger Trinquier as like an attempt to kill a fly with a pile driver (Trinquier, p. 4). In 1961, reflecting upon France's failure in Indochina and its impending loss of Algeria, he wrote, "[w]e still persist in studying a type of warfare that no longer exists and that we shall never fight again, while we pay only passing attention to the ... war we are about to lose..." (Trinquier, p. 3). The prescriptions he suggested would horrify most modern readers. In 1964, David Galula concluded his own manual on counterinsurgency warfare by warning, "[w]ith so many successful insurgencies in recent years, the temptation will always be great for a discontented groups, anywhere, to start the operations. They may gamble on the inherent weakness of the counterinsurgent (inherent because of the asymmetry between one camp and the other), they may gamble on support of one side of the world or the other. Above all, they may gamble on the effectiveness of an insurgency-warfare doctrine so easy to grasp, so widely disseminated today that almost anybody can enter the business (David Galula, *Counterinsurgency Warfare: Theory and Practice* (New York/London, Frederick Praeger, 1964,) p. 143). Looking at insurgency more broadly and writing about low-intensity conflicts (which the Israeli author defined as essentially synonymous with insurgent warfare), in 1991 van Creveld stated that "conventional military organizations of the principal powers are hardly even relevant to the predominant form of contemporary war... as an instrument for extending or defending political interests over most of the globe" (van Crefeld, pp. 20, 27). Fear of mutual nuclear destruction had given rise to low intensity conflict as an alternative, he wrote, which would characterize future war and come to threaten the modern states system itself (van Crefeld, pp. 192-223). "As war between states exits through one side of history's revolving door, low-intensity conflict among different organizations will enter through the other... Much as cancer destroys the body by passing from one infected organ to the next, so of all the forms of war low-intensity conflict is the most contagious"(van Crefeld, p. 224). In 2002, also in strategic mode, Philip Bobbitt wrote that "[a]gainst these [insurgent] threats, the nation state is too muscle-bound and too much observed to be of much use. The mobilization of the industrial capacity of a nation is irrelevant to such threats; fielding of vast tank armies and fleets of airplanes is as clumsy as a bear trying to fend off bees"(Philip Bobbit, *The Shield of Achilles: War, Peace and the Course of History* (New York, Alfred A. Knopf 2002) p. 219). David Kilcullen recently wrote of the metamorphosis of modern insurgency into a global threat, complicating the already-daunting work of counterinsurgency (David Kilcullen "Counter-insurgency *Redux*," *Survival*, Volume 48 number 4 winter 2006-07 pp. 111-130). Also see, for numerous examples of changing views on insurgency inspired by battlefield perspectives, *Military Review: Special Edition, Counterinsurgency Reader*, October 2006, U.S Army Combined Arms Center, Fort Leavenworth, Kansas

¹⁶ For a revealing chronology of the gradually increasing danger of Muslim extremist insurgent terrorism, see Timothy Naftali *Blind Spot: the Secret History of American Counterterrorism* (New York, Basic Books 2005).

¹⁷ Here Osama bin Laden's various messages are informative. Bin Laden's November 24th, 2002 "Letter to America" more than adequately makes this point. For a suitable translation, see Paul L. Williams *Osama's Revenge* (Amherst, NY 2004) pp. 9-19. For more al Qaida messages, see Sherifa Zuhur *A Hundred Osamas: Islamic Threats and the Future of Counterinsurgency*, 2005 SSI/AWC Monograph. p. 25-28.

¹⁸ See, for example, the argument of John Cooley *Unholy Wars* (London, Pluto Press 3rd ed 2002).

¹⁹ Private conversation with the author.

²⁰ We were not the first outsiders to attempt to foment radical Muslim militancy for our own ends. In WWI Germany engaged in a strategy of promoting *jihad* among its allies: See Fromkin, pp 109-102. Huntington, in his recipe for continued Western vitality, warns against “intervention in the affairs of other civilizations ... probably the single most dangerous source of instability and potential global conflict in the multicivilizational world.” p. 312.

²¹ Cooley, pp. 101-104; Williams, pp. 53-55.

²² From pastor John Winthrop’s famous 1630 sermon, in which he stressed the importance of leading by good example.

²³ U.S. Vice President Dick Cheney, “Meet the Press” interview with Tim Russert, Camp David Maryland, September 16, 2001.

²⁴ See Stephen Kinzer *Overthrow* (New York, Henry Holt and Co. 2006) pp. 117-128.

²⁵ J. William Fulbright *The Price of Empire* (New York, Pantheon Books 1989) p. 170. In general, Fulbright argues that covert operations against other governments have produced more harm than good.

²⁶ Richard Haas, “Meet the Press” interview with Tim Russert, Washington DC, December 10 2006.

²⁷ In his classic work on counterinsurgency, David Galula wrote eloquently of the power of the insurgent’s cause. For Muslims, the perception of western political structures as illegitimate, of many regional rulers as corrupt, of the injustice of relatively poor development and prospects, and of humiliation at the hands of Israel and the U.S., is adequate to produce a sufficient number of recruits to sustain an insurgency for the foreseeable future. In seeking a counter-cause, there is little the U.S. can do militarily to offset these perceptions. Indeed, there is little we can do immediately to alter Muslim bias through use of any of the instruments of national power. Galula argues that, in the absence of a counter-cause, one way to win over the population is to offer more stability and security. This speaks for more troops in Iraq and offers some hope for defeating the local insurgency. However, globally the extremist Muslim cause will continue to broadly resonate as a result of the perceptions noted until they are addressed or replaced. Moreover, improvement of local security will be difficult when support for the insurgency is drawn from abroad. David Galula, *Counterinsurgency Warfare: Theory and Practice* (New York/London, Frederick Praeger, 1964,) pp. 13-14.

²⁸ See for example the introduction to *The Al-Qaeda Training Manual*, Jerrold Post, Editor, USAF Counterproliferation Center, Maxwell Air Force Base, Alabama, August 2004.

²⁹ Kurt Vonnegut *A Man Without a Country* (New York, Seven Stories Press, 2005), p. 82.

³⁰ Milton Friedman, “Economic Freedom, Human Freedom, Political Freedom,” The Smith Center lecture delivered November 1, 1991, <http://www.cbe.csueastbay.edu/~frlect.html>, accessed 12/6/2006.

³¹ For an overview of U.S. covert operations to weaken Allende, including efforts to undercut the economy, see Kinzer, pp. 170-194.

³² Robert Heilbroner and Lester Thurow *Economics Explained* (New York, Touchstone 1998) p. 24.

³³ Milton Friedman *Capitalism and Freedom* (Chicago, University of Chicago Press, 1962) p. 8.

³⁴ Alexis de Tocqueville *Democracy in America*, Volume 2 (New York, Random House/Vintage Books Edition, 1990) p. 327.

³⁵ Personal observation. See also John F. Burns, "U.S. General Says Jobs and Services May Curb Iraq Violence," *New York Times*, December 13, 2006, p. 20.

³⁶ The figures and data presented here are based on personal records accumulated during the author's work with CPA's Office of Policy, Planning and Analysis in early 2004.

³⁷ This response was reported to the author by high-level CPA officials working in the area of economics and finance.

³⁸ This is referred to in the 2004 National Military Strategy as "Full Spectrum Dominance," see pp. 20-21. In *Hegemony or Survival*, widely read since Venezuelan President Huga Chavez called attention to it in his UN General Assembly speech in the fall of 2006, Noam Chomsky makes a sport of attacking the 2002 National Security Strategy upon which the 2004 NMS is based.

³⁹ 2006 National Security Strategy, introduction.

⁴⁰ 2004 National Military Strategy, p. 1.

⁴¹ Walden Bellow *Dilemmas of Domination: the Unmaking of the American Empire* (New York Metropolitan Books/Henry Holt and Company, 2005) pp.102-104.

⁴² *ibid*, p. 212.

⁴³ Clausewitz, p. 97.

⁴⁴ See, as only one of many examples, Cooper pp. 155-159.

⁴⁵ see Michael Ignatieff *Virtual War: Kosovo and Beyond* (New York, Metropolitan Books/Henry Holt and Company 2000) p. 192, and Cooper, p. 163.

⁴⁶ On another inherent danger, see Ignatieff, pp. 176-184, for a compelling argument on how modern weaponry invites imprudent policy by simplifying war and insulating leaders and the public from its effects.

⁴⁷ The bombing of the UN compound notwithstanding, the question of legitimacy and lack of permissive environment in Iraq have largely held at bay the broad array of NGOs, IGOs and national assistance agencies that typically flow to post-conflict environments, creating a gap in

stabilization and reconstruction efforts that we have been unable to span with primarily U.S. national assets.

⁴⁸ This point is fully elucidated in Robert *Kagan's Of Paradise and Power: America and Europe in the New World Order* (New York, Alfred A. Knopf 2003). Cooper makes a similar and derivative argument in the concluding chapter of *The Breaking of Nations*.

⁴⁹ 2006 National Security Strategy, p. 27.

⁵⁰ Huntington, pp. 207-208 and pp. 281-291.

⁵¹ Mancur Olson *Power and Prosperity: Outgrowing Communist and Capitalist Dictatorships* (New York, Basic Books) pp.195-199.

⁵² The 2006 National Security Strategy places economic issues as chapter VI in its list of priorities.