

The Economics of a Loose Iraqi Federation

Robert Looney*

Those who rule Iraq after Saddam Hussein cannot be envied.¹—Jawad al-Maliki

With mounting sectarian violence and fading American influence in Iraq, suggestions for ways of altering U.S. policy toward Iraq have become something of a cottage industry. At the semi-official level, in March, 2006 Congress created an independent panel, chaired by former Secretary of State James Baker and former Democratic congressman Lee Hamilton, charged with providing the White House and Congress with a fresh assessment of options for Iraq.²

As the panel was getting under way, many proposals were already being put forth from a variety of sources. Because of the stature of its authors, Senator Joseph Biden of Delaware and Council on Foreign Relations President Emeritus Leslie Gelb, and the controversy surrounding its main recommendations one proposal stands out. The Biden/Gelb plan³ calls for the division of Iraq into Shiite, Kurdish and Sunni regions. Those regions would share oil wealth and provide for their own internal security, while leaving foreign policy, border security and oil policy to the central government in Baghdad.

The plan draws on ideas used to ease the bloody conflict among Muslims, Serbs and Croats in Bosnia-Herzegovina in the 1990s. Belatedly, the United States became directly involved in pressing for negotiations that led to the Dayton Accords, which divided the country into ethnic federa-

* Robert E. Looney, Ph.D., is a professor of economics, and Associate Chairman of the National Security Affairs Department at the Naval Postgraduate School in Monterey, CA. He has written twenty books on various aspects of development together with articles appearing in a number of scholarly journals.

¹ Quoted in "Iraq Q2 2006 Report" *NOOZZ.com*, 2006, <www.noozz.com>, 2006, p. 2.

² Formed on 15 March 2006. Cf. <www.bakerinstitute.org> for details.

³ Joseph Biden and Leslie H. Gelb, "Unity Through Autonomy in Iraq," *The New York Times*, 1 May 2005, <www.nytimes.com/2006/05/01/opinion/01biden.html?_r=1&oref=slogin>.

tions where the Muslims, Serbs and Croats could each retain their own armies. After a decade of relative peace, the Bosnian central government has been strengthened and in 2005 the separate armies or militias were disbanded.⁴

Adopting a Bosnian-type solution in Iraq would represent a sharp break from Bush administration policy. The administration and much of the U.S. foreign policy community have persistently pressured Iraqi leaders to establish a unified government and to resist pressures that could possibly splinter the country and bring further instability that insurgents could exploit.⁵

The Biden/Gelb proposal is no doubt based in part on the wide-spread perception that Iraq is already splintering into ethnic enclaves. A new estimate by one of Iraq's vice presidents has put the number of people who have fled their homes to become refugees in Iraq at 100,000.⁶ The Kurdish north is largely independent and Basra, capital of the Shia south is also pursuing an agenda somewhat independent of Baghdad. Moreover there is anecdotal evidence⁷ of significant population movement—with Shias leaving Sunni areas, Sunnis leaving Shia areas, and Kurds (and many professionals of all identities) moving to the relative sanctuary of Kurdistan.⁸ These developments have led Senator Biden to conclude that "The only way to hold Iraq together and create conditions for our troops to responsibly withdraw is to give Shiites, Sunnis and Kurds room to breathe in their own regions."⁹ Others have stressed the need for a period of ethnic separation and healing and that partition does not represent a radical departure:

The partitioning, or rather radical decentralization, of Iraq is under way. This should not necessarily be seen as a problem. Historical Iraq was a place of three semi-independent parts—Kurdish north, Sunni center and Shia south—within the loose framework of the Ottoman Empire. It is the centralized Iraq—starting with Britain's creation of the

⁴Barrie Dunsmore, "A Plausible Plan for Iraq," *The Barre Montpelier Times Argus*, 7 May 2006.

⁵James Gerstenzang, "Biden Offers Alternative Plan for Iraq," *Los Angeles Times*, 2 May 2006, <www.latimes.com/news/nationworld/world/la-fg-usiraq2may02,0,29132.story?coll=la-headlines-world>.

⁶Richard A. Oppel, "100,000 People Are Fleeing Violence, Iraq Official Says," *The New York Times*, 30 April 2006.

⁷Provided in David Enders, "Shiite Exodus from Mixed Towns," *Christian Science Monitor*, 13 April 2006, <www.csmonitor.com/2006/0413/p01s03-woiq.html>.

⁸Gareth Stansfield, "Divide and Heal," *Prospect Magazine*, 122, May 2006, <http://www.prospect-magazine.co.uk/article_details.php?id=7437>.

⁹Joseph Biden, "Decentralize, Don't Divide," *USA Today*, 7 May 2006.

modern state in 1921-23 and reaching its nadir in nearly three decades of Saddam Hussein's dictatorship—that has failed and should be allowed to die.¹⁰

As expected the Biden/Gelb plan has come under wide-spread criticism from a broad spectrum of respected observers. Even if an Iraq dominated by its regions comes to be seen as part of the solution rather than the problem, there are many obstacles in its path. Turkey and Iran are nervous about an even more independent Kurdish north, and Iran might come to dominate the Shia south. Partition would also change the geopolitical balance of the Middle East in unpredictable ways. Some go as far as to contend the Biden/Gelb proposal would surely put Iraq on the path of civil war.¹¹ “This plan is not a silver bullet. And one of the main arguments against the proposal is that it could encourage permanent partition and leave the region in chaos.”¹² The Lebanon experience is often cited as a likely outcome of partition:

- Inter-sectarian violence will remain confined to Baghdad and its immediate surroundings, with the rest of the country controlled by single military/sectarian authorities.
- Baghdad will become divided along almost wholly sectarian lines, like Beirut or Belfast.
- There will be a further large exodus of professional, middle class Iraqis.
- Kurdish leaders will come under intense popular pressures to declare independence over all of Kurdistan plus the oil region of Kirkuk.
- Militia leaders will look for increasing cross-border support, in the shape of funding, arms, training and technical support from their co-religionists in neighboring countries.
- U.S. and to a lesser extent UK action against the militias and their supporters will make them less and less able to act as independent arbiters between the warring factions.
- The fighting will only end as a result of a long period of mutual exhaustion followed by the insertion into Baghdad of some type of outside, and probably international, military force.¹³

¹⁰ Gareth Stansfield, “Divide and Heal,” *Prospect Magazine*, 122, May 2006.

¹¹ Anthony H. Cordesman, “Three Iraqs Would be One Big Problem,” *The New York Times*, 9 May 2006.

¹² Barrie Dunsmore, “A Plausible Plan for Iraq,” *The Barre Montpelier Times Argus*, 7 May 2006.

¹³ “Lebanon Experience Provides Civil War Pointers,” *Oxford Analytica*, 3 April 2006.

Inside Iraq there is the question of whether extensive population movement would be necessary—especially in flashpoints like Kirkuk and Baghdad itself even if partition did not occur. Would Baghdad become another Beirut replete with on-going ethnic violence? Would the movement toward civil war occur even if the Biden/Gelb image of Iraq's future does not materialize? There are strong opinions on all of these issues and credible defenders of each view. Basically, those in favor of semi-autonomous regions argue that it is the only way to end sectarian violence and bring stability to Iraq. Opponents believe that it would simply lead to new and dangerous challenges for the U.S. including the possibility that al-Qaeda would find it easier to build new bases in a partitioned Iraq. The debates go on and on.

There are elements of fact in both these lines of argument. For the proponents of the Biden/Gelb proposal, the new Iraqi constitution allows for the establishment of self-governing regions. For the opponents, this was one of the reasons the Sunnis opposed the constitution and why they demanded and won an agreement to review it after the formation of a new government. Here again controversy arises:

Biden proposes the U.S. overcome the problem posed by the Sunni insurgency through bribery. He is calling for the rewriting of Iraq's constitution to mandate the allocation of 20 percent of the revenue from existing and new oilfields to the Sunni region. This, he seems to think will be enough to buy off a section of the Sunni guerillas and undermine the resistance.¹⁵

Whether or not the Sunnis can be that easily bought off is certainly open to question. On the other hand, many aspects of the Biden/Gelb plan are already in motion—as always in Iraq, how things will play out will largely come down to oil:

In the political remaking of Iraq, however, authority is being localized and federalized, and growing differences in economic expectations are emerging among Iraqis. The variations among the three major ethno-sectarian groups play a significant role in Iraq's economic development and will continue to do so until these differences are resolved. The division pertains to whether oil revenues should be allocated at the national, federal, or local level.¹⁵

One of the puzzling phenomenons that occurs over and over again in the

¹⁴James Cogan, "US Democrat Biden Advocates the Communal Break-up of Iraq," *World Socialist Web Site*, 9 May 2006, <www.wsws.org/articles/2006/may2006/bide-m09_prn.shtml>.

¹⁵Onur Ozlu, "Iraqi Economic Reconstruction and Development," *Center for Strategic and International Studies*, 21 April 2006, <http://www.csis.org/media/csis/pubs/060421_onuri-raqireconstruct.pdf>, p. 44.

Iraqi policy arena is the tendency for U.S. policy makers, academics and various interest groups to put forth proposal after proposal apparently without taking into account how it will be received by the Iraqis. Most of the existing economic framework in Iraq consists of a number of decrees laid down by the Coalition Provisional Authority with no input from significant segments of Iraqi society or the business community.¹⁶ At first glance, the Biden/Gelb plan seems to fall in this category.

Yet because Iraq appears to many to be moving toward a loose federation in any case the Biden/Gelb plan may represent an acceptable state of affairs if the oil issue can be resolved. In this regard, what are the principal expectations of the main ethnic groups in Iraq? What are the positions of the various Iraqi groups with regard to oil? In the context of an Iraqi federation might certain distribution schemes for oil revenues prove superior to others in balancing Iraqi needs for social justice with those of reconstruction and growth? Are there viable alternatives to the Biden/Gelb plan that if implemented could achieve the same general objectives with much less risk of dislocation and instability?

Proposal Specifics

The proposal comes down to five key elements:

The first is to establish three largely autonomous regions with a viable central government in Baghdad. The Kurdish, Sunni and Shiite regions would each be responsible for their own domestic laws, administration and internal security. The central government would control border defense, foreign affairs and oil revenues. Baghdad would become a federal zone, while densely populated areas of mixed populations would receive both multi-sectarian and international police protection.

The second element would be to entice the Sunnis into joining the federal system with an offer they couldn't refuse. To begin with running their own region should be far preferable to the alternatives: being dominated by Kurds and Shiites in a central government or being the main victims of a civil war. But they also have to be given money to make their oil-poor region viable. The Constitution must

¹⁶ Cf. Robert Looney, "Iraq's Economic Transition: The Neoliberal Model and Its Role," *The Middle East Journal* 57:4 (Autumn, 2003), pp. 568-587; and Robert Looney, "The Viability of Shock Therapy in Iraq," *Challenge* 47:5 (September-October, 2004), pp. 86-103.

be amended to guarantee Sunni areas 20 percent (approximately their proportion of the population) of all revenues.

The third component would be to ensure the protection of the rights of women and ethno-religious minorities by increasing American aid to Iraq by tying it to respect for those rights. Such protections will be difficult, especially in the Shiite-controlled south; Washington must make it clear that widespread violations will stop the cash flow.

Fourth, the president must direct the military to design a plan for withdrawing and redeploying out troops from Iraq by 2008 (while providing for a small but effective residual force to combat terrorists and keep the neighbors honest). We must avoid a precipitous withdrawal that would lead to a national meltdown, but we also can't have a substantial long-term American military presence.

Fifth, under an international or United Nations umbrella, we should convene a regional conference to pledge respect for Iraq's borders and its federal system. For all that Iraq's neighbors might gain by picking at its pieces; each faces the greater danger of a civil war. A "contract group" of major powers would be set up to lean on neighbors to comply with the deal.¹⁷

The Biden/Gelb plan can be characterized as a "third way" that would give each of the major ethnic and religious groups in Iraq broad authority to run local affairs. The main economic component of the plan is the 20 percent of oil revenue pay-out to the Sunnis (presumably based on that group's share of the total population). How this would be distributed is a bit unclear, especially to those Sunnis living in "mixed" areas such as Baghdad, a city of some six million people. The same is true to a lesser extent in many of Iraq's other cities.

Although not explicitly stated, the Biden/Gelb plan may also be aimed at arresting the splintering of Iraq already under way. As violence continues to disrupt daily life, the country is dividing into a patchwork of smaller, semi-autonomous regions. Sadr City, a Shia district of Baghdad, has long been under the effective control of the Mahdi Army. In April 2006,

¹⁷Joseph Biden and Leslie H. Gelb, "Unity Through Autonomy in Iraq," *The New York Times*, 1 May 2005, <www.nytimes.com/2006/05/01/opinion/01biden.html?_r=1&oref=slogin>.

Adhamiya, A Sunni district of the capital broke away after gunfights between the Iraqi army and residents, who claim they were simply defending themselves against an authority that they do not trust. A ceasefire agreement stipulated that government forces would stay out of the area in the future leaving Adhamiya to govern itself.¹⁸

The patchwork of urban ethnic regions has led one critic of the Biden/Gelb plan, Anthony Cordesman to note that "There has never been a meaningful census of Iraq that show exactly how its Arab Sunnis, Arab Shiites, Kurds and other factions are divided or where they are located. Recent elections have made it clear, however, that its cities and 18 governorates all have significant minorities and any effort to divide the country would require massive relocations."¹⁹

Clearly, the dissolution of authority from political institutions into the hands of individual communities is the biggest danger facing Iraq and one of the major challenges to the success of any plan along the lines proposed by Biden/Gelb.

Strengths of the Biden/Gelb Plan

The main strength of the Biden/Gelb plan lies in its acknowledgment of the widening gap in expectations, living standards and security between the key Iraqi groups—the Shia, the Sunnis and the Kurds. These patterns have been documented at length. A recent internal staff report²⁰ by the United States Embassy and the military command in Baghdad²¹ shows differing regional patterns roughly consistent with the country's ethnic groupings.

In terms of governance, security and the economic situation, Iraq's provinces can be classified as follows:

Stable Provinces:

- A fully functioning government;
- Strong economic development that supports job creation; and
- A semi-permissive security environment where local security forces maintain the rule of law.

¹⁸ "Politics," Iraq Q2 2006 Report, *NOOZZ.com*, 2006, <www.noozz.com>, p. 3.

¹⁹ Quoted in Martin Sieff, "Expert Opposes Iraq Partition," *United Press International*, May 1, 2006.

²⁰ Originally brought to light in Eric Schmitt and Edward Wong, "U.S. Study Paints Somber Portrait of Iraqi Discord," *New York Times*, 9 April 2006.

²¹ Provincial Stability Assessment, 31 January 2006.

Moderate Provinces:

- A government that functions, but has areas of concern in areas such as the ability to deliver services, the influence of sectarian elements, etc.;
- An Economy that is developing slowly, but in which unemployment is still a serious concern; and
- The security situation is under control, but where conditions exist that could quickly lead to instability.

Serious Provinces:

- A government that is not fully formed or that is not capable of serving the needs of its populace;
- Economic development is stagnant with high unemployment; and
- A security situation marked by routine insurgent activity, assassinations and extremism.

Critical Provinces:

- A government that is not functioning or not formed or that is only represented by a single strong leader;
- An economy that does not have the infrastructure of government leadership to develop and is a significant contributor to instability; and
- A security situation marked by high levels of insurgent activity, assassinations and extremism.

Overall, *six* of Iraq's eighteen provinces were rated "serious" and one "critical" (Table 1). On the economic dimension seven provinces were considered "serious" and one "critical." Only the Kurdish region rated stable overall and across governance, security and the economy.

For the most part, a serious economic situation was associated with a similar state of affairs in the security area. High unemployment, deficient infrastructure and the lack of a coherent economic plan or program at the regional level were the main characteristics associated with poor economic performance.

The report contains a number of dire warnings. Of particular concern is the growing power of Iranian-backed religious Shiite parties and rival militias in the south. The Arab-Kurdish fault line in the north is also a major concern with the two ethnicities vying for power in Mosul, where violence is rampant and Kirkuk, whose oil fields are critical for sump-starting eco-

nomic growth in Iraq.

As Schmitt and Wong note; "The patterns of discord mapped out by the report confirm that ethnic and religious schisms have become entrenched across much of the country. Those indications, taken with recent reports of mass migrations from mixed Sunni-Shiite areas, show that Iraq is undergoing a de facto partitioning along ethnic and sectarian lines, with clashes taking place in those mixed areas where different groups meet."²²

To their critics Biden and Gelb have noted that "Ethnic cleansing and de facto partition have already begun, and that regionalism—however complicated to carry out—may be the last resort to stop these horrors."²³

Varying Expectations

With ethnic strife always in the background, the various ethnic groups also exhibit a consistent pattern of varying perceptions over the U.S. presence in Iraq. One ABC survey of Iraqis interviewed in late 2005 found that:

Only 44 percent of Iraqis say they believe things are going well in their country; 52 percent said they felt the country was "doing badly." Support for the U.S.-led invasion has dropped: In February 2004, 39 percent of Iraqis told us they believed the invasion was wrong, but today that number stands at 50 percent. Even among optimistic Iraqis it appears the U.S. gets little credit for any improvements in their lives. Fewer than one in five Iraqis believes that U.S. reconstruction efforts have been "effective." Most Iraqis now say they "disapprove strongly" of how the U.S. has operated in Iraq. Not surprisingly, the percentage of Iraqis today who oppose the U.S. presence has spiked—from 51 percent to 65 percent.

Virtually all signs of optimism vanish when one is interviewing Iraq's Sunni Muslims. There's more on this in the Local Government section of the report; suffice for now to cite a pair of poll results. While 54 percent of Shia Muslims believe the country is in better shape than it was before the war, only 7 percent of Sunnis believe the same. Optimism about security—80 percent of Shias and 94 percent of Kurds say they feel safer -- is absent among Sunnis. Only 11 percent of Iraq's Sunni Muslims say they feel safer than they did under Saddam.

At the heart of the "collapse" scenario is a litany of dashed hopes. Many Iraqis cannot understand why—two-and-a-half years after the Americans arrived—electricity and sewage are not more reliable, why more reconstruction projects have not reached their

²² Eric Schmitt and Edward Wong, "U.S. Study Paints Sombre Portrait of Iraqi Discord," *New York Times*, 9 April 2006.

²³ Joseph Biden and Leslie H. Gelb, "The Future of Iraq, Seen from Different Angles," *The New York Times*, 11 May 2006.

neighborhoods, why corruption remains so prevalent and why their local (and in many cases democratically elected) officials have not changed things for the better.”²⁴

These survey results were not unique. Another respected poll undertaken in the first week of January 2006 (Table 2) found a sharp split between Kurds, Shiites and Sunnis over the U.S. aid efforts in Iraq. Over the various categories of U.S efforts, 38 percent of the Kurds expressed approval, falling to 30.3 percent for Shi’ites and 4.7 percent for Sunnis. The corresponding figures for disapproval were 11.3 percent, 14.8 percent and 77.7 percent.

Despite the large number of public opinion polls, little consideration seems to have been given to the public’s preference for the manner in which the country’s oil wealth might be distributed. However, to a certain extent the country’s new Constitution incorporates the preferences of the Kurds and Shia, the Constitution’s principal drafters.

The Sharing of Oil Wealth

The sharing of oil wealth in Iraq has traditionally been managed and controlled by the central government, with almost no local control over the resources.²⁵ This has changed dramatically with the passage of the new Iraqi Constitution. The critical question is whether or not the Biden/Gelb plan for oil revenue sharing is superior to the status quo, or alternative schemes for revenue sharing.

Constitutional Provisions

In fact, perhaps of all the articles in the Constitution those relating to oil have been the most contentious.²⁶ The key provisions are outlined in Articles 109 and 110.²⁷

Article 109: Oil and gas is the property of all the Iraqi people in all the regions and provinces.

²⁴ “Fourth Installment of Where Things Stand in Iraq,” ABC News, 12 December 2005, <<http://abcnews.go.com/International/print?id=1378209>>.

²⁵ Onur Ozlu, “Iraqi Economic Reconstruction and Development.”

²⁶ For a detailed discussion of the economic aspects of the Iraqi Constitution see Robert Looney, “Economic Consequences of the New Iraqi Constitution,” in *Gulf Yearbook 2005-2006* (Gulf Research Center, 2006), pp. 365-382.

²⁷ The following Articles from the Iraqi Draft Constitution are taken from the translation provided by the Associated Press.

Article 110: 1st: The federal government will administer oil and gas extracted from current fields in cooperation with the governments of the producing regions and provinces on condition that the revenues will be distributed fairly in a manner compatible with the demographic distribution all over the country. A quota should be defined for a specified time for affected regions that were deprived in an unfair way by the former regime or later on, in a way to ensure balanced development in different parts of the country. This should be regulated by law.

2nd: The federal government and the governments of the producing regions and provinces together will draw up the necessary strategic policies to develop oil and gas wealth to bring the greatest benefit for the Iraqi people, relying on the most modern techniques, market principles and encouraging investment.

Article 110 clarifies that revenue-sharing will be based on needs as well as demography, reflecting the region's "duties and obligations, and taking into consideration the [region's] resources and needs."

The wording of Article 110 hints that exploration and development strategies will be undertaken in partnership with the regions. Article 109 does not exclude foreign ownership of upstream oil industry assets, though most senior oil officials are not in favor of this level of foreign investment. Presumably, the details of hydrocarbon development policy will be left to national and regional legislatures.²⁸

The Constitution's treatment of oil production and revenues present a number of unattractive scenarios to the Sunnis, and it is easy to see why they have been quite opposed to the new charter. Specifically they are concerned with the creation of a federal system where they are at a major financial disadvantage vis-à-vis the Kurds and Shiites. In this regard, the Constitution defines a "region" as one or more provinces that choose by referendum to form a region. A referendum can be called fairly easily: either by one third of the members in the relevant provincial councils or by one-tenth of the voters in these provinces. Moreover, two or more regions have the right to create a single larger region. "Here the Sunni nightmare in plain black and white: The Kurds are allowed to form a single supra-region in the oil-rich north, the Shiites to form theirs in the oil-rich south, while the Sunnis are left in the oil-dry center."²⁹ Clearly the

²⁸ "Draft Constitution Has Strongly Federal Theme," *Oxford Analytica*, 30 August 2005.

²⁹ Fred Kaplan, "Articles of Consternation: Iraq's Infuriatingly Vague Constitution," *Slate*, 23 August 2005.

Sunnis fear that the Kurds and Shiites will create their own super-regions which will dominate Iraqi politics and economics.

As noted above, Article 110 addresses the resulting inequities by declaring that revenue from oil and gas extraction will be fairly distributed through the country according to need. However this section, Article 110, refers only to revenue from "current" oil and gas fields not from the vast untapped wells. Sunnis fear they will see little revenue derived from new wells brought on line in the future. As the Constitution stands the regional states are delegated authority over all new fields and therefore control over the negotiation of exploration contracts and the bulk of revenues derived from future production.

Article 110 suggests that the Sunni areas could be disadvantaged for some time on the ground that the Shia south and Kurdish north suffered chronic underdevelopment during the Saddam era. The exact formula for revenue-sharing will be fluid and shaped by Iraq's national parliament where the Sunnis are likely to be a distinct minority.

A major concern expressed by many analysts and Iraqi experts is that the Constitution, as worded, could lead to several autonomous zones under which a central government in Baghdad would not have complete control over oil resources:

Unless there is some central control, like a national oil company, there is going to be chaos, especially if preference is given to regional laws that would override federal laws.—*Muhammad-Al Zainy, senior energy economic analyst, Center for Global Energy Studies, London.*

I am against federalism, it will not be good for the oil sector. It will only put it back instead of developing it.—*Shamkhi Faraj, director general of Economics and Oil Marketing.*

The governorates are hardly able to take care of their local affairs let alone run an industry and negotiate contracts. I am certain that oil companies have been taken aback by this.—*Saadallah Al-Fathi, former senior Iraqi oil official.*

The constitution does not have a clear, detailed or mature vision about the issue of oil. This is a recipe for chaos. We will not only lose central decision making in the process but also the question of legislation. Companies will face huge legal problems. If they sign with a political entity, their contract may not be protected in the long term.—*Mustfa Alani, Gulf Research Council.*

Optimists say in the long term, a decentralized government could lead to faster development of Iraq's oil and gas fields. However, Sunni dissatisfaction with the Constitution could agitate the insurgency further and keep

foreign investments at bay. In that case, only the Kurdish region, which has been spared the security problems characteristic of the rest of Iraq, would be able to attract foreign companies to invest in developing its oil and gas fields, provided of course that they were able to convince investors that it would be possible to get the oil to market—a task that has proven very difficult to date given the vulnerability of pipelines.

A good case can be made that as it stands the Constitution's treatment of the ownership and distribution of oil resources and revenues has the potential to contribute to the country's economic instability. In this regard the Biden/Gelb proposal of a sharing formula for the Sunnis is definitely an improvement. The key issues here involve translating this formula into something operational—how would the money be allocated to Baghdad where there are large numbers of all three ethnic groups. Are there alternative formulas that would alleviate ethnic strife and provide positive support for the country's reconstruction and development better than the Biden/Gelb proposal?

Ethnic Goals and Preferences

The sharing of oil wealth in Iraq has traditionally been managed and controlled by the central government, with almost no local control over the resources. Under the new Constitution, Iraq's authority is being localized and federalized at the same time. The resulting differences in economic expectations among the Shiites, Kurds and Sunnis will continue to play a significant role in Iraq's economic development until such time as an acceptable resolution for all can be agreed upon.³⁰ A closer look at the expectations of each group may provide insights as to alternative oil policies that might be acceptable to all concerned.

The Kurds

The ideal situation for the Kurds is independence. This goal is not realistic given the strong opposition from Iran, Turkey and Syria; however, the Kurds can gain a degree of autonomy in Iraq. While parts of Iraq are becoming increasingly more Islamic, the relatively secular Kurds are working quietly to consolidate and extend the autonomy they have enjoyed since 1991.³¹ Since the Kurdish Peshmerga already has de facto military control, funding for the region is currently the main issue at stake. This

³⁰ Onur Ozlu, "Iraqi Economic Reconstruction and Development."

³¹ James Brandon, "Kurds Quietly Angle for Independence," *Christian Science Monitor*, 26 April 2006.

inevitably comes down to control of oil.

The Kurds are the dominant population in the north, where some of Iraq's significant oil fields are located, and they want to consolidate their hold. A long running dispute regards the status of Kirkuk, which sits on the majority of the area's proven reserves. The population is a mixture of Kurds, Arabs and Turkmen, but the Kurds claim it as their capital. The issue is far from resolved. Ibrahim al-Jaafair, the former Iraqi prime minister, was opposed to the inclusion of Kirkuk in the Kurdish Regional Authority; this was said to be a major reason for the Kurdish Alliance withdrawing its support for him, leading to his removal.

Meanwhile, within the territory that they do control the Kurds have been very active in pursuing the development of local resources. Hostile public opinion in the south has largely prevented the central government from signing deals with foreign oil companies. However, the Kurdish Regional Government (KRG) has encouraged prospecting by foreign firms. A secret deal was signed in early 2004 with Norway's Det Norske Oljeselskap (DNO), allowing it to drill within a 3,900 square kilometer region near the Turkish border.³²

During the drafting of the constitution in 2005 the Kurds made sure that the wording of the document provided them permission to sign such deals without Baghdad's authority. The hope was of course that the revenues generated from these deals could provide greater economic and thus political independence from Baghdad.³³ With the document signed and ratified NDO began drilling in November 2005.

DNO discovered oil in early April 2006 and has indicated that it will be producing commercially by the beginning of 2007. Several other companies have now signed contracts: Western Oil Sands and Heritage Oil of Canada, Petoil and General Energy of Turkey and Woodside of Australia are among them.³⁴ In order to manage all these interests, the KRG has taken another step independent of Baghdad; it has announced the establishment of its own Ministry of Oil.

While turning a de facto situation in Kurdistan into a legitimate state, the implications of these oil deals for the rest of Iraq are more significant. Clearly the role of the federal government in oil matters has been margin-

³² Vivienne Walt-Tawke, "The Race to Tap the Next Gusher Kurdistan is Rich in Oil Resources, and the Kurds are Ready to Deal: But Global Giants have been Aced Out by a Small Norwegian Outfit," *Time International* 167:17, 24 April 2006, p. 43.

³³ James Brandon, "Kurds Quietly Angle for Independence."

³⁴ "Iraq: Q2 2006 Report," *NOOZZ.com*, 2006, <www.noozz.com>, p. 9.

alized. In addition, the powers of the Shiite oil producing region in the south are more likely to grow. At the moment there are two producing governorates in the south, Basra and Missan. However, other governorates have non-exploited oil fields such as Nasiriyah, which contains the Gharraf oil field. According to the Constitution those governorates can set up regions and become semi-autonomous like the region of Kurdistan.³⁵ Many in Baghdad are concerned that the authorities in the south will follow the Kurds and try to control their oil wealth in a similar manner, starving the central region of income.

Some Shia are open to this, but the Sunnis want a share of Kurdish oil. The Sunnis ultimately will not participate in an arrangement in which the Shia and Kurds draw oil wealth directly but in which the Sunnis have access to it only after it is disbursed through the central government. Had the Sunnis not fought so tenaciously, they perhaps could have been ignored. Ignoring them now is dangerous. Therefore the issue for the Kurds is precisely how much they will have to share with the Sunnis.³⁶

The Shia Arabs

The Shia are fragmented and as a result have a complex agenda. However, two over-riding priorities are present. First, the Shia do not want the Sunnis to return to a dominant political position in Iraq. Second, they want to be in a position to control Iraq's oil economy and the various industries that support it.³⁷ With the on-going Sunni insurgency, however, the Shia have had to face the possibility of either perpetual and uncertain civil war or accept the idea of Sunni participation in the government.

The Shia had already abandoned the idea of complete control of Iraq's oil when they entered into an alliance with the Kurds. It was not clear who would control the northern oil regions, but it was not going to be the Shia. With the entry of the Sunnis into the government, the Shia accepted the idea that they would lead but not control the Iraqi government. Therefore, their position on oil became a regional rather than national position. For the Shia, the key now is to guarantee that a substantial portion of southern oil wealth remains under Shiite control and is not simply controlled by the government.

³⁵ Ibid.

³⁶ George Friedman, "Iraq: If Not Now, When?" Stratfor Geopolitical Intelligence Report, 2 May 2006.

³⁷ The following assessment of the position of key Iraqi groups draws on George Friedman "Iraq, If Not Now, When?" Stratfor Geopolitical Intelligence Report, 2 May 2006.

These considerations translate into several key political and economic goals for the Shia:

- Creating an Islamic political structure.
- Having a new Iraq that is federal
- Treating oil revenues locally rather than nationally (where oil money is retained by local governments other than Baghdad).³⁸

While the Shia desire for an Islamic Iraq is opposed by many secular Kurds, it is important to note that the economic interests and future economic expectations, as noted in some of the surveys summarized above, of the Kurds and the Shia mostly converge, and that this is particularly true in the case of federalism.

The Sunnis

The Sunnis have gone from being the dominant power in Iraq to being a minority ethnic group and the only one of the three with no oil clearly in their territory. At the same time their insurgency has achieved what it was designed to do: the Sunnis have not become an irrelevant force in Iraq.

The Sunni political economy has one major objective—keep the oil revenues national. However, Sunni problems go far beyond this objective. They no longer will receive a disproportionate amount of revenue simply based on their loyalty. State investment and infrastructure spending will be much lower if the Sunnis receive only the share merited by their percent of the population (perhaps even less if a strict adherence to the constitution is followed). Preferential hiring in government jobs, the military and security services will end. There will be no jobs in Iraq's now vanished military industries.³⁹

The interests of the Sunnis are relatively simple. First, they want to participate in the Iraqi government. Second, they want a share of Iraq's oil income and a degree of control over the northern oil fields.

There are projections for possible outcomes if the oil revenues are completely decentralized. A rich and almost independent Iraqi Kurdistan, a wealthy and Islamic Shia south, and an underdeveloped Sunni center tied together under a loose federation is one of these projections. Whatever the real consequences may be, the sharing of the oil wealth must be addressed. Ambiguity over the only real economic resource capable of bringing liquidity to the country in the immediate near future is causing a loss of poten-

³⁸ Onur Ozlu, "Iraqi Economic Reconstruction and Development."

³⁹ Ibid.

tial income and an unbalanced shift of economic power within the country.⁴⁰

As noted above, the Biden/Gelb plan advocates allocating 20 percent of all revenues to the Sunni. This would require a Constitutional amendment, but in their view it would be a small price to pay for peace and prosperity in Iraq. Anthony Cordesman for one is skeptical of any oil sharing formulas along the lines suggested by Biden/Gelb:

More than 90 percent of Iraq's native government revenues come from oil exports. The Sunni Arab west has no present oil revenues. The Kurds want the northern oil fields, but have no real claim to them and no secure way to export. The Shi'ite south is also divided, with the Shi'ites in Basra talking about their own area separate from many other Shi'ites who would control the oil in the south.

Once a nation effectively divides so does its major resource and in ways that make the territorial losers in non-oil areas effectively dysfunctional. The central government cannot preside over a divided nation and hope to control oil and the nation's infrastructure and export facilities at the same time. This leaves the "losers" with little choice other than further conflict.⁴¹

Cordesman concluded that partitioning Iraq would create "a violent power vacuum in an already dangerous region." This result he argued "is not a strategy, it is simply an abdication of both moral responsibility and the national interest."⁴²

This dire assessment is shared by James Cogan who notes that:

Every major city and town of Iraq has residents of differing ethnic and religious backgrounds. If statelets were created on Biden's ethno-religious criteria, it would inevitably lead to Shiites fleeing or being driven from the Sunni region; Sunnis from the Shiite areas; and Arabs from the Kurdish north... The implications of Biden's plan for the six million people who live in Baghdad are horrifying. The millions of Shiites who live in the capital—which Biden proposes should be declared a "federal zone"—would be surrounded by a Sunni region from where extremists would be able to launch sectarian attacks. The consequences would be reprisals and counter-reprisals.⁴³

Even more telling, it is not at all clear the Iraqi people want partition

⁴⁰ Onur Ozlu, "Iraqi Economic Reconstruction and Development," p. 46.

⁴¹ Anthony H. Cordesman, "Dividing Iraq: think Long and Hard First," *Center for Strategic and International Studies*, 1 May 2006, <http://www.csis.org/component/option,com_csis_pubs/task/view/id,3186/type,1/>.

⁴² Ibid.

⁴³ James Cogan, "US Democrat Biden Advocates the Communal Break-up of Iraq," *World Socialist Web Site*, 9 May 2006, <<http://www.wsws.org/articles/2006/may2006/bide-m09.shtml>>.

along the lines proposed by Biden/Gelb. A recent poll⁴⁴ released by the International Republican Institute (IRI) revealed that 45 percent of Iraqis favor the formation of a unity government. With concern growing over the present security situation, 48 percent of Iraqis believe security should be the number one priority of the new government and 80 percent believe armed militias make Iraq more dangerous and should be abolished. As Iraq's police and military become better trained and more professional, 87 percent prefer that their safety be ensured by a national force versus 10 percent who prefer specific militias.

Iraqis also recognize they face many tough issues as part of national reconciliation. Topping the list of issues were federalism and sectarianism with 16 percent listing one or the other as their first choice—13 percent listed sectarianism as their second choice and 11 percent listed federalism.⁴⁵

While Cordesman's and Cogan's critiques of the Biden/Gelb plan are compelling, neither provides any specific guidance as to resolving the country's ethnic and revenue allocation dilemmas. Providing a way can be found to equitably share the oil revenues in the context of unclear ethnic boundaries, especially in urban areas, might the country be able achieve recovery and growth without resorting to partitioning? The above discussion of the expectations of the country's main ethnic groups provides some insights as to what might be a satisfactory sharing arrangement.

A Direct Distribution Approach

As the surveys of Iraqis cited above suggest, perhaps the hardest legacy of reconstruction efforts to date to overcome is that of failed expectations:

...many Iraqis believed that one of the benefits of the U.S. invasion—to be balanced against its many costs—would be real economic development that would put them in the same league as many of the East Asian countries, or at least the South American states. While most Iraqis always had exaggerated expectations of what the U.S. invasion might accomplish in this area, what they have gained to date has fallen so far short of their expectations that many of them question whether the Americans really know what they are doing or, worse, still whether the Americans are purposely denying Iraq the economic prosperity that they believe the Bush Administration promised..... A dramatic divergence between expectations and reality inevitably breeds anger and frustration. Indeed, this is exactly what has fueled the growth of Salafi Jihadist terrorist

⁴⁴ "New Poll Finds Iraqis Favor a Unity Government to Lead the Country," *International Republican Institute*, 27 April 2006, <<http://www.iri.org/04-27-06-IraqPoll.asp>>.

⁴⁵ Ibid.

groups like al-Qa'ida throughout the Islamic world, where many are deeply unhappy over their lot given where they believe it ought to be.... In part, it is this expectations gap that could drive Iraq to civil war if reconstruction is seen as continuing to fail.⁴⁶

The critical question is what can be done to break out of the current vicious circle pulling Iraq toward increased chaos and civil war? Thomas Palley⁴⁷ for one has argued that the country's current needs are so pressing that a significant share of oil revenues should be disbursed to the population immediately. His tentative figure was that 25 percent of revenues be distributed although his figure is amenable to change.

In addition, he proposes the establishment of a companion fund that would distribute a share of oil revenues to provincial and local governments. This second fund is intended to ensure a fair regional distribution of revenues, thereby reducing the potential for regional grievances, which as noted have led to civil war in several countries and certainly could lead to one in Iraq.

The value of a distribution fund along the lines suggested above is that it has the potential through reorienting the economy from the foreign investment/export orientation to that of developing the domestic market to enable the economy to break out of the vicious circle of high unemployment-increased violence-insignificant private investment-low incomes and high unemployment. Moreover, it is likely that diverting funds from the public to the private sector will provide an improved over-all policy environment. As Palley notes:

Moreover, government may lack the capacity to effectively absorb and dispense these revenues in a welfare maximizing fashion. Under such conditions shifting toward decentralized absorption is desirable. This can be done by distributing oil wealth to the people and letting them spend it on what they deem is needed for their welfare. Economic development surely involves the accumulation of public capital and infrastructure, and this requires government investment. But economic development also requires the accumulation of private capital based on the decentralized decisions of individuals. Putting extra money into the hands of individuals can help this process.⁴⁸

The logical argument against an oil distribution fund with a large share of oil revenues dispensed directly to the public is whether the country can

⁴⁶ Kenneth M. Pollack, "A Switch in Time: A New Strategy for America in Iraq," *The Brookings Institution*, 15 February 2006, <http://www.brook.edu/fp/saban/analysis/20060215_iraqreport.pdf>, p. 106.

⁴⁷ Thomas I. Palley, "Combating the Natural Resource Curse with Citizen Revenue Distribution Funds: Oil and the Case of Iraq," Special Report, *Foreign Policy in Focus*, December 2003, <<http://www.fpif.org/pdf/papers/SRordf2003.pdf>>.

⁴⁸ Ibid. p. 9.

afford such a program.⁴⁹ As we have seen the reconstruction costs in Iraq are enormous and with the United States severely limiting its expenditures in Iraq there will be a large funding shortfall.

Here it is important to note that the so called funding shortfall is a contrived number. It is based on the assumption that funds are being diverted from projects with maximum impact and/or rates of return to activities of little economic importance. Given the high costs of these projects due to security costs, foreign staffing and the like together with the limited effectiveness of many this shortfall is largely illusory.

In any case, the true test of the expenditure of scarce resources in Iraq should be the total contribution to political and economic development. Expenditure patterns that contribute to the avoidance of the resource curse are likely to be the most productive for the country's eventual recovery and growth. An oil distribution fund is the best way to ensure that outcome. It stands to raise political engagement and improve democracy, reduce government corruption, and reduce the likelihood of civil conflict by diminishing cause for regional grievance. An oil distribution fund also promises to accelerate private sector economic development through a process of demand led growth. And, as the supply side of the economy grows this can provide the tax base needed to fund public infrastructure.⁵⁰

Finally, one area of investment critical to the country's future is the oil sector. Iraqi goals for the sector are to triple current production levels within ten years at an estimated investment cost of \$20 billion.⁵¹ Clearly much of this will have to be foreign investment or financed through borrowing. Iraqi oil in the ground can be used as collateral for such borrowing, but this should still leave current oil revenues free for distribution. Thus investment in the oil industry if appropriately financed is not inconsistent with the creation of an oil distribution fund of the magnitudes outlined above.

Summing up, in addition to the obvious popularity of a direct distribution fund, its great strength lies in the prospect of the establishment of a virtuous circle of demand led growth (Figure 1) as opposed to the current vicious circle of increased violence, stagnant investment and economic decline. Most importantly, it would certainly help in overcoming the serious expectations gap and its associated disruptive effects. There also would

⁴⁹ This section draws on Robert Looney, "Can Iraq Overcome the Oil Curse?" in *World Economics*.

⁵⁰ Palley, "Combating the Natural Resource Curse."

⁵¹ "Iraqis Ponder How to Manage their Oil Wealth," *NOOZZ.com*, 1 October 2005, <www.noozz.com>.

be many tangible benefits associated with a disbursal program of this type, each of which can play an important role in the country's recovery:

1. The Iraqi people would have increased incentive to protect the country's oil facilities by providing intelligence on insurgent groups attempting to disrupt the production and flow of oil.⁵²
2. It might even help stem the insurgency, especially if much of that activity is driven by Sunni fears that they will receive considerably less than their accustomed amount under the new Constitution;
3. Men and women would receive equal distributions.
4. It would establish an irrevocable personal identity under the law—essential for establishing titled property rights, bank accounts, human rights protection, voter lists and taxpayer lists.
5. It would expand banking and credit access for small and medium business.
6. It could help offset public resistance to gas price increases which will be needed to cut back oil smuggling. A related benefit is that it would also greatly help the government cut back on gas subsidies which currently amount to billions of dollars a year.
7. Without equitable distribution of oil revenues, competition among various groups for oil money could turn ugly and, even erupt to violent conflict in Iraq. Rifts over oil revenues already run deep, as Iraqi Kurds, Arabs, and Turkmen struggle for control of oil-rich Kirkuk.⁵³
8. Citizens eligible for fund payouts would have an incentive to monitor the government and participate in the political process to guard the value of their entitlement.
9. A related effect is that oil funds are likely to encourage efficiency in the petroleum sector. Since the size of payments to citizens will depend on the efficiency of the oil industry, this should contribute to political pressure to improve efficiency.
10. Oil funds are expedient—rather than the long time intervals needed to improve government accountability and anti-corruption drives, they can be put in place immediately. They are doubly desirable when governance is weak, and the need for institutions to handle oil revenues is immediate.

⁵² Gordon O.F. Johnson, "Iraq's Oil Revenues Should Empower the People," speech, Heritage Foundation 3 June 2004.

⁵³ "Protecting the Future: Constitutional Safeguards for Iraq's Oil Revenues" Report No. 8, *Iraq Revenue Watch*, May 2005, <<http://www.iraqrevenuewatch.org/reports/052605.pdf>>.

Conclusions

In a powerful critique of the Biden/Gelb plan, Gary Sick,⁵⁴ a former National Security Council staffer during the Ford, Carter and Reagan administrations, expressed concerns over “how the weak Iraqi central government outlined by Biden/Gelb could prevent sectarian fighting, defend women and minorities, ensure an even distribution of oil resources, terminate the pernicious role of militias, and avoid regional interference in Iraq’s affairs. He concluded that it simply could not, while the autonomous regional governments would likely make matters worse in pursuing their parochial interests. It would be up to the U.S. to resolve and regulate sensitive issues, undermining a principal Biden and Gelb goal, namely offering the U.S. an effective means of exiting Iraq.”⁵⁵

Sick’s most damaging critique of the Biden/Gelb plan is that “Accepting partition as the solution to U.S. misfortunes in Iraq requires a leap of faith no less breathtaking than the original neo-con conviction that Iraq would be a cakewalk with adoring crowds to welcome us.” Can the same be said about the direct distribution scheme outlined here?

While no direct distribution scheme has ever been implemented, the links it assumes and the incentives it creates are both logical and constructive. For example in the case of Nigeria, Xavier Sala-i-Martin and Arvind Subramanian conclude that:

...the main problem affecting the Nigerian economy is the fact that the oil revenues that the government gets are regarded as manna from heaven which tends to corrupt institutions and lower the long-term growth prospects. Starting from the premise, the logical conclusion is that the best way to deal with the problem is to transform Nigeria into a “non-oil” economy. One way to do this is to prevent government officials from appropriating the oil-resources directly. These resources should be distributed directly to the Nigerian citizens, ultimately their true and legitimate owners. This would replicate or simulate a situation in which the government has no easy access to natural resource revenues, just as governments in countries without natural resources. If this “easy revenue” (and the incentives for corruption that it generates) is eliminated, much of the problem would disappear. One of the direct benefits of this would be that Nigerians would have an initial endowment superior to other nations.⁵⁶

Given the high level of corruption in Nigeria, the direct distribution scheme was seen as a means of freeing the country from that affliction. If

⁵⁴ Posted on the listserv of the Gulf2000 Project of Columbia University, 2 May 2006.

⁵⁵ Michael Young, “Iraq, Whose Model” *Reason Online*, 4 May 2006, <<http://www.reason.com/news/show/117400.html>>.

⁵⁶ Xavier Sala-i-Martin and Arvind Subramanian, “Addressing the Natural Resource Curse: An Illustration from Nigeria,” Working Paper 9804, *National Bureau of Economic Research*, June 2003, <<http://www.nber.org/papers/w9804>>, p. 21.

in fact oil is an underlying source of much of the corruption, ethnic infighting and bureaucratic paralysis we see in Iraq today, what would the country have to loose in simply allowing its resources to be shared equally?

Figure 1
Iraq Virtuous Circle of Demand Led Private Sector Activity

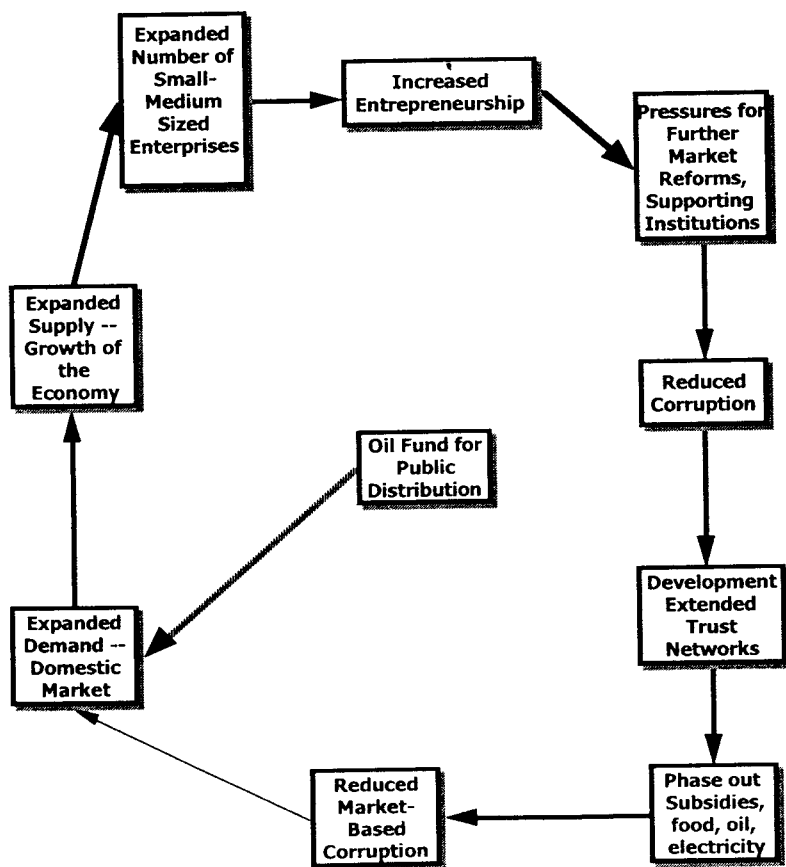


Table 1 Iraq: Stability Assessment

Province	Overall	Governance	Security	Economics	Economic Situation
Kurdish Region	Stable	Stable	Stable	Stable	Foreign investment in
Ninawa	Serious	Serious	Serious	Serious	High unemployment Poor Infrastructure
Tamim	Serious	Serious	Serious	Serious	High unemployment Need private investr
Salah and Din	Serious	Moderate	Serious	Serious	Seriously deficient in No economic plan or
Diyala	Serious	Serious	Serious	Moderate	Economic growth, bu Unemployment
Baghdad	Serious	Moderate	Serious	Moderate	High unemployment, infrastructure, politic
Anbar	Critical	Serious	Critical	Critical	Infrastructure incapab supporting economic
Babil	Moderate	Moderate	Moderate	Moderate	Poor infrastructure at growth, high unempl
Najaf	Moderate	Stable	Moderate	Moderate	Growth improving bu unemployment a prol
Karbala	Moderate	Stable	Moderate	Moderate	Growth improving bu unemployment still hi
Qadisiyah	Moderate	Moderate	Stable	Moderate	Slowly improving, bu unemployment still a
Wasit	Moderate	Moderate	Moderate	Serious	High unemployment, development not suff
Muthanna	Moderate	Moderate	Stable	Serious	Poorest province in S Iraq
Maysan	Moderate	Moderate	Moderate	Serious	Little capacity to jump economy
Basrah	Serious	Serious	Serious	Serious	High unemployment, weak government
Dhi Qar	Moderate	Moderate	Stable	Moderate	Growth in new enterp but unemployment a

Source: Compiled from U.S. Embassy Baghdad, Provincial Stability Assessment

Table 2:
Iraqi Attitudes Towards the U.S. Aid Effort in Iraq
(support shown in percent)

	Total	Kurd	Shi'ite Arab	Sunni Arab	Other
Assisting With the Economic Development of Iraq					
Approve and U.S. doing a good job	29	36	36	5	26
Approve but U.S. doing a poor job	46	51	53	19	67
Disapprove	25	12	11	76	7
Refused to Answer/Don't Know	*	1	0	0	0
Assisting With the Development of Iraq's Oil Industry					
Approve and U.S. doing a good job	28	41	35	4	21
Approve but U.S. doing a poor job	44	46	51	20	55
Disapprove	27	12	14	76	14
Refused to Answer/Don't Know	1	1	*	*	10
Training Iraqi Security Forces					
Approve and U.S. doing a good job	33	54	37	6	23
Approve but U.S. doing a poor job	44	42	52	20	67
Disapprove	23	4	11	74	9
Refused to Answer/Don't Know	*	0	*	1	2
Helping Build Iraqi Government Institutions					
Approve and U.S. doing a good job	23	37	27	4	5
Approve but U.S. doing a poor job	50	57	59	15	79
Disapprove	27	6	14	80	14
Refused to Answer/Don't Know	*	*	*	*	2
Helping to Mediate Between Ethnic Groups					
Approve and U.S. doing a good job	17	34	19	3	2
Approve but U.S. doing a poor job	48	54	57	16	81
Disapprove	34	11	24	81	14
Refused to Answer/Don't Know	1	1	*	*	4
Assisting With the Development of Infrastructure					
Approve and U.S. doing a good job	20	24	26	4	2
Approve but U.S. doing a poor job	52	57	62	16	81
Disapprove	28	18	12	79	14
Refused to Answer/Don't Know	1	1	*	*	4
Helping Iraqis Organize Their Communities to Address Local Needs					
Approve and U.S. doing a good job	25	39	29	6	9
Approve but U.S. doing a poor job	45	48	54	14	67
Disapprove	30	11	17	80	23
Refused to Answer/Don't Know	*	1	0	*	2

Source: Compiled from: "What the Iraqi People Wants, WorldPublicOpinion.org
Date of Survey January 2-5, 2006.