

AFTER THE ELECTIONS: A NEW BEGINNING FOR IRAQ AND THE UNITED STATES?

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Washington, D.C.

MICHELE DUNNE: Good morning. Welcome to the Carnegie Endowment. Thank you for coming here to begin your day with us with this analysis of what we know so far about the Iraqi parliamentary election results and a look ahead at what will happen with government formation and also with U.S. policy toward Iraq.

We're going to have three speakers this morning. At the end of the table on my right, Saifaldin Abdul-Rahman has held senior posts, senior government posts in Iraq, including advisor to the vice president, chief of staff to the speaker of parliament and chief of staff to the minister of industry & minerals. He recently resigned his government post and is currently vice president of IWG and a partner in the Taj al-Khairat Group for Investment.

Brian Katulis, to my right, is a senior fellow at the Center for American Progress, where his work focuses on U.S. national security policy in the Middle East and South Asia. He has served as a consultant to many U.S. government agencies, private corporations and NGOs on projects in many countries, including Iraq. And Brian also recently authored an article for the Arab Reform Bulletin on U.S. policy regarding Iraq.

And Marina Ottaway on my left is director of the Carnegie Middle East Program. She previously taught at the University of Addis Ababa, University of Zambia, American University in Cairo and University of the – oh boy – Witwatersrand in South Africa. (Chuckles.) Okay. She's a specialist in democracy and post-conflict reconstruction issues.

The way we're going to conduct this is each of the speakers will speak for about 10 minutes and then we'll open it up for your questions. Saif is going to speak about what we know about the election results so far and sort of broad implications for Iraq. Marina will speak about the coalition building process, what to expect from that and Brian will speak about U.S. policy – what do these elections mean for U.S. policy.

As you know, we don't quite have the final results of the Iraqi elections in yet. I understand that official results may actually be a couple of weeks away. But we're beginning to get a sense of where the results are going and obviously, it's still very close between the State of Law and Iraqi alliances.

And some of the questions that I hope our speakers will address today are first of all, just to explain to us some of the mechanics regarding the election results and the formation of a governing coalition, what the process is and so forth, what to look out for. How serious are the allegations of fraud that we're hearing, particularly fraud inside the electoral commission? Is this just politics as usual or was there – did anything go seriously wrong here?

What about the geographic disparities we're hearing? The fact that the State of Law gained, you know, votes in certain areas, Baghdad, Basra, so forth, Iraqiya, in Ninawa and the other Sunni-dominated areas. What does that mean for the ability to form a coalition and generally for the issue of to what extent does sectarianism still dominate the politics of Iraq?

So lots of questions and let's begin with Saif.

SAIFALDIN D. ABDUL-RAHMAN: Thank you very much, Michele. I want to start by thanking the Carnegie Endowment for, you know, doing something unpopular these days. You know, everyone's talking about Afghanistan, Pakistan and everyone seems to have forgotten about Iraq. And that's unfortunate because I think we're starting to head in the right direction in Iraq.

Also, I want to say that just as a side note, this is actually Iraq's third election. You know, a lot of the press in the U.S. has been saying this is the second election. This is actually the third. The first was for a transitional assembly that created the constitution – that wrote the constitution.

But with that said, again, thank you very much. I think that all of you have been following very closely the statements on the results and on the lists. I want to start by saying a couple of points that I think that have been misstated in the press here. Number one, people say we moved away from sectarianism in these elections. And I don't feel that to be the case. And the reason I say that is when you look at the election results per list – and here I'm talking about the State of Law, the INA, Iraqi National Alliance, the Iraqiya, Allawi's list, or Tawafuq or the Kurdish list, they still had geographic strengths and weaknesses. Allawi's votes, for example, came from majority Sunni provinces.

The State of Law and the INA's votes came from majority Shia provinces, Baghdad being the obvious exception to most of this because it's the most largely mixed province today in Iraq. So we're still facing a situation where we are dealing with the sectarian identity. I think it's diminished somewhat, but I think that it's still there in the voter preference when the voter went to actually vote for somebody. And that said, I think that we could have broken out of it had the lists developed differently – particularly Allawi's list. Had he not added certain candidates, I think he would have been able to get some more votes in the southern regions of Iraq.

Now, on the numbers I think you see here that the numbers are very close to one another. I actually did my own projections, projecting 88 seats for the State of Law, projecting 86 for Allawi, 65 for the INA, 40 for the Kurdish alliance, eight for Tawafuq, five for the Iraq Alliance or Bolani's list, five for the Kurdistan Islamic Union, 10 for Gorran, which is the Kurdish word for change and three for the Kurdistan Islamic Group, if you will. So whatever the results are, we have very close election results. And that's going to create a very difficult process in the government formation for several reasons.

Well, number one, we need – everyone's talking about a two-thirds vote in order to vote in the president. That is true, constitutionally, except that if we don't achieve the two-thirds, the constitution stipulates that there will be a runoff between the two candidates that have the highest votes in parliament. And the candidate that gets the majority would win the presidency. That means that we can avert having a stalemate, even though I think it will be very difficult leading up to that because the president will not be chosen unless there's at least a baseline formula for the creation of the government – who will be the prime minister, who will serve as the speaker.

So the main power centers of Iraq will be decided, at least in a back room, before we actually get to a vote on the president. And I think that's what will take a long time to happen because of the results that are there. The other issue that we're going to have is the number of people that have gotten high votes in these elections won't necessarily get the positions. And what I mean here is when you look at, for example, the INA, of the 65 seats, it's projected that the Sadrists will own about 40 of those seats. Whereas when you look at the possible alliances that could develop with these types of numbers, it is highly unlikely that the Sadrists would join an alliance – or it would be very difficult for the Sadrists to be able to join an alliance based on certain interests.

I think it would be very difficult, for example, to bring some of the Kurdish ambitions together with some of the Sadrists' needs or pushes policy-wise. Also, when you look at Allawi's list, I think it's disingenuous for us to say Allawi has a list of 86 seats because I see a very difficult path ahead for Allawi before he can create any partnerships. The reason being is no government can be created, or should be created, without the Kurds. And in order to get a government with the Kurds, Allawi will have to shed at least 21 seats from his 86.

The reason I say that is when you look at the details of Allawi's list – he had a good number of those seats, probably 15 or 16 of those, in Nineveh, Mosul – and he had about five or six of those seats in Kirkuk. The list that ran in those two provinces ran on an anti-Kurd agenda. And it's extremely difficult to reconcile the campaign pledges and promises that those lists made to what I perceive to be the Kurdish demands on policy in the government

formation of Iraq. So I see a very difficult government formation because there are so many competing demands and so many competing lists. And even internally, within the lists, I see problems that lists will have very difficult times staying together.

I think the most – the list that will have the easiest time staying together will be the Kurds, who will bring together all of the Kurdish blocs – probably Gorran, the actual Kurdish alliance, Gorran, the Kurd Islamists, both parties and that will give them a 58 seat vote within the Iraqi parliament when it comes to actually making a decision. Allawi, as I said, will have a difficult time. I think the INA, the Iraqi National Alliance, will have competing interests internally. ISCI will be in a very difficult position because ISCI is competing with a strengthening prime minister in Dawa and competing with a strengthening Sadrist. So they will have to prioritize which to tackle first in making their political alliances.

The State of Law is also a list that will probably have a very easy time staying together without problems because the prime minister was very smart, in the sense that when he created the list, he did not bring in parties – he brought in individuals. So the major two parties that create the State of Law are the Dawa Party of the prime minister and the so-called Independence – those that are headed by Hussein al-Shahristani. The rest are almost a hodgepodge of individual or small lists that I don't think the prime minister will have trouble keeping in check.

Now, the problem is that this is all a recipe for a very long process. What we need to be looking at is, will that long process lead to problems on the security front? I think there may be some security instability as we lead towards the government formation. There are external factors involved in that – what does Iran want to see in Iraq? What do some of the other regional players, such as Saudi Arabia and some of the other regional actors want to see? And what will they do to make – to influence that in the government formation process as it goes forward.

Now, the title of this session was “A New Relationship Between Iraq and the U.S.” I was telling Michele before the session, I think this presupposes an assumption that these elections are a watershed moment in Iraq's political history. I don't think that they are. They are a blip in a process. I mean, they are a big blip, but they are a blip in a longer process. And I don't see – if you look at all of the candidates and all of the parties involved, they are not significantly different than the parties that have been involved since 2003. So will their relationship change?

From the Iraqi perspective, I don't see a significant strategic shift in policy from the Iraqi leadership vis-à-vis the United States. With that said, we've got a strategic framework agreement that still requires sub-agreements to be developed. We will probably be talking about – at least from an Iraqi perspective – the presence of troops beyond the SOFA date for training and other purposes and I don't see a problem with that from the Iraqi perspective.

So I don't see a significant shift in the U.S.-Iraq relationship, at least from the Iraqi perspectives because of the continuity, if you will, of the political parties involved. Now, with that said, I'm going to get into a little bit what Brian's going to talk about, but not too much. I think the U.S. at this point needs to take a step back and analyze its position in future prospects in the Middle East and prioritize where Iraq fits on that map because I think that has to be the cornerstone of any future U.S. policy vis-à-vis Iraq.

When we look at the region, we are looking at a very difficult region and I think Iraq may actually be a success story sometime down the line in the region. And therefore, U.S. engagement, continued U.S. engagement, would be important. To sum up very quickly, I see continued political instability – at least in the short and medium term. There will be a lot of jockeying for power. A weak coalition government can be the only result from this because there is no significant winner so there has to be a coalition formed.

And I think the government will continue to be a weak coalition government. And it will have an active opposition in the parliament because if you look at the numbers, and I will finish with just some possible coalitions, you will see that the numbers there will leave at least 100 seats of opposition in any combination that you create a government. The problems may arise on the security front if regional players want to continue to play different Iraqi parties against one another, which I think will be the case. The next few months will be very difficult months, indeed, for Iraq.

Now, a couple of combinations that – these are obviously just projections – people – I can sit and play with numbers. This is from friends in Baghdad, talking to them. But one of the – probably the easiest coalitions to create will be State of Law with 88 seats, ISCI taking 25 seats from its 65, basically breaking up the INA, the Kurds with 58 seats, Tawafuq with eight seats and 10 other seats, which will give you a coalition of 189 – enough for a majority but obviously still a significant opposition in parliament.

I think that will probably be one of the easiest coalitions to create because there are already sub-agreements or prior agreements between the parties involved in this. Another coalition that can be created, a much larger coalition but much more difficult, will be Allawi with the Sadrist, which I think is probably very difficult, with some of the Kurds – here maybe Gorran and others will split, but I think, again, this is highly unlikely because the Kurds, when it comes to Baghdad, have a unified policy – and 20 others, which will create a 247-seat government.

I think this is probably the strongest government that you can create but I think it's highly unlikely that the political agreements can happen to do that. Another final option that you could see happen would be Allawi and the INA completely. Now, Allawi would have to shed at least 30 seats or so. So he'd come down to 56, the seats I was talking about in Nineveh and in Kirkuk. The INA would have 65 seats, the Sadrist and ISCI together. This would be the anti-Maliki coalition. The Kurds would have 58, Bolani would have five and you'd get 15 others. You'd create a government of 199 seats in parliament.

Those are just some of the projections that you could create, the combinations that you could create governments. And I think, like I said, the first combination is probably the most likely and easiest to get done. With that said, I think I'll stop there and then we'll probably get whatever I missed in question and answers. Thank you.

MS. DUNNE: Thank you very much, Saif. So a weak coalition government of one of the various possibilities you mentioned and an active opposition as the most likely outcome with strong possibility of security problems instigated by outside actors. Okay. With that optimistic outlook, we'll turn it over to Marina Ottaway.

MARINA OTTAWAY: Thank you very much. There is nothing worse than discovering that the person who precedes you has said most of what you were going to say. But let me pick up some of the points. First of all, I think it's – I totally agree with what Saif said. And it's worth repeating it. This is not a watershed election. Italians, who are masters at elections that don't change anything essentially, call this kind of – and also who like food and therefore, food analogies – talk about this kind of government formation as a re-kneading of the dough.

It's only the same piece of stuff but you just reshape it. You rework it in some different ways. And I think this is really what we have seen. We have not seen any new actors appearing in this election process, except for Gorran. But then Gorran is, in Kurdistan, is really a splinter off the PUK and essentially it's a family fight. And I tend to agree with Saif that when it comes to – they fight it out among themselves in Kurdistan but when it comes to the politics at the central level in the end, most likely they are going to come together.

So it's again, it's pretty much the same actors. I don't think we'll see there – what we have put up there is the calculation made by various organizations. You see, that with few exceptions there is a great deal of convergence.

And I don't think we are going to have any great surprises in terms of the distribution of seats. It is – these councils so far, as far as I know, do not count the votes that were cast outside the country that might change the result slightly. They might give a slight edge to Allawi, who preliminary reports seem to indicate that he is the one who will benefit the most from the votes outside the country.

But essentially, give and take a few seats here and there, those are going to be the alignment that we are going to see. It is certainly going to be – the most difficult part starts now, in many ways. And it is, how do you put together a coalition government? And there are two issues here is, one is how do you make the numbers work? And I think this is what Saif was showing us, essentially, which are the coalitions that are most likely to make the numbers work. Since he has done that, what I'd like to raise instead is the issue of what are the implications if one or the other coalition takes place because I totally agree that the easiest coalition would be one that includes State of Law, ISCI, the Kurds and Tawafuq.

But the fact is that, that coalition is not terribly strong in terms of it's representative of the country because undoubtedly, the Sunnis are going to be left out from that coalition because Sunnis have not – clearly don't like Maliki, particularly after the role that he played in the banning of suspected Ba'athist who were not all Sunnis by any means but most important ones who were banned were Sunni. So that essentially, that was widely interpreted as an anti-Sunni move.

So that essentially, that coalition that includes State of Law, ISCI, Tawafuq and Kurds, essentially, would be seen as nonrepresentative by a lot of people, by the Sunnis in the country. So it may be strong internally – and I agree on that point that State of Law is not likely to split because, essentially, it's Maliki and the people he has chosen. It's not different organizations with different power bases. But it's not going to be strong vis-à-vis the rest of the country. And that may be very problematic.

Allawi is in a very different position because here the coalition – again, I go back to the two possible coalitions that Saif was discussing as possible outcomes. Those coalitions would be strong in terms of representing all the different groups in the country. And it would be an extremely – and would be both be extremely vulnerable internally. In other words, the question is are those coalitions that, in the end, can reach a decision or that would split whenever there is a decision to be made because in many ways I think it's important to keep in mind that Iraqiya is, at this point, what I would call an extremely unnatural alliance.

A few months ago, two or three months ago, both Allawi and Saleh al-Mutlaq, were here in Washington. And they spoke together at the U.S. Institute of Peace and I don't know if any of you were there but it was a very interesting meeting because that's when – they did not exactly announce that they were going to run together but it was quite clear that, that was the direction in which they were going. And in fact, it was not very long afterwards that it was announced. And it was quite clear that that they were – not only that they did not necessarily much like each other – sometimes body language tells you a lot. But they were speaking a totally different language.

That you heard on one side, Allawi speaking the language of the statesman and the conciliator and so on and Mutlaq, essentially, was an Arab nationalist and perhaps, I'll put it even more strongly, a Sunni nationalist discourse what he was saying. So that you have two components in Iraqiya that are really quite different from each other and unfortunately this is being forgotten in the discussions in the American press because as you know, in all the newspaper articles that we are reading, it's always Allawi and Allawi's coalition.

What we forget is that it's not just Allawi; it is Allawi and Saleh al-Mutlaq, who is not there because he has been banned. But a lot of people who voted for Iraqiya did not vote for Allawi, they voted because of Saleh al-Mutlaq. So that essentially, this unnatural alliance – what I call an unnatural alliance – is going to carry it out within

the government. One thing that we have not had the time to do so far – and I think it would be very interesting when we have the time and all the information is available – is to look at who got the preference votes in the various provinces.

That is, whether the – you know that if this was an open list system, right, in this elections – that is that people voted not just for the parties but also cast preference votes for specific candidates. And it's going to be very interesting when we have enough information to do that province by province analysis and look who were the candidates who got the most votes in the different provinces because that might tell us in this balance between Allawi and Mutlaq in Iraqiya, who got the most. And I think there is going to be a very clear regional split there once we have the results. But we don't have them yet.

So essentially, it's – we really have to, in thinking about what's going to happen next – it's not just a question of the numbers and what are the combinations that would work but also what are the implications for the country of the different coalitions because some coalitions are fairly representative and others are not. But the ones that are most representative – and that's not strange in a divided society – are also the ones that would have more trouble then staying together in government. So it's a very, very difficult situation.

Let me bring up an issue that I think – it's, kind of, always implied but it's not discussed very clear. What are the implications, in terms of Iraq's foreign alignment, if one – if Allawi prevails? If a coalition led by Allawi prevails or a coalition led by Maliki prevails? There is no doubt that the coalition led by Allawi would have a much easier time in regaining a degree of acceptability for Iraq in the neighboring Sunni countries.

There is not much love lost between all of Iraq's neighbors and Maliki, who is seen as being too close to Iran. So that there is not – and Allawi has played on that. Just before the elections, he traveled extensively to all Arab countries. I'm not sure if he went to all of them but he certainly went to the great majority of them, very clearly making a statement – I am the man who's going to bring Iraq back in the Arab fold.

At the same time, I don't think we are going to see a total change in the position. In other words, I cannot conceive that any government in Baghdad at this point is going to take an anti-Iranian line. So that I think what we are going to – an anti-Iranian stance – I think what we are like – the difference is going to be that we are going to have one coalition that is going to straddle the line, essentially, to try and establish good relations with all the country's neighbors and one that it's going to – and that would be Allawi – and Maliki, who'd also try to do that but to have a lot less success in regaining the acceptance of Arab countries.

But again, we are not looking at a sharp difference. We are not looking at the difference between a coalition that would 100 percent pro-Iranian policy and a coalition who would have 100 percent anti-Iranian politics. Iran, I think, is going to remain a player in that country no matter who forms the government, essentially, because it is a country that no Iraqi government can afford, essentially, to antagonize at this point because any Iraqi government is going to have to have Sunnis in its midst. And therefore, has to try to maintain at least a balanced position. I will not talk about the relations with the U.S. because I feel I have to leave something – (chuckling) – for Brian. Yeah. So let me stop here.

MS. DUNNE: Thank you, Marina. And thank you for bringing up this issue of the likely foreign policy orientation of different governing coalitions. I think that leads very nicely into Brian's presentation and also the issue that Saif raised of the possibility of violence in Iraq, especially violence instigated by outside powers during this coalition forming process and what does that mean for U.S. policy as well? So Brian Katulis.

BRIAN KATULIS: Great. Thanks, Michele, and thank you to Carnegie for inviting me here. It's really an honor to be here. The publications that Carnegie puts out in the Middle East – and the Arab Reform Bulletin is an essential reading for people in policy. And I remember when I started my career in the early 1990s and I was working out in the Middle East, many of us – and I was working on democracy promotion, long before it was a glint in George W. Bush's Freedom Agenda.

We were all thinking, wouldn't it be great if we could have some analysis of what we're trying to do? And Carnegie, I think, through the work of Michele, Marina, Tom Carothers, really has established a new field which, I think, it still needs a lot of work in terms of getting our government to integrate these efforts into its overall strategies. But it's really an honor to be here today and I want to talk mostly about the U.S. policy implications. But I want to say a few things about the elections first.

And I think if there's one word that I think we all need to carry with us in the next couple of weeks and, perhaps, months as the Iraqis move forward, it's the Arabic word "sabr", which is patience. And have enduring patience about what I think will be a likely complicated process. We all know about four or five top lines from the election results already.

You see them in the headlines. One, it seems like a neck and neck, Allawi versus Maliki in terms of popular vote; two, the Sadrists are remarkably resilient; three, ISCI, the Islamic Supreme Council of Iraq, seems to have stumbled quite a bit; and then, four, the Kurds are going to be part of this; and then, five, the Sunni Awakenings really don't seem to have performed very well.

How all of this adds up into a coalition government, I admire Saifaldin and Marina to try to take a stab at it because I actually think it's going to be a – I agree with what you said – a quiet, kind of, backroom politics. And for those of us here in Washington with the health-care debate happening right down the street, the notion of self-interested political elites disconnected from their constituents striking deals – (laughter) – may sound extremely foreign. But I think that's what we can expect from this process because to a large extent, that's what happened in 2006 too.

I think the name Nuri al-Maliki wasn't well known in early 2006. And people quite often forget that. And the size and number of his party's mandate wasn't quite strong. To the U.S. policy – and I have three recommendations. But before I do that, I mean, I think it's worth noting we're on the eve of the seventh anniversary of the Iraq War, the star of the Iraq War. We used to, at the Center for American Progress, actually have half-day conferences marking it and it was a very, I think, not only policy oriented but also it had a political tinge to it. And now, I'm pleased that we have so many people, actually, thinking about Iraq in this room today and concerned about Iraq because it really has faded for a number of reasons.

And I think one point from a U.S. policy perspective – and this is my view, I think it's shared by some, it's debated by others – but from a U.S. policy perspective, Iraq, to this day, is still a salvage operation. We're trying to take a sad song and make it better. And I think when you look at all of the costs, especially from 2003 to 2007, to U.S. national security – and I'm speaking from a purely U.S. national security perspective, we are trying to make up for some of the past mistakes, the threat of al-Qaida, I think, had increased quite a lot as a result of the invasion, the notion of shock-and-awe power – shocking and awing people around the world.

I think the way we went about doing it, I think, we're making up for past mistakes. So I think correcting those mistakes requires continued U.S. engagement in Iraq, but with the right types of power. No abandonment, but calibrating that power in a way that offers support but doesn't seek to control or smother the Iraqis. I think the Iraqi

people have demonstrated in this election that they are moving to reassert their sovereignty. They want their country back. And it's very hard to Americans, especially those who were implicated in the Iraq war, to want to let go.

And I think there's an instinct that we need to have that's nuanced here. That we need to actually understand that we don't control events but we could play a very crucial role supporting the Iraqis. So three clear recommendations, I think, that U.S. policymakers should think about. Number one, we need to live up to our commitments to the Iraqi government – both in the security agreement and the much-neglected strategic framework agreement. I think it surprised a lot of people last summer when U.S. troops actually moved out of the urban centers as part of the security agreement. It surprised a lot of Iraqis because for quite a long time, America was quite good at making statements about what it was going to do for the Iraqi people but then not delivering on it.

I remember my first trip to Iraq in 2003 and it was working outside of the Green Zone, talking to Iraqis and, you know, the old joke about the Coalition Provisional Authority, CPA, actually stood for “can't provide anything.” I remember Iraqis saying to me, well, it would have been better if we'd just moved the furniture from the Pentagon into the Green Zone because we don't know what they're doing. And I think there was quite often U.S. policymakers for quite some time staked out certain goals and still, on many of these goals, they have not been met, particularly on the reconstruction.

But living up to the commitments that were signed in these two agreements – and I have copies of them in English – people should take a look at the security agreement and then the in-depth language of the strategic framework agreement because it outlines a quite robust bilateral relationship between the U.S. and Iraq. It's a pathway to, I think, taking this sad song, making it better, helping Iraqis stand on their own. And implementing it, I think, is going to be vital.

In terms of the security agreement, I think, you know, the plan is to be down to 50,000 by this fall and then also have I think no presence by the end of 2011. I suspect this will be renegotiated. I think it has to come from the Iraqis first. There's been, I think, unhelpful talk among the punditry class – op-eds and things like this – and if Americans are suggesting this, that is deeply problematic. It needs to come from Iraqis. I think we need to be vigilant in this post-election period about the possibilities of violence and security threats.

But as we've been doing essentially since the signing of this security agreement, any security move needs to be closely coordinated with the Iraqi security forces. I think the most difficult policy conundrum comes up – that could arise and this is a hypothetical – is if some of the security forces start acting in a political or sectarian way. And that's I think one thing that I know people in the intelligence community are deeply concerned about.

But living up to our commitments is the first recommendation and particularly in the strategic framework agreement. There's a commitment in the strategic framework agreement, for instance, to help Iraqis get out of from under chapter VII U.N. security resolutions – I think there are 660 and 661, the ones that require continued payments to Kuwait for the 1990-91 war.

This is an actual commitment if you read the strategic framework agreement. I reread it again this morning. We have not delivered on that. It's not the fault of Susan Rice or anyone else. It's complicated by things like Kuwaiti politics and moving beyond I think what is a difficult issue. But trying to move forward on this, I think, is essential.

Second – and tied to the security framework – strategic framework agreement – is implementing what the Obama administration likes to call “smart power” in Iraq. And Jack Lew, the deputy secretary, highlighted this earlier this year. But helping Iraq stand on its own quietly through economic and diplomatic means.

You know, violence is certainly down. Iraq is returning to normalcy after what was, I call, a very vicious internal civil war with the participation of many neighboring countries. But things like the implementation of the SFA, I think, have only come sporadically. We've had a business and investment conference here in Washington last fall, educational exchanges and a number of things.

But if you look at the amount of money that U.S. taxpayers have spent – and it's, I think, upwards of \$50 billion, which rivals the Marshall Plan and the amounts of money that we spent in Germany and Japan inflation adjusted. And then you compare that with where most Iraqis are today – still 1.5 million IDPs. Iraqi is, I think, 162nd in per capita income.

There are still very dire basic needs and services and support that's required. So – and I know there's a plan to draw down militarily and I think there's a plan – Jack Lew talked about it – to increase the civilian support. Making that happen, I think, is fundamental to actually securing a strong bilateral U.S.-Iraq relationship.

I know it sounds soft to talk about soft power and to talk about the economy and building institutions. But it's vital. And I know we have the largest embassy in Baghdad and some people who have served out there, I think, and done some amazing things. But our program to date, six-and-a-half years into it has not actually been effective in helping the lives of Iraqis better improve.

The last recommendation – and we can talk more in depth about this – but I think as the U.S. draws down its military presence in Iraq – and that drawdown will continue – we need to develop a more coherent regional strategy and assess Iraq's role within that region. Saifaldin made this point.

But you know, I think – and I've said this several times and I have a paper coming out on this – the decision to invade Iraq in 2003 and remove Saddam from power actually created a new strategic paradigm for the United States that's unclear in the region. And essentially in the – you know, this is a simplistic thumbnail – but in the 1980s, we had a policy of supporting Saddam Hussein and Iraq to contain Iranian influence. In the 1990s, we moved to dual containment.

Since 2003, I think the U.S. policy generally has been this policy of strategic incoherence. All of the pieces don't add up in the Gulf region, or in the broader Middle East and South Asia. And I don't – I only catch glimmers that maybe the new administration – the Obama administration and some of my friends – are moving towards a more coherent policy, but I think they need a lot more help in doing that.

And even the think tanks, I think, are remiss. We are too. Marina had a paper, I think, in November of last year which was quite interesting and I think walked up and started to address these issues of what should be a coherent U.S. strategy. But we all need to go back to the drawing board and think about this. I'm certainly doing this. But how do we not only use our military assistance – and what we have right now is a patchwork of bilateral military assistance programs throughout the Gulf region – how does Iraq fit into that?

And I know a few people are thinking about this in certain parts of the Pentagon and other places. I'm worried that since Iraq is no longer a high priority issue for the Obama administration generally – I mean, the level of engagement at senior roles – senior levels of the administration is not very high.

But you know, and if you look at the language in the QDR, the Quadrennial Defense Review, there are very vague allusions to creating a regional security framework. But one conundrum – and Marina alluded to this – is what does the role of Iran play in this framework and managing that with whatever Iraqi leadership emerges from this new election – how do all of these pieces stitch together? And then toward what end, I think.

And I'll bring my remarks to an end here by saying, I don't think we have a clear conception strategically in the Gulf of where we would like to be, say, by 2015 or 2020. And again, I know some people in certain parts of the government are working on it. I have my own view of where, I think, necessarily the United States needs to move in this 10-year period.

And I think it's simply unsustainable in the broader Middle East and South Asia for the U.S. to maintain 200,000 troops in the region. It's unsustainable for a number of financial reasons and the cost to our military. It's also unnecessarily strategically if we use statecraft and get others in the region to pull their weight.

I think we've seen some progress in some ways. Turkey and its relationship with Iraq is much improved today compared to where it was two or three years ago. And it's this notion of statecraft and how do we actually – I've talked about multilateral diplomacy and aggressive multilateral diplomacy as like the old story of Tom Sawyer getting his friends to paint the fence for him.

Many countries in the region have, I think, an interest in a stable and vibrant Iraq, but we – to this day, I think our policy debate in the government, in think tanks – are still tactically focused reacting to events and not thinking, what's the end state at the end of 2020.

My end state is one in which the U.S. is still present. It's still an important actor. It's leading in different ways, though. And it's largely moving towards a model of offshore balancing, where we're supporting a range of partners in the region and in a region that I think is hopefully more stable than it's been over the last 30 years.

I'll conclude on those remarks, but I look forward to your questions because I think what I outlined here is not simple or easy. I may not even have an answer to your question, but it's where we need to go. It's where the U.S. needs to go. It's where we need to go with our Iraqi partners. And I think it's almost inevitable that we need to move to this sort of framework, so thank you.

MS. DUNNE: Thank you, Brian, and thank you very much for the plug for the Arab Reform Bulletin. And I think this idea you raised of the U.S. moving toward a role of offshore balancing is very intriguing and something I hope we can discuss more in the question and answer. I have a lot of questions of my own, most of which I'm just going to hold back, hoping that you will ask them.

But one question I do want to ask before we open it up is if one of our panelists, perhaps Saif or Marina could just walk us through what is the process from where we are today until we have an Iraqi government, understanding this is something that's probably going to play out over a few months. What's the legal process from the – and we know there are backroom dealings going on now. Within a few weeks, we'll probably have the announcement of official results by the election commission. And what are the steps, according to Iraqi law, that happen from there on out?

MS. OTTAWAY: I'd like to – that Saif say, but before that, let me point out that we have put – on the Iraqi election page on our Web site, we have described the process so that if you want a refresher after Saif describe – (audio break) – (laughter).

MR. ABDUL-RAHMAN: Go to the Carnegie page. (Laughter.) Very quickly, I mean obviously there's backroom deals. There will be a decision on the main positions in the back room before a president is selected. And what I mean by selected is there's a general consensus amongst the parties that will create the government. That

name will be suggested in the parliament. I think we'll probably have three names suggested in the parliament when the vote actually comes.

What has to happen constitutionally is the parliament – this is the problematic situation. The first thing has to happen is the speaker – a new speaker – has to be elected. But a new speaker won't be elected until there is an agreement on the president. And that's what happened last time. If you remember when this parliament was created – and I know it vividly because I was chief of staff to the outgoing speaker, so –

We had a parliament session where the oldest Member of Parliament has to preside in order to select the speaker. What happened in the last one, I think may happen this time again, is the oldest member has to preside and they will keep the parliamentary session open until there is an agreement between the parties as to who will be the president. And then we will have a session to elect the president.

Now, the constitution stipulates that two-thirds of the sitting members of parliament have to elect the president. If no person gets that vote, it will go to a runoff with the two highest vote-getting candidates. I think that will be the case this time. I don't think anyone will get to two-thirds. And basically we'll have a majority president – majority of the members of parliament will elect a president. That president will then choose – name a candidate to create the government from the largest block in parliament.

Now, this is a legally contentious issue that was actually argued in the courts – whether is the largest bloc by votes coming out of the elections or if this is the largest bloc that has come together post-election. This is still – I mean, the court actually ruled on it; what you'll end up seeing is probably the largest bloc coming out of the elections having a person selected.

That person gets 30 days to create a government. If that doesn't happen, then there should be another selection or that person could be renewed again. There's nothing to prevent that from happening. Once that is done, the new prime minister would come before the parliament, the council of representatives to present his government, have a vote of confidence on each one of these ministers by majority vote and then you will have a sitting government in Iraq.

That's very briefly how it will happen. I mean, that's a very clean description. I don't think it's going to happen as cleanly. We may see some ministries, for example, that don't have ministers when the government is first presented like we had – you remember, if we had the security ministries last time weren't presented immediately. But very quickly, I think that's probably a quick description on how it's going to happen.

MS. DUNNE: Great. Thank you very much, Saif. Okay, let's open up it up to your questions. Please just put your hand up and wait for the microphone to come for you – come to you. And please identify yourself. And also say if you want the question addressed by a particular panelist.

Q: Thank you, I'm Dana Marshall with Dewey and LeBoeuf. And I wanted to see if I could draw out both Brian and maybe Saif as well – Saif, your background indicates that you have a focus on business. And you didn't saw very much about the role of business in stability. Of course, Brian is – wrote literally the book on that and you spoke a little bit about that, but I want to draw you both out a little bit on what role do you see, Saif, for the U.S. business community? What creative steps could be taken?

We also have this conference on entrepreneurship in the Muslim countries coming up as I understand it towards the end of next month here in Washington. Presidential initiative. President Obama mentioned it in Cairo.

Apparently he will be speaking there to give it some oomph. I wonder what that conference might do with the Iraqi context.

MR. ABDUL-RAHMAN: Well, I'm still new to the business side, which is probably why I didn't plug – (chuckles) – but you know, there was a session in Kuwait, was it, month or two ago, where I had mentioned that I think politically we'll continue to have instability, but the very positive outlook I see for Iraq is on the economic front.

You know, the bid rounds and the oil companies that have started to actually work. There's now companies have people on the ground and the work has effectively started. I think the investment commission and the housing projects – huge possibility. I think the successes in Kurdistan are huge, and I think they will – you know, as you see national politics playing out, what you're going to see at the provincial level is the provinces beginning to compete for investment in order to prepare for the next elections. And I'm already seeing it privately, politically. So I think that, unfortunately, we will have a divorce between political stability and economic stability. I think the positive prospect for Iraq is on the economic front, and it will lead in the long term towards more political stability.

The problem is that economics is going to play a role in some of the political battles that will be fought at the national level because the questions haven't been answered yet. The revenue-sharing issues, some of the investment issues – people are all still competing at the political level for this. But I think that, you know, the prospects for business in Iraq will only continue to improve, and they will play a role in probably stabilizing the security situation, somewhat. Because the security situation I mentioned that will continue to stay unstable is tied to the politics.

That's a very quick answer to it. I think that there are definitely a lot of prospects, and as Brian mentioned, I think that the SFA – the Strategic Framework Agreement – can serve as an effective window between the U.S. and Iraq on doing so. On my final comment, I would say, for U.S. companies to come into Iraq – although I think it's a good idea, it's probably a better idea to find an Iraq partner, at least when dealing with south of Kurdistan, in the coming period.

And the reason I say that is it's still very difficult to navigate the bureaucratic framework of Iraq as an external business. I mean, some of the oil majors – and I won't mention who – are having problems getting visas to come into the country. And had they had an Iraqi partner, I think it would have been very easy knowing how to navigate that. So very briefly, I think that's probably what I would say to that.

MS. DUNNE: I'm sorry, Brian, please.

MR. KATULIS: I just want to say something briefly. Thank you for mentioning my book, "The Prosperity Agenda." I really think it's essential what you raise. You and I, Dan, have talked about this in the U.S.-Pakistani context. There are limits – and Americans have a very difficult time understanding this – there are limits to what our government can do. And this is why I think whenever this QDDR is finished – and I was talking to Ann-Marie Slaughter about this – the notion of public/private partnerships and, at least, coordinated action is essential.

To date, on the U.S.-Iraqi business front, I think there's much room for improvement. I'm glad they had an investment conference here in October. If there's one thing that the people in current Prime Minister Maliki's office complain to me about, it's not whether the U.S. troops are going to stay around, because I think there's been an increase in the security forces on the Iraqi side; it's, why aren't U.S. businessmen showing up even more?

And I think there are a number of reasons for that. Some of that I glided over in my comments. I think there's a perception from the U.S. business community of not yet a secure business environment. There's a great deal of corruption. You know, it was once said that corruption was the second insurgency in Iraq. With the decline in

violence, it may actually be the first. So rule of law, and the sorts of so-called soft things, and democracy promotion and governance – this is central, I think, to the task.

And in that bit, private investors and FDI will not increase unless there's greater assurance from the Iraqi system that any contract that you might sign with an Iraqi partner will be honored. And I think it's mundane, it sounds boring, but I think it's the wave of the future. It's actually the only way that we can – I'm a subscriber to the complex interdependence theory, by Nye and Keohane, of international relations. We need to use all sorts of power at our disposal, and right now we're not.

And I think much of our debate, even today, when you see things like Tom Ricks' New York Times op-ed, focused on things like troops staying in Iraq, we're stuck in this military mindset. Yes, military power is important. It's not the most important component in many parts of the world, and other countries recognize that.

And marshaling the power of our business community and our economy – even as wounded as it is today, it's still the largest in the world – to bind our nations together more closely, I think, would be a good thing to do. You need senior leadership in the government. The government can't run it, but they need to coordinate it. And we don't have the most senior officials in the Obama administration focusing on this, so.

MS. DUNNE: But both of you think that security conditions in Iraq are going to permit this? They're not going to be an impediment to increased outside investment?

MR. ABDUL-RAHMAN: You know, if you look at the patterns of security, I think, the biggest issues of security in the recent period – and I think this will continue in the medium term – is political violence more than it is violence that is targeted at foreigners. I mean, although this is probably the result of troops pulling out of cities, look at the number of U.S. troops that were killed in action in the last few months. That number has gone down to almost zero, or one or two, if I'm not mistaken.

But also, when you look at the actual violence, it's all associated with either the elections, with the external factors of trying to undermine the prime minister and his security image, so it's all shifted more to politics than to the communal issues. On the Green Line, I think, we'll continue to have tensions. But from a business perspective, I think the security level will continue to be somewhat stable – at least consistent – so that a business could actually gauge the threat that they perceive in coming into Iraq.

MS. OTTAWAY: I just wanted to offer something. It seems to me that the main challenge for the U.S. is to try to encourage businesses other than the oil companies to go in. And that, of course, is going to be very difficult because, one, American business – smaller businesses have not been extremely daring or pioneering in a situation of poor security. So that's going to be difficult. It's a difficult environment, and so on.

But as long as all the investment comes from the oil companies, it raises the red flags of – you know, and I don't believe that we went into Iraq because of oil – but the fact is that it's going to raise that red flag on the part of the Iraqis. So the problem is to try and get a more balanced kind of investment on the part of American companies, and that's going to be very difficult, of course.

Q: Hi, Alan Keiswetter from C&O Resources. I have a question about the open-list elections I've been trying to understand. Apparently, if a candidate in one province receives more votes than needed to be elected, the surplus can be used to elect candidates elsewhere. How is that process working, and maybe you could explain it? Because it looks like it's a process that could be subject to connivance and manipulation.

MR. ABDUL-RAHMAN: I'll just say very quickly, there's actually another issue that's more problematic than this issue. You know, obviously, I don't want to get into the intricacies of electoral systems. It's not what we need to be talking about here. But the electoral law, actually, is not – there's what's called a seat threshold. And that's, basically, you take the total number of votes – you take the total number of seats for that province, and you divide the total number of votes by that total number of seats and you get the seat threshold.

I'll give you an example. In Baghdad, for example – and these are my calculations based on the partial results that were released – in Baghdad the seat threshold was 35,711 votes, which means that you needed that many votes to get one seat in Baghdad. That contrasts with Dhi Qar province, which is 31,000; contrasts with Arbil, which is 49,000; it contrasts with, you know, somewhere else – in Duhok, 42,000.

I think that's the bigger problem because what's going to happen is if you don't meet that threshold, even if you got two votes under that threshold, you don't get a seat. Whereas a party that met the threshold, and got two votes over the threshold, will actually get the seat that should have gone to the party that just was two votes shy. So the electoral law, actually, only gives seats to parties that met the electoral threshold, the seat threshold, and will distribute the extra seats to the parties that exceeded that threshold – and will deny parties that were close to that threshold any seats.

I think that's going to a bigger problem, you know, and when you talk about if the parliament is representing people, than the distribution of votes. What's happening is, for example, Prime Minister Maliki got, I think it's 160,000 or 260,000, or whatever it was in Baghdad – the number of seats. I told you the threshold was 35,000, so that means he could technically bump up a certain number of people with him. That will be used by the parties to decide who's going to get bumped up with him. And that's going to have electoral politics involved.

But the idea of an open list is that you've taken the power out of the lists to decide, essentially in the beginning, who gets to get bumped up. Because the guys with the highest votes are the ones that are going to get bumped up initially, and there's only a few seats that are going to be left over in this system that will give the parties power to decide.

In the past system, there were a lot more seats. In Baghdad, you know, there's like 15, 20 seats extra that parties literally got to decide who would get bumped up and who wouldn't. So essentially, you have to meet a certain threshold, which is 35,000 for Baghdad, for example, and then once you surpass that threshold, the number of votes over that for an individual candidate could be spread over other candidates in that list to bump them up.

MS. OTTAWAY: If I could just add, briefly, the problem is not so much, I think, that there is going to be manipulation in the election commission as these calculations are made. I think the main problem is that the process is extremely complicated to understand.

We decided, when we wrote, kind of, the description of the process, not to describe that because we thought that nobody would understand it in any case. But what it means is that people will always suspect that the results were manipulated because it is so technical and so complicated to really understand what is going on.

Q: Thank you. That's actually a very nice segue to my question for –

MS. DUNNE: I'm sorry, could you identify yourself, please? Thank you.

Q: I'm sorry. Scott Edelman from the State Department.

MS. DUNNE: Thank you.

Q: How seriously should we take the accusations of fraud coming from various party leaders?

MR. ABDUL-RAHMAN: That's actually a good question, Scott. I was mentioning this morning, the number of so-called "red threats" to the elections – the electoral commission classifies red, yellow and green. If it's red, it could potentially, basically, exclude votes. If it's yellow, I mean, there's a problem – a box may be suspect. If it's green, then it's probably an offense that a fine can be issued for, and won't affect the outcome of the elections.

The numbers of red violations that the electoral commission has been talking about is minimal compared to past elections. I don't see the violations significantly impacting the election results, nor impacting the electorate as we move forward. The reason I say that is that in the past the Sunnis tried to mount a concerted effort, both legally and otherwise, in the last elections, and it didn't amount to much. And it was much more blatant than it was in these elections.

So you know, based on that, and based on the jockeying going forward, I don't see the violations, the counting violations, to be extremely important as we look at the results, and as we look at the effects on the political parties. They will be more interested in actually negotiating and in keeping their cards open – negotiating with each other – than actually taking red lines because of these vote violations.

I mean, that's what I see. It might be an issue in Kirkuk, a little bit, but I don't see it as increasing to the level of actually causing a disturbance in the government-formation process. I think parties will put their political interest over actually making a claim of vote violations.

MS. OTTAWAY: The greatest irregularities in the election process were the ones that took place before the election concerning the banning of some of the candidates. And those are not up for revision at this point. But if you look from the point of view of due process and how elections should take place, this banning and un-banning and re-banning – it's not clear what the process is.

And yes, you can appeal, but no, you are not appealing in the right way, and so on and so forth. That was the place where the greatest irregularities took place, and worst of all, the banning of some candidates after the elections, I think. Those are very serious ones. But as far as I can tell, those are not open to discussion at this point.

MS. DUNNE: Other questions? Okay, right there.

Q: Hi, I'm Jessica Taverna from DOD, and to follow up on what you just said, I was just curious if the panelists have any idea of what's going to happen next with the de-Baathification of the candidates. Who's going to spearhead that? Will it take place after the coalitions have been formed, and what do you think the security implications will be?

MS. OTTAWAY: My understanding is that some people have already been banned. And what is serious to me is that those votes don't stay with the party – are lost to the party. In other words, if a candidate got so many votes and, therefore, should have gotten a seat – was banned – those votes – that seat does not go to the next person on the list. It's just lost to the party. That is my understanding. Maybe –

MR. ABDUL-RAHMAN: Actually, Marina, they were actually – the ones that were banned, pre-election, were actually taken off the rolls.

MS. OTTAWAY: No, no, I'm talking after the election.

MR. ABDUL-RAHMAN: Okay, and after the elections, you know, this is a classic case of Iraqis pushing something off. And when you see the pushing something off, it usually means it's not going to happen, or if it's going to happen, that it will be watered down significantly, that it will have little impact. I don't see the de-Baathification commission doing anything else until after a new commission is formed, you know, post-government creation.

I think it will be very difficult now to re-raise this issue after the stances that were taken pre-election. You know, the political capital, if you will, was spent on the initial de-Baathification; in order to go about doing it after the elections, it will be a lot more difficult. And I don't see it happening until a new de-Baath commission is established, per the law – the justice and accountability law that was put into place.

You know, the idea of postponing is the idea of just pushing the issue back, and I don't see it happening until, you know, probably a few months – six, seven, eight months down the line. Because the issue won't be raised until the parliament sits, and the parliament won't sit until there's an initial agreement on the government. And then people will be interested in creating the government more than they'll be interested in taking seats out or adding seats here and there.

MS. DUNNE: I think this gentleman here, Adam, had a question.

Q: Thank you very much. I'm Charley Reese (sp) from the RAND Corporation. I like Saif's analysis. I mean, I like – it looks like Maliki is in a very good negotiating position. But it seems that the problems that he's going to have will be the negotiations with the Kurds, in that the Kurds have a lot of wants, in a sense, from this new government.

They want an arrangement that will allow them to resume exporting oil to allow their semi-autonomous or autonomous oil development to continue, and they also want resolution, on their terms, of Kirkuk. But I don't see that they have anyplace else to go – the Kurds – because Allawi would have to dump all of Hadba and the INA is a hard partner for Allawi because of the de-Ba'athing that we talked about previously.

So I'd be interested in your analysis of the Kurdish-Maliki negotiations to come because, as you pointed out, a key part of Maliki's internal state of law is the independents that Shahrastani brought with him. That would be – I think that the prospects for the length of time that it takes to put this government together are directly related to the first inning, which will be – or maybe the ninth inning, I don't know – between the Kurds and Maliki.

MR. ABDUL-RAHMAN: I completely agree with you. I think it's – you know, I was talking to some friends in Baghdad yesterday, trying to, you know, just get into the mindset for the session this morning, and it seems to me that, as you said, our Kurdish friends, I mean, for lack of a better, you know, partner, have to go with Maliki.

And they realize that, I think, because of the inconsistencies in the other coalitions that are there. The problem is that, in the past, the Kurds have come to the table as the most organized bargaining group. And they come to the table with, you know, their goals, their objectives, and are very good negotiators. And the other parties that have been in front of them in the past have not been as good, simply because of the lack of experience.

So the difference this time is, Maliki is coming from a position of power. His coalition is a coalition that has done very well. It's a coalition that is probably the most succinct. And you know, he will have a lot more power of the state, vis-à-vis the Kurds. Maliki is very – the problems that we will run into is not what Maliki will promise the

Kurds; it is what the Kurds will want as assurances from Maliki that he will fulfill the promises that he makes to the Kurds.

Because if you talk to any politician in Iraq today, they say, yeah, you know, he makes all these promises, but when it comes to the actual delivery – and I think the Kurds will be the first to say this – it's just not there. So I think that will be one of the reasons for delay, is what are the assurances that will be put in place? I mean, maybe they will want something done as soon as the government is formed to be assured of certain things to happen.

But with that said, I mean, they really don't have other choices. Allawi is a good candidate, but Allawi will have to shed, you know, more than 21 seats in order to come into agreement. And even those 21 seats – and this is something that I didn't mention during my talk – is he is essentially representing Sunni provinces with the seats that he does have.

And if he sheds Nineveh and Kirkuk, which are essential issues to the other Sunni provinces, particularly Salahadin and Diyala, which have issues with the Kurds – and particularly because of the lot of his vote came from the Baath support – you know, the general Baath Party support for Allawi – he's going to have a very difficult time coming into agreement with the Kurds. That doesn't even take into account the issue of the external region, vis-à-vis the Kurds, and what they'll say to an Allawi-Kurd agreement on certain issues.

Turkey was a huge supporter of the Allawi list, and what Turkey's role will be in creating that form of a coalition. So I just – I mean, it's – they don't have a better partner, but I think that it's going to be drawn out. I think the Kurds are in a much more difficult position now than they were back in 2006.

But there are others that are in more difficult positions, such as the Islamic Supreme Council, because they have competitors on both sides. With that said, the reason I see this as drawn out – because some of these actors, this is a life-and-death situation for them. So in that type of a situation, it's almost an all-or-nothing deal on some of these issues. So I think it's going to be a very difficult thing.

On the promises that I think he'll give, I think Maliki will relent on the oil – you know, on the export issues. I think that was being held by Shahrastani as a bargaining chip for other issues. I do not think – and I think the Kurds are beginning to realize this – that they will get Kirkuk. I see a general realization amongst the Kurdish population, at least the leadership, that Kirkuk is out of reach, and to push too much for it is to threaten instability. But I think on some of the oil issues, they will definitely get some concessions.

MS. OTTAWAY: Just very briefly, I think on this – I think the election results in Kirkuk are, in a sense, very positive, because they make it very difficult for the Kurds to keep on insisting on a referendum now, because I don't think it's in their interest to have a referendum, given the result of the elections.

And as a result, whoever – if Maliki plays his hand well, there is space for a compromise in the sense of giving something on the oil front, but getting the Kurds to drop this demand for the referendum on Kirkuk. So that there is, in fact, more of a bargaining space than I think there was ever before, in that sense. It's a good development.

MS. DUNNE: Okay, we have about 10 minutes left. I'd like to collect any remaining questions, and then we'll let each of the panelists have a couple of minutes to address them. So anyone with a question put your hand up. Gentleman here.

Q: Hi there. Henry Huttinger from the National Endowment for Democracy. My question is for Saif – I guess for everyone, as well. Although maybe it's not a watershed election, one the changes that's happening parallel,

in terms of the government structure is the switch from the triumvirate presidency council to a single president. I'm wondering how significant that is for Iraq right now, and how do you think it will affect governance?

MS. DUNNE: Thank you. I think there was another question at the same table? Yeah.

Q: Hi. My name's Soumya Venkatesh. I'm from the Public International Law & Policy Group. I guess relating to earlier questions, besides the Kurds, how are other minority groups also faring with the elections, with the groups being elected and the national rhetoric being spun? So just wondering how they're doing. Thank you.

MS. DUNNE: Great. Any other questions? I want to add one of my own, then, which is that we briefly mentioned this issue of the votes from the Iraqis who were outside – the expatriate or absentee ballots. This is something we should find out pretty soon, but what is the possibility that they could actually tip the results toward Allawi? And what would be the implications? To what extent will that be accepted or challenged inside Iraq?

So I'm going to give each of the panelists a few minutes to address these questions and add any other concluding thoughts they would like to. Let's go in reverse order. Brian, could we begin with you?

MR. KATULIS: Yeah, and I actually won't pretend to know more than Saifaldin and Marina on the internal politics questions and the voting. And I just want to say – you know, reaffirm one last bit, which I think is extremely difficult for U.S. policymakers to accept, is that this is going to be a very organic and complicated process, and from a U.S. policy perspective, we should be prepared to deal with whoever emerges from this.

And you know, I think publicly, we'll be studiously neutral about this, but behind the scenes, there'll be – there already are – numerous conversations reaching out to people in the U.S., and the U.S. will play a role. We should be prepared – you know, there are certain known unknowns, and one of the unknowns is who actually will have the power. But one thing we do know is that, in Iraq, it still will be a deeply fragmented system, internally.

The thing that we can do is, I think, developing more coherent policy connected to some of the other priorities that we have, including Iran's nuclear program, the broader regional security dynamics. And that, I don't think, is necessarily personality-dependent; it's more dependent on longer-standing efforts to help build institutions and not just security forces. And we need – you know, for years, we've operated in the Middle East fixated on, who is going to be the guy? And who is going to be the leader?

It's our, what I call, addiction to dictators. And Iraq is no longer a dictatorship, fortunately. And I think it's a much more complicated – I don't think it's quite yet a democracy because of so many human rights challenges. But we, as policymakers – U.S. and other internationals – need to, I think, put more of a focus on, what does it take to build institutions in the long run, and help Iraqis do this?

I agree with Marina's point that this election is not pivotal. What is pivotal is, what sort of investments are we prepared to make, not only on building – helping Iraqis build their police, but also court systems and a range of institutions, all the way up through the private sector and NGOs? And I'm concerned. You know, I know there's a program in place in the Strategic Framework Agreement, but from a U.S. policy perspective, this has become – Iraq has become 10 or 11, when you look at it from the perspective of the White House.

MS. DUNNE: Thank you, Brian. Marina?

MS. OTTAWAY: Yeah, concerning the presidency, and moving from a presidency council to a single president, I think the danger there is that it goes – there are enough – okay, what the presidency council did was gave

enough high – you know, a number of high positions to all groups, essentially – made it possible to have a Kurdish president.

Now, there are enough positions – high positions in the government – in between the speaker of the parliament and the president, the prime minister, to maintain that distribution. The danger is that these distributions then become embedded – in other words, that you end up – maybe I spend too much time looking at Lebanon – but that you end up with a situation of that sort, to where it becomes codified – although, even in Lebanon, it's not in writing anywhere – but it becomes codified that certain positions are reserved for members of a certain group.

And I think that, that, of course, is very dangerous because it reduces the flexibility of the system; it reduces the bargaining capacity, and so on. So that might be the impact of that change. The minorities, I am not sure, because frankly, I have – there are certain seats that are set apart for minorities, and we really have not looked at them, yet. So I would – I hope that Saif can answer that question.

Concerning the results – the impact of the expatriate votes, I am not sure, because the way in which the – if you remember in the discussion of the election law, there was a big – there was a lot of discussion whether there would be seats set aside for expatriates, or whether expatriates would vote – their votes would count in the general vote of the province from which they came.

And it is in the second decision. In other words, the votes of the expatriates count as if those votes were cast in the province from which they originated. Which means, essentially, that the expatriate vote is going to be somewhat diluted. And I don't know, at this point – again, because those results have not been released – whether there are enough expatriate votes in any single province to truly change the distribution of the seats. I think it seems to be a foregone conclusion that the expatriate vote is going to favor Allawi, but whether it's really going to change, significantly, results in any province, we don't know yet.

MS. DUNNE: Thank you, Marina. Saif?

MR. ABDUL-RAHMAN: Okay. I'll actually just start with the point that Marina just left off. They've actually released some results. I think they say there's 267,000 expatriate votes. But if you distribute those over the provinces, you get the point that exactly you mentioned, that those votes will not significantly change the elections, unless, you know, which is statistically impossible, that most of those votes end up for Baghdad, for example.

That will be a situation where – but you have to keep in mind that it still comes back to the issue of, you know, not Allawi having 88 or 90 – whether Allawi can keep that coalition together when the government formation comes. So even if he gets one or two votes over Maliki and he can't, you know, keep that coalition together because of the way that the government's going to be formed, then those votes are insignificant. And I venture to say that he will not be able to keep that coalition together because of the inconsistencies I mentioned.

On the switching to president and presidential council, I think it's not the issue of switching to president versus presidential council. I think the more important issue is what are the powers of the presidency in the past and now? The president has now become a ceremonial position. No longer does the president have veto rights; no longer does the president – I mean, the president can only approve a law, and if it doesn't happen in a certain amount of time, it passes anyway by the parliament. So he has no veto authority.

That was the significant difference between the presidential council and the presidency today. Regarding the distribution of seats, I think Marina mentioned it. There are enough seats – and I think that the way the coalitions are going to be formed, I don't see another presidential council, although the constitution does not preclude having a vice

president, for example, which the president can appoint as a vice. But the more significant thing – and you see the Kurds, now, talking about this – is giving the president more authority, because he has lost the veto authority that he had in the presidential council.

On the minorities, as Marina mentioned, there are eight seats, if I'm not mistaken, set aside for – five for Christians, one for Yazidis, one for Shabek and one for one of the other minorities. I don't remember, in my mind, who it is right now. But I think that the problem is, the minorities – it's bigger than the election. The minorities are out of Iraq – I mean, and particularly when you talk about Iraq's Christian minority – and that's because of the violence.

So what's more important is to begin the resettlement of IDPs and refugees outside of Iraq, and calming the situation down so that we can bring people back into Iraq and have them come live comfortably, more importantly than, you know, if they're going to be represented enough in the elections. Because even if you give them seats, but they're simply not in Iraq, then you're not really doing anyone a big favor.

My last general comment that I'll put to the session is, you know, when we talk about Iraq in the region, I personally think that even if Maliki takes the premiership again – I don't think he's a shoe-in for it; I think it's more likely – but I think that the region will be forced to deal with him. And I think you will see a changing of some policies of some of the large Arab neighbors, without getting into too much detail. But I've personally seen some private changes already starting to take place, pre-election, with people positioning themselves – countries positioning themselves.

The economic prospects in Iraq are significant. And I think the Arab countries are going to start seeing that. You already see UAE and the investments that are happening there. Kuwait is beginning to step in that role. Turkey – I mean, Turkey has become Iraq's largest trading partner. So I think you're going to see a shift in some of the Arab – a forced shift in Arab policy if Maliki takes another four years, because they're going to realize that he's there and we have to deal with him. It doesn't make sense to continue this policy.

But at the same time, I think that, for the structural development of Iraq's institutions, it's very important that we make sure, if Maliki is not chosen as prime minister, that we can effectively have another person sitting without having a security breach. That's also another problem. In 2006, it took a long time to convince Jaafari to step down when it was realized that he couldn't create a government.

And it didn't take (sic) until Sistani told him, move out of the way, that, that happened. I fear the same thing possible with Maliki, should he not be acceptable and someone else from his list has to take that position, particularly because the security forces, he has racked up in is favor. The people that he has put in certain positions. And I think this is a structural issue that Iraq will have to deal with as Iraq's institutions develop, because I personally see a change is good for Iraq's institutions, but it's bad for Iraq's stability.

So it's a conundrum. But for him to stay four years, I think that we need to put in place levers and ensure that the different institutions of Iraq, such as the parliament, the judiciary, are developed so that at the end of four years, we don't have a strongman ruling Iraq that refuses to leave by election. With that very pessimistic note, I think I'll close my comments.

MS. DUNNE: Thank you very much, Saif, and thank you to all the speakers for, I think, giving us an excellent basis in which to watch developments as they unfold over the next few weeks and months. So thank you very much to Saifaldin Abdul-Rahman, Brian Katulis and Marina Ottaway. (Applause.) Thanks for coming. Have a great day.

(END)