

# Executive Summary

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

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

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

## THE REPORT

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

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

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

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

### **Security**

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

### **Governance and Participation**

*I have a say in how Iraq is run.*

### **Economic Opportunity**

*I have a means of income.*

### **Services**

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

### **Social Well-Being**

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

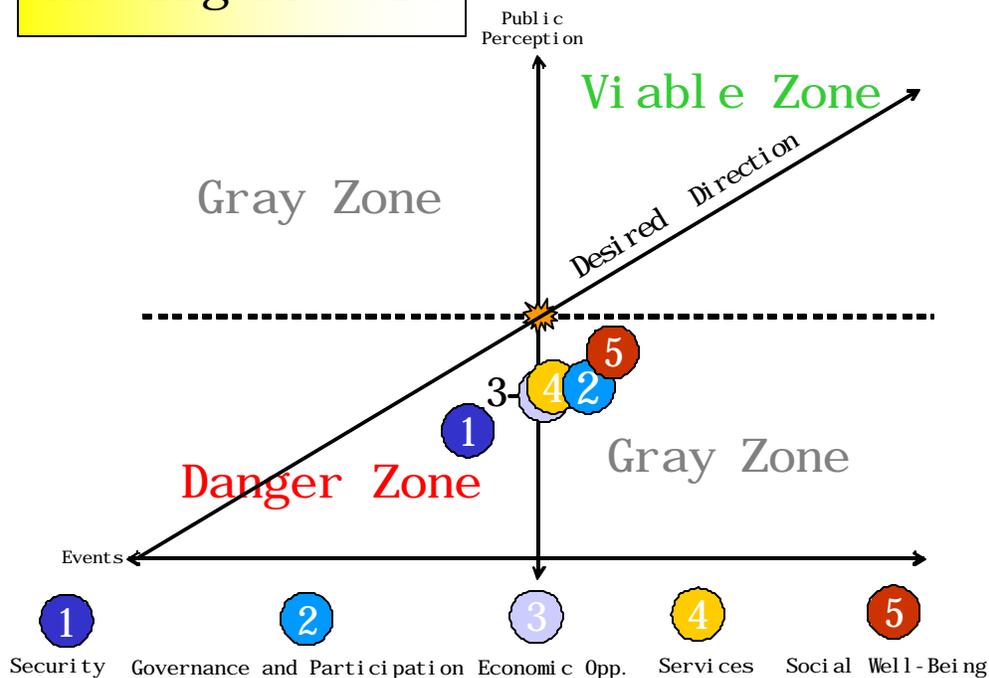
We also defined a desired end-state and a trajectory of progress toward longer-term self-sustainability for each sector. Our aim was to evaluate whether Iraq has crossed a “tipping point,” modestly defined, from the perspective of the Iraqi citizen, in terms of achievable goals for each sector. The idea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

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

## FINDINGS

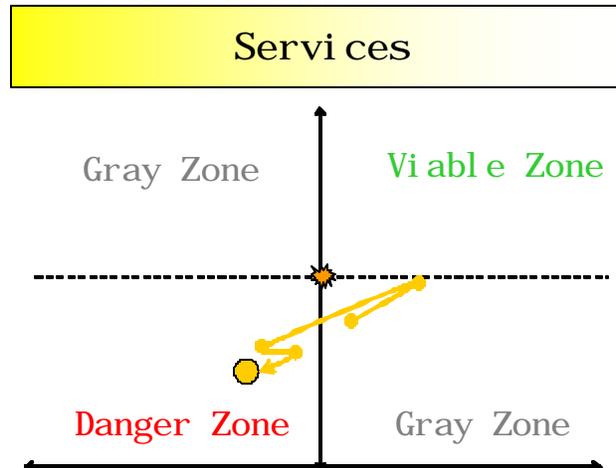
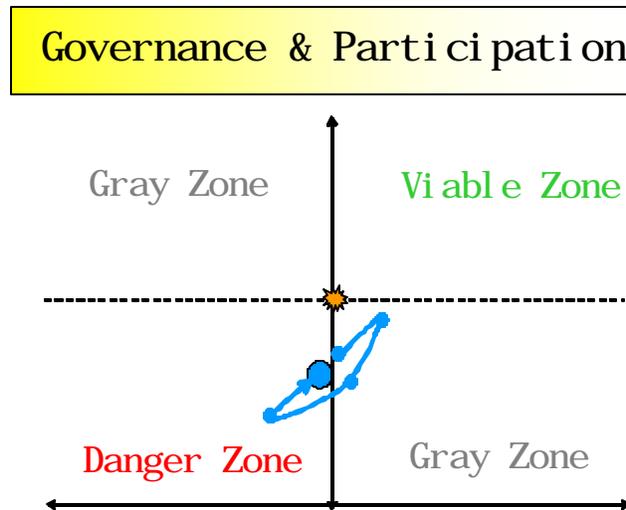
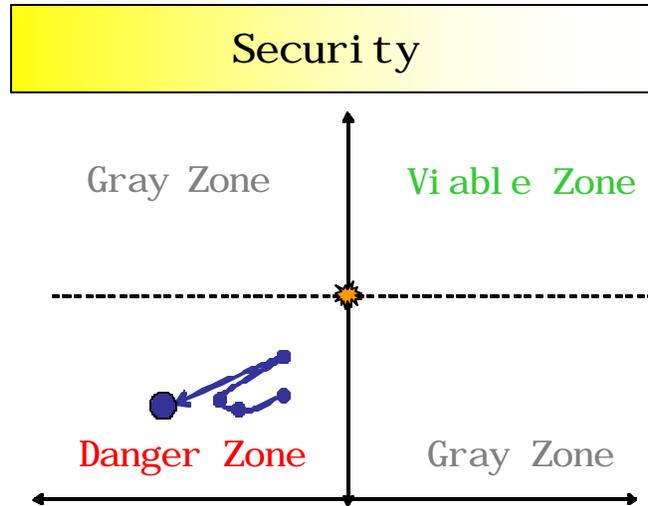
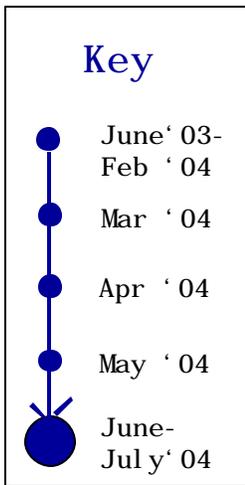
Iraq has not yet reached the realistic goals described in this report as the tipping points in any of the five sectors of reconstruction.

### The Big Picture

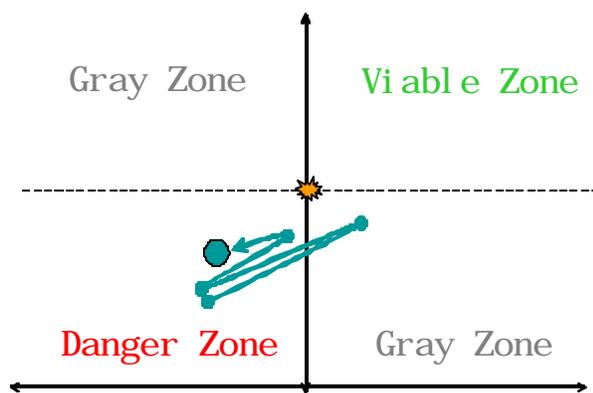


Cumulative view from June 2003- July 2004

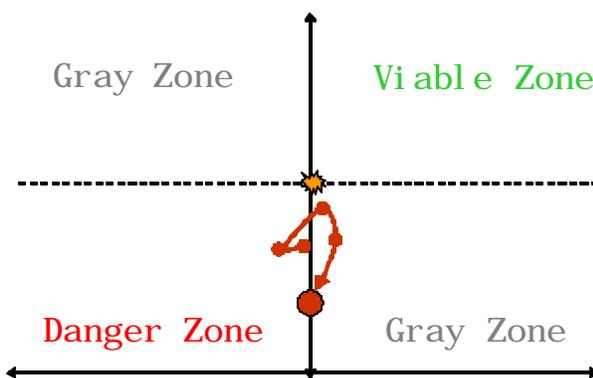
Iraq is not yet moving on a sustained positive trajectory toward the tipping point or end state in any sector.



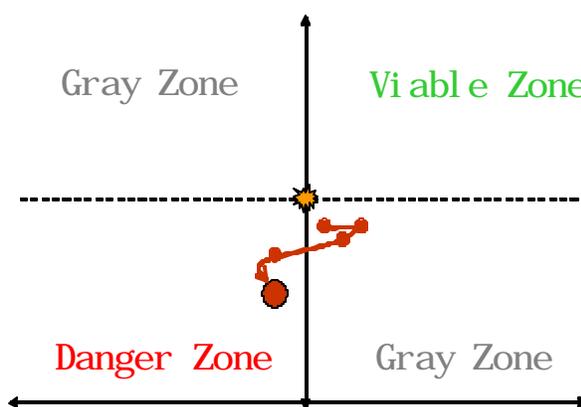
## Economic Opportunity



## Health Care



## Education



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

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

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

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

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

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

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

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

## RECOMMENDATIONS

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

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

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

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

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

Reinvigorate the effort to expand international engagement.

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

Prioritize Iraq's justice system.

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

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

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

## Decentralize governance efforts.

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

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

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

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

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

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

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

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