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The War Gamble: Understanding US interests in Iraq

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ABSTRACT Many commentators in the media and academia have viewed the US invasion and subsequent occupation of Iraq as an irrational blunder. In contrast, this article argues that the Iraq war was in fact an entirely rational, but high-stakes ‘war gamble’ designed to preserve US hegemony using its strategic primacy. The article examines the key interests that drove this war gamble, as well as some of the developments and challenges for US policy that have arisen as a result of the war gamble.

This short article seeks to examine some of the key interests that drove Washington’s 2003 invasion and occupation of Iraq. In an article of such a length it is necessary to ‘black box’ some of the major areas that act as what we might call the ‘enabling conditions’ that provided the context for seeking to actualize these interests. These include, amongst others, the hawkish neoconservative clique and their (ultimately mistaken) belief in the use of American military power or the structural decline of American hegemony. Importantly, I do not claim to exhaust every different argument as to why the US invaded Iraq. Such a goal would ultimately be impossible. However, I do attempt to highlight what I argue are the three salient US interests in Iraq; the desire to install a pro-US state; acquire permanent military bases and to transnationalize the Iraqi economy. The principal argument of this paper is that far from being irrational, as a number of commentators have claimed (see, for example, Mearsheimer, 2005), the Iraq invasion was in fact an entirely rational but ultimately very risky gamble on the efficacy of the use of force to project US interests in the region (a war gamble). Of course, the war gamble has not paid off to date, and it is currently very hard to see how it will. However, had it paid off it would have provided a major fillip to US hegemony, and as such would have been a high-risk strategy, but one that conformed to previous high stakes gambles in the region.

Political Change to Ensure US Hegemony

One of the key goals of the invasion was to rearrange Iraq politically from a pariah state led by a ‘rogue leader’ that posed a direct challenge to US political interests to one led by a more...
compliant ruling stratum that would be able to administer a stable US oil protectorate in the
region. A pro-US regime in Iraq would further reinforce America’s hegemony in so far as
America would become the guarantor of stability for a state that sat on top of some of the
world’s largest oil reserves, which would therefore mean that Washington would be the key
external guarantor of stability for two of the most oil-rich states in the world, Saudi Arabia
and Iraq. That the US chose to use a war gamble to attain this was always a high-stakes game
which, to date, seems not to have paid off. However, if Washington had managed to install a
pro-US protectorate in Iraq it would have been a major fillip to shoring up its hegemony well
into the twenty-first century and it is surely this consideration that presented a very attractive
prize to US planners. By employing America’s overwhelming military superiority it could
potentially undergird American strategic and economic primacy well into the twenty-first
century.

As such, the war gamble attempted to ensure American primacy in the oil-rich Middle East by
‘globalizing’ political economies while reinforcing the dependence of local ruling strata upon
American power through security guarantees. In the Middle East, this has worked through the
development and protection of compliant ruling classes and the removal or pacification of gov-
ernments or social forces considered inimical to American interests and the interests of its
regional proxies. The destruction of Saddam’s regime represents (for now) the almost total paci-
ication of the various ‘independent’ state-led nationalist projects in the Middle East, a pacifica-
tion process that began in earnest with the joint CIA/MI6 overthrow of the democratically
elected nationalist leader of Iran, Mohammed Mossadegh in 1953. The successful installation
of a compliant regime in Iraq would in effect codify what could be called the Brzezinski doctrine
for American dominance in the twenty-first century: the maintenance of critical political and
economic leverage over potential rivals through the domination of oil-rich regions (Brzezinski,
2003, p. 8). To this end the Coalition Provisional Authority (CPA) became the key institution for
Iraqi governance in the post-war period and was headed by the L. Paul Bremer, a former senior
member of the Reagan administration.

Despite the predominant media and academic narrative of the commitment of the Bush admin-
istration to ‘democracy’ in the ME, the reality was and is very different. The first task of the
occupation was to prevent any kind of democratic process in the immediate post-war period
that could develop outside of the auspices of US control and to this end US military commanders
‘ordered a halt to local elections and self-rule in provincial cities and towns across Iraq’ in 2003
and chose ‘instead to install their own handpicked mayors and administrators, many of whom are
former Iraqi military leaders’ (Booth and Chandrasekaran, 2003, p. 20). Similarly, Bremer’s
CPA sought to draw up a national constitution for Iraq written by an Iraqi exile led group
hand-picked by the Bush administration, including Ahmed Chalabi, the Pentagon’s favoured
post-war Iraqi leader.

The rejection of democratic arrangements by Washington was, however, met by fierce resist-
ance by the Iraqis themselves, not least by the Shi’a majority that had been severely repressed by
Saddam’s regime. This, of course, presented problems for US planners in so far as a Shi’a-led
Iraq could possibly align itself with Shi’a Iran just across the border. Aside from the veracity
of these fears, there was nonetheless a perception that a rise in Shi’a influence in Iraq would
lead to the enhancement of Iranian influence within Iraq itself (see, for example, Walker,
2006). There is also the very real possibility that a relatively independent Iraqi ruling class
could ‘do a Mossadegh’ in Iraq and seek to parlay its energy power into more autonomous
forms of nationalism. The refusal of the post-war CPA to countenance democracy led directly
to the flexing of Shi’a political muscle with the issuing of a fatwa by the spiritual leader of
Iraq’s majority Shi’a community, Grand Ayatollah Ali Sistani. The fatwa rejected the hand-picked committee structure favoured by Bremer’s CPA and instead called for national elections to choose an assembly that would in turn draft the constitution. The CPA in turn attempted to ignore Sistani’s fatwa and it was only when Sistani called for mass-street demonstrations that saw hundreds of thousands of Iraqis come to the streets that the CPA agreed on a timetable for the elections within a year (Hendawi, 2004). The elections took place on 30 January 2005 with Sistani’s United Iraqi Alliance receiving almost half of the votes cast. Since then, Washington’s political project of consolidating a fully compliant Iraqi regime has run into numerous difficulties, not least of which is the desire to tame the potentially for a pan-Iraqi anti-occupation nationalism, principally in the form of Al-Sadr’s ‘Reform and Reconciliation Project’ (Seymour, 2008). In the absence of a fully compliant ruling stratum coupled with the close ties between Iraq’s senior Shi’a leadership and Iran, and the ever-present threat of the rise of Iraqi nationalism and what this will mean for US interests, it is hard to see exactly how Washington will either fully indigenize its interests or indeed extricate itself from Iraq. The stakes are simply too high.

Military Basing

A second element of the war gamble was designed to install a strategic infrastructure for US troops in the oil-rich Middle East outside of Saudi Arabia. As Wolfowitz argued, the presence of American troops in Saudi Arabia was raising the associated costs of the Saudi regime’s relationship, as American troop presence in Saudi Arabia inflamed Arab anger due to American troops’ proximity to the holy shrines of Islam (Borger, 2003). After 9/11, there were also fears about the potentiality for an Islamist insurgency in Saudi Arabia itself that could weaken the House of Saud and also questions raised about the Saudis’ support for radical anti-Western Islamists like Bin Laden with almost half of all Saudis expressing a favourable view of Bin Laden (Schuster, 2004). A permanent American troop presence in Iraq would circumvent this problem. However, if US troops stay in Iraq in significant numbers, the political cost of this presence in both blood and money raises the political costs to any American administration. On the other hand, a US troop pull-out would undercut the basis of American power in Iraq, which in turn would threaten to actualize some of the nightmare scenarios outlined above. More importantly, a US troop pull-out would provide a major symbolic boost to a wide variety of oppositional social forces throughout the Third World that would draw the correct conclusion that America’s technologically cutting-edge military power can be blunted through traditional forms of insurgency and guerrilla warfare based on AK47s, improvised explosives, and Soviet-era rocket-propelled grenades (as the largely US-supplied Israeli Defence Forces also learnt with their unsuccessful war in Lebanon in 2006). As an aside, given the ongoing desire for the US political class to police its interests in the Third World, and the costs of the often bloody counter-insurgency types of warfare that post-invasion settlement requires, the US military will have to adapt rapidly or at least begin to plan for other ways to embed pro-US regimes other than hugely expensive mercenary forces or politically unreliable ‘Hessians’ (see, for example, Formanek, et al., 2008).

In relation to troop withdrawals, although the Bush administration has talked extensively about eventually pulling American troops out of Iraq (albeit on America’s terms), the Pentagon is in fact building a number of massive and permanent American military bases throughout Iraq itself. American troop numbers will go down, but the troop pull-out of Iraq is in fact a pull-back behind the walls of these new permanent military bases (Howard, 2005). Washington would thus have a permanent and abiding presence for forward power projection in the region but would
have far fewer troops on the ground. US troops would primarily act in an advisory role for the Iraqi army with Iraqi special forces providing the counter-insurgency shock-troops. This is also true of the future US President, Barack Obama, who has stated that US troops will in fact remain in Iraq (albeit in reduced numbers) with an increased emphasis placed on counter-insurgency training for the US-backed Iraqi military (Holland, 2008).

Globalizing the Iraqi Political Economy

A third crucial element to the war gamble was the economic transformation of Iraq from a largely nationalized economy to one open to the penetration of global capital. A component of this transnationalization process was the aim to successfully incorporate Iraq’s huge energy reserves into the global political economy under US hegemony. One of the early indications of this process was the liberalization measures taken by Bremer’s CPA whereby the CPA passed a series of orders that privatized, and thus opened Iraq up, to foreign investment. One of the most controversial orders was CPA Order 39, entitled ‘Foreign Investment’. This order opened Iraq up fully to the penetration of global capital and stated that a ‘foreign investor shall be entitled to make foreign investments in Iraq on terms no less favourable than those applicable to an Iraqi investor’ with the ‘amount of foreign participation in newly formed or existing business entities’ unlimited. By this order the CPA drastically altered Iraq’s economy by allowing virtually unlimited and unrestricted foreign investment into Iraq and placing no limitations on the expatriation of profit (Klein, 2003).

Importantly however, the order left out Iraq’s oil from the programme of mass privatization. Why would Washington leave out this crucial sector? The most obvious reason is that any move to privatize Iraq’s oil would smack too openly of oil imperialism. Despite this PR problem, the fact remains that one of the key objectives of the invasion was to ensure that Iraqi oil flows onto international markets under Washington’s control. To date, this key interest is being fulfilled by the use of the euphemistically entitled production sharing agreements (PSA) between Western oil transnationals and the Iraqi state. PSAs are contracts drawn up between private sector oil corporations and the state-owned companies in the host country itself and allow for private exploration and extraction of oil reserves for oil corporations while the state collects some degree of revenue from the process itself. PSAs primarily serve a political function whereby the host country can maintain the principle of national sovereignty over its petroleum reserves while these agreements will place effective control over Iraqi oil production in the hands of Western oil transnationals and exempt these corporations from any laws passed that may affect their profits (Muttit, 2006, p. 4). While PSAs form a common model of oil governance, the key question in the case of Iraq is the weakness of the post-invasion Iraqi state and its dependence on America as the PSAs are being negotiated. Oil corporations have set their targets on securing long-term and highly favourable access to and control over Iraq’s oil wealth. As Exxon-Mobil Corporate Vice President Daniel Nelson argued, ‘every international oil company in the world, knowing Iraq is blessed with terrific god-given natural resources, is interested in Iraq’ however to ‘have confidence’ oil transnationals will need ‘that 30-year period’ to ‘get the returns back’ (Landon, 2008). Crucially then, if the Iraqi government is reliant on American power ‘common sense suggests that it will probably have to adopt a far more accommodating negotiating stance’ (Rutledge, 2006, p. 185).

The PSAs will effectively privatize Iraq’s oil, while leaving nominal control in the hands of the Iraqi state thereby avoiding the perception of a US-imposed privatization of Iraq’s most valuable assets. Another significant aspect of the PSA Iraq oil laws is the fact that Iraq will not be
able to control the amount of oil being extracted and marketed by oil corporations. In the case of Iraq, which sits on top of some of the world’s largest oil reserves, this effectively means that the PSAs provide the potential to undermine OPEC production quotas (Muttitt, 2006, p. 4). As Herring has cogently summarized, the ‘United States has led a drive to open up the Iraqi economy, and there is a growing internalization of neoliberalism among the Iraqi political and business elites despite the clear preference among the Iraqi public for a welfare state’ (Herring, 2008).

Conclusion

We see then a very clear pattern emerging in relation to the invasion of Iraq and one that conforms to general political and strategic patterns of American statecraft in the ME in the post-war international system. First, Washington sought to rid the region of a political regime that was considered inimical to its interests. Saddam’s Iraq had presented a clear and present challenge to American primacy in the region ever since he had threatened to monopolize control over ME oil through his invasion of Kuwait and possible invasion of Saudi Arabia itself. Second, Washington will use Iraq as a permanent staging post for American troops in the ME. While the Nixon doctrine of proxy power is the preferred model, in a region so strategically crucial coupled with the ever present potentiality for unrest, a firm and stable basing structure at the heart of the major oil producing zones is a sure guarantor for American interests. Finally, the war gamble sought to push through a series of neoliberal reforms of the Iraqi economy that was largely nationalized prior to the invasion. To date, Washington’s gamble has not paid off, and the invasion has raised serious disquiet amongst US economic and political elites about the war policy pursued by the Bush administration. Perhaps of more import however is that while there are real disagreements over the choice of using the war gamble to advance US interests, there are not any significant divergences over the objectives that the war gamble attempted to achieve: the continued transnationalization of the oil-rich ME political economies and the maintenance of US political hegemony in the region.

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