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01

An ASPI Policy Briefing

Building the Peace

Australia and the Future of Iraq

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Building the Peace

Australia and the Future of Iraq

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Director's introduction

It is too early to predict how postwar Iraq will unfold. But Iraq's reconstruction is an enormously complex task, for which Australia now shares responsibility.

The aim of this ASPI Policy Briefing— the first in the series—is to provide a quick analysis of postwar Iraq from an Australian policy perspective. We at ASPI are all too conscious of the fact that the situation is extremely fluid, and that these are very contentious issues. We seek to encourage the consideration of the broader policy issues on this very important subject.

I would like to thank Dr Robert Bowker of the Centre for Defence and Strategic Studies at the Australian Defence College, and Professor Robert O'Neill, Chairman of ASPI, for their highly valued contributions to this document. And I'd also like to thank my colleague, Dr Elsina Wainwright, for drawing together the contributions and preparing this document.

The views expressed on the following pages do not necessarily reflect the views of the contributors, and are not to be taken as expressing the views of ASPI as an institution. Responsibility for the views expressed here lies with myself as Director and with Dr Wainwright.

Hugh White
Director

Executive summary

Australia shares initial responsibility for the reconstruction of postwar Iraq with the other members of the Coalition. This is a considerable assumption of responsibility, and the stakes are high.

So Australia faces a serious policy challenge. Important Australian national interests have become closely engaged in a complex and highly uncertain situation in a part of the world beyond our own region. We need to develop a policy approach to maximise our opportunities and minimise the risks.

Australia's interests in the outcome in Iraq—not in any priority order—are:

- Long-term stability in the Middle East
- Australia's commercial stake in Iraq and the Gulf
- Australia's credentials in the new Iraq
- Australia's standing in the wider Islamic world
- Ready availability of oil at fair prices
- The global credibility of the US
- The strength of the US–Australia alliance
- The effectiveness of the United Nations and the wider Western alliance
- International cooperation to limit weapons of mass destruction (WMD) proliferation
- Effective measures to prevent terrorism
- Safety of Australian personnel

While the situation in Iraq is very fluid, and our approach will need to adapt as things change, there are a few broad policy parameters that can guide Australia's approach, and protect our interests.

- Work fast
  The best approach is to achieve a balance between managing the onset of democratisation and overstaying our welcome. While we need to do what we can to ensure a robust democracy in Iraq, we also need to hand over control of Iraq to the Iraqis as soon as possible, and allow them to make their own decisions, while still providing support if needed.

- Engage Iraq's neighbours

It is critical that the Coalition deals effectively with Iraq's neighbours. The cultivation of these relationships is going to require some tough compromises, especially for the US.

- Spread the load—draw in the United Nations, Europe and Japan

To enhance the credibility and legitimacy of the reconstruction, the United Nations should be brought in to the process as much as possible. And the Coalition should work hard to encourage key European powers and Japan to participate actively in the reconstruction of Iraq.

- Progress peace between Israel and the Palestinians

Energising a solution to the Israel-Palestinian conflict should be a policy priority. We should strongly support the Road Map towards peace between Israel and the Palestinians, because a settlement would remove one of the principal destabilising factors in the Middle East.

- Work with our partners and put our views clearly

Australia will need to put its views to the US on all aspects of the Iraqi reconstruction process in a clear and robust manner. And we should work with the British to influence the debates in Washington.

- Set a limit on our commitment

Australia would be wise to set a clear limit on its commitment to the reconstruction process.

- Look beyond the current crisis to our future interests

Finally, Australia should be active in looking beyond the current crisis to our future interests in Iraq, the Middle East, and the wider international system. This entails cultivating our own links and credentials with Iraq's new government, looking again at the long-term role we should play in the Middle East, and revisiting the key issues of international cooperation on combating WMD and terrorism.

CHAPTER
1

Australia's policy challenge

A new responsibility

Australia shares initial responsibility for the future of Iraq. The way we discharge our share of this responsibility will be critical to a number of key Australian interests. The stakes are high. Australia has direct interests in Iraq—wheat markets, for example. But significant though these are, our biggest interests are in the wider implications of what happens in Iraq now Saddam Hussein has gone, and the wider global implications of events in Iraq for the international system. Iraq's central place in the geostrategy of the Middle East, its significance in the oil market, its place in the Arab and Islamic worlds, and the fact that the Bush Administration has made it the litmus test for American power; all these factors mean that a successful outcome there is very important to Australia and the world.

Of course many countries around the world will share important interests in the outcomes in Iraq, but Australia's stake is greater than that of many others. As one of only four members of the military coalition that deposed Iraq's government and now occupies the country, we carry a share of responsibility for the future of Iraq and the welfare of its people. And as a member of the transitional authority we have, and are seen to have, direct responsibility for the way in which the rehabilitation of Iraq takes place.

There are both moral and practical arguments for Australia accepting this responsibility. Morally it could be argued that having participated in the military action of Iraq we have an obligation to contribute to the replacement of the deposed regime with a new and better alternative. Practically, the United States—and the United Kingdom—are keen for Australia to sustain an active role in the postwar administration and political evolution of Iraq.

These are both legitimate reasons for Australian involvement in the transitional authority. But that involvement carries risks and opportunities. If the process of postwar rehabilitation goes well, Australia will stand to reap significant benefits in terms of our standing in the Middle East, our relations with the US, and of course our credentials with a new Iraqi government and the Iraqi people. If the process goes badly, the costs to Australia, direct and indirect, could be high.

So Australia faces a serious policy challenge. Important Australian national interests have become closely engaged in a complex and highly uncertain situation in a part of the world beyond our own region, albeit one in which we do have standing and expertise. The scale of the challenges is great, but they need to be viewed in the context of what we had before: when Iraq was a destabilising regional power under a despotic regime with determined WMD ambitions and capacities. We need to develop a policy approach to maximise our opportunities and minimise the risks.

Australia's interests and objectives

What is Australia trying to achieve with our involvement in Iraq's rehabilitation? Naturally we want a peaceful and prosperous Iraq, at peace with its neighbours and a responsible member of the wider international community. But what does that mean in practical terms? And what other Australian interests are engaged? Because of the central place Iraq has assumed in American policy, and in international politics more broadly, the implications for Australia of the Iraq situation extend well beyond the Middle East.

Australia's interests

Australia's interests in the outcome in Iraq—not in any priority order—can be summarised as follows:

- **Long-term stability in the Middle East.** Australia has strong economic and political interests in the long-term stability and prosperity of the Middle East. Iraq is central to that stability. Australia's interests would be served by significant political and strategic changes in the Middle East, if these laid the foundations for greater stability and prosperity in the future. An Iraq which moves swiftly to establish a durable, responsible and effective government would help foster such long-term stability and prosperity. Weak, transitory and ineffective government in Iraq, however, would not.
- **Australia's commercial stake in Iraq and the Gulf.** Australia has longstanding commercial interests in Iraq, in particular wheat sales of around 2 million tonnes per year. We also have significant economic relations and a growing range of interests in the broader region. We therefore have an important interest in preserving and building upon these commercial ties.
- **Australia's credentials in the new Iraq.** Iraq is potentially even more important to Australia in the future. If its political transition succeeds, it will be a rich country. A democratic Iraq may also become a key leader in the wider Middle East. We therefore have an interest in cultivating our credentials both with the Iraqi people and with the new emerging government.
- **Australia's standing in the wider Islamic world.** The post-invasion evolution of Iraq will be keenly watched elsewhere in the Islamic world, including by important Islamic communities in our own region, especially in Indonesia and in Malaysia, and in Australia itself. We have an important interest in ensuring that the role of the Coalition in Iraq is seen positively in these communities.
- **Ready availability of oil at fair prices.** Australia has a very strong direct and indirect interest in the security of oil supplies from the Gulf, and in stable, relatively low oil prices. A reconstructed Iraq has the potential to be a major stabilising factor on the oil market over the longer term. Conversely an unstable Iraq could affect the reliability of supplies from other Gulf producers.
- **The global credibility of the US.** The Bush Administration has made Iraq the test-bed for American power and influence in the world. Australia has a very important interest in the reputation and capabilities of the US, and our interests would be damaged by US setbacks in Iraq.
- **The strength of the US-Australia alliance.** The management of America's Iraq commitment will be a major US strategic preoccupation for some time to come. Washington will judge allies like Australia in large measure on their approach to the issue of Iraq. At the same time, domestic opinion within Australia will also tend to see the US alliance primarily in terms of the Iraq issue, at least in the short term. Effective management of our role in Iraq will therefore be very important to the future health of the alliance from both sides.
- **The effectiveness of the United Nations and the wider Western alliance.** The Iraq issue has been traumatic for the UN and for the transatlantic strategic relationship, which has been at the heart of the wider Western

alliance throughout the Cold War and beyond. Australia has a strong interest in the effective functioning of the UN, and of the Western alliance. We therefore have an interest in helping to repair the damage of recent months, or at least to prevent further damage being done.

- International cooperation to limit weapons of mass destruction (WMD) proliferation. One of our key interests in the Iraq issue over the past decade has been to strengthen international mechanisms to prevent the proliferation of WMD. Clearly the events of the past few months have been very taxing for international cooperation in this area, but at the same time have laid down a marker that the acquisition of WMD may be deemed unacceptable. The focus has changed from nonproliferation to counter-proliferation, with as yet unclear implications. It will be important to our interests that international cooperation on nonproliferation is revitalised and got back on track.
- Effective measures to prevent terrorism. US policy on Iraq has been closely linked to the War on Terror, and events there clearly have the potential to affect the campaign against terrorism, both inhibiting terrorism in some ways and perhaps inciting it in others. Australia has a strong interest in making sure that the Iraq situation is handled in ways that contribute to the long-term campaign against terrorism as much as possible.
- Safety of Australian personnel. Clearly Iraq is going to be a dangerous place for some time to come. A key interest for Australia is the safety of our personnel there.

US plan for the reconstruction of Iraq

There are three planned stages for postwar Iraq.

1. Security stabilisation period, in which Coalition forces have control, and the Office of Reconstruction and Humanitarian Assistance is responsible for the initial rebuilding of infrastructure and basic service delivery, and the reshaping of the political system.
2. Formation of an Interim Iraqi Administration (IIA). It is envisaged that the IIA will include members of Iraq's different ethnic groups, and expatriate opponents of the former Iraqi regime as well as Iraqis who have lived through Saddam Hussein's Iraq. It will initially be an advisory body to the transitional authority, but there will be a progressive handover of roles. It is likely that the US will still provide security during this phase.
3. Holding of elections, and the assumption of control by a representative Iraqi government.

The transfer of responsibilities to the Iraqis will therefore take place in three stages: initially the Coalition will be in control; then will come a period of transition in control, and finally the Iraqis will be left in control as the US and other Coalition members depart. There will be a new Iraqi government based on a democratic constitution.

CHAPTER 2

The challenges in Iraq

Achieving Australia's objectives in Iraq will depend on developments in four key areas: humanitarian relief, security, political evolution, and economic reform and development. There is clearly a close interaction between them. Humanitarian relief is an essential first step to both securing the country and building political momentum. Political development in Iraq will be impossible until some measure of security has been achieved. But equally, many security issues will not be resolved until there is a political framework in place that reconciles the interests and satisfies the aspirations of Iraq's many sub-groupings. Getting this nexus right will be critical to all the other things the Coalition wants to achieve. And economic reform and development are also vital to Iraq's future stability.

Humanitarian assistance

The safe and comprehensive provision of humanitarian assistance remains a crucial task for the transitional authority. The restoration of clean water and electricity are key priorities, as is assisting the hospitals to function effectively.

Up to 60% of Iraqis have depended on food received through the UN Oil for Food program. The transitional authority has to ensure that their needs are met.

The Coalition has a responsibility to help address the humanitarian challenges brought on by the war as well as the more chronic humanitarian problems of an Iraq ravaged by Saddam and sanctions. Humanitarian relief is also critical, so as not to further erode Iraqi cooperation as the Coalition seeks to stabilise security and build a political framework in Iraq.

Security

The transitional authority in Iraq faces a very complex security challenge. In the initial stages, priority will need to be given to two problems left

over from Saddam's regime. First is the need to ensure that Coalition forces are not taken unawares by vestiges of organised resistance from Saddam's armed forces, and this will shape the Coalition's operations and deployments at least for the first few months. And considerable effort will need to be devoted to disarming and dismantling such units as still exist.

The other problem left over from Saddam's regime is the need to find any Iraqi weapons of mass destruction. The current period between the collapse of Saddam's regime and the effective consolidation of Coalition authority creates a dangerous opportunity for Iraqi WMD to be passed to Al Qaeda or other terrorist groups, or to other rogue states. Finding Iraqi WMD will be a long and demanding task, because any weapons will be well hidden. It will continue to need top priority.

The second set of issues relates to the maintenance of law and order in the transitional period before new civil authorities have been established. This is obviously a major challenge in some areas, and its absence has resulted in terrible cultural tragedies like the loss of historic artefacts and documents from institutions in Baghdad. But this need will probably prove a transitory one, and may subside without the need for major Coalition action, especially as Iraqis themselves take action at the local level to police their own neighbourhoods. The restoration of order and services requires a significant and energetic Coalition effort. But this has the effect of drawing the US more closely into the day to day administration of Iraq and into the emerging power struggles, and therefore amplifying the risk of being seen as too intrusive.

The third and most profound set of security challenges facing the Coalition is that posed by the process of political transition itself. These challenges fall into two categories. First, there is already the emergence of inter-communal tensions and violence as elements in Iraq's complex ethnic, religious and

political makeup start to shape the future of post-Saddam Iraq. The stakes are high, and there is reason to fear that violence between Iraqis may be a common feature of the political process over coming months. If this violence cannot be contained, it will undermine the process of political reconstruction and threaten the establishment of a durable political settlement.

Second, there is the risk of a sustained campaign of violence directed against the Coalition itself. Most Iraqis evidently welcome Saddam's overthrow, and the Coalition's role therein. But there is obvious scope for resentment and hostility towards the Coalition, and especially the US. This resentment will grow the more likely it seems that the US intends to retain a substantial presence and influence in Iraq. The terrorist-style attacks that have been made so far against Coalition forces in Iraq probably represent the last elements of resistance from Saddam's regime, and can be expected to die away. The risk is that they will be replaced by a low-level insurgency aimed not at protecting the old regime, but at attacking the US presence that has replaced it and those Iraqis who cooperate with the Coalition.

If the Coalition presence in Iraq becomes identified even among a minority of Iraqis as inimical to Iraq's independence and identity, such an insurgency could attract sufficient support to become a major problem for the Coalition. It might take on some of the characteristics, and some of the ideology, of the Palestinian Intifada, and attract support from around the Arab and Islamic worlds. Responding to such an insurgency would be very difficult. Experience over many decades shows that military efforts to suppress such an insurgency are likely to cause resentment in the wider population which would only exacerbate it.

Of course we must be realistic about our expectations in relation to all of these security challenges. Iraq is going to be a complex and occasionally violent place over coming months and even years. Some level of violence and unrest is inevitable, and manageable. The challenge is to minimise these problems, and in particular to keep them below the level that would start to inhibit the process of political reconstruction.

Political reconstruction

The political reconstruction of Iraq as a democratic country is a major undertaking. There are reasons to be confident of success. Over the past decade a wide range of countries in many parts of the world with very diverse political histories and cultural heritages have taken major steps towards responsible, representative government based on the rule of law. They include many nations in Central and Eastern Europe and the former Soviet Union, including Russia itself. In our own region they include South Korea, Taiwan and Indonesia.

There is no a priori reason why Iraq should not follow their example. Indeed Iraq has some significant advantages over many states in transition, such as East Timor and Bosnia, neither of which had an established bureaucracy.

Nonetheless a number of factors in Iraq will make the process of transition to democracy especially complex and difficult. First, Iraq has never been democratically governed, and it has just emerged from an unusually oppressive dictatorship. This may complicate the process of political reconstruction in several ways. The entire political leadership from the old regime has been deeply discredited, both with the Coalition and with the Iraqi people themselves. In many democratising countries the old pre-democratic ruling elites take key roles in the new democratic institutions, bringing their skills, experience and power networks. Often their motives are self-serving, but they play a beneficial role nonetheless. In Iraq it will be difficult if not impossible to draw on the top tier of the previous Ba'ath leadership (although it will be necessary to draw on the middle level technocrats).

But there are few if any identifiable alternative leaders from within the country. Saddam's regime was ruthless in cutting down potential opponents, and it was in power for a long time. So there appears to be no significant group or set of individuals with political credentials for national—as opposed to religious—leadership within Iraq who are not Ba'athist. Most opposition figures are exiles, and many of them have been out of Iraq for decades.

And to compound the lack of legitimate alternative leadership in Iraq, Saddam has left behind powerful networks of illegitimate influence. Saddam's regime, like most dictatorships, has spawned networks of informal power and influence that often have strong criminal overtones —in effect state-sponsored organised crime. These networks can be very pervasive and persistent—as they have been for example in Russia and in Serbia. They can have a major influence in democratising states even after the formal mechanisms of authoritarian rule have been dismantled. They may be Saddam's most enduring legacy, and a force to be reckoned with in the new Iraq.

Second, Iraq suffers from deep regional, ethnic and religious divisions, which have not only a deep historic basis but have been exploited and exacerbated by the policies of Saddam's regime. Clearly the reconciliation of the conflicting aspirations of these disparate groups will be a critical and complex aspect of the task of political reconstruction. The clashes between Arabs and Kurds in and around Mosul and Kirkuk in the first days after the regime's collapse show the depth of problems to be addressed.

Third, many of Iraq's neighbours will see themselves as having deep equities in the way Iraq evolves, and there is a clear risk of direct or

indirect interference in the process of democratisation. Turkey clearly has a major stake in the future of Iraq's Kurdish areas. Iran will pay close attention to the fate of Iraq's Shias. And Syria may look for ways to frustrate American policy in Iraq if it can do so without attracting too much direct attention from Washington. All of these players might make the task of political reconstruction harder.

Fourth, Iraq's political evolution will be shaped, and complicated, by its oil. Of course as Iraq's oil production is restored, its oil wealth will make many things easier. But oil does strange things to the politics of those countries whose economy is dominated by it—as is the case with Iraq. With most economic activity, wealth is generated among the population, and governments have to draw it from the population through taxation. That makes governments dependent on their people. In contrast, the income from oil is centralised with the national government, and the government then distributes it to the people—which makes the lines of dependency flow the other way. That's bad for democracy.

Lastly, of course, Iraq is an occupied territory. The Coalition has gone to great lengths to emphasise its determination to pass control of Iraq back to the Iraqi people as soon as they are in a position to accept that control. But for the time being the Coalition's control is an indisputable fact, which will shape the political evolution of Iraq in complex ways. From the Iraqi side, the undeniable appeal of open democratic government will be offset for many by the fact it is being delivered—or imposed—by an occupying power. Opposition to the Coalition's role in Iraq could become a key political force in the country in its own right, especially if it can draw not just on a sense of Iraqi nationalism, but on a sense of Iraq's Arab and Islamic identities as well. With the best will in the world, it will be very difficult to handle the political symbolism of America's occupation of one of the key centres of the Arab and Islamic worlds. Coalition partners will hardly be able to avoid being caught up in these problems.

Equally from the Coalition side there will be complex choices to make, especially for the US. There is potentially some tension between the key US objectives in Iraq. On the one hand the US wants to install a democratic government responsive to the wishes of the Iraqi people. On the other hand, Washington undoubtedly expects the new post-Saddam Iraq to adopt policies that are at least consistent with US interests. But there is a significant risk that any democratic government in Iraq responsive to its people's wishes would need to adopt policies that would be deeply inimical to US interests and values. Points of difference might include the place of Islam in the new Iraq, Iraq's policy towards Israel, and Iraqi willingness to accept the long-term basing of US forces in their country.

Economic reform and development

Finally, economic reform and development in Iraq are key to its future stability and success. And the credibility of the transitional authority and the Interim Iraqi Administration will be shaped to some extent by their economic performance. Much will depend on how quickly Iraq's oil fields and associated facilities can be restored and expanded. But once the oil fields are working again, Iraq's government will have a reliable and plentiful revenue stream.

A greater challenge will be reconstructing Iraq's economic governance, including its institutions. It is vital to the success of democracy that Iraq's economic future be based on policies designed to stimulate private enterprise.

CHAPTER 3

Australia‘s policy parameters

Australia should aim for a stable, peaceful, cohesive Iraq with a responsive and representative government committed to the welfare of its people and to peace in the Middle East.

In the complex and demanding environment of post-Saddam Iraq, how can Australia best protect the complex set of interests that we identified in Chapter One? Obviously the situation is very fluid, and our approach will need to adapt as things change. But there are a few simple policy parameters that can guide Australia’s approach.

Work fast

At the heart of Coalition and Australian policy in Iraq is a clear dilemma. On the one hand we need to do what we can to ensure that Saddam is replaced by a robust and responsible democracy, and not by another dictator, an Iranian-dominated theocracy, or chaos. But on the other hand we need to allow Iraq to make its own way as soon as possible. Balancing these competing imperatives will be the key to success.

US spokespersons emphasise that the US wants to hand over control of Iraq to the Iraqis as soon as possible, and leave them to make the decisions. That is surely the correct approach. A significant threat to a successful outcome in Iraq is the potential for Iraqi resentment of perceived US interference in Iraq’s affairs. A balance needs to be struck between controlling Iraq and abandoning it. The challenge will be to ensure that the Coalition’s good intentions do not slide into a protracted entanglement in Iraq’s affairs. This will require the following disciplines.

Realistic expectations

Australia should aim for a stable, peaceful, cohesive Iraq with a responsive and representative government committed to the welfare of its people and to peace in the Middle East. But we will need to be realistic about just what style of democratic government Iraq will achieve in the time available. With the formidable challenges faced by Iraq and the Coalition in both the security and the political arenas, it would be a mistake to aim too high. Perhaps the best the Coalition can hope for is to help set Iraq firmly on the path to democracy, and then let the Iraqis continue on themselves, while still providing support if needed. There will be a balance to be struck: a poorly founded democracy could quickly change into an even worse dictatorship. The dilemma for the Coalition is that strong enough involvement to give democracy robust foundations might be intrusive enough to cause widespread Iraqi resentment.

Short timeframes

The Coalition—including Australia—should aim to disengage from Iraq as soon as it can without risking the very democracy it is trying to engender. The lesson from Bosnia is that it takes time for moderates to emerge. If elections are held too quickly, it is far more likely that extremists and those with existing (and even criminal) connections to power will gain control. The simple fact is that the Coalition presence will, over time, risk becoming a hindrance to Iraq's political development. Overt Coalition support for favoured politicians and policies will risk eroding their support among many Iraqis. Compromises will be needed between managing an optimum outcome and overstaying our welcome. Although the earliest possible departure has much to recommend it, it is vital that the foundations of a democratic state are well laid. This will present a real challenge to the judgement and expertise of the US.

Limited influence

The Coalition should be careful to limit its ambitions for influence over the policies and directions of postwar Iraq. The more the Coalition tries to assert control over the whole range of Iraq's future policies, the less influence it is likely to have, and the more likely it is to create a disaster. The Coalition members should unambiguously commit themselves now to a timely withdrawal of Coalition forces from Iraq (although an 'exit state' is preferable to an 'exit date'), and the timely phased handover to a new Iraqi government of sovereign responsibility for Iraq's internal and external affairs. But that means compromises will be needed over the degree of alignment that can be expected between the policies of a new Iraqi government and Western and US interests.

Having committed ourselves not just to the military coalition but to the transitional authority, Australia will need to put its views on all aspects of the shape of the Iraqi reconstruction process to the US in a clear and robust manner.

Engage Iraq's neighbours

The second most serious threat to the achievement of Coalition objectives in Iraq is that Iraq's neighbours will, for reasons of their own, work against those objectives. It is therefore critical that the Coalition deals effectively with Iraq's neighbours. Several of the neighbours are hard to deal with, and threats may be a useful part of the management of these relationships at times. The cultivation of these relationships is going to require some compromises. For the US especially, this may be tough. For example, it will be important for the Coalition that the US looks to the future rather than the past in thinking how relations with Iran might evolve. Syria and Turkey will obviously pose problems of their own. All these relationships will be critical to success.

Spread the load

Welcome the United Nations

It will be important in achieving our objectives that the UN should be brought in to the process as much as possible. The UN itself acknowledges that it lacks the capacity to take on the whole task. A relatively modest UN involvement early on would enhance the credibility and legitimacy of the process significantly, both in the eyes of Iraqis and in the wider Arab

and Islamic communities around the world. That may require some concessions on the degree of influence that both the UN and the US will exercise over Iraq's trajectory. This will be unwelcome to many, but the sacrifice would be well worth it for the gains in legitimacy and credibility that would result. It will also help to restore the effectiveness of the UN after the traumas of the past few months—which would serve Australia's interests.

Bring in the Europeans and Japan

The Coalition should work hard to encourage key European powers—both 'old' and 'new' Europe—to participate actively in the reconstruction of Iraq. This is not a matter of offering commercial opportunities, but of optimising the chances of a successful outcome in the whole enterprise. It might be possible to secure major contributions—including peacekeeping contributions—from the Europeans. This would not only ease the burden of the reconstruction on the Coalition, and improve the legitimacy of the process in the eyes of Iraqis and the wider world. It would also help to rebuild trust in the transatlantic alliance—which is strongly in our interest.

We should also encourage Japan to play a role. As a close ally of the US and a supporter of military action in Iraq, Japan could be expected to consider favourably an invitation to make a contribution to Iraq's reconstruction. It would also be in Australia's interests for another Asia Pacific country to be closely involved. And, of course, Japan has significant expertise and resources to contribute.

Progress peace between Israel and the Palestinians

Energising a solution to the Palestinian problem is very important, and it should be a policy priority. The US Administration has put forward a Road Map towards peace between Israel and the Palestinians.

Australia should strongly support moves towards peace, because that would remove one of the principal destabilising factors in the Middle East. Arab political—as distinct from policy—reaction to the conflict with Iraq has been significantly affected by widespread frustration over the Palestinian issue. Moves to resolve that issue will serve Australia's interests in the region.

Work with our partners and put our views clearly

Join the debates in Washington

Australia's engagement in the transitional authority may place some pressures on our relations with our Coalition partners. Some of the policy parameters identified here might not find support among some members of the Bush Administration. Others in the Administration would share these views wholeheartedly. We will need to join their debates. Having

committed ourselves not just to the military coalition but to the transitional authority, Australia will need to put its views on all aspects of the shape of the Iraqi reconstruction process to the US in a clear and robust manner. We cannot be content simply to focus on issues such as agriculture that might affect our commercial interests most directly—our interests and our responsibilities require us to engage across the board.

Work with London

In this our most important ally is probably London. The UK has a substantially larger stake than Australia in the shape of the post-Saddam settlement. Its views probably coincide with Australia's quite closely on many of the issues that are up for debate. Our best hope to shape the Coalition's policy in directions that suit our interests is to work with the British to influence debates in Washington—always making it clear that our positions reflect distinct Australian interests.

Australia's best hope to shape the Coalition's policy in directions that suit our interests is to work with the British to influence debates in Washington.

Set a limit on our commitment

Australia's interests in the Iraq situation are significant, but they are not our only or our most important international interests. There are limits to the commitment we can sensibly make to this situation. If all goes well, the Coalition might achieve its objectives in Iraq's reconstruction and disengage in a timely manner. But if things go badly there is a clear risk that our engagement could drag on indefinitely. Australia would be wise to set a clear limit to its commitment to the reconstruction process.

Look beyond the current crisis to our future interests

Finally, Australia should be active in looking beyond the current crisis to our future interests in Iraq, the Middle East, and the wider international system. We should be careful to cultivate our own links and credentials with Iraq's new government, if only to ensure that Australia's commercial interests are not endangered by the democratisation of the country. We should look again at the long-term role we should play in the Middle East, where our interests are strong. And we should revisit the key issues of international cooperation on the twin global problems of WMD and terrorism, where all this began, and which are still with us.

Contributors

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- Work fast
- Engage Iraq's neighbours
- Spread the load—draw in the United Nations, Europe and Japan
- Progress peace between Israel and the Palestinians
- Work with our partners and put our views clearly
- Set a limit on our commitment
- Look beyond the current crisis to our future interests.