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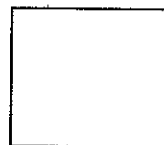


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National Intelligence Estimate

**Prospects for Iraq:
Saddam and Beyond**



*This National Intelligence Estimate represents
the views of the Director of Central Intelligence
with the advice and assistance of the
US Intelligence Community.*

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NIE 93-42
December 1993

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Prospects for Iraq: Saddam and Beyond

*Prepared under the auspices of Bruce Riedel,
National Intelligence Officer for Near East and
South Asia.*

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December 1993

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Scope Note

Throughout this Estimate, we assume that:

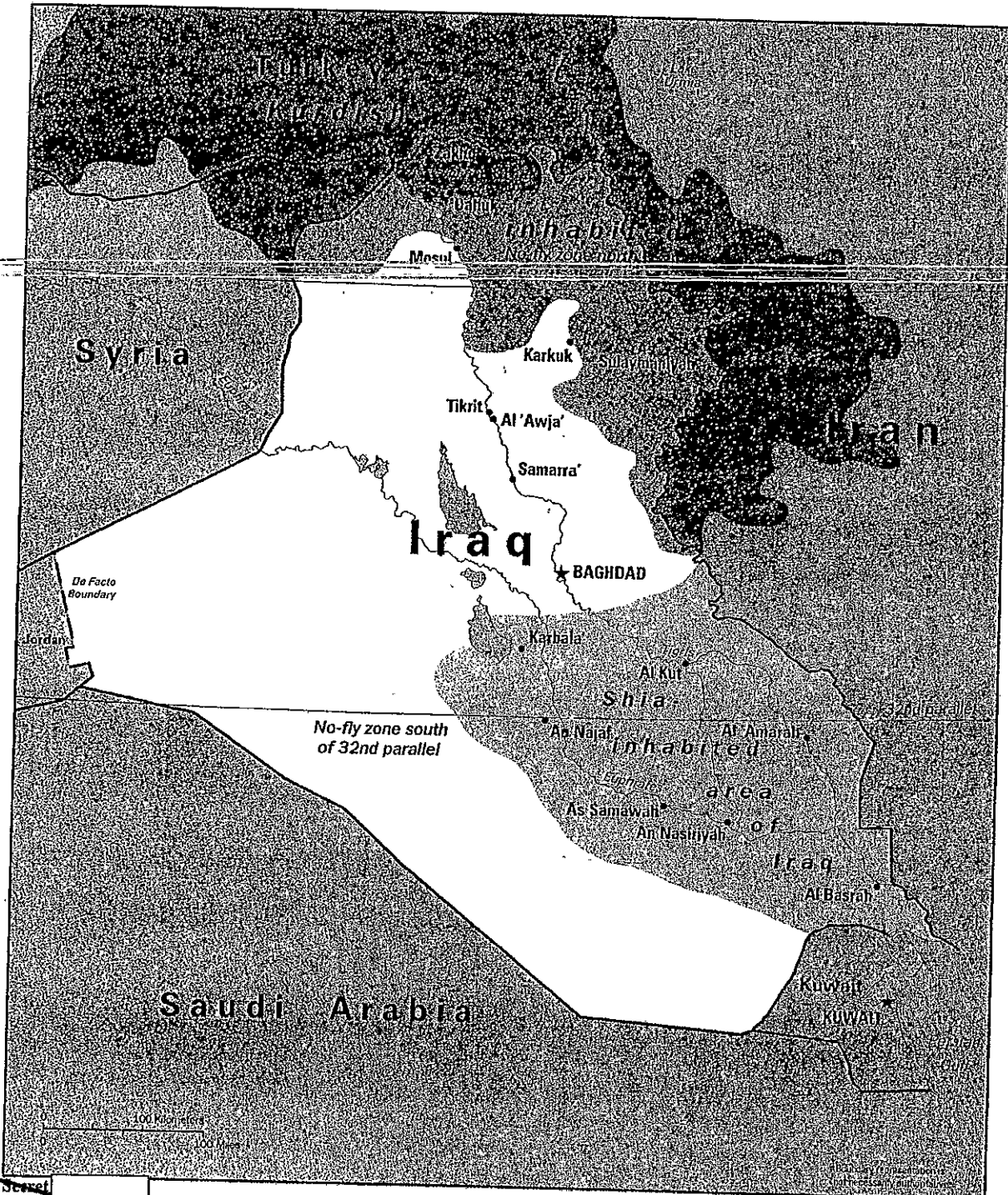
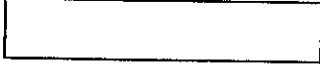
- Saddam Husayn will not alter his basic domestic and foreign policy goals: to maintain his hold on power by any means necessary, to reimpose full control over the country, to rebuild Iraq's military might—including weapons of mass destruction programs—and to make Iraq the dominant regional power.
- Saddam Husayn will not fully comply with UN resolutions.
- Maintaining full sanctions and a coherent anti-Saddam coalition will be increasingly difficult.

Our ability to estimate prospects for Iraq is hindered by the dearth of solid information about the activities and intentions of major players in Iraq.

Key Questions

- What are the prospects for the survival of Saddam Husayn's regime for another year? For three more years?
- What role do sanctions, and the attendant economic hardship and diplomatic isolation, play in determining Saddam's survival?
- If regime change occurs, what will be the most likely means: assassination, coup, popular uprising, opposition overthrow, or other?
- What would be the characteristics and policies of likely successors?
- What are the prospects for political stability and Kurdish reintegration into Iraq after Saddam?

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Key Judgments

Prospects for Iraq: Saddam and Beyond

The UN Sanctions: Saddam's Achilles' Heel

Saddam Husayn currently has sufficient economic and security resources, along with the skill to marshal and deploy them, to maintain his hold on power. Therefore, we judge that, even if the UN sanctions remain in effect, there is only a 20- to 30-percent chance that Saddam will be ousted during the next year.

Nevertheless, the sanctions—especially the near-embargo on oil exports, which has reduced Iraq's annual oil earnings from the prewar high of \$15 billion to no more than \$500 million—are debilitating Iraq's economy and exacerbating domestic security problems. The dearth of hard currency is helping to erode Saddam's ability to preserve his power base by distributing favors to supportive organizations and persons. The longer the sanctions remain in effect, the greater the risk to him:

- If the sanctions were eased—in particular, if the restrictions on Iraqi oil exports were lifted—the pressure on Saddam would lighten, and his chances of surviving in office would be substantially enhanced.

If enforcement of the sanctions continues unabated, there is a better-than-even chance that Saddam will be ousted during the next three years:

- Although sanctions by themselves will not directly topple Saddam, they have helped establish an environment that threatens him. The shortage of money caused by drastically reduced oil revenues undermines his image as a strong leader, and keeps popular discontent high. We see little prospect that Saddam can improve this security environment or his prospects for survival while sanctions remain in force.

~~Secret~~**International Support for the Sanctions Is Waning**

Maintaining the sanctions intact will become increasingly difficult. In November 1993, the Security Council voted unanimously to keep them in place for two more months; nevertheless, the consensus in favor of the sanctions is fraying. China, France, and possibly other Security Council members may press as early as the next review in January for an easing of the sanctions, especially for an end to the restrictions on Iraqi oil exports. [redacted]

Baghdad has been working hard to reverse its pariah status and weaken international support for the sanctions:

- In the past year, Iraq has decreased its harassment of UN inspectors and improved its cooperation with aspects of the UN resolutions related to weapons of mass destruction (WMD). Iraq recently even agreed to abide by the terms of UN Security Council Resolution 715, which calls for long-term UN monitoring of Iraq.
- At the same time, though, Saddam's regime continues to flout other aspects of the UN resolutions. Baghdad refuses to recognize the UN-demarcated border with Kuwait, harasses international relief operations throughout Iraq, and brutalizes rebellious Kurdish and Shia citizens. Evidently, Saddam believes that continued intransigence in these areas will not detract from his efforts to end the UN sanctions.
- Among other measures designed to enlist international support, Baghdad has been enticing governments [redacted] with prospects of lucrative trade deals if they will help get the sanctions lifted. In addition, Iraq is conducting a major propaganda effort designed to generate international sympathy for Iraq by exaggerating the extent to which the sanctions are harming the common people. [redacted]

UN Special Commission (UNSCOM) Chairman Rolf Ekeus believes that the sanctions should be maintained at least until an effective monitoring regime is in place and Iraq's cooperation has been established. Some governments are pressing to reward Iraq for its improved conduct. [redacted]

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Saddam Would React Violently to Extended Sanctions

Saddam's effort to assassinate former President Bush and the Amir of Kuwait demonstrates his penchant for seeking revenge—particularly on his wartime enemies—and his willingness to risk reprisal in pursuit of high-priority objectives. Therefore, we judge that, should the UN dash Saddam's hopes by refusing to lift or even weaken the sanctions during the coming year, he is likely to respond with another spate of hostile acts, such as:

- Ending cooperation with UNSCOM and resuming harassment of UN inspectors.
- Testing enforcement of the no-fly zones.
- Stepping up operations against the Kurds.
- Intensifying challenges of the border with Kuwait.

Saddam May Change Tactics but Not Goals or Policies

Whether the sanctions remain in effect or not, Baghdad will pursue the following goals, objectives, and policies as long as Saddam remains in power:

- *Saddam will stop at nothing to stay in power.*
- *Reestablishing his authority over the whole country.* Saddam will work to erode international support for the two no-fly zones and Operation Provide Comfort. Once they no longer appear to be backed by a coalition military commitment, Saddam will use force to try to recover the northern, Kurdish-controlled provinces.
- *Rebuilding Iraq's military might.* Saddam will continue reconstituting Iraq's conventional military forces, and he will take steps to reestablish Iraq's WMD programs.
- *Making Iraq the dominant regional power and preeminent Arab country.* Saddam will work to speed Iraq's reintegration into the Arab fold and reassert its claim to a leading role in OPEC. Baghdad might try to assume a spoiler role in the Arab-Israeli dispute, at least in propaganda terms.

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[REDACTED]

- *Maintaining Iraq's claim to Kuwait.* Saddam has not given up hope of annexing the country. He will continue to reject Kuwait's claims of sovereignty and step up efforts to subvert the Kuwaiti regime and systematically challenge the UN-demarcated border. [REDACTED]

Any Regime Change Would Be Sudden, Violent, and Fatal

If Saddam is overthrown, those responsible are likely to be from Baghdad-based members of the Sunni Arab establishment who hold ~~positions in the military or security services. They are the only people~~ with access to weapons who also have access to Saddam. [REDACTED]

The Most Plausible Causes. Assassination by a person with access to Saddam or a military coup by officers he trusts appear to be the most likely ways in which Saddam would be overthrown:

[REDACTED]

- The Iraqi military has played a role in all seven of the major power changes in Iraq since 1932, as well as in many unsuccessful coup attempts. [REDACTED]

Conceivable Causes. A move by a coalition of senior military officers and civilian officials similar to the Ba'thist coups in 1963 and 1968 is also possible. The pervasive security measures in effect make it hard for such a group to coalesce; less likely would be a palace coup by members of Saddam's immediate family or other insiders. Most of them are so closely linked to his regime that they probably believe they could not long survive his demise. [REDACTED]

Nonstarters. Among highly unlikely scenarios are a constitutional succession—the 1970 Provisional Constitution is a dead letter; a popular uprising—the people are cowed, disunited, and leaderless [REDACTED]

[REDACTED]

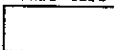
What a Successor Regime Would Be Like

Because the most likely successors to Saddam come from the same broad political culture as he, they would probably hold many of the same views and goals as Saddam. They would agree with him about the threats to Iraqi interests posed by Iran, share Saddam's determination to reassert Baghdad's authority over the whole country, and achieve

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military preeminence in the Persian Gulf. They, too, would want to end sanctions and inspections and press ahead with rebuilding the country's military forces and WMD programs:

- The new regime is unlikely to be quite as brutal, lawless, and repressive as Saddam's regime.
 - The downfall of Saddam would doubtless usher in a period of domestic instability. The Kurds, for example, might be tempted to declare independence, while the Shias in the south would likely escalate their rebellion. 
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Discussion

Saddam Under Pressure

We believe Saddam has sufficient security and economic resources and the skill to marshal these resources to maintain his hold on power for at least another year. Nevertheless, UN sanctions are debilitating the Iraqi economy. Oil exports, which once netted Iraq \$15 billion annually, bring in no more than \$500 million annually under sanctions. Widespread domestic security problems continue to degrade the effectiveness of the government, the morale and resources of the regular Army, and the loyalty of some key tribes, clans, and individuals. The UN sanctions are Saddam's primary concern. An easing of sanctions, especially lifting of the oil embargo, would help to relieve these hardships, thereby enhancing Saddam's staying power considerably.

Economic Decline. The longer UN sanctions remain in effect the greater the risk to Saddam. Iraq's economy is burdened by a falling dinar, high inflation and unemployment, and skilled labor shortages. The Iraqi dinar hit a record low of 150 to 160 dinars equaling 1 US dollar in late November—a fall of more than 85 percent since June 1992. Iraqi emigre reporting indicates price increases have far exceeded wage gains, severely eroding purchasing power and virtually eliminating meat and poultry from many people's diets. The average Iraqi makes about 500 dinars monthly:

- We estimate that prices are increasing more than twice as fast as wages. The cost of a month's worth of basic items is up

about 170 percent—to more than 450 dinars—while wages have increased by only 80 percent.

• We estimate that unemployment in central Iraq has risen from 5 percent to about 30 percent since the war.

The economic distress of most Iraqis adds to the general pressure on the regime. The wealthy and those with hard currency—particularly US dollars—can buy almost anything they need, but emigres and diplomats report the average Iraqi is struggling to make ends meet. Many Iraqis are selling personal belongings and taking second and third jobs. The government-run ration system is insufficient and offers little variety, forcing people to supplement their purchases on the expensive open market. Many Iraqis also are delaying necessary medical care because of the expense, although health problems and malnutrition are not as prevalent as Saddam's propaganda has alleged.

Saddam's mismanagement compounds the country's economic problems. UN sanctions prevent Iraq from selling oil, except under limited exceptions, leaving the regime little economic maneuvering room. Baghdad tried to stem inflation and tighten control of the marketplace by clamping down on Iraqi merchants in July 1992—executing 42 businessmen on charges of price gouging—and again

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Saddam's Prospects: How Have They Changed?

The National Intelligence Estimate on Iraq published in June 1992 concluded that, although Saddam was significantly weaker than before the Gulf war, his position was gradually improving and that he would survive in power at least for another year. Despite the UN sanctions, Saddam was still able to maintain his core support group by providing goods and services unavailable to the masses. At the time, the NIE posited that Saddam probably believed Iraq had already withstood the brunt of the sanctions and that international support for the embargo was flagging. [redacted]

In December 1993 we still believe that Saddam is likely to survive at least another year in power. Nevertheless, his overall position has become slightly weaker since June 1992 under continued pressure from UN sanctions, ongoing international isolation, and persistent domestic security woes. He has been unable to stem the deep-seated discontent that gives rise to

coup and assassination attempts. [redacted]

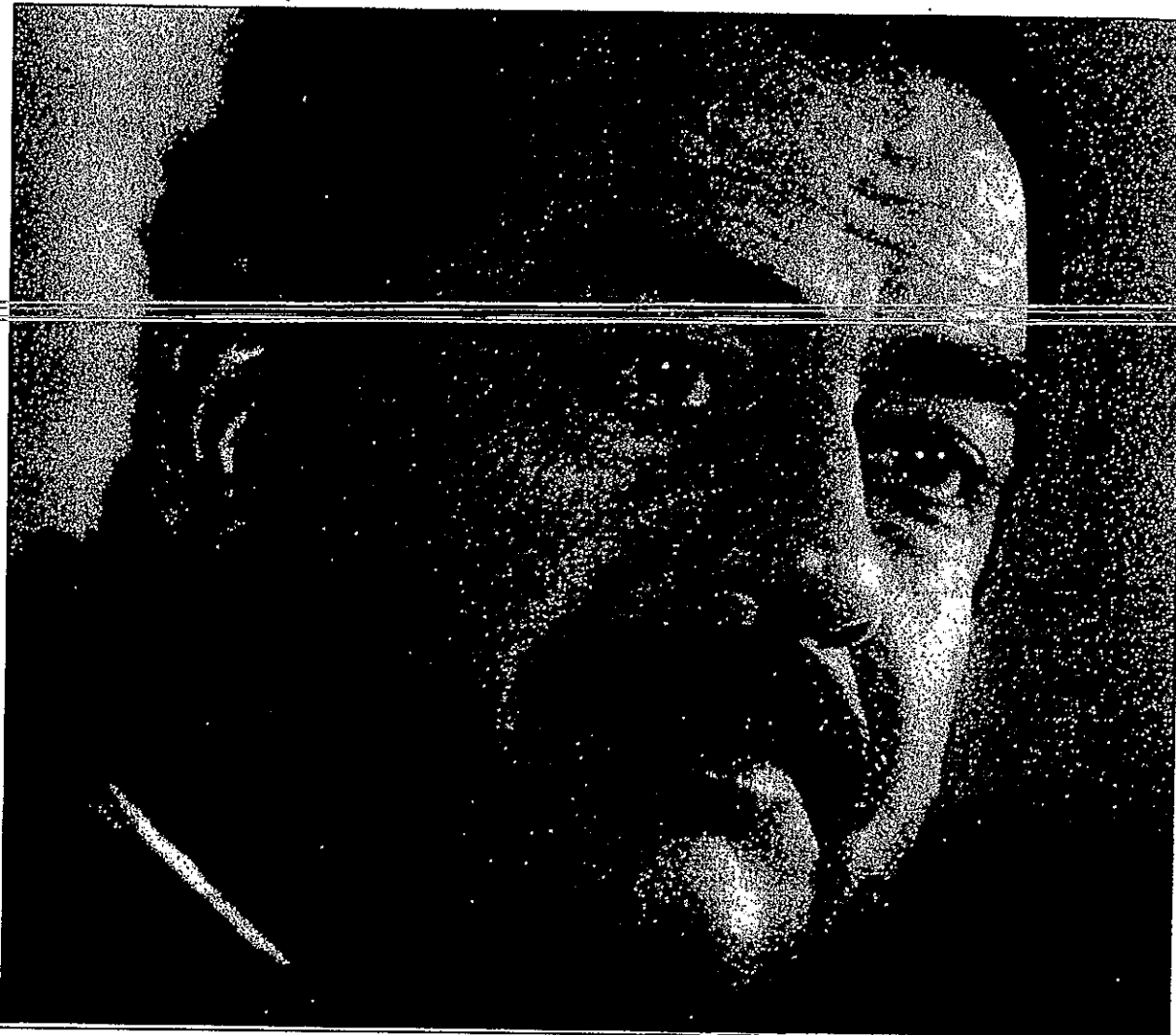
His ability to shield supporters from the effects of sanctions has weakened slightly. Since June 1992—by which time most of Iraq's war-damaged infrastructure had been reconstructed—Saddam's economic mismanagement has exacerbated the hardships induced by sanctions, causing an overall decline in the country's living standards. Price rises have outstripped wage increases, while the Iraqi dinar has lost 87 percent of its value since June 1992. [redacted]

We do not anticipate receiving significant intelligence indicators that a successful coup is imminent. Any group of anti-Saddam conspirators that cannot keep their plot secret from US intelligence is also not likely to keep it secret from Saddam's security services. [redacted]

in April 1993. The crackdowns, combined with a prohibition in December 1992 on the import of many so-called luxury goods, drove many merchants out of the import business and exacerbated shortages of affordable goods in the markets. In May 1993, Baghdad canceled all 25 dinar notes printed before the war in order to boost the value of the new dinars it has been printing. The move further reduced confidence in the dinar, which currently is trading at near-record lows. The

regime has taken some positive steps in recent months, including limited privatization efforts—with a cut of the profits going to the government—and a slight easing in the ban on imported luxury goods. These measures, however, are not a serious attempt to address Iraq's economic difficulties and may have been adopted simply to enrich Saddam's inner circle. [redacted]

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Iraq's economy will continue to suffer as long as sanctions are in place:

- The dinar's fall will continue, especially if Baghdad continues to buy up dollars and print money to finance its operations.
- Living standards for most Iraqis will slip further as inflation continues to outstrip wage increases, and daily necessities become even less affordable.

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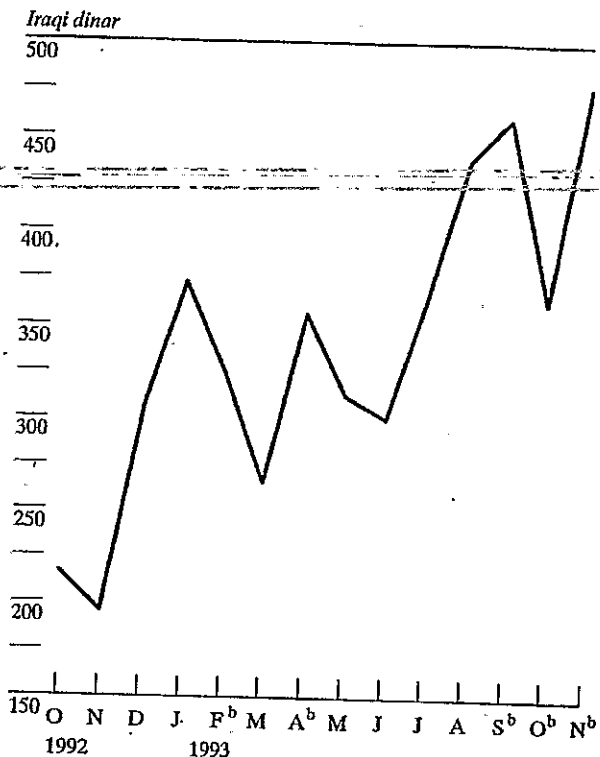
International Isolation. Iraq remains a pariah state. Two years of intense diplomatic lobbying have resulted in promises of post-sanctions trade deals with some key UN members—France, Russia, China, and Turkey—but no major sanctions busting by them. Likewise, recent cooperation with the United Nations Special Commission (UNSCOM) and a diplomatic and propaganda blitz have gained Baghdad sympathy from some UN Security Council members, but have not yet overturned the unanimous Security Council support for sanctions. Iraq's propaganda efforts in Europe and the Arab world have elicited sympathy for the Iraqi people but failed to sway opinion in favor of Saddam's regime. Nevertheless, it will be increasingly difficult to maintain sanctions in coming years. [redacted]

Domestic Security Woes. Nearly three years after the Gulf war, Saddam's failure to re-establish control over the entire country and his sagging support in central Iraq are constant and visible reminders of his vulnerability. He is beset by his inability to regain control in the north and an insurgency in the south, as well as rising domestic crime and persistent squabbling among his family and closest supporters. Sporadic—but increasingly serious—coup plots and other security incidents suggest flagging support among some key Arab Sunni tribes and within his own Tikriti clan and security apparatus.¹ The exiled opposition [redacted]

[redacted] continues halting progress toward unity but is to date only a minor irritant to the regime. [redacted]

¹ The term Tikriti generally applies to anyone who was born in the Arab Sunni town of Tikrit—located about 100 miles northwest of Baghdad—or in one of the peripheral villages such as Al 'Awja', where Saddam was actually born, that are economically dependent on Tikrit. Saddam's Tikriti clan numbers some 100,000. [redacted]

Figure 2
Iraq: Market Basket Prices^a



^a Based on pre-August 1990 average per capita monthly consumption in Iraq of flour, sugar, rice, tea, eggs, and lamb.

^b Estimated.

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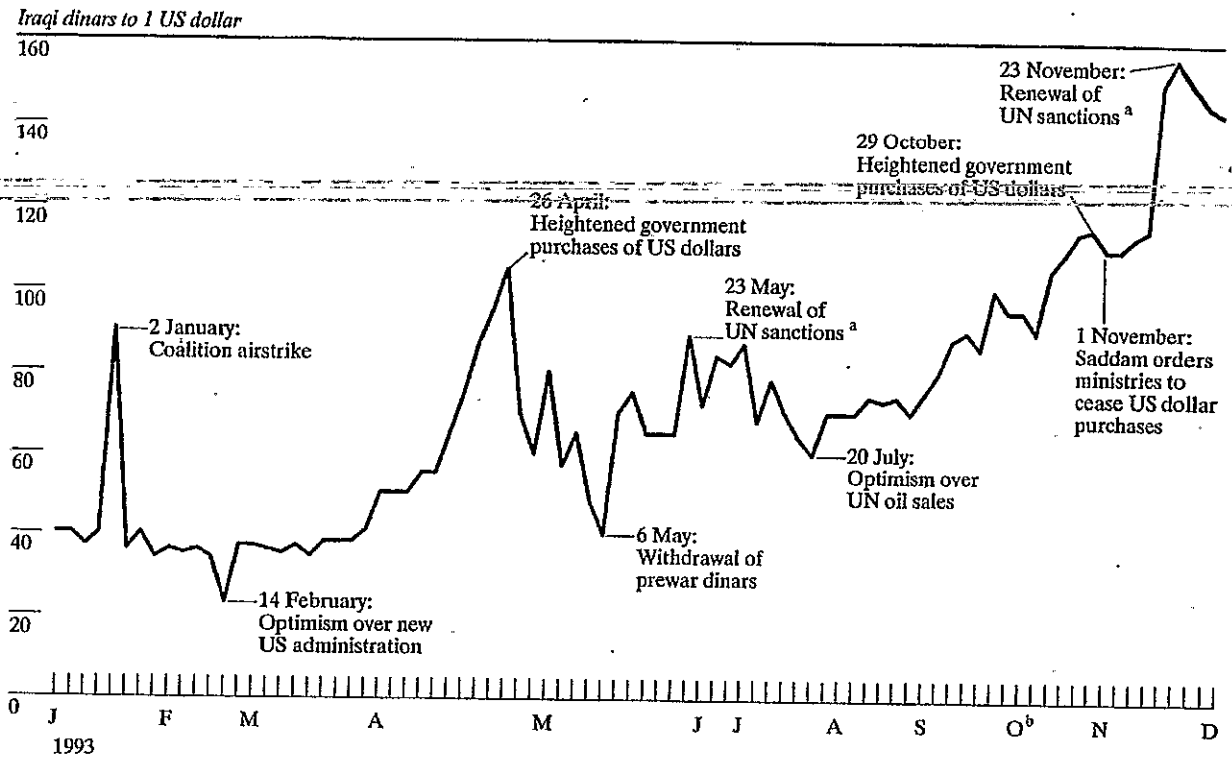
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Virtually all of Iraq's regular Army is deployed against Kurdish and Shia areas. Some of the outlying Army units are poorly supplied, suffer from low morale, and have high desertion rates. In the north, Iraqi forces face Kurdish rebels along a 450-kilometer front. In the south, Saddam is

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Figure 3
Iraq: Dinar Black-Market Exchange Rate



^a Sanctions are reviewed every 60 days.

^b Data for October are fragmentary. Author estimates were used where information was not available.

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tightening his grip on the marshes, but a low-level insurgency continues to inflict casualties among government forces. Troops in the south generally remain garrisoned at night out of fear of rebel ambushes. []

Saddam's inability to restore his authority over the entire country demonstrates that he is not as strong as he was before the Gulf

war. Iraqi air activity remains confined between the 36th and 32nd parallels. The Kurds control nearly 10 percent of the country. Open-ended, pervasive, and intrusive long-term UN monitoring challenges Iraq's sensibilities about sovereignty and severely complicates reviving its banned weapons programs. []

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Saddam also faces pressure from disaffected tribes, some of which play important roles in the military. Domestic turmoil since the end of the Gulf war has brought a resurgence of tribal identity and increased the importance of local shaykhs. Saddam continues to use money, gifts, and weapons to buy off numerous Kurdish, Arab Sunni, and Arab Shia shaykhs and uses them to supplement local security efforts and to suppress dissident tribes. Government repression and Saddam's preferred treatment of his own Tikriti clan, however, have alienated some tribes, increasing the risk of intertribal cooperation against the government and with the exiled opposition.

[REDACTED]

Even tribes receiving stipends from Baghdad—and thus ostensibly loyal—could turn against Saddam if they believed his grip on power was slipping, just as many did during the 1991 uprisings. [REDACTED]

Iraqi opposition activities add to the many pressures on Saddam. Notwithstanding its many shortcomings, the Iraqi National Congress (INC), an umbrella organization founded in June 1992, has [REDACTED]

³ The Jabburis (collectively Al Jubur) make up one of Iraq's largest tribal confederations, straddling Sunni and Shia areas in western and southwestern Iraq, with estimates of its size ranging from 1.5 million to 5 million. The Dulaymi is a large, Arab Sunni tribal confederation from western Iraq. The Shammar is one of the largest Sunni tribal confederations of the Arabian Peninsula. Many of its members in Iraq live in the Mosul area. The Mashahidah is a powerful clan located between Baghdad and Tikrit. (U)

[REDACTED] brought together many disparate opposition groups, organized its leadership and policy committees, and outlined a democratic agenda. The INC includes key Kurdish and Shia groups and has weathered regional sponsors' attempts to manipulate it. Baghdad has tried in vain to lure the Kurds to leave the INC and cut a deal with the central government. Saddam's repressive policies provide the opposition ample material for anti-Saddam propaganda, but they have been largely ineffective to date in spreading this material within Iraq. Saddam's efforts over the last year to discredit, intimidate, or assassinate selected dissidents suggest he considers them at least a nuisance and potential threat. [REDACTED]

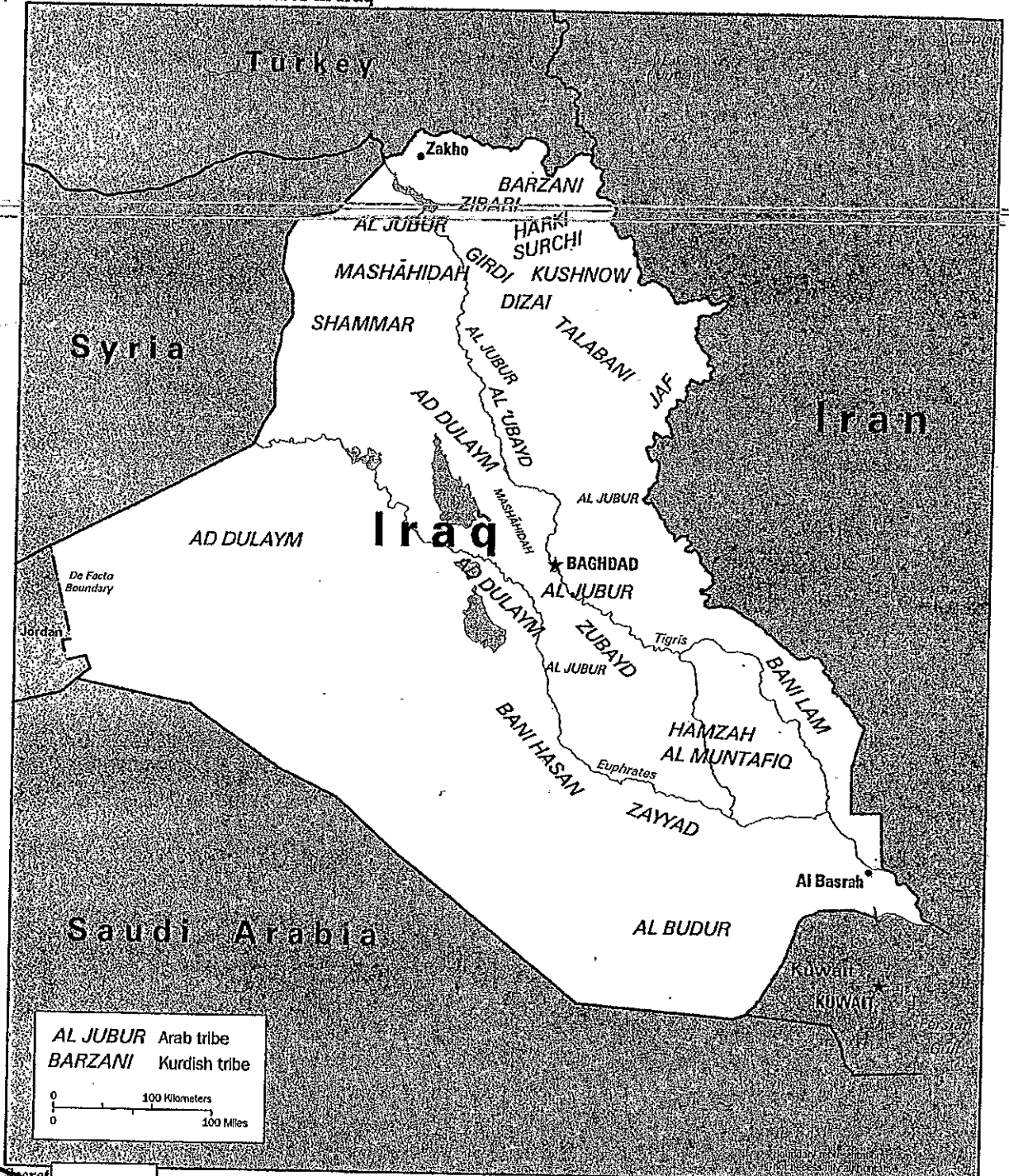
Saddam's only overt domestic opponents, the Kurdish and Shia rebels, face daunting odds in their quest to bring him down. Baghdad keeps both groups on the defensive with military and economic pressure, which it can sustain indefinitely. In the south, government counterinsurgency and marsh-drying operations are steadily grinding down Shia resistance and displacing thousands of marsh residents. In the north, Kurds too are focused on their own survival as they cope with Baghdad's economic blockade, shelling of Kurdish villages, cuts in electric power from central Iraq, and terrorist attacks. [REDACTED]

Saddam's Arab Sunni support base is fraying. Several serious security incidents involving members of Saddam's Sunni establishment during the last 18 months have alarmed the regime. [REDACTED]

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Figure 4
Distribution of Selected Tribes in Iraq



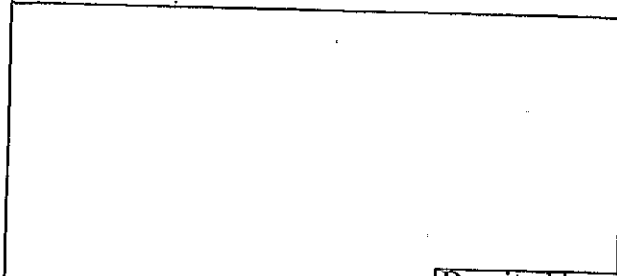
AL JUBUR Arab tribe
 BARZANI Kurdish tribe

0 100 Kilometers
 0 100 Miles

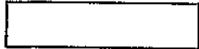
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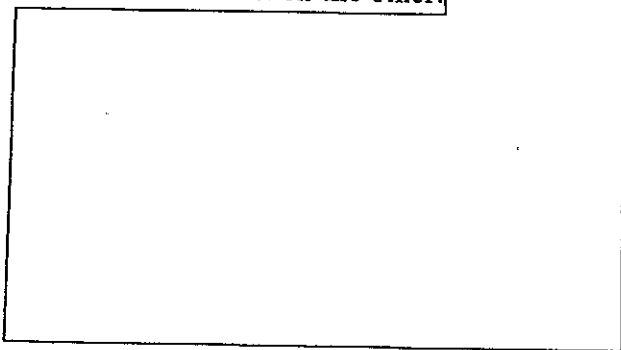
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Despite his systematic use of terror and the brutal effectiveness of his security apparatus, he is unable to stem coup plotting. Although he has been able to intercept every attempt so far, each successive incident and crackdown alienates more of Saddam's supporters and further erodes his shrinking power base.



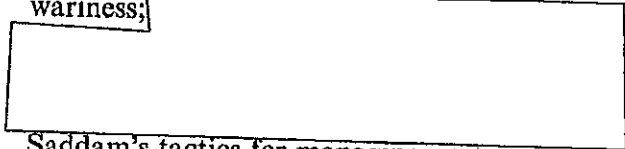
Saddam's dependence on the small group of loyalists that include his sons, brothers, and cousins is growing, making the endemic squabbling within his family more troublesome. Security and economic pressures since the war may have deepened the bitterness between the family's rival Majid and Ibrahim branches. The rivalry is especially acute between Saddam's cousins, Husayn Kamil al-Majid (Minister of Industry and Minerals and head of the Organization for Military Industries), and Ali Hasan al-Majid (Defense Minister) on one hand, and Saddam's three half-brothers Sab'awi, Watban, and Barzan Ibrahim al-Tikriti on the other.



Adequate Resources for Survival

Nevertheless, Saddam retains considerable capacity to withstand the pressures confronting his regime. Saddam's success in holding out against economic sanctions, political isolation, and numerous internal security threats demonstrate his keen survival skills. He sustains his regime through fear, playing factions against one another, by skillfully balancing rewards and repression, and the preemptive capabilities of his pervasive security services. He remains able to protect key supporters and strategic programs. Moreover, the recent signs of diminishing international support for sanctions helps him persuade supporters that the end of Iraq's difficulties is in sight.

Saddam's Tight Security. Saddam's long experience in Iraq's volatile political culture has shaped a brutal preemptive leadership style. Imprisonment, exile, years of danger-filled underground existence, and numerous assassination and coup attempts have honed his survival skills. His 25-year reign as Iraq's strongman has taught him self-reliance and wariness;

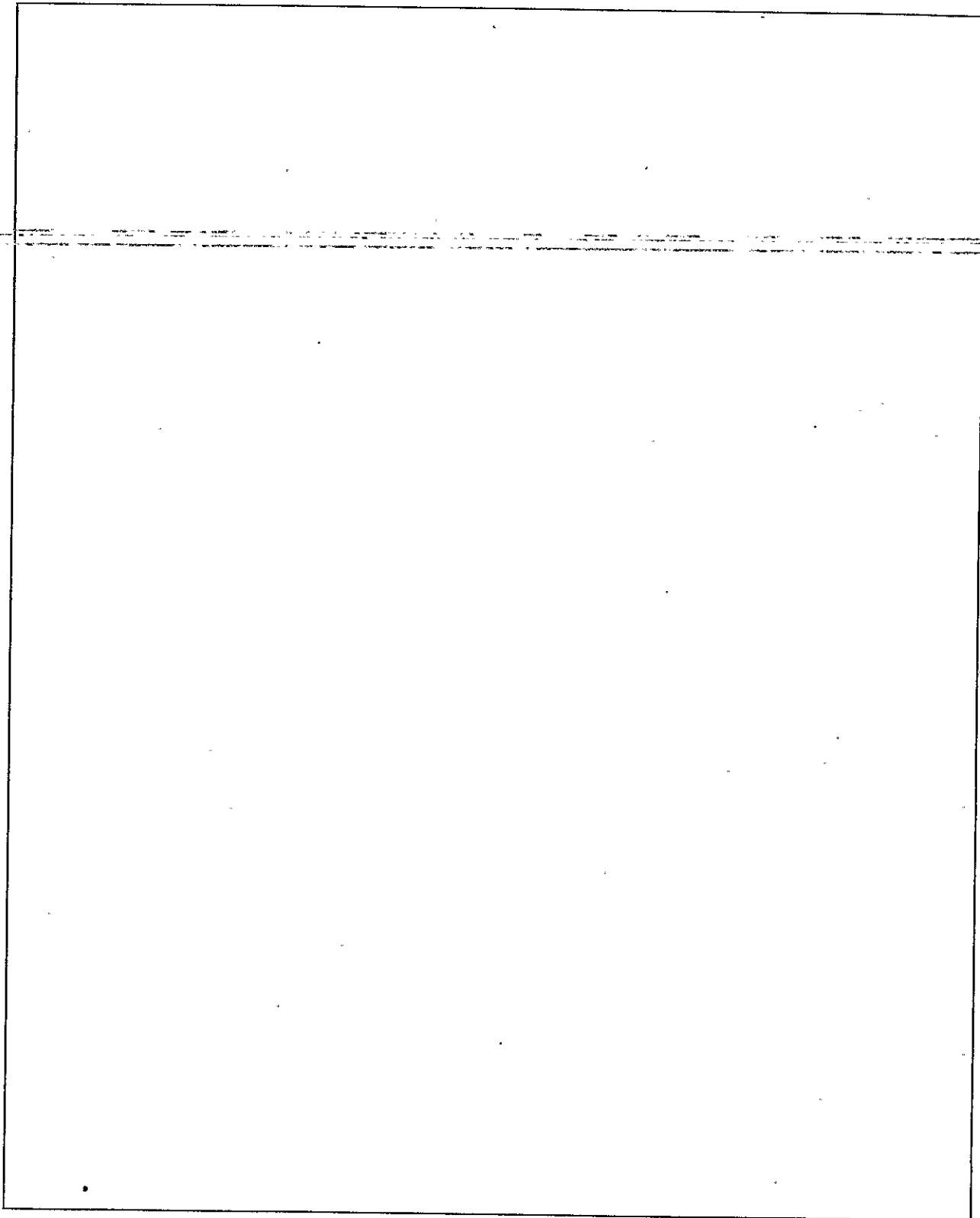


Saddam's tactics for managing government and family affairs include:

- Ruthless suppression of dissent and a get-them-before-they-get-you response to any hint of disloyalty.
- Frequent and capricious shifts between punishment and perquisites to keep subordinates in line and opponents off balance.

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Figure 5. This photo of Saddam's family, taken sometime before the Gulf war, shows some of the current pillars of Saddam's regime. Standing, from left to right are: Husayn Kamil al-Majid, Saddam's son-in-law, Minister of Industry and Minerals; Saddam Kamil al-Majid, son-in-law and senior officer in the Presidential bodyguards; Rana Husayn, Saddam's second-oldest daughter, married to Saddam Kamil; Uday Husayn, Saddam's notorious

older son; Raghad Husayn, Saddam's oldest daughter, married to Husayn Kamil; FNU Abd al-Rashid, married to Qusay Husayn, Saddam's younger son, chief of Iraq's security services. On couch, from left to right: Ali Kamil al-Majid, son of Husayn Kamil; Sajida Husayn, wife of Saddam; Saddam Husayn; and Hala Husayn, Saddam's youngest daughter. [redacted]

- Delicate balancing of intrafamily rivalries to keep relatives dependent on him and competing for his favor.
- Skillful manipulation of propaganda and appeal to nationalistic and conspiratorial themes to instill a belief in the indispensability of his rule to Iraq's security and unity. [redacted]

The squabbling within Saddam's extended family does not immediately threaten his hold on power. Indeed, Saddam might regard a certain amount of squabbling as desirable, because it keeps members of the inner circle from uniting against him. For the last five years Saddam has balanced

family equities by assigning key security, political, procurement, and propaganda posts to relatives. He permits them to skim large profits from state and private enterprises and to monopolize the importation and distribution of some commodities. He uses family conferences to resolve disputes that might threaten the regime and to remind his relatives that their lives and fortunes depend on his continued rule. In a recent move to cement family ties, Saddam arranged for his older son Uday, infamous for his debauchery, to marry the 15-year-old daughter of his half-brother Barzan. [redacted]

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Saddam's security apparatus, which consists of overlapping protective, intelligence, and military elements, continues to defend the regime effectively. The main protective services are the Republican Guard, Special Security Organization (a security and intelligence service), and Special Republican Guard—which includes Saddam's personal bodyguards. In addition, there are three other intelligence services: the Iraqi Intelligence Service, Directorate General of Security, and Directorate of Military Intelligence. The intelligence services use a vast network of officers and informants to monitor all levels of society and government, including one other. Together these protective and intelligence services work to weed out real and imagined regime opponents and cow the public. Saddam tries to ensure their loyalty with high wages, advanced equipment and training, and preferential access to goods and services. The effectiveness of this security network is evident in its continued ability to penetrate plots and respond quickly and ruthlessly to potential threats, even from within its own ranks. [redacted]

Another mainstay of Saddam's security is his diligence in limiting the personal power potential rivals can attain. Loyalty to Saddam—not competence—is the main criterion for advancement to the senior levels of the government and military. Saddam frequently moves subordinates in and out of top positions based on whim, short-term interests, or questions of loyalty. Since the Gulf war, he has overhauled his government three times, and reshuffled selected cabinet ministers on at least four other occasions. His "promote, transfer, retire, or execute" approach to military discipline keeps opponents off balance and popular officers from building an independent base of power. [redacted]

[redacted] Saddam routinely jails senior officials for even minor infractions—albeit usually briefly—and micromanages the administrative affairs and contacts of others to keep them in line. [redacted]

Some Economic Strengths. Even with Iraq's hobbled economy, Saddam controls considerable economic resources and allocates them to buy the loyalty of key constituents and shelter them from the full impact of UN sanctions. A public Revolutionary Command Council ruling last year rubberstamped Saddam's authority to raise salaries and allowances at will. He has raised the salaries of selected military personnel, security and intelligence officers, Ba'th Party war heroes, and government and defense workers by up to 50 percent since 1992. During the same period, he has doled out land, money, pensions, and medals to numerous other supporters, many of them Tikritis. Special hospitals are reserved for use by high-ranking officials. [redacted]

[redacted] Saddam has been forced to become more selective in doling out incentives for regime elites. Only the most senior officials now receive dining privileges at the palace or home food deliveries, annoying many less senior Army and Ba'th officials who previously received them. Many members of the elite, particularly Saddam's sons, engage in black-market activities. [redacted]

Imports Are Crucial

Despite its considerable economic strengths, Iraq's economy is severely hampered by the cutoff of oil revenues and access to foreign

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Saddam's Security Apparatus

Security around Saddam Husayn is extraordinary, and includes layers of protective and intelligence services arranged like a series of concentric rings around him. [redacted]

~~The Republican Guard forms the outermost ring. Four Republican Guard divisions are deployed around Baghdad, while the regular Army—considered less loyal—is deployed against the Kurdish and Shia threats far from the capital. Republican Guard members are almost exclusively Arab Sunni—predominantly Tikriti—and are chosen for their loyalty and competence.~~ [redacted]

The Special Security Organization (SSO), Iraq's premiere intelligence service, oversees all aspects of Saddam's personal security. As head of the SSO, Saddam's son Qusay oversees the Special Republican Guard and presidential bodyguards, as well as all other intelligence services. [redacted]

The elite **Special Republican Guard (SRG)**, whose members are hand-picked from the Republican Guard, was formed from the Presidential Guard in July 1992 after a coup attempt led Saddam to purge and restructure palace security. SRG battalions are stationed at each of Saddam's primary residences. They are the principal military forces in central Baghdad. [redacted]

The **Presidential Bodyguard** contingent consists of about 75 elite SSO officers. It conducts all functions associated with Saddam's personal safety. [redacted]

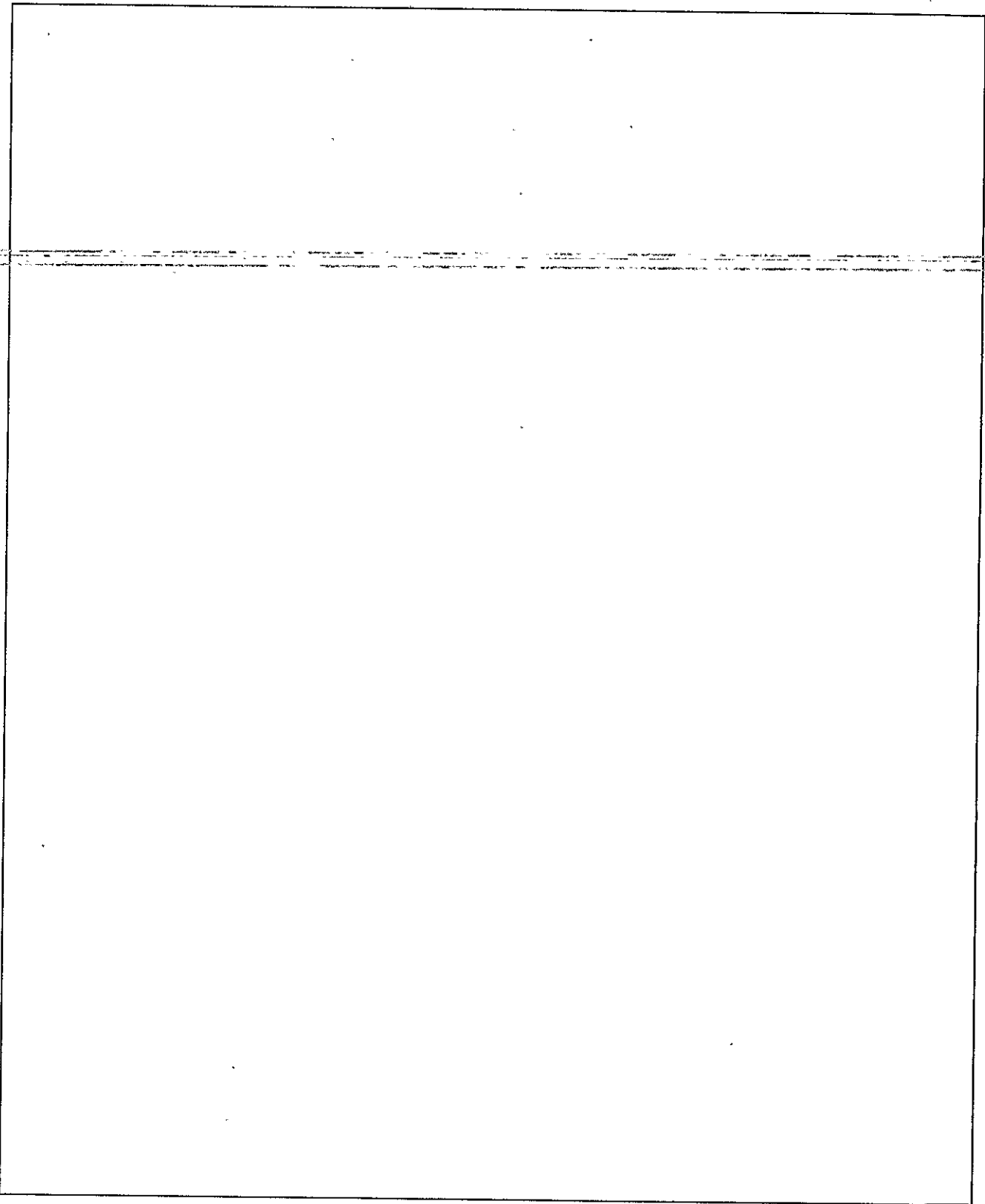
The **Iraqi Intelligence Service (IIS)** inside Iraq closely monitors the other security services, keeps tabs on foreigners, and works with the SSO and DGS to ensure the loyalty of the Ba'ath Party and armed forces. It serves Iraqi interests abroad by collecting intelligence, conducting intelligence and terrorist operations against Saddam's enemies, and monitoring the activities of Iraqi students. It cooperates with the SSO to procure high-technology and military equipment. [redacted]

The **Directorate General of Security (DGS)** is responsible for internal security. It performs a wide array of domestic security functions—many of them overlapping the IIS and SSO—including surveillance and suppression of dissidents and opposition groups. [redacted]

The primary mission of the **Directorate of Military Intelligence (DMI)** is to monitor and assess the military capabilities of Iraq's enemies. It also monitors the morale and loyalty of the military. [redacted]

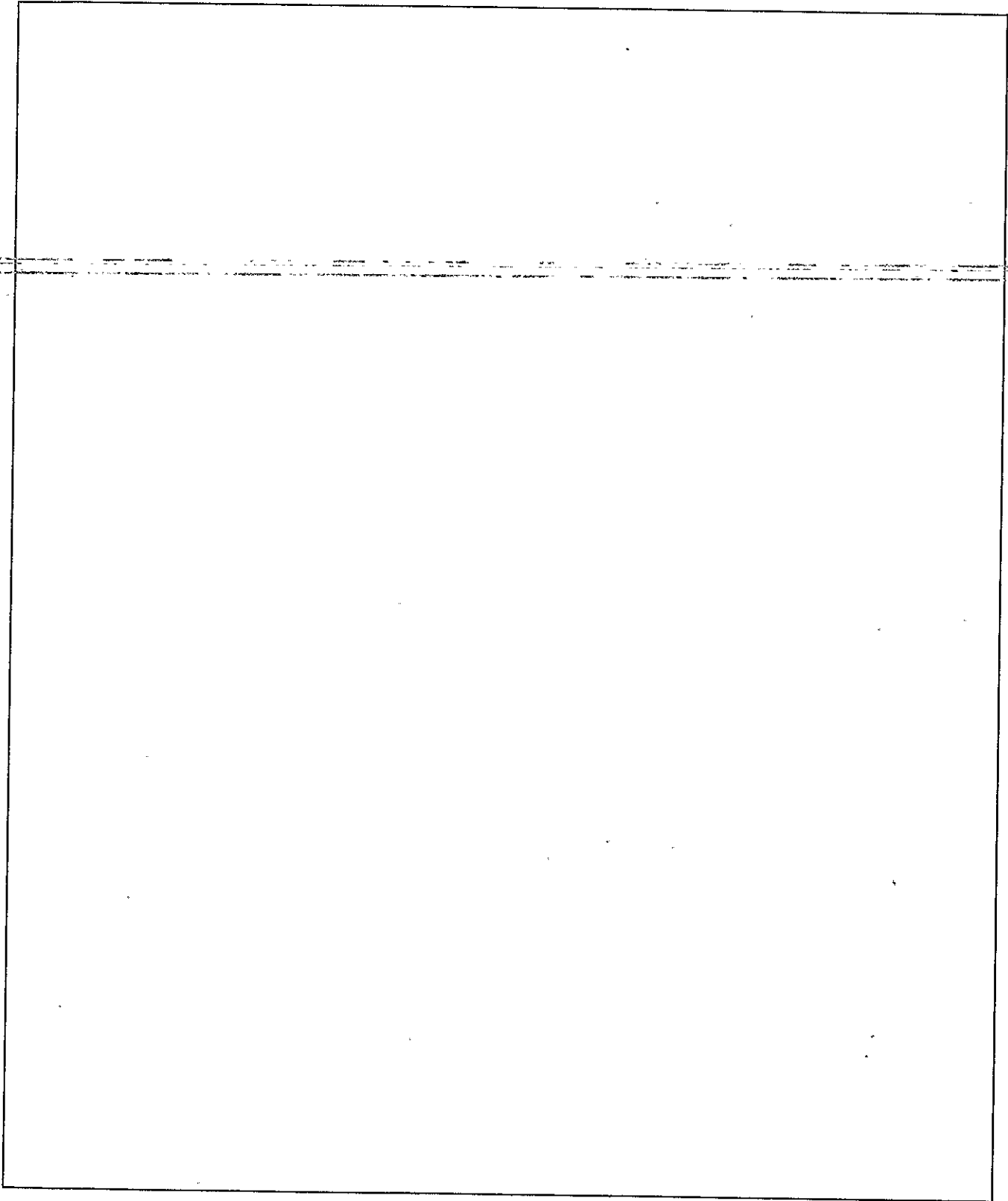
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markets. Iraq has the second-largest proved oil reserves in the world and a relative abundance of fertile soil and water. But the government must import food, including wheat, or attempt to reduce consumption through rationing and high prices. [redacted]

Iraq has utilized all its procurement tools, ~~both front companies and financial networks,~~ to maintain a considerable industrial capacity. Although many sectors of the Iraqi economy are severely hampered by the cutoff of oil revenues, Baghdad has been able to finance a substantial volume of imports for civilian infrastructure. In addition to importing goods, the regime has cannibalized and drawn from large inventories of materials on hand to rebuild and sustain key industries, especially in the oil sector. [redacted]

Saddam's continued ability to import a variety of agricultural, consumer, and other goods relieves some economic pressure and enhances his security. Saddam uses an array of mechanisms to finance imports, including barter deals, credit, gold sales, and cash. In particular, Iraq:

- Relies heavily on exchanging future oil deliveries at deeply discounted prices for goods. In this way Iraq may have gained access to as much as \$500-750 million worth of goods since August 1990.
- Has obtained up to \$200 million in loans using liens on frozen assets valued at up to three times the loan amount.
- Pays for as much as \$400 million in imports per year from oil shipments and other exports to Jordan.

- Purchases goods with hard currency and gold. [redacted] the Central Bank of Iraq sold between \$800 million and \$1.0 billion of its gold reserves in 1992. [redacted]

We do not know how much Iraq's assets were worth before the Gulf war, and there is ~~conflicting evidence on how far Iraq has~~ drawn down its overall financial reserves. These are key intelligence gaps that reduce our ability to assess the health of Iraq's economy. [redacted]

Analysis of Iraq's foreign financial transactions from August 1990 through early 1992 showed that Iraq was able to increase its financial resources by at least \$1.4 billion through donations by other countries, payments for oil delivered before the Gulf crisis, and release of frozen funds. On the debit side, foreign banks have seized about \$300 million in officially frozen Iraqi deposits. [redacted]

Active commercial relations with a number of countries, largely through front companies, are also helping Saddam's regime weather sanctions. Although most foreign firms shut down their Iraqi offices after the imposition of sanctions, so far this year 18 foreign firms with Baghdad offices have been detected attempting to buy goods for Iraq—primarily industrial goods such as machine tools, steel, and electrical equipment. We have detected 78 Iraqi front companies, [redacted] operating during the first half of 1993. [redacted]

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~~Secret~~**The Impact of Sanctions**

If the UN sanctions continue to be enforced at the current levels, economic hardship in Iraq will increase, putting Saddam's regime at increasing risk. Although sanctions by themselves will not directly topple Saddam, they have helped establish an environment that threatens him. The shortage of money ~~caused by drastically reduced oil revenues~~ diminishes his ability to pamper key supporters, undermines his image as a strong leader, and keeps popular discontent high. We see little prospect that Saddam can improve this security environment or his prospects for survival while sanctions remain in force.

[redacted]

Trying To Change the International Climate. Baghdad has been working to reverse its pariah status by selectively and partially complying with UN resolutions. Over the past year, despite several confrontations with the United Nations, Iraq has always returned to an outwardly cooperative approach, especially with UNSCOM and the International Atomic Energy Agency (IAEA). For example, Iraq has decreased its harassment of UN inspectors, disclosed some new information about its weapons programs, and openly cooperated with recent teams. Iraqi leaders are optimistic that an end of sanctions, and thus economic relief, is within sight. An Iraqi diplomatic campaign among potentially sympathetic UN members may bring further public relations gains. Baghdad continues back-channel contacts with perceived weak links in the coalition [redacted] and is dangling lucrative future economic deals as incentive to end the embargo. [redacted]

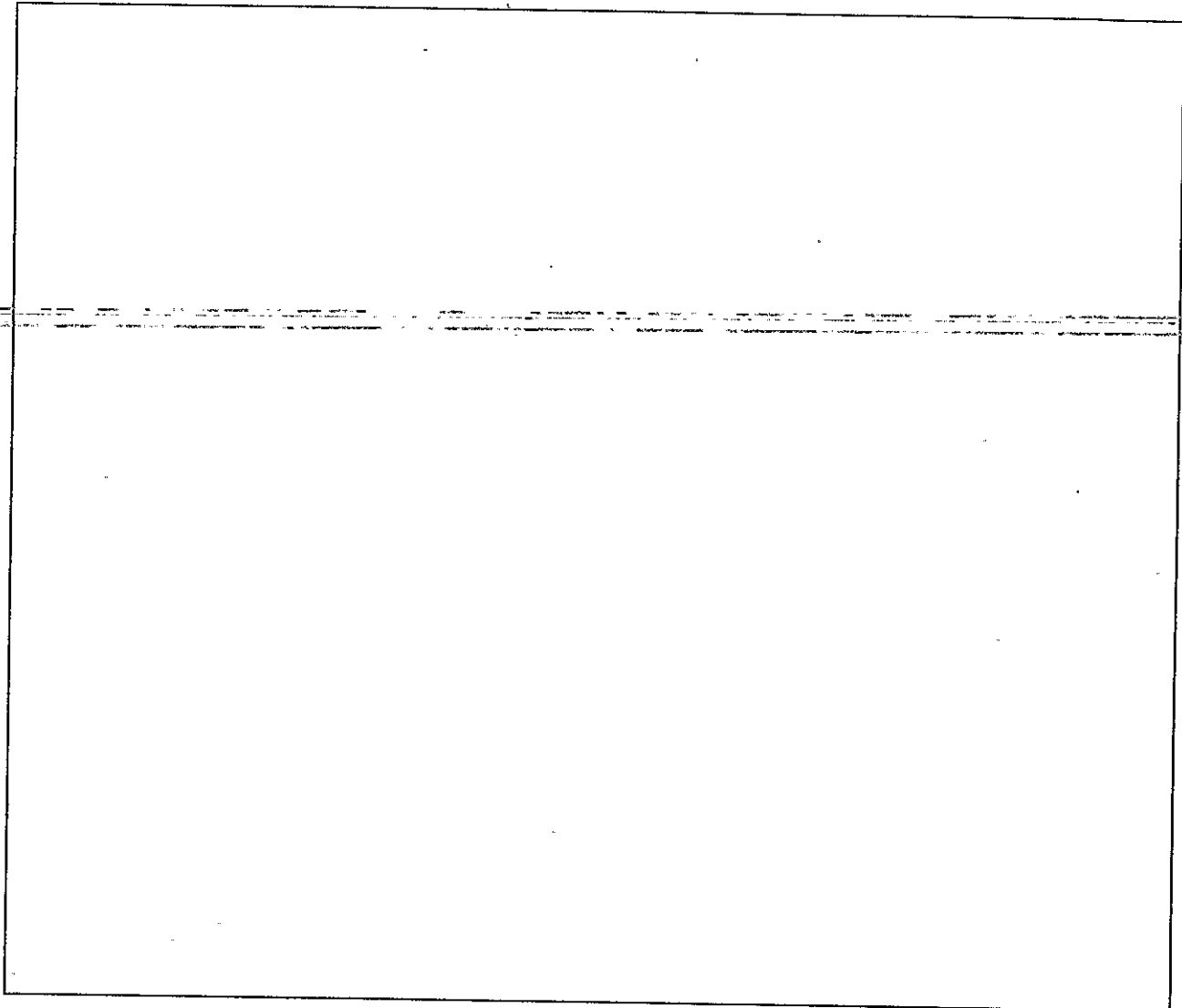
Although Saddam complies selectively with weapons and monitoring aspects of UN resolutions, he continues to thwart other provisions he judges will not sidetrack his overall efforts to end sanctions. In most instances he has tried to keep his actions below the perceived threshold of coalition retaliation. Nevertheless, his attempts to assassinate former

~~President Bush and the Amir of Kuwait~~ show his willingness to risk reprisals to achieve an important goal: revenge on his wartime enemies. In addition, Iraq refuses to recognize the UN demarcated border with Kuwait, harasses international relief operations and personnel throughout Iraq, and brutalizes Iraqi Kurdish and Shia citizens, in violation of United Nations Security Council Resolutions (UNSCR) 687 and 688. [redacted]

Despite the unanimous Security Council vote in November to maintain sanctions, the anti-Iraqi coalition in the United Nations is showing some strain. Some Security Council members believe that Iraq's accession to UNSCR 715 (long-term monitoring) in late November removes a major obstacle to full compliance with cease-fire terms. Some [redacted]

[redacted] will press to loosen the sanctions and remove the embargo on Iraqi oil sales, possibly as soon as the next sanctions review in January. UNSCOM Chairman Ekeus insists that sanctions cannot be lifted until a workable and effective monitoring regime is up and running and Iraq's cooperation is established. But some governments are pressing to reward Iraq for its cooperation. [redacted]

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The Iraqis expect the United Nations to respond positively to its more cooperative facade in recent months and its acceptance of long-term monitoring. A UN refusal to lift sanctions during the next year could result in another hostile Iraqi outburst, possibly including:

- Ending cooperation with UNSCOM and increasing harassment of UN officials.
- Challenging the no-fly zones.

- Heightening activity against the Kurds.
- Intensifying challenges of the Iraq-Kuwaiti border.

Saddam's Longevity

If sanctions do not diminish during the next year, domestic opposition and economic pressure will mount, but we estimate Saddam would have only a 20- to 30-percent chance

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~~Secret~~***Iraq's On-and-Off Cooperation With Iran***

Sporadic improvements in Iran-Iraq relations bolster Saddam's security by reducing tensions with his primary regional adversary and easing some economic pressures. On-and-off-again talks are aimed at resolving outstanding issues from the Iran-Iraq war and other sources of tension:

Remaining Prisoners-of-War. *The International Committee of the Red Cross estimates that about 1,000 Iranians remain in Iraq, while over 20,000 Iraqis remain in Iran.* [redacted]

Status of Iraqi Planes. *Baghdad wants Tehran to return the 148 Iraqi combat and civilian aircraft that it flew to refuge in Iran during the Gulf crisis.* [redacted]

Support to Opposition Groups. *Iran supports Iraqi Shia opposition and Shia rebels in southern Iraq. For its part, Iraq continues to host and arm the largest Iranian dissident group Mojahedin-e Khalq.* [redacted]

The most important aspect of Iraq-Iran cooperation is the small-scale prohibited trade between the two countries, begun in November 1992. The Iranians closed the border—probably temporarily—in November of 1993, responding to international pressure and bilateral tension. Before the closure, Iraq shipped dates, cement, fertilizer, and refined oil to Iran in return

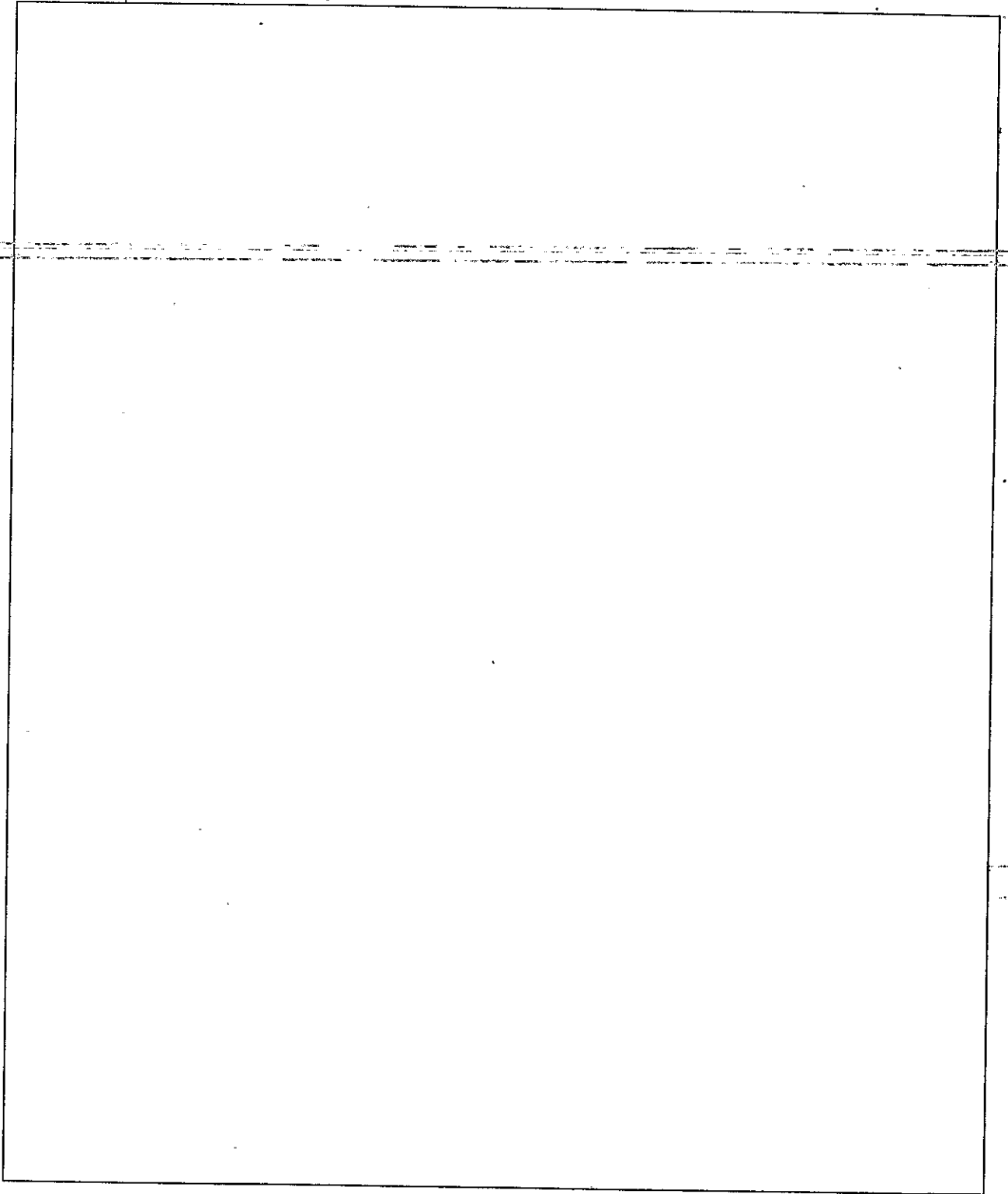
for steel, automobile spare parts, electrical appliances, and tires. [redacted]

Tehran and Baghdad benefit from limited cooperation and trade. Iran often suffers serious fuel shortages, especially during winter and in border areas, and welcomes cheap refined oil. Saddam views better relations with Iran as a short-term tactic to ease the impact of sanctions, lessen Iraq's diplomatic isolation, and to get Tehran to reduce support to the Shias, whose activities in the south keep Iraqi troops tied up in counterinsurgency operations. [redacted]

Iraq and Iran remain enemies, however, and their steps to improve ties will fall short of reaching levels that would improve Saddam's prospects. [redacted]

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of falling. Saddam's tight control over central Iraq and his ability to provide a continued flow of benefits and privileges to key supporters, as well as the discord among potential challengers, will likely outweigh general economic decline and other pressures. Saddam does not appear to be nearing desperation. His economic actions—particularly his refusal to accept the UN's oil-for-food sales plan—suggest he believes he can outlast the sanctions. Nevertheless, the risk to his regime may increase if he fails to deliver some short-term economic relief to meet the rising expectations generated by his diplomatic efforts and propaganda. Dashed Iraqi hopes could accelerate economic decline and worsen the public mood to the point where some erstwhile supporters might be motivated to plot against him. []

Three years of continued undiminished sanctions would substantially increase the odds—to better than even—of Saddam's falling. Declining conditions would impair his ability to provide adequate goods and services to key supporters. If he became desperate, he might make some tactical shifts, but more likely would resort to well-tested methods:

- He might allow international relief organizations greater access and control over distribution efforts in the country.
- After years of holding out for a better deal, he might suddenly and unconditionally accept the UN oil-for-food sales plan.
- He might abandon—at least temporarily—imports of embargoed goods and import essential civilian commodities instead. Such refocusing would free up substantial money for other goods.

- He might promise political reforms like a new constitution—drafted in 1990 but never implemented—elections, or the redistribution of power to the Prime Minister and Cabinet. He would not, however, follow through with real reforms. []

In the event of a significant erosion of his power base, Saddam would rely increasingly on force and violence to retain power and could well lash out against his enemies, possibly including additional attempts to kill coalition leaders or a move against Kuwait or the Kurds. []

If Sanctions Are Eased

We estimate that easing UN sanctions, particularly lifting the oil embargo, would substantially strengthen Saddam's short-term prospects for remaining in power. Even smaller changes in sanctions, such as allowing Iraq to import industrial goods, would strengthen the regime. A lifting of all sanctions probably would enable him to hold on to power indefinitely and strengthen his ability to retake control of the entire country. In the past, Iraqi economic markets and public confidence have responded quickly and favorably to end-of-sanctions rumors and would likely do so again. While Saddam's supporters, the security services, military industries, and other key enterprises would receive the lion's share of new oil revenues, other Iraqis would benefit by a drop in consumer prices, a more stable currency, and a rise in employment. Popular anger against the regime probably would decrease noticeably as Iraqis focused on putting their lives back together, just as they did after the Iran-Iraq war. Saddam's policies and brutality would still provide ample motives for an

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assassination plot, but his overall prospects for survival would improve significantly.

[redacted]

We do not expect Saddam to change his basic policies. His primary goals will be to end all sanctions and recover from the effects of the Gulf war debacle and reestablish

~~direct control over all areas of Iraq. His aims~~
include:

- Reasserting his authority both in the North and the South.
- Removing the two no-fly zones. Once Provide Comfort ends or no longer appears to be backed by a coalition military commitment, Saddam will reoccupy the northern provinces.
- Rebuilding Iraq's conventional military forces, Saddam's primary instrument for intimidating neighbors and internal opponents.
- Ending or reducing UNSCOM's intrusive long-term monitoring so that he can rebuild Iraq's weapons of mass destruction (WMD) programs.
- Rebuilding trade ties, stressing clandestine WMD program procurement networks.
- Exacting revenge on his wartime enemies.
- Speeding Iraq's reintegration into the Arab fold, establishing hegemony in the Persian Gulf, and seeking preeminence in the Arab world.
- Reasserting Iraq's claim to a dominant role in OPEC and aggressively seek a larger oil market share.

- Reasserting its traditional spoiler role in Arab/Israeli politics, at least in propaganda terms.
- Stepping up efforts to subvert Kuwait while continuing to reject its sovereignty and independence. [redacted]

~~How Saddam Might Fall~~

If Saddam is removed from power, the process is almost certain to be sudden, violent, and fatal. We believe that any coup would be dominated by Arab Sunnis because they hold all key positions in the military, security services, and government; have access to Saddam and possess weapons. The following scenarios for regime change are listed in descending order of probability. [redacted]

Assassination. Saddam's elaborate personal protection measures, pervasive and overlapping security services, and efforts to buy the loyalty of key constituents have not prevented occasional attempts on his life. Saddam's brutal leadership style protects him to a degree, but also breeds many Iraqis who long to kill him. [redacted]

The greatest threat to Saddam is an assassination attempt by members of his security network. Members of these security elements have the most frequent access to Saddam, a greater awareness of his personal security practices, and the opportunity to carry weapons in his presence. [redacted]

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~~Secret~~***Iraq's Military Forces***

Iraq's military, although devastated by Desert Storm, remains one of the largest in the Middle East and retains sufficient capabilities to mount simultaneous operations against the Kurds in the north and the Shia in the south. Iraq's military has about 400,000 men, armed with 2,100 operational tanks, about 350 flyable fighter aircraft, and some 1,700 field artillery pieces—less than half its prewar size.

Iraq's ability to project power, however, was severely diminished by Desert Storm, and UN sanctions impede Iraq's efforts to reconstitute this capability and prevent it from importing weapons. Although increased training has improved defenses, Iraq can conduct only limited offensive cross-border operations. It would have great difficulty supporting forces far from logistic nodes within Iraq.

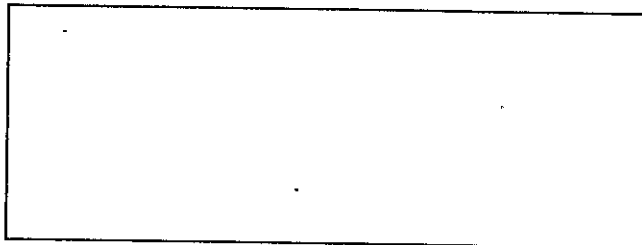
Iraq has consolidated its ground forces from 65 to 28-30 understrength divisions. Supply of nonlethal essentials such as tires, spare parts, and rations remains a serious problem, eroding morale among the troops and hampering training and operations. The air defense forces were heavily damaged by Desert Storm and are only slowly recovering. The Air Force lost more than half its best inventory, and most Iraqi pilots have poor basic skills. The Iraqi Navy was obliterated.

Iraq is holding on to important portions of its WMD programs, including as many as


100 to 200 Scud missiles, chemical and biological agents and ordnance, and key production equipment and technology. Iraq is determined, and retains the manpower and expertise, to revive its weapons of mass destruction programs once sanctions are gone. With significant foreign technical assistance and supply, Iraq could develop a first nuclear device in as little as five to seven years, but effective long-term monitoring could delay the process indefinitely. Iraq probably has the largest pool of scientific talent of any Arab state, and larger than Iran.

Once sanctions are lifted any Iraqi regime will give high priority to rebuilding and refurbishing the military. Although financial constraints will limit the pace of rearmament, the Iraqis probably will first try to buy essential support gear, including spare parts, trucks, tires, and electronics equipment, and then look for modern combat aircraft, artillery, and tanks. Iraq's procurement strategy also will focus heavily on equipment and materiel to support nonconventional—especially nuclear—weapons development programs to compensate for deficient conventional forces. Iraq will also emphasize expanding its own military-industrial production and assembly capabilities to reduce reliance on foreign suppliers.


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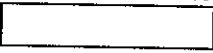
Military Coup. The Iraqi military has played a leading or supporting role in all seven power changes in Iraq since 1932, as well as in many other failed coup attempts. Some military elements, including the Republican Guard, Regular Army, and Air Force, have ample motive for seeking Saddam's ouster:

- Two devastating wars and the dramatic decline in Iraq's military power.
- The weakening of the command structure caused by Saddam's system of patronage, favoritism, and purges.
- Low morale, high desertion rates, and severe supply and food shortages within the regular Army. 

Any coup's success would depend on several factors:

- Secrecy and speed in organizing the plot. Since the Gulf war, Saddam's security forces have foiled several major coup plots within weeks of their target date.
- Co-opting or otherwise neutralizing Republican Guard and security units in and around the capital.
- Obtaining support from other units—particularly armored—and moving swiftly to control Baghdad and other key Arab Sunni centers. 

Saddam's brutal purges during the past two years of security officers whose loyalty he questioned may have temporarily dissuaded some plotters, but each successive incident and crackdown risks alienating more key supporters. Republican Guard or Special Republican Guard officers hold key advantages in conspiring against Saddam, including their deployment around Baghdad, their superior training and equipment, and their possible access to intelligence about Saddam's movements. 

Military-Political Cabal. Saddam could be removed by a coalition of senior civilian officials and military officers in a move reminiscent of the Ba'thist coups in 1963 and 1968. Coup participants could include many Ba'thist and Tikritis who believe Saddam's policies threaten their interests and privileged status—sentiments that reportedly precipitated Tikriti plotting in August 1993. Many Ba'th Party loyalists resent Saddam's systematic reduction of the Party's importance in politics and decisionmaking, and might see his ouster as a first step toward reasserting Party control over the country. A political-military coalition might try to capitalize on the widespread hatred of Saddam's immediate family and members of his inner circle to attract support for their cause. 

Saddam's Family or Advisers. Another, rather unlikely possibility would be a palace coup—Saddam's ouster by selected members of his family or inner circle. For the most part these regime insiders are so closely linked to Saddam and his brutal policies that many assume that if he goes, they go also. If, however, some concluded that Saddam's

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continued rule endangered their fortunes, influence, and lives, some might try to force him out in favor of a less controversial regime insider. []

The following scenarios are nonstarters:

Constitutional Succession. The succession process dictated by the Provisional Constitution of 1970 probably will have little effect on how real power would be distributed if Saddam were suddenly removed from the scene. Under the Constitution, Revolutionary Command Council (RCC) vice chairman Izzat Ibrahim would be first in line of succession. Saddam's systematic concentration of power in his own hands, however, has reduced the RCC to a rubber stamp for his decisions and reduced the chances the body could again become Iraq's preeminent decisionmaking body. []

Popular Revolt. Saddam's 25-year reign has created a cowed society, making a popular revolt an unlikely means of regime change. Even immediately after the Gulf war, when Saddam was at his weakest, concurrent and widespread Kurdish and Shia revolts were unable to bring him down. Brutal crack-downs and purges since then have driven public discontent underground, and there is no opposition figure popular enough throughout Iraq to rally citizens against Saddam. Public anger against the regime remains high, but the regime's successes in reimposing its control over most of the country after the war mutes public commentary against Saddam. Although we judge a popular uprising would not directly topple Saddam, it could be a catalyst for mutiny by more powerful elements of society. []

Exiled Opposition Takeover. The Iraqi National Congress (INC) does not have the political and military clout needed to bring Saddam down or to play an important role in a post-Saddam government. []

[] the INC is plagued by competing political, ethnic, and religious agendas, personal rivalries, meddling by Iraq's neighbors—primarily Syria, Iran, and Saudi Arabia—and lacks credibility inside Iraq. Most Iraqi citizens are not yet aware of the INC. Many who deride the organization's lack of broadly known or respected political and military leaders and its close ties to the West. []

To significantly increase pressure on Saddam, the exiled opposition would have to show a capability to mount a sustained campaign of political violence against the regime in Baghdad, a capability it is seeking but has not yet demonstrated. A substantial upsurge of political violence would press Saddam to try harder to assassinate opposition leadership, and less likely, to move against the north. []

Profile and Policies of Likely Successors³
The most likely successors to Saddam come from the same broad political culture and share his views on threats to Iraqi interests and almost certainly would be Arab Sunnis. Political stability and a new regime's near-term survivability would depend on how

³ Identifying specific successors to Saddam is complicated by the constantly changing fortunes of Baghdad's political and military leadership. Suspicion that a subordinate is gaining popularity is grounds for immediate demotion, transfer, or imprisonment. Many longtime Ba'th Party associates, advisers, and technocrats have been shunted aside as key security, military, and cabinet posts went to Saddam's relatives who themselves are subject to reassignment and occasional detention. []

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change occurred and a new leader's ability to quickly build a strong base of military, security, and popular support. Many of the nationalistic, xenophobic, and Pan-Arab themes that pervade Saddam's policies and propaganda resonate with the Iraqi public and probably would be used by likely Arab Sunni successors as well. These include: a strong belief in Iraq's historic greatness and commitment to achieving Iraqi dominance in the region, distrust of the West, fear of Iranian domination, and determination to retain sway over Iraq's majority Shias and Kurds. In addition, possible successors would likely share Saddam's long-term goals of rebuilding the country's military might—particularly weapons of mass destruction—and of reasserting Iraq's claims to Kuwaiti territory. No successor is likely to officially recognize the UN-demarcated border with Kuwait. [redacted]

Initially, a new regime might publicly distance itself from Saddam's aggressive foreign policies to relieve UN and Western pressure on Iraq and obtain international—particularly Arab—support. To broaden domestic support it might promise political reforms and elections and offer some political opportunities to Iraqi Shias—a tactic the Ba'athists used in the 1970s—and possibly to selected members of the opposition. Few successors, however, would hesitate to use repressive measures to quell popular unrest or eliminate rivals. [redacted]

The first economic priority of any post-Saddam regime would be to induce the United Nations to lift sanctions and then to return oil production and oil exports to pre-Gulf war levels. Oil dominates Iraq's economy, accounting for approximately half of gross national product in 1989, and almost

all of the country's foreign exchange earnings and will be vital to the new regime's long-term viability. [redacted]

To conserve funds, Baghdad probably will delay remaining repairs until after sanctions are lifted. It will then take about one year to return to prewar production and export levels of 3.0 and 2.5 million b/d, respectively. [redacted]

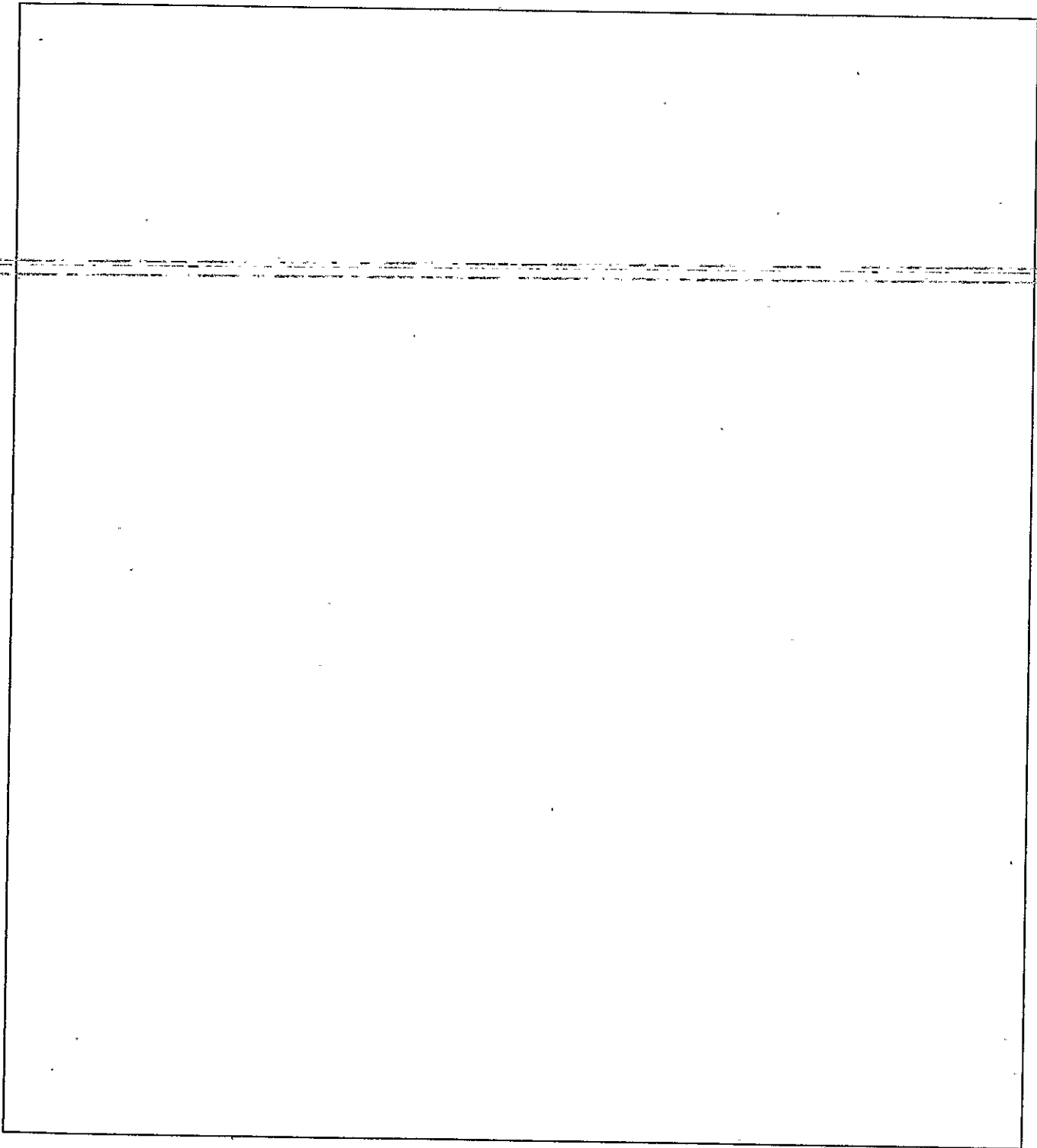
A government led by a *former Saddam associate* would pursue policies and tactics similar to Saddam's, though perhaps less brutally. Initially, it probably would make moderate measures to get sanctions lifted and stave off domestic unrest, but such measures likely would be temporary. The temptation to resort to traditional methods of rule by fear and repression to guarantee continued Sunni dominance of the government and military would be strong. No successor from Saddam's inner circle would possess his political cunning or the broad popular support to rule uncontested, and would have to either make concessions to rivals, or resort to coercion to maintain his hold on power. [redacted]

Such a regime's policies might include:

- Increasing economic self-reliance to protect against possible future sanctions.
- Semiprivatization of less profitable civilian state enterprises.
- Reestablishing trade with nations that can supply Iraq's priority needs—including military hardware and expertise—such as China, Russia, North Korea, and members of the European Union.

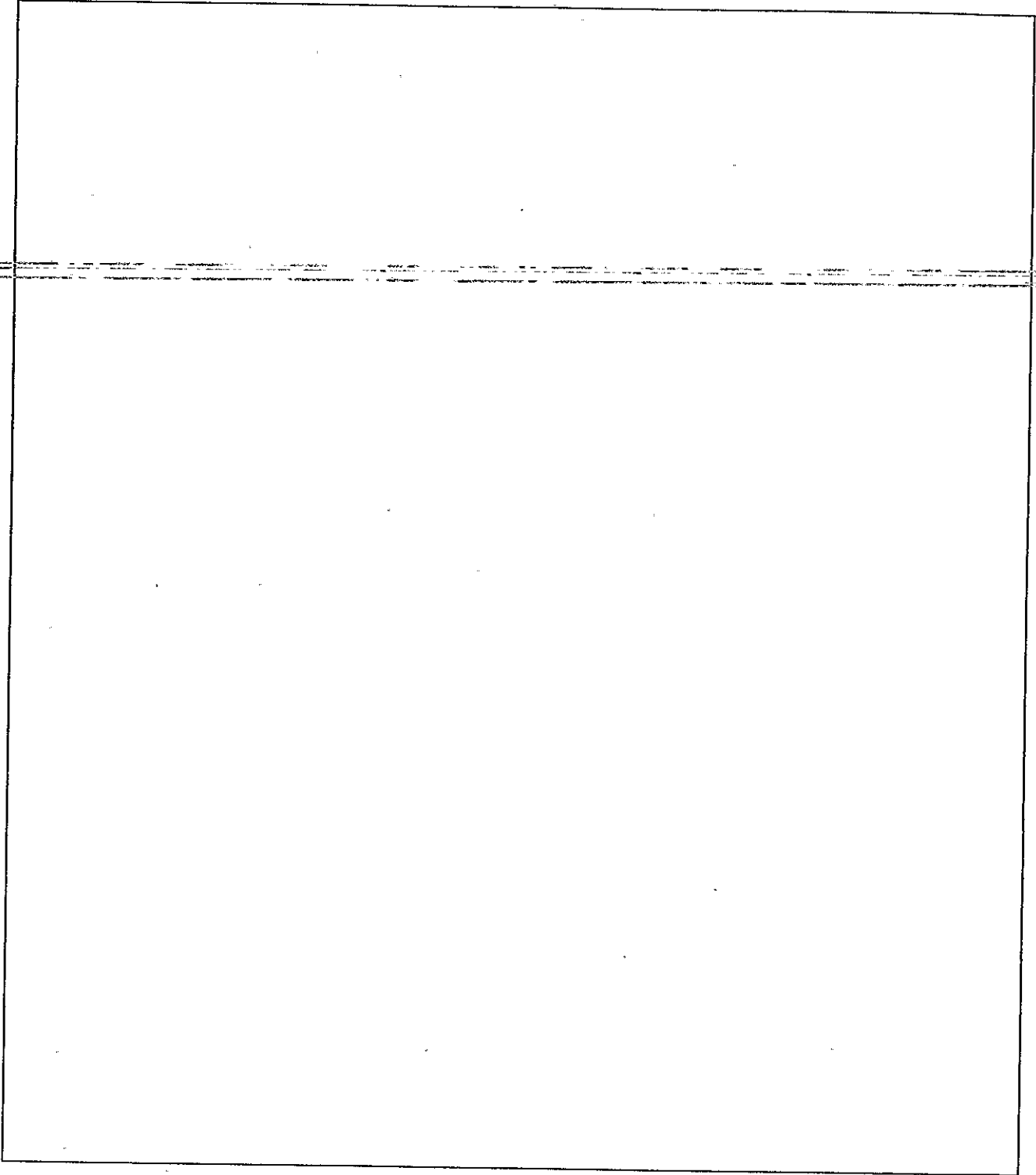
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- Superficial steps to improve living conditions for average Iraqis, including restoring some social services and re-opening factories to increase employment.

A military-dominated government would share Saddam's view of foreign and domestic threats to Iraq and in time would aggressively pursue rebuilding the country's military might—particularly weapons of mass destruction programs (WMD). Another top priority would be to restore the influence of the military in Iraqi political affairs that Saddam had systematically eliminated:

- The military would resort more readily than other post-Saddam regimes to harsh measures to quell civil unrest and insurgencies. The Iraqi Army—headed by a loyal Sunni officers corps—has pressed Saddam to take even more aggressive measures to retake control of the country. A military regime might not wait for the departure of Provide Comfort forces to expand ground operations against the Kurds.
- Economic policies would put the military first. Trade priorities would lie with nations that could supply military equipment and expertise—and they would receive first priority in debt repayments.

Although the military has the power to topple Saddam, we believe it is ill-prepared to administer the nation. Years of tight regime control, purges, and patronage have undermined institutional loyalty and bred a subservient officers corps that would be ill-equipped to manage a myriad of serious political, economic, and foreign policy challenges. Effective leadership could be hampered by turmoil within senior ranks as rival officers vie for control, try to build their own

power bases, and court the loyalty of division and brigade commanders who directly control troops and weapons. Moreover, conflict between the regular Army and Republican Guard could be sparked by Army resentment over the Guard's privileged status.

A political-military coalition government, particularly one that included some of the technocrats of Iraq's current political and foreign policy establishment, might be more inclined than Saddam to make concessions on the domestic and foreign policy fronts to expand its base of Iraqi support and relieve international pressure. For example, senior diplomats have led Baghdad's more conciliatory approach to the United Nations and the United States. A coalition government probably would pursue less repressive economic policies than Saddam's:

- Improving civilian living conditions—perhaps through expanded public employment projects, infrastructure improvements, and encouragement of private enterprise—would receive higher priority.
- Restoring Iraq's international financial credibility and making downpayments on debts owed to other nations would be given serious consideration.

Its domestic policies might also be less repressive:

- Internal policies toward the Kurds and Shia might include efforts to improve living conditions by creating employment opportunities and reintegrating the north and south into Iraq's economy.

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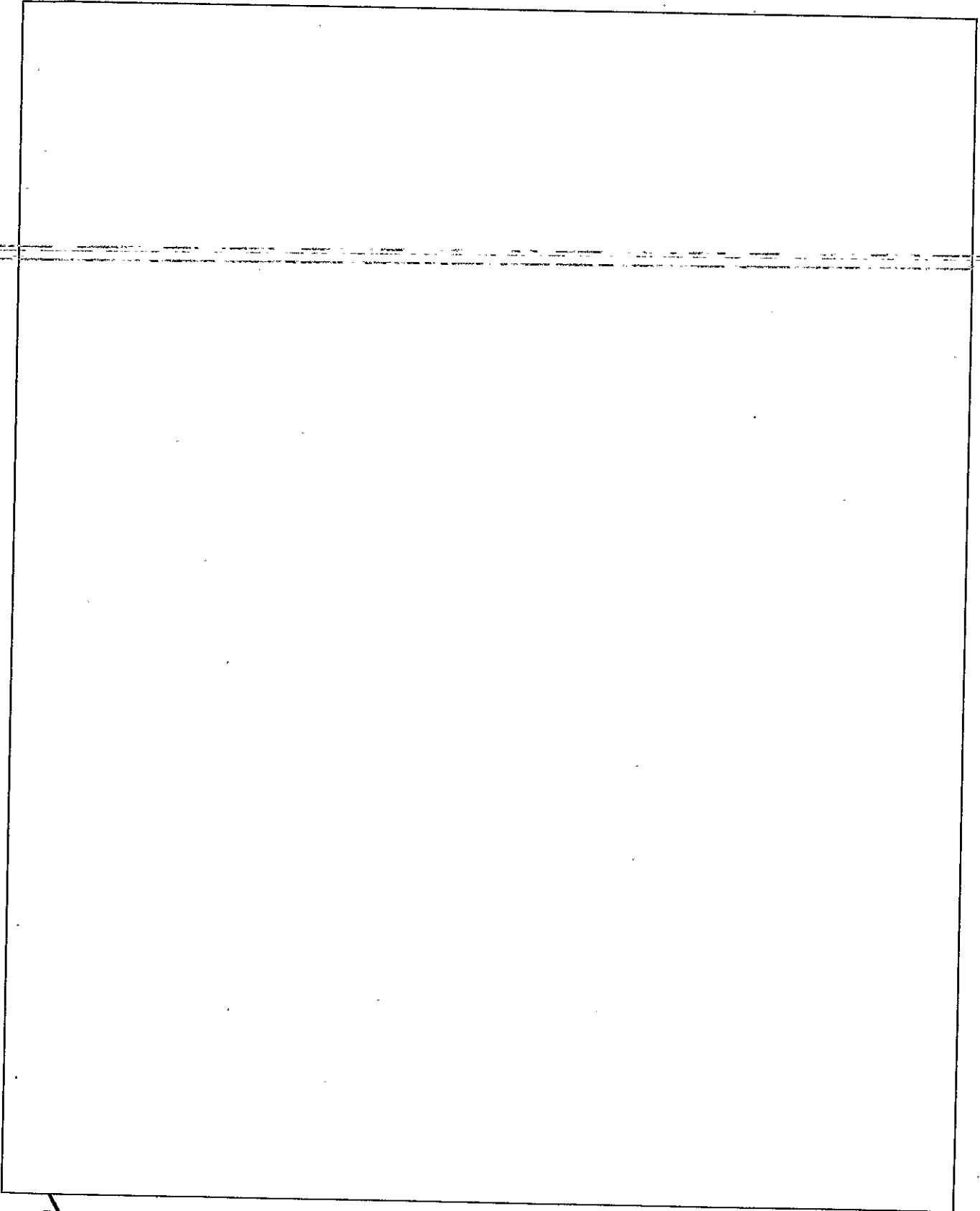
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- Nevertheless, if domestic unrest began to mount, a political-military coalition dominated by Arab Sunnis would still be inclined to use military force and secret police tactics to maintain order and prevent the partition of Iraq.

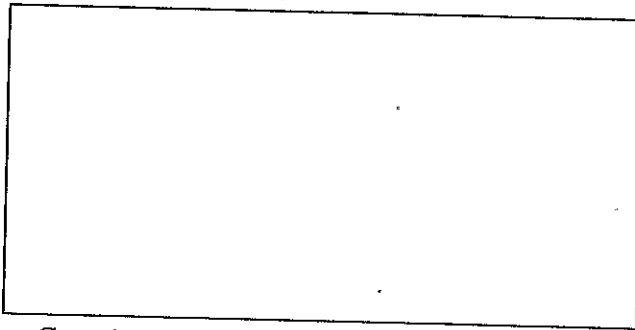
A recent Rand study holds more hope than we do that, beyond Saddam, a democratic and federal Iraq could represent a new wave of political reform and modernized politics in the Middle East. The Rand study suggests that an Iraq that explicitly recognizes ethnic and religious differences could establish the model for the future in the region, but such a state would require outside intervention to emerge. (U)

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foes. Iraq retains important elements of its extensive prewar WMD programs and the expertise to rebuild them if UN inspections and sanctions end. In addition, the end of sanctions could cause international attention to the plight of Iraqi Kurds and Shias to wane, allowing Saddam a freer hand to repress them. [redacted]

Sanctions Are Key

As long as the UN sanctions remain undiminished, Iraq's weakened military and domestic security concerns will limit Saddam's capability to pursue policies that menace US interests. Without the oil embargo, Iraq would have money to entice many trading partners to sell materiel or technology for its conventional and nonconventional military arsenals, even if an arms embargo remained in place. Once the oil embargo is lifted, compliance with remaining sanctions will diminish as the perception builds that the entire sanctions regime is ending. [redacted]

Saddam would accelerate efforts to rebuild Iraqi intelligence networks around the world to procure WMD components and to intimidate if not assassinate Saddam's Gulf war

Iraq's reentry into the oil market would increase competition among major OPEC producers for export quotas, potentially recreating the political and financial dynamics that contributed to the 1990 Gulf crisis. Iraq could begin exporting about 1.5 million barrels of oil per day almost immediately after the embargo was lifted. Resumed Iraqi oil exports would increase the downward pressure on worldwide oil prices, weakening Iraq's key rivals in the Gulf, Saudi Arabia, Kuwait, and Iran. [redacted]

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Annex

An Outsider's View ⁵

The continued existence of Iraq as a unitary state is deeply threatened; it may not survive intact into the next decade. Longstanding ~~problems in Iraq, exacerbated by two de-~~
 cades of an exceptionally harsh and brutal regime, two wars of its own making, genocide against its Kurds, ruthless suppression of its Shi'ite majority—all have conspired to raise fundamental questions about the ability of the state to survive in its present form and to live in harmony with its neighbors under a Ba'th regime. Ironically, it may in fact only be external intervention that could now possibly save the unity of Iraq, since continuation of the present Ba'th regime is surely rendering the deep ethnic and religious differences inside Iraq permanent and virtually irreconcilable. (U)

It is the Kurdish question—not the Shi'a—that above all challenges the long-range viability of Iraq as a unitary state. There is nothing in the history of Kurds in Iraq that suggests the Kurds truly seek integration into the Iraqi body politic. Iraq will be lucky to retain Iraqi Kurdistan as part of Iraq. It cannot be held by force indefinitely and will not voluntarily remain under conditions of anything less than full autonomy under some kind of democratic federalism—never acceptable as a condition to past Baghdad regimes. (U)

⁵ Excerpts from a 1993 Rand Note—*Iraq in the Next Decade: Will Iraq Survive Until 2002?* The author of the paper, Graham Fuller, is a former Vice Chairman of the National Intelligence Council and is a longtime Middle East watcher. This excerpt is printed with the permission of the Rand Corporation. (U)

If the Kurds threaten the territorial integrity of Iraq, it is the Iraqi Shi'a who pose the greatest threat to the political and social ~~stability of the state. The Shi'a are deeply~~
 resentful and alienated by virtue of their near systematic exclusion from power in Baghdad, despite the fact that they constitute an absolute majority of the country's population—between 55 and 60 percent. The Shi'a, contrary to popular fears in many policy circles, have no intention of separating from Iraq; on the contrary, they wish to exert the dominant voice in the state that their demographic majority argues they should. Time is furthermore on the side of the Shi'a: any gradual move toward democracy in the future can only strengthen their position and serve to dislodge the monopoly of political and social power by a Sunni Arab minority of only 25 percent of the state's population. Only repression will keep the Sunni Arab majority in permanent, dominant control of the state. (U)

Nearly all future alternatives for Iraq suggest a state that is inherently brittle and increasingly less capable of projecting power in the region than it has been in recent decades. Only the secular authoritarian repressive model (like Saddam) will be able to garner the temporary strength to preserve the unitary state and to project regional political and military power. While that kind of state can be highly dangerous to the region, as the world has witnessed, even a focused authoritarian state will also always

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remain prey to debilitating internal contradictions that will exhaust and weaken it over the longer run. (U)

No political solution to Iraq's current problems can realistically include retention of the Ba'th Party in power. If the state and the region are to return to any tranquillity and normalcy, the Ba'th Party must go when Saddam goes. (U)

Any successful post-Saddam succession scenario is entirely dependent on the military. Saddam's physical elimination is most likely to come at the hands of some trusted insider—few others can get near him. But in the end, the military is likely to take advantage of Saddam's death and the confusion of any transition; only the military has the power to remove Saddam's mechanisms of power and the Ba'th Party. (U)

The military could attempt to establish a reformed Ba'th without Saddam, but perpetuating the political characteristics of the Ba'th is to the liking of few people inside or outside the country. The officer corps' key concern will probably be the retention of power by the Sunni Arab minority, but there are few political vehicles available to this end. The military will also wish to keep Iraq strong and unified, and hence might decide to keep power within its own ranks, free of the Ba'th politicians who have so damaged the country. (U)

The prospects for a democratic outcome are not encouraging without external intervention. Ideally, the military itself could attempt to establish some kind of more democratic rule, either by inviting elements of the external opposition to share power following an

anti-Ba'th coup, or by holding elections. Otherwise the external opposition, working toward ever greater unity, but still lacking consensus on many key questions about the future, does not possess the means to come to power by itself. But the question of future Shi'ite dominance still remains. Only a truly farsighted military leadership could recognize the inevitable forces at work in Iraqi society, acquiesce to them, and facilitate their innovation. (U)

The Shi'ite south will not separate from Iraq under almost any foreseeable circumstances, although it could conceivably declare autonomy for a brief period as a tactic by which to weaken the central government and to establish a negotiating card for a new power-sharing agreement. (U)

The Shi'a themselves are divided into secularist democrats, pro-Iranian Islamists, and independent Islamists. Even those Islamists with some sympathies for Iran's clerical ideology are Arabs, however, and will not accept domination from Tehran. A Shi'ite Iraq will more likely tend to be 'Iraqi-firster' in outlook. (U)

Any future Iraqi regime will be economically constricted for a period by massive debt to the West, the need to overcome extensive and damaging economic sanctions, and by the extensive costs of reconstruction after two devastating wars. Iraq nonetheless has a promising long-term economic future based on its possession of the second-largest oil reserves in the Middle East, its extensive water sources that can support a powerful agricultural base, and adequate manpower—unlike the rest of the Gulf Arabs—to meet its agricultural and industrial needs. (U)

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Over the longer run, the Iraqi economy will be able to support extensive military expenditures if that is the route that its leadership chooses. Its oil policies will obviously be aimed at maximizing its income over the short term—in opposition to general Saudi policies, which traditionally favor moderate prices and now desire to constrain Iraqi ~~development in the future for security reasons~~—unless the Iraqi political system should be transformed and adopt truly moderate policies. (U)

In foreign policy, Iraq is highly constrained by several geopolitical realities:

- First, Iraq lacks significant access to the Persian Gulf.
- Second, Iraq is entirely surrounded by hostile states except for Jordan.
- Third, Iran almost surely represents Iraq's permanent geopolitical rival. Although it is possible that Iran and a fundamentalist Shi'ite Iraq could adopt parallel foreign policies for a while, fundamental geopolitical rivalry between Baghdad and Tehran militates against that over the longer run. (U)

The political evolution of Iraq will thus be unstable and stormy, in part affecting the stability of the entire Gulf. Only transition to some kind of more representative and democratic rule will bring Iraq to a state of greater stability, and it will at a minimum require Iraq's transformation into a federal state, perhaps even losing the Kurdish regions. (U)

US policy thus has a great deal at stake in its handling of Iraq over the next decade. (U)

Beyond Saddam, a democratic and federal Iraq could represent a new wave of political reform and modernized politics in the Middle East. An Iraq that explicitly recognizes ethnic and religious differences within the state, and proceeds to build the political and social institutions to reflect that diversity, could be on the way toward establishing the model for the future. Many Iraqis are ready for this kind of change, especially after living through the alternative vision that has so dominated and despoiled the country for over 30 years. But lacking enlightened intervention from the outside, it is hard to see how the vicious circle of the past can readily be broken. (U)

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**Intelligence Sources
or Methods Involved**

~~(S//NFINTTEL)~~

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**Information available as of 16 December 1993 was used
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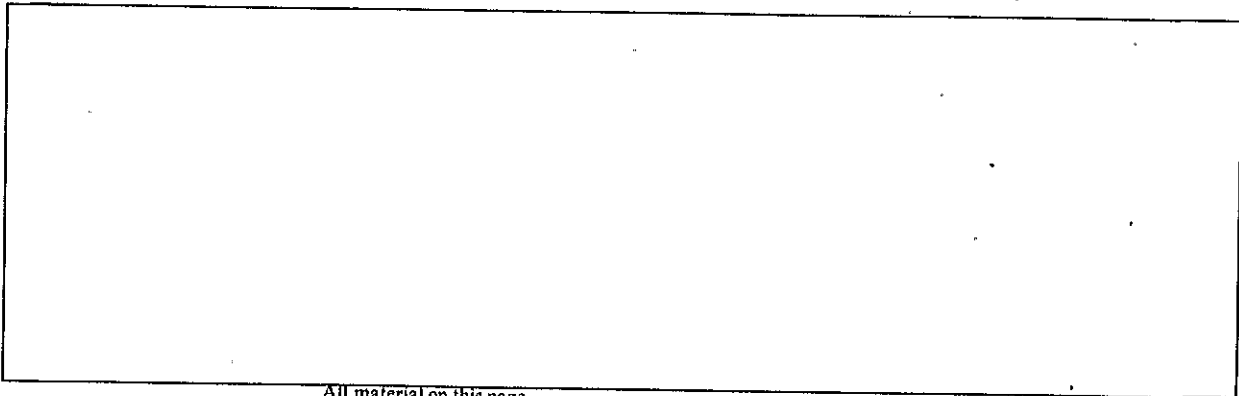
**The following intelligence organizations participated
in the preparation of this Estimate:**

The Central Intelligence Agency
The Defense Intelligence Agency
The National Security Agency
The Bureau of Intelligence and Research,
Department of State
The Office of Intelligence Support,
Department of the Treasury

also participating:

The Deputy Chief of Staff for Intelligence,
Department of the Army
The Director of Naval Intelligence,
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