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Avoiding a Thirty Years War

By Richard W. Rahn Published December 21, 2006

Will the entire Middle East descend into chaos? On Dec. 16, David Brooks, writing in the New York Times, presented a scenario whereby the Middle East became engulfed in a series of regional wars, resulting in the fall of most of the existing states and something close to anarchy in much of the region. His column has caused considerable comment because the destructive unwinding of the existing order he describes seems totally plausible and, perhaps, even probable -- hence the analogy to the Thirty Years War.

First, a little history. The Thirty Years War (1618 - 1648) was caused by conflict among various Christian groups, notably the Catholics, the Lutherans and the Calvinists, and rival principalities. After considerable blood-letting and economic destruction throughout much of Europe, the War was ended with the signing of the Treaty of Westphalia, which gave rise to the modern concept of the sovereign state.

To avoid repeating the mistakes of the past, it is useful to look at the successes and failures stemming from the Treaty of Westphalia. The efforts of political theorists and diplomats to try to force peoples of differing religions and world views into single strong central governments has often resulted in disaster. One of the successes of the Treaty of Westphalia was Switzerland. There, groups of people with different religions and languages successfully created one country by voluntarily separating themselves into strong regional governmental units (i.e., cantons) bound together by the rule of law, a unified defensive army, under a weak central government. Unlike the rest of Europe, Switzerland has remained at peace with its neighbors for 200 years (Napoleon was the last person to invade) and has grown prosperous, even though the Swiss in one canton may not have a strong liking for the Swiss in some other cantons.

Early in 2003 (before Saddam Hussein was removed), a senior official of the U.S. Treasury invited a few economists -- who had high-level government and/or economic transition experience -- to meet to discuss what should be done during the Iraqi transition. We unanimously recommended the Iraqi oil companies be privatized and the stock distributed to the population on a per capita basis (or at least establishment of an Alaska style oil fund, whose proceeds would be distributed to the people -- an idea also advocated by Sens. Hillary Clinton, New York Democrat, and John Ensign, Nevada Republican).

Several of us proposed using the Swiss model of strong, local government units, but a weak central government, as I suggested in my July 10, 2003, commentary.

Unfortunately (in retrospect), the Defense Department was given the lead on the transition, and ideas stemming from our and other Treasury advisers often were ignored.

However, it is not too late to make some of the changes, given that the distribution of oil revenues still has not been decided in Iraq. The Iraq Study Group concluded that: "Oil revenues should accrue to the central government and be shared on the basis of population." Even more preferable would be to privatize the entire oil industry and make all Iraqis stockholders, thereby putting the whole population behind expanded output and making them hostile to those who blow up pipelines. (If dividend checks were distributed regularly, most citizens would oppose having their incomes reduced by the radicals.)

Iraqis are already self-segregating by religion and ethnic group, so those who said it would be too difficult to divide all of Iraq into largely self-governing provinces are being proved wrong. The Kurdish areas in the north and some of the Shi'ite areas in the south are calm, and their regional economies are growing. The Iraqi constitution calls for a federal structure (like the U.S. and Switzerland), and we should encourage that, rather than centralization. This decentralized approach now is advocated by an increasing number of experts, and several members of Congress including the incoming chairman of the Senate Foreign Relations Committee, Joseph Biden, Delaware Democrat.

The keys to having a successful, decentralized governmental structure are to make sure the Iraqi people can freely move from one local area to another and that there are no barriers to movement of goods and capital within Iraq (again, the U.S. states and the Swiss cantons are the models). Even if a couple of the regional governments became theocratic, it would not be much of a problem, as long as those seeking a more secular government could move elsewhere in Iraq.

Each of the regional governmental units should be allowed to decide whether to have foreign troops for protection. The Kurds would probably request that the foreign forces stay for some period. Perhaps some of the Shi'ite regional governments would request that foreign troops leave.

This model would not immediately end the violence in Baghdad and some of the other areas, but it should be able to contain it while those in Baghdad, either peacefully, or perhaps through some additional local civil strife, finally sort themselves out. Another Thirty Years War will most likely be avoided if our policymakers start looking at history for lessons of what has and has not worked in the past, rather than trying to force a new world order that the people may not want.

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