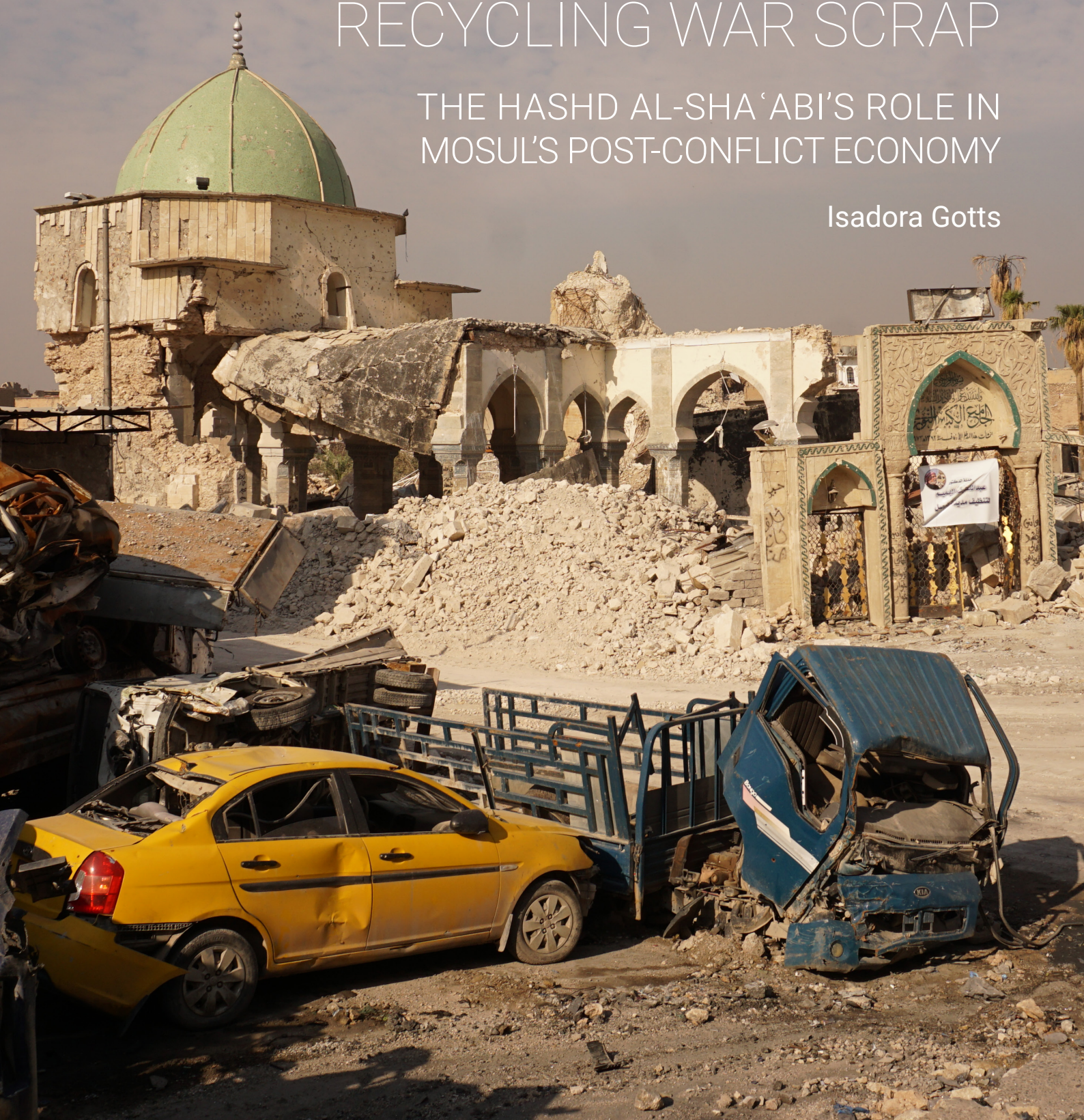


THE BUSINESS OF RECYCLING WAR SCRAP

THE HASHD AL-SHA'ABI'S ROLE IN
MOSUL'S POST-CONFLICT ECONOMY

Isadora Gotts



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The Business of Recycling War Scrap: The Hashd al-Sha‘abi’s Role in Mosul’s Post-Conflict Economy

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Abstract

The modalities of the scrap trade reflect a larger struggle for power in post-ISIS Mosul, and how seemingly marginal processes can and will impact the future balance within the city. On the local level, the scrap trade has become a monopoly, disrupting the ability of residents to profit from this very lucrative material. By co-opting local economic processes, various actors stifled trade and reshaped the very ways in which economic activities are conducted. Reconstruction efforts have suffered as a result, with resources squandered and prices distorted. However, the normalisation of extractive and rent-seeking activities affects more than Mosul's economy; it disrupts Iraq's ability to diversify its economy through industrial growth. By co-opting trade networks and controlling mobility, the Hashd al-Sha'abi ('the Hashd', or PMF) has expanded informal systems and processes, strengthening ties between the security, political, and economic elites seeking only to extract wealth. The Hashd's involvement in the scrap trade, operating in juncture with local political support, are a symptom of a much larger condition – the pervasive culture of corruption in Iraq's political and economic life. They simultaneously enable and operate in a system that breeds instability, hinders social, political and economic growth, and hinders attempts for recovery.

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Introduction

Three years on from the Battle of Mosul, the city remains a skeleton of what it once was. After Mosul was liberated, 41 percent of the urban area was destroyed and close to 90 percent of the old city was in ruins.¹ Between the former local government, which was accused of bottlenecking NGO rehabilitation projects, and the federal government's slow efforts to reconstruct Mosul, frustration amongst residents is rampant. The federal government's inaction is worrisome considering reconstruction costs for Mosul are estimated at 2 billion USD.² In fact, the bulk of rebuilding is done by residents, with some assistance from NGOs or the UN. Political conflicts, at the federal and local level, have halted much of the reconstruction process. Ninewa province has seen three different governors in the last year, forcing the reconstruction process back to square one each time. At the national level, the government has only assisted on a few rehabilitation projects, despite creating a specific reconstruction budget. The government's behaviour indicates a clear disconnect between reconstruction needs and the government's priorities, as well as scant probability of the government significantly investing in Mosul's reconstruction in the near future.³

Missing from the reconstruction conversation is a focus on the less visible and tangible dynamics that will impact the sustainability of local economic recovery. External actors, notably the Hashd al-Sha'abi, seized local economic processes, giving the impression of recovery, while in fact exploiting and extracting wealth and economic opportunities from locals. Considering that 40 percent of countries that have suffered from civil war relapse within a decade,⁴ economic recovery is necessary for lasting stability. In Mosul, recovery is particularly crucial given the economic losses accrued during the conflict. Economic life stopped entirely during the battle to liberate Mosul: resources were diverted to military costs, there was significant capital and financial flight from the city, and livelihoods were destroyed through the loss of agricultural lands and businesses. All of these elements, coupled with the sheer loss of human capital (between 9,000 and 11,000 civilians are estimated to have died⁵), devastated Mosul's markets. Market studies revealed that, beyond infrastructure, limited economic resources are among the greatest challenges facing locals.⁶ Meanwhile, many in Mosul are worried about the resurgence of violence, not simply in the form of ISIS returning, but as a consequence of destitute living conditions.⁷

¹ Interview with UN official, November 2018.

² Michael Georgy, Raya Jalabi, 'Remaking Iraq', *Reuters*, 2018. Available at <https://www.reuters.com/investigates/special-report/iraq-mosul-official/> (accessed 26 May 2020).

³ Ahmed Tabaqchali, 'Iraq's Investment Spending Deficit: An Analysis of Chronic Failures', *IRIS, American University of Iraq, Sulaimani*, 2018. Available at <https://auis.edu.krd/iris/latest-iris-publications/iraqs-investment-spending-deficit-analysis-chronic-failures> (accessed 26 May 2020).

⁴ Paul Collier, Anke Hoeffler, and Måns Söderbom, 'Post-Conflict Risks', *Journal of Peace Research*, 2008. Available at <https://journals.sagepub.com/doi/10.1177/0022343308091356> (accessed 26 May 2020).

⁵ Susannah George, 'Mosul is a graveyard: Final IS battle kills 9,000 civilians', *Associated Press*, 2017. Available at <https://www.apnews.com/bbea7094fb954838a2fdc11278d65460> (accessed 26 May 2020).

⁶ 'East Mosul, Iraq Labor Market Assessment', *International Rescue Committee*, 2017. Available at <https://reliefweb.int/report/iraq/east-mosul-iraq-labor-market-assessment-september-2017> (accessed 26 May 2020).

⁷ Fieldwork interviews in Mosul, Iraq, March 2019.

While economic life has picked up in the eastern part of the city, individuals are left to the task of rebuilding their stores and markets.⁸ Existing businesses are struggling and unemployment is high. In markets like Nabi Younes and Zuhoor, shop owners are enjoying better business conditions than under al-Qaeda and ISIS, but complain about poor services and constant instability. For those who had shops in the western side, the situation is much bleaker. Moving to the east cost many of them their clients; one shopkeeper claimed he only makes 33 percent of what he used to. In the west, despite some shops reopening, the destruction and rubble make significant revival impossible.⁹ This is particularly problematic given that the Old City accounted for more than 50 percent of the city's economy before the war.¹⁰

A less obvious and indirect player in Mosul is the security forces, specifically the Hashd al-Sha'abi.¹¹ As controversial and diverse security actors,¹² the Hashd are often conceptualised through the framework of security, sectarianism, or proxy warfare. Less recognised is the way in which they engage with community-level dynamics, such as local economies, and the ripple effects these interactions cause. In various interviews, locals expressed frustration at the Hashd's growing influence in the city. For fear of retribution, all requested that their feelings towards these groups remain anonymous.

In a country like Iraq, where the balance of power is continuously contested, interventions and structural changes cannot be achieved without an understanding and internalisation of those engaged in social, political and economic dynamics. While perhaps a less obvious sector linked to economic recovery, the scrap trade is representative of the broader political and economic culture in Mosul. The ways in which extractive actors engage with the local economy in Mosul, specifically the scrap trade, demonstrate how various groups are attempting to consolidate their gains within the city and ensure their place in the post-conflict period. Their growing economic pull has affected the overall functionality of the local economy, creating monopolies and reinforcing toxic extractive process which will influence the direction recovery and reconstruction will take.

Modalities of the Scrap Trade

In the months following Mosul's liberation, lorries carrying hundreds of tons of scrap metal began leaving the city on a daily basis. Between December 2017 and April 2018, around 100 trucks, filled to the brim, exited the city on the road towards Erbil.¹³ Hundreds of thousands, perhaps even millions, of tons of scrap were removed from the city in an ad-hoc manner. The unregulated and legally ambiguous way in which this material

⁸ Interview with Moslawi economist (2), December 2018.

⁹ Interviews with local businessmen in Nabi Younes, Zuhoor, and the Old City in Mosul, March 2019.

¹⁰ Interview with Moslawi economist (1), November 2018.

¹¹ The Hashd al-Sha'abi (Popular Mobilisation Forces/PMF in English), henceforth referred to as the Hashd, are the primarily Shi'a militia groups-turned-state security forces in February 2016. Their presence in Mosul originates from their role in the war against ISIS.

¹² I recognise the multiplicity of Hashd groups and will specify which ones this paper focuses on later.

¹³ Interview with Iraqi journalist, December 2018.

was disposed of, as well as who profited from its removal, caused a scandal within the city. Parliamentary representative Intisar al-Jubouri explained, ‘there was smuggling and looting that I saw with my own eyes [...] many projects could have been financed through selling these scrap metals’. She blamed the local government for not taking action despite residents complaining about this issue for months.¹⁴

After months of local outrage, the federal government finally opened an investigation into what was locally referred to as the ‘smuggling of scrap metal’.¹⁵ The investigation concluded that millions of tons of scrap, belonging to government buildings, were sold far below market value. Influential local politicians, as well as security actors, were accused of being involved.¹⁶ The scrap was taken from destroyed homes, private property and even military equipment – essentially anything those involved could get their hands on – without the permission of the owners.¹⁷ Definitive and detailed results have yet to be released from the investigative committee, and will likely never be revealed if those involved are as powerful as initial reports indicate. While this situation is far from exclusive to Mosul, the estimated 8 million tons of rubble in the city¹⁸ made it a profitable place for unchecked rent-seeking activities.

Inside the city, only 10 percent of debris is estimated to have been cleared.¹⁹ The majority of NGOs and international organisations adjusted their projects to include debris clearing, which they estimate could take another ten years.²⁰ With a supply of scrap far from depleted, and reconstruction to come, the way in which this material is traded remains problematic. Scrap has, and continues to be, sold cheaply and in an unregulated manner. Scrap metal has the potential to facilitate reconstruction and help revive the city’s economy, but is consistently misappropriated and misused. Instead its trade continues to remove material and financial wealth from the city.

Geographic Spread

The scrap metal from Mosul primarily went and continues to go to Erbil, though some ended up in Sulaimani and Baghdad according to interviews with factory and yard owners. Locals observed the trucks leaving the city on the road leading to Erbil and transporters themselves confirmed they were taking the scrap to factories there.²¹ A scrap yard in west Mosul revealed that local authorities, that they refused to name, only allow them to sell to specific merchants, all of which are from Erbil. The KRG’s eight steel factories, and

¹⁴ Interview with parliamentary representative Intisar Al Jubouri, January 2019.

¹⁵ Interview with Moslawi economist (1), November 2018.

¹⁶ *Mosul Eye*, 2019. Available at: <https://www.facebook.com/552514844870022/posts/1947613728693453/>

¹⁷ Interview with Moslawi economist (1), November 2018.

¹⁸ ‘Rising from the rubble: Iraq’s Mosul takes steps to deal with war debris’, *United Nations Environment Program*, 2018. Available at <https://www.unenvironment.org/news-and-stories/story/rising-rubble-iraqs-mosul-takes-steps-deal-war-debris> (accessed 26 May 2020).

¹⁹ Interview with UN official, October 2018.

²⁰ Interviews with UN officials and other NGOs, September and October 2018.

²¹ Interview with Iraqi journalist, December 2018.

proximity to Mosul, make it a convenient destination for the scrap. Even at the height of tensions between the KRG and Baghdad, following the referendum, scrap metal was still pouring into the KRG. Much of it ended up at the Erbil Steel Company,²² a factory owned by the Darin Group whose vice chairman is a member of the Barzani family. Another steel factory manager near Erbil said he buys 300 to 400 tons of scrap from Mosul each day.²³

Allegations also abound of scrap being smuggled over the border into Iran, by locals, NGO workers, and researchers.²⁴ Exporting scrap metal abroad was banned in 2016 by the government,²⁵ but the practice continues, facilitated by Iraq's porous borders. Certain Hashd groups' ties to Iran increased these suspicions, particularly given that Asaib Ahl al-Haq and the Badr Organisation are presumed to be heavily involved in the trade. Security forces operating in and around Mosul maintain they are not involved.

Despite official claims from Hashd brigades that they do not deal in scrap metal, certain economic considerations point towards the likelihood that individual members of pro-Iranian Hashd forces have smuggled scrap metal to Iran. Iraqi steel factories offer low prices for scrap metal because of high factory operational costs.²⁶ Whereas the Iranian government heavily subsidises energy costs for its industries, many of which are public or semi-public, the Iraqi government's subsidy policies do not promote industry. Costly local production, coupled with the disintegrating economic conditions in the KRG, have led to an increase in the price of steel. As a result, the demand for cheaper imported steel has grown, causing local production to stagnate.²⁷ According to the KRG Ministry of Industry, steel production has dropped from 1200 tons per day to 400 in the last year. The over-supply of scrap, compounded with the economic fallout of the Kurdish referendum²⁸ and lack of reconstruction in liberated areas, call into question the capacity of the KRG's steel factories to absorb all of this scrap metal, and where the rest of it went. In this way, price discrepancies and poor national economic policies have created economic incentives for actors to seek markets beyond their national boundaries. Smuggling is a common practice across Iraq, resulting from decades of dysfunctional national economic policies.

Economic and Political Context

Trade monopolies are not uncommon in Iraq, especially in Mosul which has a long history of informal economic activity. Scrap, in particular, has often been the object of rent-seeking schemes. Since the First Gulf War, scrap has been smuggled across Iraq's borders,

²² Interview with PhD candidate Umut Kuruuzum, February 2019.

²³ John Davison, 'Iran-backed groups corner Iraq's postwar scrap metal market', *Reuters*, 2019. Available at <https://www.reuters.com/article/us-iraq-militias-exclusive/exclusive-iran-backed-groups-corner-iraqs-postwar-scrap-metal-market-sources-idUSKCN1Q2oR5> (accessed 26 May 2020).

²⁴ Information gathered during fieldwork.

²⁵ Interview with the Kurdish Ministry of Industry, February 2019.

²⁶ Interview with steel factory owner in Kurdistan October 2018; and scrap metal trader December 2018.

²⁷ Interview with steel factory owner in Kurdistan October 2018.

²⁸ Maher Chmaytelli, 'Iraqi Kurds face more sanctions after calling elections', *Reuters*, 2017. Available at <https://www.reuters.com/article/us-mideast-crisis-kurds-referendum-elect/iraqi-kurds-face-more-sanctions-after-calling-elections-idUSKCN1C814N> (accessed 26 May 2020).

primarily to Iran.²⁹ Smuggling networks were reactivated at the barely guarded borders after Saddam's fall. Scrap yards from Jordan to the Netherlands received parts of military equipment, civil infrastructure, oil rigs and water plants. As many as 100 lorries crossed the border to Jordan on a daily basis during 2004, often full of contaminated scrap.³⁰ The abundance and seemingly unimportant nature of scrap, as well as Mosul's deeply unbridled economic environment, resulted in an enormous and extremely profitable informal trade that persists today.

The extractive nature and outcomes of the scrap trade were facilitated by the post-ISIS security and political situation. In the early days after liberation, there were no control or oversight mechanisms, as formal governance systems had collapsed when ISIS took over the city. Looted goods flowed out of the city and groups like the Hashd had unchecked mobility and access to scrap.³¹ Quickly after, various security forces established checkpoints, most of which have now been taken over by the army and local police. Nonetheless, certain Hashd groups were able to integrate the informal political and economic networks during this period. Badr and Asaib Ahl al-Haq were particularly successful in integrating into the Moslawi landscape.³² Although less visible within the city, these forces are established fixtures, notably through their checkpoints on the outskirts of Mosul. The shifting environment after liberation opened the door for rent-seeking activities in a city with existing informal economic networks and markets, as well as an abundance of scrap metal.

Direct and Indirect Actors

Hashd forces, though far from being the only actors involved, monopolise the trade. Former governor of Ninewa Nawfal al-Akoob acknowledged their involvement, justifying it as a result of equal opportunities for all to participate in economic activity.³³ The first year after liberation, smaller NGOs working on debris cleaning called Hashd forces to remove scrap metal because they were the only entities capable of handling and moving such large quantities of material.³⁴ Badr and Asaib were specifically mentioned, but local NGOs remain vague regarding exactly which Hashd force took the scrap, for fear of repercussions. In the old city, Asaib was witnessed by NGOs extracting scrap metal with bulldozers.³⁵ The Hashd's control of checkpoints on the outskirts of the city facilitates their grip on the trade as well as their ability to monitor and direct it. The most visible example is in Gogjeli, an industrial area on the road leading to Erbil. This area, peppered with scrap yards, is controlled by the 30th Brigade, a Shabak force. Their flags are perched on top of the checkpoint that all traders must go through in order to enter and leave

²⁹ Interview with the Kurdish Ministry of Industry, February 2019.

³⁰ James Glanz, 'In the Scrapyards of Jordan, Signs of a Looted Iraq', *The New York Times*, 2004. Available at <https://www.nytimes.com/2004/05/28/international/middleeast/in-the-scrapyards-of-jordan-signs-of-a-looted-iraq.html> (accessed 26 May 2020).

³¹ Interview with Iraqi researcher, October 2018.

³² Interview with Kurdish businessman, October 2018.

³³ Davison, 'Iran-backed groups corner Iraq's postwar scrap metal market'.

³⁴ Interviews local NGOs working in Mosul, October 2018.

³⁵ Interview with UN official, October 2018.

the city. Like other economic ventures, trading scrap is not a project in which all Hashd groups are involved. Individual Hashd brigades engage in the trade, utilising the resources and leaning on the connections provided by the Hashd as an institution.

Despite the Hashd's primary role in the trade, the mass collection and export of scrap metal entails a larger network of players, from those who provide impunity to the buyers. The level of damage in Mosul created an enormous and inexpensive supply of scrap, though it is sold at a much higher price than it was bought for inside the city.³⁶ Arrangements to buy scrap metal were made, often forcing yard owners to sell only to specific traders.³⁷ Certain businessmen, whether traders or factory owners, both profited from and facilitated the Hashd's monopoly over the scrap trade.

The Hashd rely on the support of powerful political figures to conduct their commerce without local backlash or legal consequences. Those involved in the trade – Badr, the 30th Brigade and Asaib Ahl al-Haq – are all closely connected to the Fatah alliance, the second biggest bloc in parliament.³⁸ After the 2018 parliamentary elections, many former PMU leaders ascended to political power, ensuring the interests of the paramilitary groups would be protected. Hadi al-Ameri and Qais al-Khazali, the leaders of Badr and Asaib, two of the Hashd forces involved in the trade, have great influence in parliament and government. The 'scrap metal smuggling' investigation in fact revealed that influential politicians in Baghdad were not only aware of, but enabled, the trade and delayed inquiry into it.³⁹ Furthermore, the exclusive permits required to buy scrap, come from the Prime Minister's office in Baghdad.⁴⁰ Although not formally sanctioned or driven by the Hashd as a state institution, the scrap trade monopoly involves a certain level of state complicity. According to scrap yard owners across the city, these permits are impossible to get without connections to powerful politicians. One such connection is Nawfal al-Akoob, the former governor of Ninewa, fired in 2019 for negligence and misappropriation of funds.⁴¹ According to a UN official, he allowed the Hashd to raise their checkpoint tariffs up to 10 percent of the transported good's value, including scrap. He allegedly agreed to increase the tariffs in exchange for a cut of the profits collected at the checkpoints. While difficult to ascertain, this scenario is not unlikely, as al-Akoob was found to have used his political position to embezzle money.⁴² The circle of profit for scrap metal is a complex network, including political, security and economic actors. Individual Hashd forces may

³⁶ Interview with businessman in Sulaimani, September 2018.

³⁷ Interviews in scrap yards in Mosul, March 2019.

³⁸ 'Iraq elections final results: Sadr's bloc wins parliamentary poll', *Al-Jazeera*, 2018. Available at <https://www.aljazeera.com/news/2018/05/iraq-election-final-results-sadr-bloc-wins-parliamentary-polls-180519071930804.html> (accessed 26 May 2020).

³⁹ 'Mosul: Massive Smuggling of war remnants', *Asharq Al-Awsat*, 2018.

⁴⁰ Interview with Kurdish businessman, 10/18; and interviews in scrap yards in Mosul, March 2019.

⁴¹ Ahmed Rasheed, 'Iraq orders arrest of ex-governor after deadly ferry sinking', *Reuters*, 2019. Available at <https://www.reuters.com/article/us-iraq-ferry/iraq-orders-arrest-of-ex-governor-after-deadly-ferry-sinking-idUSKCN1R81AV> (accessed 26 May 2020).

⁴² 'Iraq says ex-governor embezzled \$10m in aid for displaced', *France 24*, 2019. Available at <https://www.france24.com/en/20190730-iraq-says-ex-governor-embezzled-10-mn-aid-displaced> (accessed 26 May 2020).

be the primary actors in the scrap trade, but they rely on the support of political figures at the local and national levels, the broader Hashd institution, as well as businessmen, all of whom reap large financial benefits.

Trade and Monopoly Mechanisms

The Hashd's involvement in the scrap trade oscillates between outright illegality and simply operating in an opaque economic environment. The line between the formal and informal market is blurry in Iraq, as are the legal confines of business. The free-market nature of Iraqi trade, a largely privatised industry, and weak central authority, enables individuals and groups to operate with little oversight. The only law mandating the scrap trade prohibits its export abroad. No other regulations are imposed by the government – local supply and demand dictate who sells and buys and where goods go.⁴³ Locally, there is no uniform system for dealing with scrap, beyond agreeing with local security forces or the municipalities if the scrap is from government buildings.⁴⁴ Hashd forces, like many others, took advantage of the weak rule of law, expanding neoliberal system, and receding administrative boundaries, to capture the scrap metal market.

In the first year after liberation, when the Hashd were still patrolling Mosul and NGOs had yet to commence work, they were directly involved in collecting and moving scrap metal out of the city, with local NGOs not having the capacity to dealing with such large quantities of material.⁴⁵ Local government corruption and federal government disinterest in rebuilding Mosul created a space for Hashd groups to offer services the government failed to provide. They were involved in debris clean up, launching initiatives to clear west Mosul,⁴⁶ giving them unchecked access to hundreds of thousands of tons of scrap metal. Massive displacement often made it impossible to determine the proprietors of the scrap or locate them. Property confiscations on the basis of real or perceived ISIS-affiliation also expedited the Hashd's acquisition of scrap. Since 2017, scrap yards mushroomed around and outside the city. Scrap yard owners in west Mosul complain that many non-professionals were able to open yards because of their connections to powerful individuals and groups.⁴⁷

As the initial chaos of liberation subsided, and the state regained a modicum of control, security inside the city consolidated under army and police authority. The Hashd's informal, but visible, presence was increasingly contested, as Shi'a and Hashd symbolism spread throughout the city.⁴⁸ While still present inside Mosul, they began relying more on the checkpoints they controlled, well positioned at the city's limits. Near Mosul, the Hashd

⁴³ Interview with the Kurdish Ministry of Industry, February 2019.

⁴⁴ Interviews local NGOs working in Mosul, October 2018.

⁴⁵ Ibid.

⁴⁶ 'PMU's Abbas Combat Division clears debris in Mosul's Old City', *Al Shahid*, 2018. Available at <https://alshahidwitness.com/pmus-abbas-debris-mosul/> (accessed 26 May 2020).

⁴⁷ Interviews in scrap yards in Mosul, March 2019.

⁴⁸ Erica Gaston, 'Iraq after ISIL: Mosul', *Global Public Policy Institute*, 2017. Available at <https://www.gppi.net/2017/08/21/isil-after-iraq-mosul> (accessed 26 May 2020).

man the checkpoints traders must go through to enter and leave the city, taxing all goods. Though the amount is in constant flux, traders frequently complain about how high the tariffs are.⁴⁹ They transport scrap in very large quantities, enabling various Hashd forces to amass hefty profits from checkpoint tariffs. A steel factory owner in Sulaimani confirmed that the price of scrap depends in large part on checkpoint taxes and those instating them. According to him, prices have been 30–35 percent higher in the past few years.

Aside from collecting bribes, different Hashd forces require specific permissions letters to be presented at their checkpoints.⁵⁰ One scrap trader recounted that to transport 50,000 tons of scrap from Mosul, a well-connected friend had to call a Hashd officer to arrange a permission letter for him. This Hashd brigade agreed on the condition that the trader told him where he was keeping the scrap. According to this trader, this is a common demand that results in people's goods being stolen during the night. Another common occurrence is for Hashd forces to give scrap traders permissions, but claim they are fake when they arrive at the checkpoint. They then confiscate the scrap metal, declaring the 'fake permission' as evidence the trader was attempting to smuggle it out.⁵¹

Hashd forces were able to further corner the market by enforcing certain traders on scrap yard owners. Multiple scrap yards in the city reported that they can only sell to specific buyers who get permission from the prime minister's office in Baghdad, which is slow to obtain and stops them from selling scrap as they collect it.⁵² In Gogjeli, scrap yard owners operate under the watchful supervision of the 30th brigade, unable to conduct business without the knowledge or approval of this Hashd force. In fact, scrap yard owners in the area refused to speak about their work, claiming the security forces controlling the area prohibited them from sharing any information.⁵³ They interfere in the business of yard owners and traders, imposing their allies as buyers. These are powerful businessmen, who, due to their vested economic interests, provide protection and support to the Hashd.

Mosul is not an isolated case, as the Hashd have cornered scrap markets all around Iraq. A scrap yard in Tuz reported that Asaib and Badr collect checkpoint taxes from scrap transporters in the areas.⁵⁴ Interviews in Baiji scrap yards revealed the yards are split under the control of Saraya as-Salam and Saraya al-Khorasani. Over 2 million tons of scrap from surrounding areas, including Tikrit and Salahadin, are collected in these yards, according to the owners. They claim to sell primarily to buyers in Iran because they pay a higher price than local steel factories, despite the fact that exporting scrap is illegal. They explain that the scrap goes through Khanaqin to the al-Muntheria crossing point. Once at the border, their ability to smuggle the scrap into Iran depends on those manning the checkpoint. If they are unable to sell the scrap to Iran, they sell to buyers in Sulaimani or to a

⁴⁹ Interview with UN official, November 2018.

⁵⁰ Interview with Kurdish businessman, October 2018.

⁵¹ Ibid.

⁵² Interviews in scrap yards in Mosul, March 2019.

⁵³ Ibid.

⁵⁴ Interviews in scrap yards in Tuz Khurmatu, February 2019.

Barzani-owned factory in Erbil.⁵⁵ In Kalar, some yard owners say they get their scrap from both individuals and Hashd forces like Asaib. One trader reported seeing Hashd forces dismantle factories and homes in liberated areas to sell as scrap. The scrap is sold to yards in Baghdad from where traders in Kalar buy it. They receive all types, ranging from burnt cars to parts of dismantled factories. Unlike in Mosul, no yard owners in Kalar reported being forced to sell to specific traders, or the Hashd being involved in any way beyond collecting and selling the scrap.⁵⁶

The multiplicity of actors, irregularity of alliances, and informality of the scrap trade embody the inner workings of Mosul's post-war economy. A rather peripheral economic activity, the scrap trade has become a tool for certain Hashd groups, and their local political and economic partners, to consolidate their influence within the city. As federal reconstruction stalls, those in control of the local economy, both formal and informal, will dictate the manner of the city's recovery and where authority lies. The scrap trade has helped a handful of Hashd forces corner not only financial resources, but an entire patronage network, allowing them to integrate into Mosul's political and economic landscape.

Implications for Economic Recovery

Scrap metal, though often considered garbage, is an incredibly valuable and essential raw material. It consists of any recyclable metal that can be repurposed into steel. It is scavenged from the remnants of old cars, broken appliances, pieces of machinery, destroyed buildings and, in war zones, even military equipment and weapons.⁵⁷ Scrap recycling is a multi-billion-dollar global industry, involving a host of different actors including individual collectors, scrap yard owners, traders, transporters, reprocessing plants and whole-sale stores. It produces materials essential to a variety of other industries, like construction. In the KRG, steel factories depend almost exclusively on scrap to produce steel rebar, the pillar of any construction project along with cement, used to support ceilings, walls and floors.⁵⁸

Recycled scrap is the skeleton of all buildings and the heart of the construction sector. As a resource it has both great financial and material importance for Mosul's future, particularly considering the destruction caused by the war against ISIS. Inside the city the value of scrap is well known, which is the very reason an investigation into its trade was conducted. Former governor Nawfal al-Akoob, during a meeting on 9 November 2018, went as far as to lambast line directorates for selling scrap metal found in their destroyed buildings without his permission and keeping the profits.⁵⁹ By trading scrap, Hashd forces control

⁵⁵ Interview in scrap yard in Baiji, December 2018.

⁵⁶ Interviews in scrap yards in Tuz Khurmatu, February 2019.

⁵⁷ Interview with steel factory owner in Kurdistan October 2018.

⁵⁸ Ibid.

⁵⁹ Interview with UN official, October 2018.

material goods, pathways of mobility, financial flows and their beneficiaries – evolving into a local economic authority. The scrap trade is, amongst others, an example of how economic control exists foremost through informal networks and systems of patronage. As in periods of war, reconstruction and post-conflict periods have clear winners and losers, often reflecting who holds the economic reins. The federal government's lack of interest in Mosul's reconstruction made it easy prey for those looking to increase their political and financial gains in the post-ISIS era. By cornering informal processes, different Hashd groups positioned themselves at the central locus of Mosul's economy, and as key determinants of Mosul's future. What type of recovery awaits, and how it happens, rests in the hands of the actors who control the structures through which revival takes place.

Implications for Reconstruction

The way in which scrap was and continues to be traded could have resounding consequences for the reconstruction of Mosul because of the widespread infrastructural challenges.⁶⁰ For example, damaged equipment from schools should be delivered to the education directorate, sold as scrap, and then re-invested into the construction of new schools. While local authorities have a limited capacity to use local sources of revenue directly, due to highly centralised budgeting practices, the removal of scrap eliminates the possibility of capitalising on available revenue streams. This is all the more detrimental to individuals, many of whom are rebuilding their homes and shops themselves. If the scrap is illegally removed, they lose the opportunity to finance and jumpstart rebuilding their demolished properties. Scrap, as the remnants of a structure or object, is property. It is protected by property laws and belongs to whoever owned the original building, car, stove, bridge, and so forth. In the case of public property, the scrap metal belongs to the government, and more specifically local directorates.⁶¹ Its removal without consent is illegal and financially detrimental. This situation has in fact led to conflicts between contracting companies and local authorities. UN officials reported issues between contractors and beneficiaries, wherein contractors sold scrap belonging to the beneficiaries, creating a conflict over the ownership of the material.⁶² Today, inventories monitor scrap, and contractors risk suspension if found removing metal illegally.⁶³

The construction sector, essential to Mosul's reconstruction, also suffers from the unregulated scrap market and the informal networks it operates within. Ties between politicians and businessmen in the country have blocked industry subsidies and development, negatively affecting the competitive abilities of Iraqi steel companies.⁶⁴ The costly production and lower quality product offered by local steel factories oblige contractors working in

⁶⁰ Interview with UN official, November 2018.

⁶¹ The legal mechanisms regulating who can sell scrap follow Iraqi property laws, as explained in multiple interviews with the Kurdish Ministry of industry, contracting companies, and the UN.

⁶² Interview with UN official, October 2018.

⁶³ Interview with a Moslawi construction engineer working for NGO, December 2018.

⁶⁴ Interview with the Kurdish Ministry of Industry, February 2019.

Mosul to import steel, mostly from Turkey.⁶⁵ Informal checkpoint economies, and their ever increasing fees, further affect contractors.⁶⁶ Given that construction is considered to be one of the best options for short term job growth,⁶⁷ growing needs for imported steel and checkpoint bribes affect its profitability and viability as a sector.

The process of mass scrap removal serves as a domino effect on all sectors using the raw material, raising prices and embedding extractive economic dynamics. Rather than fostering financial and material re-investment back into the city, those involved in the scrap trade have immensely profited at the expense of the city's recovery. For example, a French architectural firm proposed recycling debris and scrap to rebuild 55,000 housing units using 3D printing. While ambitious, this project proved unfeasible because it depended on the mass availability of scrap metal – a possibility squandered by the removal of millions of tons of scrap from the city since late 2017. Reconstruction has become increasingly opaque as scrap metal is misused and wasted, threatening the ability of locals and authorities to rebuild Mosul.

Implications for the Local Economy

War produces cheap materials and unregulated environments that are co-opted by the powerful, at the expense of others. Since the government has yet to start reconstruction, individuals are the ones rebuilding their houses and businesses,⁶⁸ a process made difficult by the mass removal of scrap. Protracted economic issues on the individual level are related to low purchasing power parity, unemployment, and inability to access cash,⁶⁹ in part remediable through selling scrap. Taking scrap without prior consent from the owner of the object/ building it comes from is illegal and hinders the capacity of locals to rebuild their homes and stores, purchase a new car, and so forth. Locals lose an important financial resource – potential profits they could have used to begin economic recovery.

Hashd forces involved in the scrap trade limit the access of those collecting and selling scrap metal on an individual level. The most vulnerable and impoverished people in Mosul, children in particular, often resort to selling scrap to earn a living wage.⁷⁰ Not only are their livelihoods endangered, but the monopoly results in prices below market value, diminishing their profits. Scrap yard owners say a ton of scrap fluctuates at around 30USD

⁶⁵ Interview with a Moslawi construction engineer working for NGO, December 2018.

⁶⁶ Interview with UN official, October 2018.

⁶⁷ Luca Bandiera et al, 'Jobs in Iraq: a primer on job creation in the short term', *The World Bank*, 2018. Available at <http://documents.worldbank.org/curated/en/255111529495871846/pdf/Jobs-in-Iraq-a-primer-on-job-creation-in-the-short-term.pdf> (accessed 26 May 2020).

⁶⁸ Fieldwork in Mosul, March 2019.

⁶⁹ Nahed Freij, 'Assessment Mosul City, Iraq', *Action Contre la Faim*, 2018. Available at <https://assessments.hpc.tools/sites/default/files/assessments/Rapid-Market-Assessment--Mosul-City---ACF.pdf> (accessed 26 May 2020).

⁷⁰ Tom Westcott, 'We have no choice: A day in the life of Mosul's young scrap metal merchants', *Middle East Eye*, 2019. Available at <https://www.middleeasteye.net/news/we-have-no-choice-day-life-mosuls-young-scrap-metal-merchants> (accessed 26 May 2020).

inside the city. Steel factories in Erbil, on the other hand, pay around 150USD for a ton of scrap, showing the price distortion occurring during transportation.⁷¹ Those selling metal to scrap yards, in much smaller quantities, gain even less profit, exploited by the current *modus operandi* of the trade.

Those traditionally involved in the trade were also disadvantaged by the expanding informal scrap market. For scrap yard owners, the Hashd's arrival in the scrap business caused an increase in competition. Scrap yard owners in Mosul complained that many of those involved in the trade today are not professionals, benefitting from connections with powerful actors in and around the city. Scrap yards multiplied in Hashd-held areas, affecting traditional scrap yards that don't have the same political connections.⁷² These same yard owners suffer from the deals made between powerful security, economic, and political actors imposing specific buyers on local scrap yards. These regulations deeply affected their business, which they now qualify as 'not good'. They are no longer free to sell their scrap when or to whom they want. Permits can take more than three weeks to be delivered, stopping all trade in the meantime and disrupting the natural flow of business.⁷³ Enforced buyers further embed the scrap trade monopoly and the patronage networks that benefit only the rich and connected. For traders, these restrictions render the scrap trade unprofitable at best. Smaller forges in the city are also affected by the mass removal of scrap, albeit indirectly. Despite inexpensive local scrap, blacksmiths complain about having to import scrap metal from outside the city in order to keep their supply going.⁷⁴

Hashd checkpoint economies specifically stifle economic recovery by discouraging trade. Traders can get stuck at checkpoints for days if they don't have the right permissions,⁷⁵ or even have their scrap confiscated,⁷⁶ causing large financial losses and disrupting the flow of trade. Delays, costly permissions, and bribes at checkpoints increase Hashd groups' control over trade routes, and monopoly on specific goods. This in turn discourages economic activity, as exemplified by the trader who refused to sell scrap after finding out how expensive the permission process was. Rent-seeking activities have devastating effects on local recovery and reconstruction, erasing all incentives to invest money or re-invest profits into the city.

Beyond severe financial losses, the unregulated and precipitated manner with which scrap was removed endangers the lives of those manipulating scrap. Because of the dense urban conflict Mosul experienced, scrap metal in the city contains large amounts of military equipment. Military scrap is dangerous as it can contain explosives or contaminated materials. Iran even banned scrap metal imports from Iraq due to high contamination rates. Scrapyards in Kifri today receive military scrap from liberated cities on a daily basis, and owners are particularly concerned about scrap originating from Mosul. They complain

⁷¹ Davison, 'Iran-backed groups corner Iraq's postwar scrap metal market'.

⁷² Interviews in scrap yards in Mosul, March 2019.

⁷³ Ibid.

⁷⁴ Interview with Moslawi economist (1), November 2018.

⁷⁵ Interview with Iraqi journalist December 2018.

⁷⁶ Interview with Kurdish businessman, October 2018.

it is full of bullets, military equipment and residue, as well as unexploded devices. Yard owners and workers have been injured on several occasions after explosives accidentally hidden in piles of scrap went off.⁷⁷ They blame this presence of contaminated military scrap and explosives on the unregulated and ad-hoc manner scrap is removed by Hashd forces. The economic costs of cleaning up contaminated scrap is not negligible either. In 2013, cleanup costs from the unregulated scrap trade in Iraq were estimated at 30 million USD, and this was before the war against ISIS.⁷⁸

Implications for the National Economy

The scrap trade in Mosul has larger national implications given Iraq's overall poor economic conditions. The actors involved in the scrap trade today not only appropriate valuable and profitable materials, but strip functional structures of their equipment, disrupting Iraq's means of economic survival. In Baiji, Asaib tore the refinery apart after retaking it from ISIS, selling much of the factory as scrap. The refinery is Iraq's largest, supplying more than a third of the country's domestic energy and worth between 5.5 and 6.5 million USD per month.⁷⁹ By decimating the refinery and looting the materials, Asaib disrupted the oil industry, the one sector keeping Iraq's economy afloat.

The negligent and wasteful way in which scrap is removed from Mosul and other liberated areas has led to the rise of scrap imports, and as a consequence affects the import–export balance in sectors beyond the oil and gas industry. Non-energy related local production is minimal, and the abundant amounts of scrap squandered are another wasted opportunity for Iraq's economic diversification. Given that industrial development is considered a pillar of economic diversification and recovery on the national level, rent-seeking activities are particularly harmful.⁸⁰

The informality of the scrap trade has resounding overall consequences in terms of private sector growth and diversification. While the large and inexpensive supply of scrap can seem beneficial for local steel factories, it will be a short-lived and unsustainable gain. This type of rent-seeking behaviour causes both market and price disruptions as well as local shortages of scrap within the city. Amongst other things, market disruptions occur when actors, no matter their nature, interfere with the local economic balance and/or norms. Subsequently, the market is no longer able to function 'properly', as these disturbances spill over into adjacent sectors. In Mosul, consequences seeped into related industries like construction and steel production, increasing prices and imports. Considering how resource-rich Iraq is, scrap is a valuable raw material that should be used for

⁷⁷ Interview with a scrap trader from Kifri, February 2019.

⁷⁸ Rob Edwards, 'Iraq's depleted uranium clean-up to cost \$30m as contamination spreads', *The Guardian*, 6 March 2013. Available at <https://www.theguardian.com/environment/2013/mar/06/iraq-depleted-uranium-clean-up-contamination-spreads> (accessed 26 May 2020).

⁷⁹ Andras Derzsi-Horvath, Mario Schulz, Hana Nasser, 'Iraq after ISIL: Baiji', *Global Public Policy Institute*, 2017. Available at <https://www.gppi.net/2017/09/13/iraq-after-isil-baiji> (accessed 26 May 2020).

⁸⁰ Interview with Ahmed Tabaqchali, January 2019.

industrial development. In fact, recycling metal is considered to be a profitable business venture given the availability and low-cost acquisition of scrap.⁸¹

The power vacuum left in the wake of the war against ISIS allowed new actors to step in and grab the political and economic reins of Mosul. As the city begins to recover, the efforts of various groups and individuals to consolidate their political and economic leverage are dictating the pace of post-war recovery. The rent-seeking activities of the Hashd and their allies in Mosul have unintended, yet defining, consequences for the city's recovery and future. By monopolising economic circuits, albeit informal ones, the Hashd are restructuring the very ways in which economic activities are conducted, who participates, and who profits. The local economy is being reshaped through unintentional market disruptions that serve to benefit only an exclusive allied few. Recovery will also be moulded by these interferences, which in reality no longer function as barriers to economic revival, but rather have become its operational norm. The very nature of the economy in Mosul has become a series of coercive processes, aimed at consolidating local influence and power in the hands of people whose interests are not necessarily in line with that of the local population. Notably, Hashd forces like Badr, Asaib and the 30th brigade, while extremely localised actors, are non-local beneficiaries, concerned with plundering the city's remaining wealth rather than re-investing in the local economy. The scrap trade may give an image of economic revival or movement, but is in fact an extractive and exploitative activity. These types of economic activities do not serve Moslawis, nor do they operate in the interest of the city's recovery – creating monopolies, reinforcing crony capitalism and transforming viable livelihood opportunities into rent seeking processes.

Reinforcing Existing Political and Economic Norms

Expansion of the Political Marketplace

Decades of war, insurgency and instability took a toll on Mosul and Iraq's economy – disrupting its markets and production, leading many to resort to informal activities to meet basic needs, and causing the expansion of criminal economic networks.⁸² These economies of conflict are one of the few elements of Iraqi life to have survived the last two decades of war, thriving off of the instability and violence.⁸³ The Hashd are just the latest actors to step into Mosul's informal networks, as those in control are the only transient element. They were handed an already operational political marketplace, a governance

⁸¹ Ahmad Ali, 'The Waste Recycling Industry in Iraq—A Proposal to Incentivize Small Businesses', *Al-Bayan Center*, 2018. Available at <http://www.bayancenter.org/en/2018/04/1476/> (accessed 26 May 2020).

⁸² Robert Looney, 'Economic Consequences of Conflict: The Rise of Iraq's Informal Economy', *Journal of Economic Issues* 40/4:18 (2006).

⁸³ Jacob Lypp, 'Understanding ISIS: The political economy of war-making in Iraq', *Sciences Po*, 2016. Available at https://www.sciencespo.fr/kuwait-program/wp-content/uploads/2018/05/KSP_Paper_Award_Fall_2016_LYPP_Jacob.pdf (accessed 26 May 2020).

system characterised by patronage and rents, when they arrived in Mosul. The scrap trade intensified partnerships between local political and economic authorities, through enforced buyers, checkpoint tariffs, and de-facto control of commercial areas. The political ascension of Hashd leaders in the 2018 parliamentary elections increased their reach and connections, as well as their ability to act with impunity. Support from the state, such as delaying investigations into the scrap scandal and signing off only on specific traders, reveals a degree of complicity at the Hashd institutional level. This type of political order is common in post-war settings where decision making is dictated by individual economic interests rather than collective ones, monetising political allegiance and access to power.⁸⁴

An expanding political marketplace, where the line between the political, economic, and security sectors are blurred, has severe implications for recovery. The current nature and manner in which scrap is traded, for example, empowered a new class of crony capitalists in Iraq's economic sphere. To maximise their own gains, they continue to block regulations, hindering steel sector growth and embedding toxic extractive economic systems. As a result, only a select few businessmen are able to integrate into the economy. The transition of powerful Hashd forces, like Badr and Asaib, to economic actors served to reinforce and expand existing crony capitalist networks. As economic and political actors become entangled, governance is affected, and favouritism overpowers sound policymaking.

The expansion of militarised economic networks, dependent on and supported by the state machinery, deepens patronage processes and extractive processes. Pervasive corruption hinders any and all attempts to breathe new life into the city as resources are diverted for financial and political gains. Dynamics of monetised patronage are all the more detrimental in Iraq where the state is chronically weak, the legal system is dysfunctional, and foreign entities provide financial and military support to groups like the Hashd. Corruption, coupled with inefficiency and a lack of political will to rebuild Mosul, enabled predatory dynamics and structures to take root. They are mutually reinforcing, and will prove difficult to dismantle.

Strengthening the Informal Economy

By controlling the flow of scrap and its pathways of circulation, various Hashd forces tapped into the heart of Mosul's economy: trade. Predation dynamics on these trade routes threaten traditional livelihoods, as Mosul was once the commercial crossroads of the Middle East. When the Ottoman empire was dismantled, and modern boundaries drawn out, the commercial networks and traditional systems of trade disappeared. The emergence of borders, and the tariffs accompanying them, transformed local traders into smugglers and regional commerce into informal economies.⁸⁵ While black market activities predate the war against ISIS, post-conflict chaos emboldened predatory actors in

⁸⁴ Alex De Waal, 'The Political Marketplace: Analyzing Political Entrepreneurs and Political Bargaining with a Business Lens', *World Peace Foundation*, 2014. Available at https://sites.tufts.edu/reinventingpeace/files/2014/10/Political-Marketplace_de-Waal.pdf (accessed 26 May 2020).

⁸⁵ Sarah Shields, 'Mosul Questions: Economy, Identity, and Annexation', in *The Creation of Iraq: 1914–1921*, eds Reeva Spector Simon and Eleanor H. Tejirian (New York: Columbia University Press, 2004).

Mosul. The scrap market was slowly cornered, creating an environment where both the capacity to engage in economic activity and the incentive to inject financial assets into the city disappeared. Shadow economies of this type are complicated to dismantle as they feed off of weak authority, porous geographic boundaries, and unaccountable environments created by conflict.⁸⁶

Informal economies in post-war zones are often the only existing economic activity, generating income and sustaining livelihoods. They become problematic and detrimental when a select few monopolise these economies for rent-seeking purposes, excluding individuals from specific markets or trades. The Hashd's transition from security actors to economic actors resulted in exactly this: economic circuits were co-opted, excluding anyone without deep political connections. This type of economic inefficiency extends beyond rent-seeking to elaborate corruption schemes, far more detrimental to welfare and socio-economic development.⁸⁷ Economic growth or recovery become virtually impossible in this type of context as wealth and resources are trapped in the hands of a usurious elite.

Breeding Instability

All obstacles to economic recovery further destabilise Mosul, a still deeply fragile city. The entrenchment of certain Hashd groups in the economy restricted access to resources and profits as well as strengthened exclusive economic networks. For example, the ubiquitous necessity for 'connections' severely cut into the activities and revenues of businessmen involved in scrap trading. These rent-seeking activities increased wealth disparities, further disenfranchising local populations. While local grievances and poverty may not directly ignite conflicts, they increase the vulnerability of communities to violence and instability.⁸⁸ Poverty lowers resilience on both the city and individual level, making localities more prone to conflict relapses. On a macro level, poverty reduces the ability of authorities to deal with or mitigate shocks that induce violence, while on the individual level it decreases the incentives not to engage in violent actions or behaviour.⁸⁹ Inequalities, or perceived exploitation and exclusion, further dismantle the social fabric, in turn reinforcing predispositions to violence and instability.⁹⁰

The ease and impunity with which mass looting and scrap theft occurred bolstered feel-

⁸⁶ Anna Louise Strachan, 'Changes in economic activity during and after conflict', K4D Helpdesk Report, *Institute of Development Studies*, 2017. Available at <https://gsdrc.org/wp-content/uploads/2017/10/Changes-in-economic-activity.pdf> (accessed 26 May 2020).

⁸⁷ Johann Lambsdorff, 'Corruption and Rent-Seeking', *Public Choice* Vol. 113, No. 1/2 (October 2002), pp. 97–125. Available at <https://www.jstor.org/stable/30025775?seq=1> (accessed 26 May 2020).

⁸⁸ Jonathan Goodhand, 'Violent Conflict, Poverty and Chronic Poverty', *Chronic Poverty Research Centre*, 2001. Available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1754535 (accessed 26 May 2020).

⁸⁹ Zoe Marks, 'Poverty and Conflict', *GSDRC Professional Development Reading Pack 0.52*, University of Birmingham, 2016. Available at https://assets.publishing.service.gov.uk/media/5980670a40f0b61e4b00003e/Poverty-and-conflict_RP.pdf (accessed 26 May 2020).

⁹⁰ Brian J Atwood, 'The Link Between Poverty and Violent Conflict', *New England Journal of Public Policy*, 2006. Available at <https://scholarworks.umb.edu/nejpp/vol19/iss1/10/> (accessed 26 May 2020).

ings of unfair retribution and punishment amongst local communities. These sentiments were exacerbated by the Hashd's coercive nature and operational methods. The taxes, enforced buyers and mandatory permits they impose, as well as their take-over of commercial zones like Gogjeli, speak to their use of coercion and intimidation. By forcibly entering and co-opting economic circuits, the Hashd have increased social tensions. Given the history of 'outsiders' controlling Mosul, most recently al-Qaeda and ISIS, bubbling civil unrest is fuelled by the Hashd's economic activity. Despite often being framed as a sectarian conflict, tensions between locals and the Hashd fester in the context of the city's historical continuity of foreign control. As their presence expands, so do local feelings of occupation. Adding to this fear is the pro-Iranian stance of many Hashd forces. Their perceived forceful presence, whether or not mandated by Iran, drives local resentment towards them. Locals constantly emphasise that their issue with the Hashd is the Iranian interventionism they project, not with their sectarian affiliation. By gradually becoming a part of the economic landscape, Hashd forces appear as another iteration of the subjugation cycle in which Mosul has been trapped.

Conclusion

Decades of war, poor governance, and predatory groups seeking to benefit only themselves, have bred unhealthy and unaccountable economic environments that local actors seek to profit from. Rent-seeking and illicit activities are undoubtedly the greatest 'pathologies'⁹¹ of Mosul's economy. Between corruption, oil smuggling, checkpoint bribes, and black-market goods, Mosul is rife with possibilities for economic exploitation. These informal networks are established features of Mosul's economic landscape, the only shifting element is who controls them. The continued presence of Hashd forces in liberated areas, and their evolution into economic actors, is debilitating; but they themselves are not the problem. They are symptomatic of a greater issue, one which they feed: a general culture of predatory political and economic behaviour.

The scrap trade has become an extractive rent-seeking activity, demonstrating how resources are redirected in Mosul for the benefit of specific groups with powerful political affiliations. Despite its seeming irrelevance to larger issues of reconstruction and recovery, it is a microcosm for how the post-conflict environment in Mosul functions, particularly with regards to economic dynamics and how they affect the potential for enduring stability. The involvement of non-traditional actors in the trade, as well as the apparent state complicity, tells a greater story, one of deep-seated corruption and a toxic politico-economic culture. Popular debates on Mosul often miss their mark, focusing on elements, that, while important, fail to include the underlying structures and actors that induce and perpetuate conflict. Without a re-evaluation of the destabilising factors in Mosul, whether direct or indirect, cycles of violence will continue to repeat.

⁹¹ The use of the term 'pathologies', meaning malfunction or weakness in this case, comes from Anders Aslund.

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Cover Image

Scrap metal near the Al-Nuri Mosque in Mosul's Old City.


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