

## Conflict Research Programme

# Iraq's Political Marketplace at the Subnational Level: The Struggle for Power in Three Provinces

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# Table of Contents

Overview .....	1
I. Introduction .....	2
Sources of Political Finance.....	4
II. Case Study: Nineveh Province .....	6
Political/Security actors .....	6
Key shifts in the Political Marketplace .....	7
<i>2003 - 2004: Violent state capture and emergence of oligopolistic structure</i> .....	7
<i>2004 - 2008: Introduction of cash-based market dynamics.</i> .....	7
<i>2008 - 2010: Bifurcation of administrative control, redirection of cash-based co-optation</i> .....	8
<i>2011 - 2014: Disintegration and consolidation of the political field</i> .....	9
<i>2015 - present: The rise of a turbulent political marketplace</i> .....	10
Key levers/mechanisms of power .....	10
Violence and Coercive Power .....	10
Transactional alliances.....	11
Illicit economic activity .....	12
Party discipline and patronage .....	12
III. Case Study: Basra Province .....	13
Political/Security actors .....	13
Key shifts in the Political Marketplace .....	14
<i>2003 - 2007: Competitive and collusive violence</i> .....	14
<i>2008 - 2013: Consolidation of the political field through violence and patronage</i> .....	15
<i>2014 - present: Levelling of the Political Field</i> .....	16
Key levers/mechanisms of power .....	17
<i>Layered Administrative Capture</i> .....	17
<i>Capture of State Economic Assets</i> .....	17
<i>Competitive and Collusive Violence</i> .....	18
IV. Case Study: Diyala Province .....	18
Political/Security actors .....	19
Key shifts in the Political Marketplace .....	19
<i>2003 - 2006: Emergence of a two-sided violent struggle</i> .....	19
<i>2007 - 2013: Consolidation of coercive capacity</i> .....	20
<i>2013 - 2014: Disintegration of political field</i> .....	20
<i>2014 - present: Reconsolidation of political order around one actor</i> .....	21
Key levers/mechanisms of power .....	21
<i>Violent forms of state capture</i> .....	21
<i>Violence targeting the population</i> .....	22
<i>Dominance over commercial networks</i> .....	22
V. Discussion of the Cases .....	23
VI. Conclusions: Policy Implications .....	24

## List of Acronyms

AAH	Asaib Ahl al-Haq
AQI	Al Qaeda in Iraq
BOC	Basra Oil Company
COR	Iraq's Council of Representatives
GoI	Government of Iraq
IIP	Iraq Islamic Party
IOC	International Oil Companies
ISCI	Islamic Supreme Council in Iraq (subsequently changed its name to Hikma)
ISF	Iraqi Security Forces
ISIS	Islamic State of Iraq and Syria
KDP	Kurdistan Democratic Party
PMF	Popular Mobilization Forces
PUK	Patriotic Union of Kurdistan

## Overview

Since 2003, analysts have conceptualized Iraqi politics from the standpoint of the national scene in Baghdad. From this perspective, power dynamics in Iraq are understood through the lens of a national quota-based system (called *muhassasah* in Arabic) that distributes ministries and oil revenues across the country's political groups according to ethno-sectarian allotments. Ignored in this national-level approach are the distinct arenas of political competition beyond the capital, where both national and subnational political actors struggle for control over local oil and gas fields, border crossings, and government contracts. This report focuses on three of Iraq's most strategically important governorates, Nineveh, Basra, and Diyala. Since 2003, political parties and their corresponding armed forces – in addition to international actors such as the US military – have vied for influence in the three provinces through locally distinct forms of clientelism and violence. The report tracks the key shifts in each political marketplace between 2003 and the present, paying particular attention to the evolving usages of violence and flows of political finance. Political power at the local level is constituted and maintained both through coercion and transactional deals. Opportunistic alliances often cut across ethno-sectarian lines, defying assumptions around post-2003 identity-based politics. The primacy of purchasing loyalties over providing services has led to poor governance and pervasive instability. In the short and medium term, the political marketplaces of Nineveh, Basra and Diyala are likely to witness particularly turbulent dynamics due to the global crash in oil prices related to the COVID-19 pandemic, driving the parties and armed groups controlling the three governorates to compete more uncompromisingly over non-oil forms of revenue generation. In light of such developments on the horizon, the newly installed

government in Baghdad has an ever-decreasing set of options at its disposal. The report concludes with both country-wide and locally-specific policy implications.

## I. Introduction

Amidst a wave of demonstrations in which state security forces killed hundreds of protestors, Iraqi Prime Minister Adil Abdulmahdi agreed to resign from the premiership on November 29, 2019 and pave the way for a new government. What followed was a succession of attempts in the early months of 2020 to agree upon a slate of ministers by multiple prime minister designates, first by Mohammed Towfiq Allawi, then Adnan Zurfi, and finally Mustafa Kadhim, who was finally sworn in on May 7, 2020 only after ceding to the demands of the major political blocs over the appointment of ministers. As in each previous government formation process since 2003, the wrangling over ministerial posts has been directly tied to the patronage networks of the political parties, which rely on control over ministries to secure positions and revenues for supporters.<sup>1</sup> The stakes of maintaining dominance over state positions and access to resources have arguably never been higher due to the dramatic crash in global oil prices coinciding with the global reduction of demand related to the COVID-19 outbreak. Since the mid-2000's, and especially after 2010, Iraq's oil production increased dramatically and oil revenue became the single most important source of state revenue and political finance.<sup>2</sup> Today, Iraq relies on oil sales for 90% of its state revenue,<sup>3</sup> and the price drops already put Iraq 3 billion dollars short of salary

requirements for April 2020 alone. The International Energy Agency (IEA) forecasts an oil revenue decrease of 70% for Iraq during 2020,<sup>4</sup> meaning that the political parties will be competing for increasingly scarce state resources over the months and potentially years to come.

Viewed from the perspective of this competition over the budget and ministries, Iraq's political marketplace is firmly anchored in institutions and flows of revenue at the national level. Since 2003, analysts have rooted their understanding of Iraqi politics in the national scene based in the capital, examining the drivers of competition and consensus in Iraq through the lens of a quota-based system (called *muhassasah* in Arabic) that distributes state institutions and resources across Iraq's various ethno-sectarian and political groups.<sup>5</sup> If one's understanding of Iraqi politics is tethered to the contestation over quotas, then the potential for political turmoil in Iraq waxes and wanes according to the willingness of national parties to cut mutually agreeable deals and establish consensus around the size and the allocation of the national pie. Accordingly, analysts have often understood the appeal of successive Sunni Arab insurgent groups (e.g., Al-Qaeda, ISIS) as a function of Sunni Arab marginalization in the allocation of state

<sup>1</sup> See for instance: Shahla Al-Kli, The difficult ordeal of forming a new Iraqi government, Middle East Institute, (March 12, 2020).

<https://www.mei.edu/publications/difficult-ordeal-forming-new-iraqi-government>, Renad Mansour, Why is it So Hard for Iraq to Form A Government?, Chatham House, (April 25, 2020).

<https://www.chathamhouse.org/expert/comment/why-it-so-hard-iraq-form-government>, Lahib Higel, On Third Try, a New Government for Iraq, International Crisis Group, (May 8, 2020).<https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/third-try-new-government-iraq>, and Raad Alkadi, Can Mustafa Kadhim, the Latest Compromise Candidate, Repair Iraq's Broken System?, LSE/Middle East Centre.<https://blogs.lse.ac.uk/mec/2020/04/21/can-mustafa-kadhim-the-latest-compromise-candidate-repair-iraqs-broken-system/>

<sup>2</sup> Oil production in Iraq almost doubled between 2008-2018. See "Iraq's oil production has nearly doubled over the past decade."

<https://www.eia.gov/todayinenergy/detail.php?id=37973>. State revenues are not the same as political financing, though they may overlap to a significant extent. Political revenue refers to the funds which may be used by political elites for patronage, and to buy and rent political allegiances.

<sup>3</sup> Chloe Cornish, Iraq's new prime minister faces daunting task to stabilise country, Financial Times, (May 23, 2020).

<https://www.ft.com/content/a4bbfee0-0da7-4cfa-a4a2-853fe6e08223>.

<sup>4</sup> Jennifer Gnana, IEA to step up support for Iraq's power and gas sector, The National, (May 17, 2020). <https://www.thenational.ae/business/iea-to-step-up-support-for-iraq-s-power-and-gas-sector-1.1020506>

<sup>5</sup> Toby Dodge, Iraq – From War to a New Authoritarianism, (UK: Routledge, 2014), Renad Mansour, Iraq's Prime Minister Is Taking Things Slow, Foreign Policy, (May 18, 2020).

<https://foreignpolicy.com/2020/05/18/mustafa-al-kadhimis-new-prime-minister-has-a-plan-to-stop-the-chaos/>, Redar Visser, The Western Imposition of Sectarianism on Iraqi Politics, The Arab Studies Journal, Vol. 15/16, No. 2/1(Fall 2007/Spring 2008), pp. 83-99,

Toby Dodge, Iraq and Muhasasa Ta'ifia; the external imposition of sectarian politics, The Foreign Policy Centre, (November 12, 2018).

<https://fpc.org.uk/iraq-and-muhasasa-taifia-the-external-imposition-of-sectarian-politics/>

resources and positions.<sup>6</sup> Similarly, tensions between Baghdad and Erbil have been viewed as a result of disagreements between Kurdish parties and the Shia blocs over state ministries and oil revenues.<sup>7</sup>

Ignored in this national-level approach are the distinct arenas of political struggle beyond the capital, where both national and subnational actors struggle for control over entire cities, provinces, local administrations, oil assets, and border crossings. Since 2003, the disintegration of the previously centralized state and the unleashing of violence across the country has contributed to the emergence of multiple overlapping centres of power at the level of major cities and governorates. These spheres of influence share certain political dynamics with the national level, but simultaneously operate according to unique locally specific dynamics and levers of power.

While keeping the national-level as part of the analysis, this report shifts the focus to the sub-national scene and examines the political drivers of conflict in three of Iraq's most unstable governorates – Nineveh (Mosul), Basra, and Diyala. It is argued that political marketplace in Iraq is regionally segmented; even as they are part of the national political dynamics, the struggle for power in each of these governorates takes a different shape depending on the actors and assets at play within the local political field. Our aim is not to minimize the destabilizing role of quota-based politicking at the national level but rather to contend that examination of power struggles at the subnational level reveals a far more turbulent -- and violent -- dynamic of state capture. Political parties and their corresponding armed forces vie for local hegemony via the

extraction of state funds, various forms of patronage/clientelism, and the usage of force. These competitions for power often defy assumptions around post-2003 ethno-sectarian politics in Iraq, as factions *within* a given ethno-sectarian bloc may violently compete over assets at the subnational level while colluding in the quota-based distribution of positions at the national level.

Importantly, a turn to the local or governorate level does not involve the adoption of a narrow lens of analysis in terms of the actors in play. On the contrary, a localized understanding of Iraq's political arena brings the role of geopolitics and foreign actors into sharper focus. The United States, Iran, the British military, and other military/political actors have all participated in the competitions for power, and are thus viewed by different local political actors much in the same way as they view one another -- as entities backed by cash, weapons, and access to various revenue and funding streams. The failure of the international community to work outside this economy of violence is a major reason for its perpetuation. Importantly, attention to the complex role of international actors at the subnational level undercuts the standard policy and media narratives around the emergence of violence and conflict after 2003. Analysts and journalists have too often blamed a so-called power vacuum or low troop numbers without considering how international actors have disrupted or mismanaged locally specific political dynamics – with often tragic results.

The only political force which has meaningfully contested the dominance of the

<sup>6</sup> Toby Dodge, Zeynep Kaya, Kyra Luchtenberg, Sarah Mathieu-Comtois, Bahra Saleh, Christine M. van den Toorn, Andrea Turpin-King and Jessica Watkins, Iraq Synthesis Paper: Understanding Drivers of Conflict in Iraq, LSE/Middle East Centre, (2018), p. 12, [http://eprints.lse.ac.uk/90514/1/Iraq%20synthesis%20paper%20understanding%20the%20drivers\\_2018.pdf](http://eprints.lse.ac.uk/90514/1/Iraq%20synthesis%20paper%20understanding%20the%20drivers_2018.pdf)

<sup>7</sup> International Crisis Group, Oil For Soil: Toward A Grand Bargain: On Iraq and the Kurds, (2008), <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/oil-soil-toward-grand-bargain-iraq-and-kurds>

political marketplace is the protest movement, comprised of ordinary Iraqis who are forced on a daily basis to navigate roads, police stations, and government buildings dominated by competing parties and militias. Unlike the highly consolidated authoritarian regimes toppled under the Arab Spring, Iraq's protestors can hardly name all of the political parties and militias they hope to eliminate. Their slogans against the "parties" (*ahzab*) simultaneously call for the cessation of the politics described in this paper — a transactional politics rooted in violence, cooptation, and oil-based revenue streams.

## Sources of Political Finance

Across the three provinces discussed in this study, the flow of political finance is *not* primarily routed through direct bribes and payments but rather the extension of state-backed salaries and contracts. This is a function of Iraq's status as a country with a large public sector financed by oil revenues, which has been almost entirely captured by the prevailing political parties and militias. Revenues from oil sales across Iraqi governorates (with the exception of the Kurdish region) are directed into the national coffers, which are in turn distributed to party-controlled ministries, security agencies, and provincial budgets.<sup>8</sup> In addition to the national-level distributions, provincial governments in the oil-producing areas in theory receive direct shares (5%) of oil profits according to decentralization and regional development arrangements, but these provincial shares have been intermittent depending on shifting political and security circumstances.

Regardless of the presence or absence of direct provincial-level petrodollar allotments, oil

production in a given province generates numerous secondary sources of revenue in the form of service contracts, public and private employment, and smuggling – all of which are controlled by the prevailing political parties and militias. Even provinces without major oil production witness secondary benefits from the sector due to smuggling routes, a key source of revenue in the cases of Diyala and Nineveh. For this reason, any major reduction in oil prices has enormous ripple effects across the political marketplace, as oil is also the primary fuel for non-oil sources of revenue. Sources of political finance across the three cases include<sup>9</sup>:

- **Government funds and contracts:** The political blocs compete over government ministries such as Interior, Defense, Education, and Health, which have large project funds for government contracts at the provincial level. In the same vein, they compete over posts with influence over project approvals such as governorships and director generals. The party-backed officials then direct contracts to those companies over which the party has either indirect control (registered through a relative or party affiliate) or to those companies with which the party and its key leaders have established profit sharing deals.
- **Oil and Gas fields:** Parties and militias have established themselves within the oil and gas sector across Iraq and have gained financially from access to service provision contracts and job opportunities. This is especially the case in Basra, home to Iraq's largest oil and gas fields.

<sup>8</sup> See for instance the distribution of funds across ministries and governorates in the 2019 budget: [http://www.bayancenter.org/wp-content/uploads/2019/02/4529.pdf?fbclid=IwAR3XhWPALfGkCTt3fxRUJMNW2aQ7I77qKwcsHnkl-EFS7N2lYkJob\\_\\_8Rc](http://www.bayancenter.org/wp-content/uploads/2019/02/4529.pdf?fbclid=IwAR3XhWPALfGkCTt3fxRUJMNW2aQ7I77qKwcsHnkl-EFS7N2lYkJob__8Rc)

<sup>9</sup> Based on interviews with various local officials, administrators, observers, and journalists from Basra, Nineveh, and Diyala. March 2019–February 2020.

- **Border crossings and ports:** Iraq's border crossings and ports are formally under the control of the federal government in Baghdad. Revenues collected at the ports and border crossings are directed to the national budget. (As is the case with oil revenues, a share of border crossings and ports revenues are allocated to the governorates where these international gateways are located). However, parties and militias have penetrated the staff of the border crossings/ports in order to secure revenues. Some parties traffic goods without paying due taxes while others monopolize economic activities around the border crossings and ports.
- **The International Community:** International support for security institutions and reconstruction projects provide employment opportunities and contracts, which have often been a target of political parties operating at the national and provincial levels.
- **Coercive forms of revenue extraction:** Parties and militias have engaged in coercive forms of revenue generation such as extortion from businesses, collecting taxes at checkpoints, and the predatory stripping of infrastructures for steel, parts, and oil resources, which are in turn smuggled/sold either within Iraq or across borders with Turkey, Iran, Jordan, and Syria.

It is worth noting that patronage is most commonly distributed through public sector employment (in the ministries and provincial governments), and political finance is utilized (alongside influence and force) in the contests around control over such employment. Federal payroll allocations increasing nearly every year to shore up increasingly fragile popular support, and control over a given ministry at the national

level facilitates appointments within the same ministry at the provincial level. Public sector employment is itself also a significant source of political finance in that positions in both the public and private sectors are often sold to job seekers at a price (e.g., sources cited job seekers paying \$6000- \$8000 for a low level post in various government institutions and private sectors such as the oil sector in Basra)<sup>10</sup>, and are extended to supporters placed across key ministries in turn approve projects directed towards party-affiliated companies.

The above breakdown of political finance highlights the complex interactions between the national and provincial level, as control over national ministries is leveraged towards the securing of contracts and payroll slots locally. In addition to this centre-periphery dynamic, this study will simultaneously reveal the complex interactions between the regional arenas of political power. In other words, localized governorate-level political marketplaces interact with one another, a fact which will become clear in the first case study on the Nineveh governorate. As the Erbil-based KDP has capitalized upon US backing to expand its influence into Nineveh's local politics since 2003, the party has retained its coherence and discipline within the province's highly turbulent and transactional political field, granting the Kurds outsized influence over a province with an overwhelming Sunni Arab majority.

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<sup>10</sup> Interviews with local journalists, civil society activists, and officials in Diyala, Basra, and Nineveh, February 2019-February 2020.

## II. Case Study: Nineveh Province

Nineveh's political field has been defined by competition between many different actors, including Sunni Arab political factions, the two main Kurdish blocs, the Americans and the coalition forces (the Coalition), the Prime Minister's Office, the Iraqi Security Forces, and most recently, the Popular Mobilization Forces and their political proxies. With the rise and fall of ISIS, the barriers to entry into the political arena were shattered, ushering in a whole host of new political and security actors onto the scene, including national Sunni Arab parties with the backing of the Shia blocs. Rather than leading a coherent movement in Nineveh with popular appeal locally, these external Sunni Arab parties have formed fluid alliances with one another based on achieving short-term goals. From one day to the next, the composition of the local blocs and the nature of alliances shifts entirely, generating a transient political field that often leaves even insiders unsure as to who holds power. This case explores the gradual dissolution of public authority into a transactional and transient political marketplace between 2003 and the present.

### Political/Security actors

- **Iraqi Security Forces (ISF):** The Iraqi Army, the local and federal police, and other government special forces.
- **Popular Mobilization Forces (PMF):** The PMF refers to the coalition of state-backed Shia-majority armed groups that coalesced to fight ISIS. The Shia-majority brigades have allies among Nineveh's ethno-sectarian communities (the Sunni Arabs, Shia Shabaks and Turkomans, and Christians)
- **Kurdistan Democratic Party (KDP) and affiliated armed groups:** The influential Iraqi Kurdish party plays a key role in shaping

Nineveh's politics, economy, and security due to an extensive local patronage network and party discipline.

- **Muhammed Halbousi and political allies:** Muhammed Halbousi is the current speaker of Iraq's parliament and the leader of a Sunni parliamentary coalition allied with the pro-Iran Shia Binna block. Halbousi uses his weight as speaker of parliament to shape Nineveh's politics and expand his popular base among Nineveh's Sunnis.
- **Mahroo' al-Arabi party:** A Sunni Arab party (allied with the Shia Binaa Coalition) led by Khamis Khanjar, a wealthy Sunni Arab politician/businessman. Khanjar and his ally, Abu Mazin, use their wealth to buy off the loyalties of local government officials to secure government contracts in Nineveh.
- **Atta party:** A Shia party led by Falih Fayadh, the chairman of PMF Commission and the national security advisor to Iraq's Prime Minister. Fayadh has been able to integrate key Sunni Arab tribes and leaders in Nineveh within the PMF and his Atta party.
- **Mutahidoon party:** A Sunni national party led by Usama Nujaifi, brother of Nineveh's former governor Atheel Nujaiifi. Mutahidoon constituted the core of the Hadbaa coalition that controlled Nineveh's local government from 2009 to June 2014.
- **Hadbaa coalition:** A local (Sunni Arab majority) political coalition led by Atheel Nujaiifi that won the 2009 local elections and regained control of Nineveh's local government from the Kurds.
- **The Iraq Islamic Party (IIP):** The IIP was the only Sunni Arab party that participated in the political order during the first years after the invasion, and they operated largely under Kurdish influence and control. Alliance with the Kurds damaged IIP's reputation and popularity among

Nineveh's Sunni Arabs.

- **American Forces:** American forces' erratic strategy towards Nineveh and reliance on the Kurds stoked ethno-sectarian tensions locally. The abrupt pull-out of troops in 2011 during a time of great political instability in Nineveh hastened the disintegration of the security situation.
- **Al Qaeda in Iraq (AQI), ISIS, and other non-state armed groups:** Sunni insurgents grew in response American/Kurdish marginalization (2003-2008), taking over the western side of Mosul city and eventually allying with AQI. Militarily and politically defeated in 2008, they were able to claw back due to the disintegration of the Hadbaa Coalition.

### **Key shifts in the Political Marketplace**

#### *2003 - 2004: Violent state capture and emergence of oligopolistic structure*

In the early days and weeks of the 2003 invasion, US forces in charge of Nineveh lacked the personnel and weaponry to attempt a takeover of the province. Instead the US command relied heavily on Kurdish allies, particularly the armed wing of the Erbil-based Kurdistan Democratic Party (KDP), to assert local control.<sup>11</sup> This decision on the part of the US military took no consideration of the rather predictable local political ramifications. The KDP forcefully established a security and political presence across Mosul City and large swathes of the governorate as a whole.<sup>12</sup> One KDP official told us, "I went into Nineveh's government offices one by one, and if there was an Arabic sign, I'd add a Kurdish sign."<sup>13</sup> This systematic strategy of state capture set in motion a negative, distrustful relationship between the Sunni Arab

majority of Nineveh and the Kurdish-American alliance.<sup>14</sup> The US policy of de-Ba'athification (which resulted in the firing of large portions of Nineveh's membership in the federal army and local administration) heightened these tensions further and simultaneously dismantled the organizational capacity of powerful Sunni Arabs, shattering any remaining barriers in place obstructing Kurdish takeover of the province's formal institutions of governance.<sup>15</sup> It was in this context that an insurgency gradually took hold, paving the way for the rise of AQI. By 2004, Nineveh (particularly Mosul city) was fractured into two loosely defined zones of influence, with the eastern part under the control of the KDP/US alliance and the western part under the control of insurgent groups and the AQI.<sup>16</sup> The KDP enjoyed disproportionate control over the formal governance/security institutions but had to cede territory to insurgents.

#### *2004 - 2008: Introduction of cash-based market dynamics*

This is not to say that non-Kurdish constituents lacked positions within the formal government. The governorship has, for instance, always been in the hands of a Sunni Arab. As a province with an overwhelming Sunni Arab majority, the KDP understood that imposing a Kurdish governor would be unpalatable to the Americans and to the population at large. But given the KDP's access to unparalleled revenue streams (e.g. the Ibrahim Khalil border crossing with Turkey, longstanding oil smuggling routes dating back to the early 1990s, and post-2003 petrodollars from the state) in addition to

<sup>11</sup> Mark Oliver, 'Kurds celebrate fall of Mosul', The Guardian, (April 11, 2003), <https://www.theguardian.com/world/2003/apr/11/iraq.markoliver1>

<sup>12</sup> International Crisis Group (ICG), 'Iraq's New Battlefront: The Struggle Over Nineveh', Middle East Report No.9, (September 2009), <https://d2071andvip0wj.cloudfront.net/90-iraq-s-new-battlefront-the-struggle-over-Nineveh.pdf>, p.3<sup>11</sup>

<sup>13</sup> Interview with Khosraw Gorran, KDP leader, Erbil. August 20, 2019

<sup>14</sup> Luke Harding, 'Mosul descends into chaos as even Museum is looted', (April

12, 2003), <https://www.theguardian.com/world/2003/apr/12/iraq.arts>

<sup>15</sup> ICG, *Op.Cit*, pp. 4-5.

<sup>16</sup> Eric Hamilton, 'The Fight for Mosul', The Institute for the Study of War, (March 23, 2008), <http://www.understandingwar.org/sites/default/files/reports/Iraq%20Report%208.pdf>

unmatched organizational cohesiveness, the party was able to buy off the loyalties of reputable tribal and political figures among those Sunni Arabs and ethnic minorities who escaped accusations of Ba'athist party membership. The governor during this period was always Sunni Arab but simultaneously pro-KDP, and the Kurdish deputy governor influenced all major decisions. In sum, the first instance of a market dynamic in Nineveh came in the form of Kurdish co-optation of non-Kurdish officials, including not only Sunni Arabs but also Christians, Shebak, Yazidis and Turkoman.<sup>17</sup> Sunni Arab figures have guaranteed access to top government positions by virtue of the large population but have relatively little access to political finance due to the structural disadvantages of the Sunni Arabs at the national level. Consequently, they became easy targets for co-optation on the part of the Kurdish bloc,<sup>18</sup> and later the case will show how they have become targets of subsequent well-financed power players.

#### *2008 - 2010: Bifurcation of administrative control, redirection of cash-based co-optation*

Up until the provincial elections of 2009, the status quo remained in Nineveh. The Kurds presided over the governorate administration -- both directly and through the co-optation of Sunni Arab bureaucrats -- in addition to enjoying territorial control of the eastern part of the city. The barriers to entry into the local political arena were high, and KDP support was needed for any political or commercial activity. Their only apparent vulnerability was in West Mosul city, where Sunni Arab insurgents maintained territorial control. In 2007 and 2008, US and Iraqi

military operations severely weakened the AQI in Nineveh,<sup>19</sup> thereby removing their hold over the Western portion of the city. Instead of playing into the hands of the Kurds, the removal of AQI provided breathing room for mainstream Sunni Arab political figures to come out of the shadows and form robust coalitions, as both the US military and Iraqi premiere Nouri al-Maliki found a common interest in bolstering Sunni Arab political representation in Nineveh. As the US and the Iraqi government sought to defeat AQI and regain control of Mosul, the Coalition and Government of Iraq (Gol) lowered barriers to entry for Sunni Arab figures to such an extent that even former Ba'athists and insurgents were tacitly given approval to participate in politics. This enabled the Sunni Arab nationalist Atheel Nujaifi to bring together a broad array of Sunni Arab factions under the umbrella of Al-Hadbaa Coalition that included many former Ba'athists and insurgents.<sup>20</sup> Hadbaa ran for the 2009 local elections on an explicitly anti-Kurdish platform, setting the stage for an electoral showdown between the two camps.

After winning in a landslide, Nujaifi formed a local government to the total exclusion of the Kurds.<sup>21</sup> Instead of granting Hadbaa total influence over the province, this overreach resulted in a bifurcation of both territorial and administrative authority into two increasingly defined spheres, one with a Sunni Arab majority and the other with the Kurdish majority.<sup>22</sup> The provincial government controlled Mosul City in addition to western

<sup>17</sup> ICG, *Op.Cit*, pp.28-31.

<sup>18</sup> A key example of this KDP co-optation of Sunni Arab Mosulawis in this period was Duraid Kashmoula, Nineveh's governor 2004-2009. Kashmoula was seen as a puppet of the Kurds/KDP by many Mouslawis. Ned Parker, Iraq governor looks back on troubled tenure, Los Angeles Times, (January 22, 2019).[https://www.latimes.com/archives/la-xpm-2009-jan-22-fg-iraq-governor22-story.html?fbclid=IwAR2ETFzzeiVj\\_GG\\_IwTqvaIGv6-XWtCdF7CWx2R-x1-Zx8GZf3yM1AXOk8](https://www.latimes.com/archives/la-xpm-2009-jan-22-fg-iraq-governor22-story.html?fbclid=IwAR2ETFzzeiVj_GG_IwTqvaIGv6-XWtCdF7CWx2R-x1-Zx8GZf3yM1AXOk8)

<sup>19</sup> Institute for the Study of War (ISW), 'Operation Mother of Two Springs', (December 2008), <http://www.understandingwar.org/operation/operation->

mother-two-springs

<sup>20</sup> Kilaas Gleneinkel, 'The Hadbaa National List', Niqash, (January 28, 2009), <https://www.niqash.org/en/articles/politics/2368/>

<sup>21</sup> Adel Kamal, 'New Nineveh Governor Rejects Kurdish Alliance', (February 24, 2009), <https://www.niqash.org/en/articles/politics/2393/>

<sup>22</sup> Interview with Khosraw Goran, former Deputy Governor of Mosul, Erbil, August 20, 2019. See also: Ramzy Mardini, 'Factors Affecting Stability in Northern Iraq', CTC Sentinel, Vol.2, No.8, (August 2009), <https://ctc.usma.edu/app/uplubordinateads/2010/06/Vol2Iss8-Art6.pdf>

and southern Nineveh while the KDP established a rival administration in the Nineveh Plains and eastern Nineveh.

This division between the two camps led to a redirection of the flow of cash and networks of co-optation. The Sunni Arab bloc was -- for now - much stronger and enjoyed access to newfound political powers, and therefore was less susceptible to external co-optation. The Sunni Arab governor and broader administration were no longer exercising their powers as the dependent/subordinate partner in an asymmetric power relationship with the Kurdish political bloc. They were not 'for sale.' This is not to say however that market dynamics ceased altogether. The Sunni bloc was itself riven with internal fault lines, as it included a loose composition of tribes, minorities, former insurgents, former Ba'athists and military officers with varied interests. Maintaining the support of these factions came at a cost, and Nujaifi was constantly engaged in an effort to negotiate support with members of his bloc by providing them with senior and mid-level positions within the local government and access to government contracts.<sup>23</sup> Meanwhile, the Kurdish bloc was internally coherent but outward-facing and expansionist at the same time, meaning that they redoubled efforts to co-opt the ethnic minorities within their sphere of influence. Mayors and heads of towns of the Nineveh plains and other disputed areas pledged allegiance to the KRG and KDP forces, going so far as to prevent governor Nujaiif from entering these areas.<sup>24</sup>

#### *2011 - 2014: Disintegration and consolidation of the political field*

External patronage – whether it be from Baghdad or international actors -- is a powerful but often unreliable source of political finance and support. Soon after the US and the Prime Minister Maliki had supported the emergence of Hadbaa in Nineveh, the US abruptly withdrew from Iraq, which significantly contributed to the growing strength of Maliki at the national level. The emboldened Maliki used the coercive power of the ISF to impose himself upon Nineveh for his own political interests, placing Nujaiif in a vulnerable position. This external threat from Baghdad accelerated market dynamics locally, as Nujaiif subsequently pivoted towards an alliance with the KDP and reached a deal allowing the Kurds back into the local government,<sup>25</sup> a deal which partly revolved around an understanding to allow the KRG to exploit Nineveh's oil fields.<sup>26</sup> Nujaiif's defensive about-face and transactional alliance with the Kurds simultaneously eroded the already fragile internal coherence of his own bloc, as key elements from Hadbaa broke away in opposition to the rapprochement.<sup>27</sup> As a result of this fragmentation, the Hadbaa coalition fared poorly during the 2013 local elections. Meanwhile Maliki attempted to capitalise on Hadbaa's internal divisions by extending political and financial support to disaffected Sunni Arab tribal figures and politicians. This strategy of co-optation made little headway, however. The ISF's harsh treatment of the city's Sunni Arab population, which was locally perceived as a direct

<sup>23</sup> Interviews with local observers, journalists, and politicians from Mosul. Mosul, June 2019- February 2020.

<sup>24</sup> Sam Dagher, Tensions Stoked Between Iraqi Kurds and Sunnis, The New York Times, (May 17, 2009).

[https://www.nytimes.com/2009/05/18/world/middleeast/18nineveh.html?fbcl\\_id=lWAR1fhrh610hgHf8mNIoYla220mbUjmFXfcgxenteX9DnBXE1Yi0b\\_gZsM](https://www.nytimes.com/2009/05/18/world/middleeast/18nineveh.html?fbcl_id=lWAR1fhrh610hgHf8mNIoYla220mbUjmFXfcgxenteX9DnBXE1Yi0b_gZsM)

<sup>25</sup> Ahmed Ali, 'Iraq's Provincial Elections and Their National Implications', Institute for the Study of War, (March 19, 2013), <http://www.understandingwar.org/backgrounder/iraq%20%99s-provincial-elections-and-their-national-implications>

<sup>26</sup> Interviews with local observers, journalists, and politicians from Mosul. Mosul, June 2019- February.

<sup>27</sup> When Atheel allied with the Kurds in 2012, he angered and alienated many of his allies within Hadbaa including the heads of tribal blocks who hold positions within the local government (Abdullah al-Yawar, from the Shammar Tribes and Dildar Zebari, from the Zebari Kurdish tribe) and other local figures such as Nineveh's former Governor al-Baso. Maliki approached these groups and personalities and eventually co-opted some of them. See: Ali, Op.Cit.

extension of Maliki's policies, made it politically toxic for locals to enter into alliances with the Prime Minister.<sup>28</sup>

The intensifying political turmoil led to confusion across the local government and security branches, effectively lowering the barriers to entry into the political arena. Specifically, the erosion of Nujaifi's hold across Mosul's various tribal factions paved the way for insurgent and radical groups like ISIS to establish themselves within Mosul city's eastern neighbourhoods.<sup>29</sup> With fighters and weapons pouring into a province ridden by political and security disagreements, the ISF collapsed in the face of the ISIS's June 2014 violent offensive on Nineveh, forcing both the Nujaiifi administration and the Kurdish representatives to flee the province.<sup>30</sup> ISIS re-established unified administrative and territorial control over Nineveh using violence, but at a huge cost for the local population.

#### *2015 - present: The rise of a turbulent political marketplace*

While the rise of ISIS temporarily placed the entirety of the province under the coercive control of a single political entity, the military campaign to dislodge the extremist group did just the opposite, shattering most of the previous parameters and barriers regulating entry into the political arena. The campaign to take back Nineveh from ISIS involved a loose coalition of external military actors backed by the Baghdad-based Shia parties as well as their Sunni affiliates, providing unprecedented opportunity

for the coercive and easy capture of roads, local industries, and territories. In addition to the uptick in violent forms of capture, the loyalties of local political actors were easily rented/purchased for cash. After Baghdad removed Nujaiifi from the governorship in 2015,<sup>31</sup> Nineveh's loose Sunni Arab coalition collapsed entirely, and the fragmented remnants became targets for national Shia and Sunni parties' divide and conquer strategy.<sup>32</sup> Local government administrators and provincial council members looked to influential national parties for support and material gains (except for the KDP-aligned provincial council block, which has always remained intact).<sup>33</sup> This allowed influential national figures such as Muhammed Halbousi, Khamis Khanjar, and national parties such as the Atta party, Badr, the AAH, and the KDP to capture key local government offices primarily through co-opting local officials and administrators.<sup>34</sup> This political marketplace -- mediated by both violence and co-optation among an array of actors -- has resulted in political turmoil and government chaos in Nineveh. As soon as any governor fails to respond to party demands, he is removed from office.<sup>35</sup>

#### **Key levers/mechanisms of power**

##### *Violence and Coercive Power*

Control over Nineveh has largely revolved around the usage of force, particularly in asserting domination over strategic swathes of territory and key institutions. Initially the

<sup>28</sup> Interviews with local observers, journalists, and politicians from Mosul, June 2019- February. On the ISF's mistreatment of the Sunni Arabs of Mosul, see: Aljazeera.net, 'Curfew in Mosul and threats towards escalating the protests', (March 8, 2013), [https://www.aljazeera.net/news/arabic/霍ضرت\\_تجول\\_بالموصل\\_ونهاد\\_بنصريه\\_الاحتياج\\_2013/3/8](https://www.aljazeera.net/news/arabic/霍ضرت_تجول_بالموصل_ونهاد_بنصريه_الاحتياج_2013/3/8)

<sup>29</sup> Iraqi Government Report Investigating the fall of Mosul, P. 39. The report is available at: [للمرأة الأولى-الوثيقة الرسمية لتقدير سقوط-الموصل](http://almasalah.com/ar/News139592)

<sup>30</sup> Knights, *Op. Cit.*

<sup>31</sup> Aljazeera.net, 'Iraqi Parliament removes Nineveh's governor Atheel Nujaiifi from his position', (May 28, 2015), [https://www.aljazeera.net/news/arabicالبرلمان\\_العربي\\_يقرر\\_محافظ\\_نينوى\\_أيلـ\\_النجيفـ\\_2015/5/28/](https://www.aljazeera.net/news/arabicالبرلمان_العربي_يقرر_محافظ_نينوى_أيلـ_النجيفـ_2015/5/28/)

<sup>32</sup> Alhayat.com, Struggle inside Nineveh provincial council intensifies', [سياسة/مكة\\_العكرمة/اختدام\\_الصراع\\_ داخل\\_مجلس\\_محافظة\\_873481](http://www.alhayat.com/article_سياسة_مكة_العكرمة_اختدام_الصراع_ داخل_مجلس_محافظة_873481)

<sup>33</sup> Interviews with several Nineveh provincial council members and civil society activists and journalists from Mosul. Mosul, July 20-September 20, 2019.

<sup>34</sup> Based on interviews with local officials, journalists and political observers from Mosul. Mosul, July 20-September 20, 2019.

<sup>35</sup> Zmkan Ali Saleem, Prisoner of the Deal: Nineveh's governor and local state capture, (March 2020). <https://blogs.lse.ac.uk/crp/2020/03/12/prisoner-of-the-deal-ninevehs-governor-and-local-state-capture/>

centrality of coercive power emerged from the expansionist aims of the Kurdish political parties and armed groups, who sought to capitalize upon their alliance with the US military during the 2003 invasion in order to expand their sphere of influence outward from Erbil across the Nineveh Plains and into Mosul city. As the Kurdish security forces established hegemony over the administrative apparatus of the province concentrated in the eastern side of Mosul city, Sunni Arab armed groups and later AQI drew a line of demarcation at the Tigris River, asserting territorial control over the areas to the west of the river. Years later during the anti-ISIS campaign, Coalition Forces contributed to the solidification of similar dynamics albeit with different actors involved.<sup>36</sup> While ISF engaged in a street-by-street fighting against ISIS,<sup>37</sup> Iraqi and Coalition air forces heavily bombed and destroyed positions taken by members of the Sunni militant group in the heart of the western side of the city,<sup>38</sup> killing scores of civilians. The near total destruction of west Mosul city due to the Coalition bombing campaign left it open for domination by the PMF, which took up positions in the city following the cessation of liberation operations.<sup>39</sup> To this day, the PMF and their proxies remain in control of key roadways and districts not only in Mosul city but also across the province, and they show no signs of leaving despite repeated requests from the Prime Minister's Office. The centrality of violence is in part related to the perception among the Shia political parties and affiliated militias that the Mosul population is, and will remain opposed to the post-2003 political order which saw their

economic and political fortunes diminish.

### *Transactional alliances*

This expansive demonstration of coercive capacity across the province's territory in the post-ISIS period has left local Sunni Arab political actors, who were already severely weakened and fragmented following the dissolution of the grand Sunni Arab Hadbaa Coalition, with a binary choice: either they can accept whatever material gains may come from an alliance with the powerful political parties with forces on the ground (e.g., Shia parties/PMF and their Sunni Arab affiliates as well as the Kurdish political parties), or they can exit the political sphere altogether empty-handed. The vast majority have chosen the former.<sup>40</sup> In the post-ISIS period, external parties have been able to buy-off the loyalties of Nineveh's government officials and administrators including governors, provincial council members, and heads of government directorates.<sup>41</sup> This co-optation strategy has granted national parties access to local reconstruction contracts, smuggling routes, and new electoral blocs.<sup>42</sup> This mode of naked transactional deal-making between external and local actors sets Nineveh apart from Diyala and Basra. Whereas the Baghdad-based Shia parties can rely heavily on co-religionists and party members in order to capture local institutions in Diyala and Basra, in Nineveh natural allies on the ground are in short supply. Thus, local allies are forged through the threat of violence on the one hand and access to resources on the other.

<sup>36</sup> Middleeastmonitor.com, Iraq: Shia militias move on Tel Afar airbase, (November 2016). <https://www.middleeastmonitor.com/20161109-iraq-shia-militias-move-on-tel-afar-airbase/?fbclid=IwAR3zRtsolcmNh6aGnYCeUwl1nM4zRyEiV0E8Z8mgsjx8592VmieRa7iASoY>, and Jessa Rose Dury -Agri, Omer Kassim, and Patrick Martin, Iraq Security Forces and Popular Mobilization Forces: Orders of Battle, ISW, (2017). [http://www.understandingwar.org/sites/default/files/Iraq%20-%20ISF%20PMF%20Orders%20of%20Battle\\_0\\_0.pdf?fbclid=IwAR014JoZco2nHkZ6iJWMHIWTL00s1jOkhPiRV-Huk3h4xuJ1kxxaxCf-qQ](http://www.understandingwar.org/sites/default/files/Iraq%20-%20ISF%20PMF%20Orders%20of%20Battle_0_0.pdf?fbclid=IwAR014JoZco2nHkZ6iJWMHIWTL00s1jOkhPiRV-Huk3h4xuJ1kxxaxCf-qQ)

<sup>37</sup> BBC, Mosul assault: Iraq troops make headway against IS, (February 9, 2017). <https://www.bbc.com/news/world-middle-east-39018984>

<sup>38</sup> Human Rights Watch, Iraq: Civilian Casualties Mount in West Mosul - Coalition, Iraqi Forces Taking Inadequate Precautions, (June 6, 2017).

<https://www.hrw.org/news/2017/06/06/iraq-civilian-casualties-mount-west-mosul>

<sup>39</sup> Julie Ahn, Maeve Campbell, Peter Knoetgen, The Politics of Security in Nineveh: Preventing an ISIS Resurgence in Northern Iraq, Harvard Kennedy School / Policy Analysis Exercise, (May 7, 2018). [https://www.hks.harvard.edu/sites/default/files/degree%20programs/MP/P/files/Finalized%20PAE\\_Ahn\\_Campbell\\_Knoetgen.pdf](https://www.hks.harvard.edu/sites/default/files/degree%20programs/MP/P/files/Finalized%20PAE_Ahn_Campbell_Knoetgen.pdf)

<sup>40</sup> Interviews with local observers, journalists, and politicians from Mosul, Mosul, June 2019- February.

<sup>41</sup> Interviews with former and current officials in the governor's and members of the provincial council. Mosul (July 20- September 20, 2019)

<sup>42</sup> Interviews with local analysts, journalists, and former government officials in Nineveh. Mosul (January-February 2010)

### *Illicit economic activity*

Control over roadways and checkpoints during the chaos of liberation operations granted the Popular Mobilization Forces and their allies access to illicit forms of economic activity, such as the smuggling of oil and scrap metal as well as the illegal extraction of rents.<sup>43</sup> Similarly, co-opted government officials in the governor's office as well as the line directorates ensure that companies affiliated with powerful political interests receive access to reconstruction contracts.<sup>44</sup> Groups within the PMF have opened economic offices in Nineveh, capitalizing on ties with local officials to access sources of business. The scrap metal trade, for instance, is largely monopolized by affiliates of two Shia militia parties through their connections with Nineveh's former governor Nofal Agub.<sup>45</sup> The PMF is involved in oil smuggling from Nineveh to the rest of Iraq and to the KRG.<sup>46</sup>

### *Party discipline and patronage*

Within this highly transactional political arena, only one local set of political actors has remained coherent and intact, impervious to all forms of co-optation from external parties. The Kurdistan Democratic Party (KDP), whose stronghold is situated in Erbil, 80 kilometres east of Mosul city, is simultaneously a wealthy external party and an indigenous local party.<sup>47</sup> Throughout the various stages of Nineveh's political evolution, KDP members operating in the province have fallen in line with the party. This coherence has allowed the KDP to remain influential over Nineveh's politics at nearly every turn. Politically, the KDP has played the role of

the "kingmaker" in the formation of local governments in Nineveh and it has been able to secure key positions within the local government including the first deputy governorship.<sup>48</sup> This role is largely due to the party's ability to maintain internal cohesiveness at a time when other parties and blocks suffer from fragmentation and defection.

What explains this cohesiveness? Patronage within the Kurdistan Region is a nearly totalizing system. Two dominant and stable political parties have monopolized the political space for decades through the usage of patronage networks, threats of violence, and state capture. The region is co-ruled by a two-party duopoly under two powerful families – with the Barzanis controlling Erbil and Dohuk under the banner of the Kurdistan Democratic Party (KDP), and the Talabanis controlling Sulaimani while also exerting outsized influence over Kirkuk under the banner of the Patriotic Union of Kurdistan (PUK). It is almost impossible to obtain a junior or senior post in the government outside the party apparatus and hierarchy. While Nineveh falls outside of the KDP or PUK's totalizing jurisdiction, the same basic rules apply to its members. For Kurds operating in Nineveh's political arena, the costs of breaking from the party would be immense.<sup>49</sup> In sum, a dominant position in one sub-regional political market can spill over into another.

<sup>43</sup> The final report of the fact finding committee-Iraqi parliament, (January 2019), <https://www.alsumaria.tv/news/263485/> لجنة تقصي الحقائق-بيان نيزو منتشر تقرير-النحو

<sup>44</sup> Interviews with several local politicians, civil society activists, and journalists from Mosul. Mosul, July 20- September 20, 2019.

<sup>45</sup> John Davison, Exclusive: Iran-backed groups corner Iraq's postwar scrap metal market –sources, Reuters (February 13, 2019).

<https://www.reuters.com/article/us-iraq-militias-exclusive/exclusive-iran-backed-groups-corner-iraqs-postwar-scrap-metal-market-sources-idUSKCN1Q20R5>

<sup>46</sup> Ashraq al-Awsat, After US Sanctions, Iraq Freezes Assets of PMF Leaders, (July 27, 2019). <https://aawsat.com/english/home/article/1831601/after-us->

[sanctions-iraq-freezes-assets-pmf-leaders](#)

<sup>47</sup> Zmkan Ali Saleem, & J. Mac Skelton, Mosul And Basra After The Protests: The Roots Of Government Failure & Popular Discontent, IRIS Working Paper. (2019).

<https://auis.edu.krd/iris/sites/default/files/Saleem%2C20Skelton%20%20Oct%202019.pdf>

<sup>48</sup> Interview with Nineveh's current first deputy governor, an affiliate of the KDP. Mosul, August 21, 2019.

<sup>49</sup> Zmkan Ali Saleem, & J. Mac Skelton, The Parties Come First: Patronage, Security, and Stability in Iraqi Kurdistan, LSE/Middle East Centre, Report, Forthcoming May 2020.

How did the events following the Kurdish referendum of 2017 impact the KDP's role and influence in Nineveh? In short, the KDP has remained broadly influential over Nineveh's politics, security, and economy. The KDP security forces' withdrawal have not included all districts, as they remain in control of parts of the Nineveh Plains where there are oil fields operated by party affiliated companies.<sup>50</sup> In areas of total peshmerga withdrawal such as Sinjar, the KDP left behind proxy local forces. Further, the KDP maintained vast patronage networks within parts of the society and administrative apparatuses of Nineveh. The reduction in the party's sources of political finance after the events of October 2017 has not decimated existing patronage networks in Nineveh given the party's access to multiple sources of funds including the oil sector, the border crossings (with Turkey, Iran, and Syria) and revenues from the KDP's large investment and construction companies.<sup>51</sup> However, they are no longer the sole major source of patronage due to the introduction of numerous National level blocs and militias into the provincial political arena in the wake of the anti-ISIS campaign. They have retained the capacity to engage in co-optation, but they do so within a far more competitive field.

### III. Case Study: Basra Province

Basra is Iraq's most resource-rich governorate. The province accounts for approximately 80% of Iraq's total oil production and contains the country's largest gas fields. In contemporary Iraq, where oil accounts for the overwhelming majority of state revenue, Basra, with its concentration of revenue potential has become a critical sub-national arena where all of the major Shia political parties (and their affiliated armed groups) protect significant assets and vie for control over contracts. Despite the enormous

wealth of the province, nearly all funds and contracts are channelled through the party-dominated systems of patronage, leaving few resources for the work of governance and service provision. As a result, Basra's population has suffered from a lack of electricity, water contamination, and unemployment, and consequently massive anti-party protests have broken out in 2011, 2015, and again in 2018. For reasons detailed below, however, the ruling parties have retained a firm grip on power.

#### **Political/Security actors**

Basra's main political actors are simultaneously the country's primary Shia parties and armed groups, with the one exception of the Basra-based Fadhilla party (see below). Since 2003, the major Shia parties have viewed Basra as an essential source of national power due to the large Shia population and high concentration of natural resources.

- **Hikma current:** Formerly the Islamic Supreme Council in Iraq (ISCI), Hikma enjoys large influence over Basra's politics and economy. Hikma was able to forge an alliance with the Sadrist current and Fadhilla party to gain control of Basra from the State of Law in 2014.
- **Sadrist Current:** The Sadrist Current lacks a strong popular base in Basra. Yet through armed militias (2003-2008) and tactical alliances with other parties, Sadrist have been able to entrench themselves within Basra's local government and economy.
- **Badr Organization & Asaib Ahl al-Haq (AAH):** Badr split from ISCI (see Hikma above) and formed its own powerful entity. Badr's

<sup>50</sup> Ahn et al, *Op.Cit.*, pp.37-40.

<sup>51</sup> Interviews with local observers, journalists, and politicians from Mosul. Mosul, June 2019- February.

standing in Basra was elevated through the anti-ISIS campaign. Allied with AAH, it has been involved in cracking down on the local protest movement.

- **Fadhilla party:** A Shia party with particular focus on Basra, imposing dominance over Basra's oil sector and local government (2003-2007). Fadhilla has lost much of its influence in Basra over recent years.
- **Nouri Maliki's Dawa (State of Law) Party:** Maliki's control over Iraq's national wealth and security forces allowed him to bolster the State of Law's standing in Basra over the course of his premiership.

### **Key shifts in the Political Marketplace**

#### *2003 - 2007: Competitive and collusive violence*

Due to the vacuum created by the fall of the Ba'ath regime and the total disarray of the Coalition Provisional Authority in Basra, the barriers to entry into the province's emerging political field was low and correspondingly the number of actors vying for control were high. The major Shia parties grabbed up economic assets and state institutions in Basra in the early weeks and months after the invasion,<sup>52</sup> but according to different tactics and strategies related to local capacity. As a longstanding national opposition party with high numbers of experienced political actors and well-trained militias (the Badr Brigades),<sup>53</sup> the ISCI was able to leverage its growing influence over key ministries in Baghdad in order to control appointments across the local security directorates in Basra.<sup>54</sup> The Sadrist movement –

which lacked a significant popular base in Basra -- relied upon the coercive force of their militias to take over key oil smuggling distribution channels.<sup>55</sup> Across the national and local parties competing in Basra, state capture relied heavily on violence and intimidation.<sup>56</sup> For example militias affiliated with the Basra-based Fadhilla party gained control of oil institutions, eventually imposing a party affiliate as the head of the state-owned Southern Oil Company (later renamed Basra Oil Company).<sup>57</sup>

While the various militia parties competed over the capture of assets and institutions, they simultaneously engaged in collusive violence against secular political actors that could pose an alternative to the post-2003 dominance of Shia Islamist parties.<sup>58</sup> This campaign of violence and intimidation in Basra was aimed at undercutting the broader US-led Coalition's designs to prop up secular figures across the country and prevent the control of the Shia Islamists.<sup>59</sup> (The US contributed to the foiling of their own plans through de-Baathification, which side-lined thousands of secularists.) A pattern was established that would repeat itself later: the Shia parties competed violently against each other over Basra's wealth but often engaged in collusive violence against external threats.

The violence between the Shia parties increased in direct relation to intensifying competition in formal politics, where the blocs utilized competing ethno-nationalist and

<sup>52</sup> Babak Rahimi, 'The Militia Politics of Basra', The Jamestown Foundation, Terrorism Monitor, Vol.5, No.13, (July 6, 2007), <https://jamestown.org/program/the-militia-politics-of-basra/>,

<sup>53</sup> International Crisis Group, *Shia Politics in Iraq: The Role of The Supreme Council*, Middle East Report No 70, (November 15, 2007a) <https://d2071andvip0wj.cloudfront.net/70-shiite-politics-in-iraq-the-role-of-the-supreme-council.pdf>

<sup>54</sup> International Crisis Group, *Where Is Iraq Heading?: Lessons From Basra*, Middle East Report No.67, (June 25, 2007b) <https://d2071andvip0wj.cloudfront.net/67-where-is-iraq-heading-lessons-from-basra.pdf>

<sup>55</sup> Ghaith Abdul-Ahad, 'Oiling the wheels of war: smuggling becomes the real

economy of Iraq', *The Guardian*, (June 9, 2007), <https://www.theguardian.com/world/2007/jun/09/iraq-middleeast>

<sup>56</sup> International Crisis Group, 'Where is Iraq Heading? Lessons from Basra', Middle East Report, (June 25, 2007), <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/where-iraq-heading-lessons-basra>

<sup>57</sup> Rahimi, Op.Cit,

<sup>58</sup> International Crisis Group, 2007b, Op.Cit, pp. 3-4.

<sup>59</sup> International Crisis Group, *Iraq: Can Local Governance Save Central Government?*, (October 27, 2004), pp. 15-18. <https://d2071andvip0wj.cloudfront.net/33-iraq-can-local-governance-save-central-government.pdf>

nationalist discourses to mobilize subsections of the population against each other. An alliance of Shia Islamist factions led by ISCI won the 2005 elections by a majority, but the Fadhilla party took control over the local government by forming the largest post-election coalition, which included the Baghdad-based Iraqi National Accord party and other smaller local factions.<sup>60</sup> Seeking to check Fadhilla's rise, ISCI sought to use its networks in Baghdad and across the national political apparatus to create a 9 province southern semi-autonomous region with Basra as its economic and political hub.<sup>61</sup> With ISCI possessing the most sophisticated organizational and electoral capacity across the south, competitors feared that the party would dominate the semi-autonomous region<sup>62</sup> in the same way the KDP dominates the bulk of the Kurdish region, thereby raising the barriers of entry into the political space for everyone else. The Fadhilla party was existentially threatened by this agenda, and responded by advocating for a smaller region including provinces in which their electoral support was highest (Basra, Thiqar, and Maysan). Meanwhile the Sadrist rejected all forms of federalism due to their low electoral base in Basra, and they raised the banner of Iraqi nationalism to shore up support for their position.<sup>63</sup>

As political tensions grew, so did violence between the parties. In addition to their own forces, the major parties created alliances with local Basra-based militias in order to fight each other. Many of these smaller militias were already receiving funds and logistical support from Iran. (It is important to note that Iran was not a major source of political finance for the

parties at this time. The Islamic Republic's primary agenda was to play a spoiler role against the Americans and British by supporting militia groups that would carry out targeted attacks.)<sup>64</sup> In addition to fighting between the Shia parties, the Sadrist were overtly fighting Coalition forces. Facing a security crisis and the potential for high casualties, British troops essentially outsourced the counter-insurgency and relied heavily on militias under the control of ISCI and Fadhilla to combat the Sadrist and stabilize the situation.<sup>65</sup> Whatever short-term gains were won through this approach were offset by the rising wealth and power of the local parties and their armed affiliates. Meanwhile violence between the ISCI, Fadhilla, and the Sadrist continued unabated. Violence was the primary currency used to resolve political competition.

#### *2008 - 2013: Consolidation of the political field through violence and patronage*

While the access of the local parties and security forces to cash and weapons was significant, they nonetheless paled in comparison to the growing financial strength and technological sophistication of the Iraqi Security Forces (ISF), who were backed by the US Military and global coalition partners. In 2008, then Prime Minister Nouri al-Maliki sent the ISF to Basra in order to quell the security crisis and assert the power of the central government. This offensive, known as Operation Charge of the Knights, temporarily cooled the intensity of the competition between militias in Basra (particularly weakening the Mahdi Army of the Sadrist).<sup>66</sup> But ultimately, as was observed previously in

<sup>60</sup> International Crisis Group, 2007b, Op.Cit, pp. 5-6.

<sup>61</sup> Ibid.

<sup>62</sup> Ibid.

<sup>63</sup> Ibid, p.6

<sup>64</sup> Ibid, pp.7-8.

<sup>65</sup> Rahimi, Op.Cit, ,The Economist, 'Searching for a Phoenix in Basra', (April 30, 2009), <https://www.economist.com/middle-east-and-africa/2009/04/30/searching-for-a-phoenix-in-basra>, Babak Rahimi, Op.Cit, and

Ghaith Abdul-Ahad, 'Basra after the British: division and despair in Iraq's oil boomtown', The Guardian, (July 4, 2016), <https://www.theguardian.com/cities/2016/jul/04/basra-british-iraq-oil-boomtown-legacy-chilcot-saddam>

<sup>66</sup> Marsia Cochran, The Battle for Basra, Institute for the Study of War, (March 2008), [https://www.jstor.org/stable/resrep19538?refqid=excelsior%3Abc72de92118c11e648e938c2a058bc3&seq=1#metadata\\_info\\_tab\\_contents](https://www.jstor.org/stable/resrep19538?refqid=excelsior%3Abc72de92118c11e648e938c2a058bc3&seq=1#metadata_info_tab_contents)

the case in Nineveh, Maliki's designs were not solely oriented towards state interests. Capitalizing on the coercive capacity of the Coalition-backed ISF, Maliki moved to secure his national profile and expand his bloc's (State of Law) popular base in Basra.<sup>67</sup> Drawing upon immense state wealth and authority, Maliki provided jobs in the public sector to Basra residents, co-opted the governorate's key tribes, and allocated significant funds for reconstruction.<sup>68</sup> Maliki's capacity to extend benefits to Basra's population was not significantly hampered by the global financial crisis beginning in 2008, as the sources of political finance in Iraq remained diverse and domestic oil production was only just beginning to increase dramatically during this period. It is important to note that while the Prime Minister was systematically engineering a patronage network, it was a network that included benefits towards the existing political parties. Maliki did not have enough popular appeal locally to shut out ISCI, Fadhilla, and the Sadirists entirely. Affiliates of these parties were awarded positions across the local government. Nonetheless, the local balance of power was now tilted heavily in favour of Maliki's State of Law alliance (consisting of the State of Law and Badr Organization), which won the 2009 local elections by a landslide.<sup>69</sup> Basra's political field remained oligopolistic with a handful of powerful groups competing for power, but one actor stood above the rest.

#### *2014 - present: Levelling of the Political Field*

The increased activity of International Oil Companies (IOCs) and sub-contractors in Basra's oil fields during the 2010-2014 period

intensified the political struggle for controlling the governorate. With revenues on the rise, each of the major political parties saw securing access to oil-related revenue and contracts as an existential imperative.<sup>70</sup> Accordingly, Shia parties (the ISCI, Sadrist), who had violently battled against each other just a few years earlier, now came together in an electoral coalition to oppose Maliki. Despite the fact that Maliki's State of Law allied with the Badr Organization won the largest votes during the 2013 elections, the rest of the parties (the ISCI, Sadrist, and Fadhilla) formed a power-sharing arrangement in order to secure top executive positions in the local government in the hands of ISCI (later changed name to Hikma) and the Sadirists.<sup>71</sup> At this point, the political marketplace was relatively stable, consisted of a few large actors (or coalitions) and the political and economic share of each major entity was on par with the others (in what was a plainly oligopolistic structure).

This equilibrium would soon be disrupted by the rise of the Islamic State and specifically the mobilization of a large subsection of the province's population as fighters within the Popular Mobilization Forces (PMF). As these forces cycled between the battlefield in the home front, they introduced a new dynamic within the local political economy, as returning fighters saw themselves as entitled to local rents and shares in businesses. One prominent local businessman in the oil sector noted: "The PMF came to my office and basically demanded a contract for their affiliates, saying, 'look we sacrificed a lot

<sup>67</sup> Kristian Coates Ulrichsen, 'Basra, Southern Iraq and the Gulf: Challenges and Connections', Research Paper, Kuwait Programme on Development, Number 21, (February 2012), pp. 14-15.

<sup>68</sup> Saleem al-Wazzan, 'Al-Maliki Emerges Triumphant in Basra', Niqash, (February 4, 2009), <http://www.niqash.org/en/articles/politics/2380/>

<sup>69</sup> Musings On Iraq, Official Election Results, (February 19, 2019). <http://musingsoniraq.blogspot.com/2009/02/official-iraqi-election-results.html>

<sup>70</sup> Matthew Schweitzer, 'Basra's Neglected Future', Enabling Peace in Iraq

Center (EPIC), (September 27, 2017), <https://epic-usa.org/basra-future/>; International Crisis Group, 'Iraq's Provincial Elections: The Stakes', Middle East Report No.82, (January 2009), pp.7- 8, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iraq/iraq-s-provincial-elections-stakes>

<sup>71</sup> Alsumaria.tv, Election of Hakim's candidate as Basra's governor, (June 12, 2013). <https://www.alsumaria.tv/news/77642> انتخاب مرشح كلية الحكيم ماجد - المصري ايج

against ISIS, and you owe us.<sup>72</sup> Accordingly, the political affiliates of the PMF such as the Badr Organization and Asaib Ahl Al-Haq saw their fortunes rise considerably in Basra, laying claim to ports, border crossings , and the oil sector. Badr and AAH ultimately used their access to resources in the province to buy off the loyalties of powerful officials.<sup>73</sup>

Were it not for the protest movement of 2018, the political blocs affiliated with the PMF might have been able to consolidate power further and displace other actors to the peripheries of the political marketplace. But the mass demonstrations against the political parties encouraged renewed collusion between all the major political blocs, as they cracked down on the demonstrations while also protecting the assets of each. Ultimately the immense wealth in Basra is too great for any single political actor to risk the dismantlement of the political system, solidifying the oligopolistic structure. To date, no party is dominant, and the struggle over top posts remains highly unpredictable.<sup>74</sup>

### **Key levers/mechanisms of power**

#### *Layered Administrative Capture*

Control over the governorship and top levels of the local government has shifted from the Fadhilla party (2003-2005), to the ISCI (2005-2009), to the State of Law alliance (2009-2013), and finally to the Hikma/ Sadrist/ Fadhilla alliance. During the periods of successive control, parties and coalitions filled key positions (such as the deputy governors, advisors, and heads and members of contracting and legal departments) in the local government with their own followers, enabling them to bargain for shares in government contracts.<sup>75</sup> Importantly,

the turnover of positions has never been wholesale from the dominance of one party or coalition to the next. The current governor is backed by Badr and Asa'ib ahl al-Haq, but meanwhile a Sadrist and a member of the State of Law occupy the positions of the current governor's two deputies respectively, while followers of Hikma, Fadhilla, and the state of law are present at the contracting/legal department and across technical and engineering committees.<sup>76</sup> In other words, the fluidity of the governorship according to electoral shifts is balanced out by the durability of senior and mid-level posts. This layering of party-based state captured from one administration to the next has resulted in relatively even distribution of mid to senior level officials across the political parties regardless of which bloc holds the governor's post.

#### *Capture of State Economic Assets*

The same logic holds true in the capture of the state positions and assets related to the oil and gas industry. Appointing the head of the Basra Oil Company (BOC) is a decision controlled by Iraq's Ministry of Oil. The position has been renegotiated and shifted from one party to another in successive periods. Since 2003, the top post in the BOC has changed hands from Fadhilla (2003-2008) to the State of Law (2009-2016) and finally to Hikma (2017-present). Key posts and positions within the ministry itself are allocated to various parties. Thus, one party receives the position of the minister while the rest are compensated by assigning lower positions to their members and followers, including membership in the ministry's advisory board, general directorship, and

<sup>72</sup> Interview with a local businessman from Basra. Basra, May 2019.

<sup>73</sup> Interviews with local officials, journalists, and members of Basra's protest movement. Basra (April 31-May 3, 2019)

<sup>74</sup> Interviews with local officials, journalists, and members of Basra's protest movement. Basra (April 31-May 3, 2019)

<sup>75</sup> Interviews with current and former provincial council members, journalists, and observers from Basra. Basra (April 31-May 3, 2019).

<sup>76</sup> Interviews with current and former officials and administrators in Basra's local government. Basra (April 31-May 3, 2019).

heads of the ministry's oil companies.<sup>77</sup> The parties' capture of formal organs of the state grants them control over lucrative revenue-producing assets across the province. The Hikma current, for instance, has maintained control of northern Rumaylah oil fields, the Safwan border crossing with Kuwait, and the port of al-Maqal in Shatt al-Arab. Maliki's State of Law controls (60%) of the port of Umm Qasr, subcontracted services at the southern Rumaylah oil fields and the Barjisah oil fields, Basra airport, and a petrochemical factory in addition to influence over gas fields in Barjisah.<sup>78</sup>

#### *Competitive and Collusive Violence*

The political parties in Basra have employed both competitive and collusive violence in order to secure control over assets and the population. In the years following the invasion, a violent struggle for power and control between Fadhilla, ISCI, and the Sadists overshadowed Basra. Not only did they employ violence to check each other's ambitions, they also collusively used violence to intimidate and eliminate potential non-Shia and non-Islamist rivals in Basra. With the deployment of the Iraqi Security Forces in 2008, high intensity violence among the political parties and their affiliated armed actors largely came to a halt.<sup>79</sup> In its place came another iteration of collusive violence -- this time against an increasingly restive population. The protest movement in Basra has posed an existential threat to the entire party-controlled system. In the summer of 2018, protestors burned down local government and party buildings, staging demonstrations around Basra's oil fields, the lifeline of the Iraqi economy. Recognizing their collective vulnerability, the parties colluded with

one another to contain the demonstrations through force.<sup>80</sup> Basra's parties used influence in Baghdad to relocate parts of the state's forces to Basra to back up the existing local and federal police in the governorate. Party militias and state forces fired live ammunition at the protestors, killing and wounding tens of demonstrators. Intelligence and security forces co-opted by the parties targeted and threatened key leaders of the protest movement in an effort to deter and prevent further protests in future.<sup>81</sup> During the October 2019 protests, which overtook the entirety of the south, Basra's once forceful movement was relatively quiet. The political parties had asserted themselves once and they would do it again if necessary.

## IV. Case Study: Diyala Province

Diyala province, which shares a long border with Iran, is unique among Iraqi federal governorates in that a single party – the Iran-backed Badr Organization – now enjoys almost total hegemonic control over the entirety of the provincial administration, security apparatus, and strategic assets. Diyala has become a quasi-monopoly in which one entity (Badr) controls the barriers of entry into the political arena, and other political actors may enter this arena for commercial or political ends *only* through deals and transactions with that single entity. This was not always so. While the struggle for power over the province has involved numerous political parties and militias since 2003, the centre of control has gradually shifted towards the Badr-controlled provincial administration and affiliated armed groups.

<sup>77</sup> Interview with a political activist from Basra who is also a senior officer at Basra Oil Company. Basra (March 2019).

<sup>78</sup> Several interviews with members of various Shia parties, administrative figures, provincial council members, and activists in Basra (March and April 2019). For further discussion of party-controlled assets, see: Center for International and Strategic Policymaking, 'Basra Turbulences: the protests in the south and its local and regional consequences', (July 18, 2018). <https://www.makingpolicies.org/ar/posts/basraaa.php>

<sup>79</sup> Cocharane, Op.Cit.

<sup>80</sup> J. Mac Skelton & Zmkan Ali Saleem, 'The Politics of Unemployment in Basra: Spotlight on the Oil Sector' IRIS Policy Report (June 2019). <https://www.kas.de/documents/266761/4421641/The+Politics+of+Unemployment+in+Basra++Spotlight+on+the+Oil+Sector.pdf/3083a071-12c1-e020-e2e7-c52ab216ccdf?version=1.0&t=1561714163695>

<sup>81</sup> Interviews with key leaders of Basra's protest movement. Basra (March 13-May 3, 2019)

The case tracks the mechanisms that have led to this consolidation of power and the side-lining of the contesting groups.

### **Political/Security actors**

- **Badr Organization** (formerly part of the Islamic Supreme Council of Iraq): Pro-Iran and Shia-majority political party and militia run by Hadi Ameri, who currently leads the Binaa Coalition.
- **Iranian government and security branches:** The Iranian regime sees Diyala as part of its sphere of influence and has therefore ensured that the governorate remains under the tight control of its Iraqi allies (Badr and the AAH).
- **Asaib Ahl al-Haq (AAH)**: AAH is a Shia party and militia that is both partner and rival to Badr on the national stage and in Diyala.
- **Iraqi Security Forces (ISF)**: Badr and its members have a long history in dominating and co-opting the Iraqi government forces operating in Diyala. Top commanders of the local and federal police and the national security forces are Badr members and loyalists while the Iraqi army's top command have been co-opted by Badr.
- **Patriotic Union of Kurdistan (PUK) and security forces**: The PUK controls the eastern half of the KRG and vies for influence over northern Diyala. Under Iranian pressure, however, the PUK will not overreach in Diyala.
- **Khamis al-Khanjar's Mashroo' al-arabi Party**: The pro-Iran Sunni Arab party colludes with Badr nationally and in Diyala.
- **Sadrist Current**: The characteristically volatile Shia party and militia has contested for power in Diyala for years.
- **Iraq Islamic Party (IIP)**: Sunni Arab party that briefly held influence in concert with the Sadrist in Diyala.
- **Sons of Iraq (sahwa) Forces (American**

**proxies**): Sunni Arab citizens, members of the Sunni Arab tribes, and former insurgents decided to side with the US forces against the AQI (2007-2009) in Diyala. Politically, most of the Sahwas in Diyala supported the IIP during the 2009 local elections and subsequently became targets of persecution by Maliki and the Badr Organization.

- **ISIS**: ISIS's offensive in Diyala was repelled by the ISF and its allies among the PMF and the Kurdish Peshmerga, and the governorate was declared free from ISIS in January 2015.
- **Al-Qaeda in Iraq**: The AQI exploited the rising ethno-sectarian tensions in Diyala in the early period after the 2003 invasion, eventually asserting control over strategic areas. Controlling Diyala provided the AQI with a base for launching attacks on northern Baghdad.

### **Key shifts in the Political Marketplace**

#### *2003 - 2006: Emergence of a two-sided violent struggle*

The US military toppled Saddam Hussein's forces in Diyala, but they failed to contend with the quick consolidation of armed groups comprised in part of supporters of the former regime, which coalesced largely in opposition to the American mishandling of local government formation.<sup>82</sup> (These armed groups were soon referred to as 'Sunni Arab insurgents', but their sectarian identity was not initially the key driver of mobilization.) Meanwhile, the Shia Islamist parties who now dominated the federal government following the 2003 invasion – particularly the Islamic Supreme Council in Iraq (ISCI) and its armed wing the Badr Brigades – were systematically capturing security ministries in Baghdad.<sup>83</sup>

<sup>82</sup> Donal P. Wright & Timothy R. Rose, On Point II: Transition to the New Campaign, Combat Studies Institute, (2008), p.413.

<sup>83</sup> <https://history.army.mil/html/bookshelves/resmat/GWOT/OnPointII.pdf>

The Iran-backed ISCI leveraged this authority to place supporters in Diyala's police and army units in order to secure the province's long border with Iran and important pilgrimage/trade routes. A violent power struggle soon ensued: The non-state Sunni Arab armed groups (which eventually allied with Al-Qaeda) asserted dominance through violence against the Shia population, while the ISCI-backed state police and Iraqi Security Forces (ISF) executed equally violent, coercive measures against the Sunni Arab population.<sup>84</sup> Diyala's strategic proximity to Iran combined with its split demographics<sup>85</sup> – with 60% Sunni Arabs and (Sunni) Turkomans and 25% Shia Arabs and (Shia) Turkomans and 15% Kurdish populations<sup>86</sup> – incentivized the various political factions to draw the lines between supporters and opponents on the basis of sectarian identity. The population was drawn into this violent struggle for power.

#### *2007 - 2013: Consolidation of coercive capacity*

For a brief period AQI prevailed over the ISF and dominated the provincial capital, but US forces reasserted themselves as part of the 'Surge,' driving out the AQI through a series of large-scale military operations in Diyala.<sup>87</sup> This US-led campaign had the indirect effect of empowering the Iraqi Security Forces, who were firmly under the control of ISCI/Badr and the major Shia political blocs. These blocs, now led by Prime Minister Nouri al-Maliki allied with ISCI/Badr, rebuffed American efforts to integrate Sunni Arab armed forces (the Sons of Iraq) who participated in the campaign against al Qaeda into the Iraqi Security Forces. In fact, Maliki used

the pretext of continuing campaigns against al Qaeda as a cover for violence against both the Sons of Iraq and the only viable Sunni Arab political party of the time, the Iraq Islamic Party (IIP).<sup>88</sup> The consolidation of coercive capacity in the hands of the ISF rendered the IIP's subsequent electoral successes largely irrelevant. When the IIP won the provincial elections of 2009, Maliki's ISF allied with Badr relied upon violence to sideline the IIP governor, eventually storming his headquarters and forcing him out of office in 2011.<sup>89</sup> The formal political process carried comparatively little weight in a province dominated by a politics of coercion. Any hope that Sunni Arabs would retain a measure of political agency and coercive power in Diyala was completely dashed with the pullout of American troops and 2011, a move that precipitated the collapse of ongoing negotiations between Bagdad and the Sunni Arab armed forces (Sons of Iraq) in the province.<sup>90</sup>

#### *2013 - 2014: Disintegration of political field*

Growing cracks and fissures between the Shia parties at the national level – driven in a large part by the struggle for control over rising state oil revenues – eventually lowered the barriers of entry into the political arena for Kurds and Sunni Arabs in Diyala. The first major development was that ISCI and Badr split into two separate political organizations, the Badr Organization and Amar Hakim's Citizen Alliance. After a coalition of Shia aligned parties (Maliki's State of Law, Badr,

Reform, USIP Briefing, (May 2008).

<https://www.usip.org/sites/default/files/PB-Iraq-Interior-5-08.PDF>

<sup>84</sup> Kimberly Kagan, Securing Diyala, Institute for the Study of War, (2007). <http://www.understandingwar.org/sites/default/files/reports/Iraq%20Report%207.pdf>

<sup>85</sup> Michael Knights, Iraq's Bekaa Valley, Washington Institute, (March 16, 2015). <https://www.washingtoninstitute.org/policy-analysis/view/iraqs-bekaa-valley>

<sup>86</sup> Michael Knights & Alex Mello, Losing Mosul, Regenerating in Diyala: How the Islamic State Could Exploit Iraq's Sectarian Tinderbox, CTC Sentinel, (October 2016), p2. [https://ctc.usma.edu/app/uploads/2016/10/CTC-SENTINEL\\_Vol9Iss109.pdf](https://ctc.usma.edu/app/uploads/2016/10/CTC-SENTINEL_Vol9Iss109.pdf).

<sup>87</sup> Kimberly Kagan, The Battle for Diyala, Institute for the Study of War, (2007).

<http://www.understandingwar.org/sites/default/files/reports/IraqReport04.pdf>

<sup>88</sup> Jared Young, Ahead of Iraq Vote, ISW Releases Diyala Province Political Report, Institute for the Study of War, (January 2009). <http://www.understandingwar.org/sites/default/files/DiyalaProvincePressRelease.pdf>

<sup>89</sup> Almadapaper, After Maliki's deadline Diyala's governor resigns, (February 27, 2012). <https://almadapaper.net/view.php?cat=64827&fbclid=IwAR2dvuwM7gCN-8xwutc91SQtRbk25hnmyclQRPYN29wHuyr1xRuPG0qjZRs>

<sup>90</sup> Myriam Benraad, Iraq's Tribal "Sahwa": Its Rise and Fall, Middle East Policy, V. XVIII, No. 1, (2011), pp.124-125.

Sadists, Fadhilla, and Amar Hakim's Citizen alliance) narrowly won the most seats in Diyala's 2013 provincial elections,<sup>91</sup> the Sadists shocked the other Shia parties by splintering off and forming a provincial government with the province's Sunni and Kurdish parties.<sup>92</sup> Maliki, Badr and the other Shia parties successfully challenged the move in the Supreme Court,<sup>93</sup> but the Sadist/Sunni alliance would not back down, resulting in two governors and two administrations. The two governments began issuing orders for dissolving each other and removing each other's governors.<sup>94</sup> To end the polarization, Maliki used his powers as the Prime Minister and removed the Sadist/Sunni governor from his position based on an arrest warrant that accused the Sunni governor of wasting public money.<sup>95</sup> Maliki and Badr now enjoyed the upper-hand in Diyala, but this episode proved that their grip on power was increasingly fragile.

#### *2014 - present: Reconsolidation of political order around one actor*

In the midst of this political instability, the rise of ISIS performed two functions that played to Badr's favour. First, at the national level, it resulted in the removal of Nouri al-Maliki from power and the installation of a comparatively weak Prime Minister (Haider al-Abadi) ripe for manipulation. Second, at the level of the governorate, the encroachment of ISIS upon Diyala provided Badr and its aligned Popular Mobilization Forces a pretext to assert near-total

security control over the province. Badr and the PMF allied with the ISF drove large numbers of Sunni Arabs from their towns and villages during the fight against ISIS.<sup>96</sup> The previous Sunni coalition disintegrated and the remaining Sunni council members' loyalties were bought off by Badr and the Iran-aligned Sunni Arab Khamis Khanjar through the extension of salaries and access to contracts.<sup>97</sup> Today Badr controls nearly all aspects of the provincial administration and security, with only nominal power-sharing granted to the Kurdish security forces in the northern extremity of the province bordering the KRG.

### **Key levers/mechanisms of power**

#### *Violent forms of state capture*

Badr's successful co-optation of the official security and administrative institutions in Diyala has been a crucial element of the party's dominance over the governorate. Badr can engage in unrestrained violence against Diyala's Sunni Arabs with impunity because local and federal police are co-opted by Badr and operate within the strategic framework of the militia party. Top commanders and the majority of members of the local and federal police in Diyala are tied into Badr's patronage network for the long term -- meaning that they owe Badr for their government position and/or they owe Badr for access to government contracts, private sector deals, etc.<sup>98</sup> Provincial council members who

<sup>91</sup> Ahmed Ali, Iraq's Provincial Elections and The National Implications, ISW, (April 19, 2019). <http://www.understandingwar.org/sites/default/files/IraqsProvincialElections-NationalImplications.pdf>

<sup>92</sup> Alsumaria.tv, Sadr criticises Marja'a's stance on distributing government positions and supports giving the position of Diyala's governor to the Sunnis, (June 16, 2013) <https://www.alsumaria.tv/mobile/news/77792/iraq-news>. See also: Jessica Lewis, 'The Islamic State Of Iraq Returns To Diyala', 'Institute for the Study of War', (August 2014). <http://www.understandingwar.org/islamic-state-iraq-returns-diyala>

<sup>93</sup> Burathanews.com, Administrative court delays for the seventh times National Alliance's lawsuit regarding the legality of the local government, (September 2013). <http://ftp.burathanews.com/arabic/news/212208>

<sup>94</sup> Almadapaper.net, Re-electing Omer al-Humeiri as Diyala's governor during a provincial council meeting in Khanaqin and appointing two deputies, (January

2014), <https://almadapaper.net/view.php?cat=99486&fbclid=IwAR3JS9Jxla9J0Xjn48E9eeLjRlgVhmd46YsD6Coogz4L8acxiH87a9wu9ZA>

<sup>95</sup> Alsumaria.tv, 'Maliki decides to remove al-Humeiri from Diyala's governorship role', (January 2014). <https://www.alsumaria.tv/news/90147>

<sup>96</sup> Landinfo Country of Origin Information Centre , Iraq: Security situation and internally displaced people in Diyala, (April 2015), <http://www.refworld.org/docid/55b75cccd4.html> , International Organization For Migration, 'Displacement Tracking Matrix, Round XVII', (March 2015).

<sup>97</sup> Interviews with local officials and administrators in Diyala. Diyala (February-March 2020)

<sup>98</sup> Interview with former top police commanders in Diyala. Diyala

planned to remove the Badr-affiliated governor were pursued by police forces based on charges of supporting terrorism and intimidated by Badr's private militias. In 2016 and 2017, Badr militias fired rockets at the provincial council's building while police forces captured four council members on charges of supporting terrorism in order to prevent meetings that were arranged to remove the Badr-affiliated governor Muthana al-Timimi.<sup>99</sup> Governor Muthana has assigned key positions within the local government to Badr members and loyalists in Diyala. Almost 90% of mayors, head of sub-districts, and key directorates are now Badr loyalists.<sup>100</sup>

#### *Violence targeting the population*

Badr has used systemic collective violence to suppress and subjugate members of the Sunni Arab community. During and in the aftermath of the war with ISIS (2014-2016), the party and its affiliated militias forcefully drove out the Sunni Arab populations whom they had labelled ISIS supporters.<sup>101</sup> In response to a January 2016 suicide bombing in the city of Muqdadiya that killed party and militia members, Badr and its ally Asaib ahl al-Haq (AAH) locked down the city, killed 36 Sunni Arabs, and burned down tens of Sunni mosques, shops, and houses.<sup>102</sup> Long after the defeat of ISIS, the continued presence of the military and intelligence bases of Badr-controlled PMFs in the vicinity of Sunni cities, towns, and villages sends a strong psychological message to residents that the militia party is close and violence can be applied against them instantly.

(November 2018).

<sup>99</sup> Almadapress.com, Diyala's provincial council holds a session to question the governor amid 'great pressures' on the council's members', (March 3, 2016). <http://www.almadapress.com/ar/news/67677/> مجلس ديالى يعقد جلسة لاستجواب المحافظ، وalsumaria.tv, Diyala's Iraqiya holds the security forces responsible for protecting the lives of the members of the provincial council', (March 1, 2016). <https://www.alsumaria.tv/news/164434/> عراق ديالى يحمل القوات المسؤولية

<sup>100</sup> Interviews with several local officials in Diyala. Diyala (February-March 2020).

<sup>101</sup> Adida al-Khatib, 'Diyala Province Undergoing Violent Ethnic and Sectarian Cleansing', 'Niqash', (January 28, 2016). : <http://www.niqash.org/en/articles/security/5202/>

<sup>102</sup> BBC, 'Iraq conflict: Shia 'reprisal' after bomb kills 20 in café', (January 12,

#### *Dominance over commercial networks*

The militia party's control of the local government means that government funded projects are largely allocated to companies and persons aligned with Badr, including PMF/Badr commanders.<sup>103</sup> Badr is involved in both formal and illicit cross-border trading with Iran and the KRG via checkpoints on the main roads. Influence over international border crossings located in Diyala guarantees Badr a cut of most cross-border trade and smuggling.<sup>104</sup> Other Shia, Sunni, and Kurdish parties and figures in Diyala have essentially given up any meaningful struggle for control over Diyala's political and security apparatus. Instead they have resigned themselves to working within the Badr-run economic and patronage system, seeking benefits in the form of government contracts, shares in local businesses, and employment in the public sector.<sup>105</sup> Given the presence of large Kurdish and Sunni Arab populations, it remains in Badr's best interest to provide key figures within these communities access (albeit limited) to local markets. Representatives of Khamis Khanjar's Sunni Mashroo' al-Arabi party, the Kurdish PUK, and the normally recalcitrant Sadrist current negotiate access to businesses, contracts, and employment opportunities with Badr's governor in return for their silence.<sup>106</sup>

2016), available at: <https://www.bbc.com/news/world-middle-east-35290903>. Joe Wing, 'Iraq's Diyala Province Explodes In Sectarian Violence After Islamic State Bombing', 'Musings on Iraq', (January 14, 2016), available at: <http://musingsoniraq.blogspot.com/2016/01/iraqs-diyala-province-explodes-in.html>

<sup>103</sup> Interviews with local officials and administrators in Diyala. Diyala (February-March 2020)

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## V. Discussion of the Cases

The preceding cases have analysed the changing political dynamics and levers of power in three of Iraq's most strategic and volatile political marketplaces - Nineveh, Basra, and Diyala. In each, the flow of political finance and usages of violence are distinct. After years of both struggle and collusion between Sunni Arab and Kurdish political actors, the political order in Nineveh is now characterized by highly volatile and fluid forms of co-optation among dozens of parties and militias. The one faction that has remained intact is the Kurdish bloc due to a longstanding system of patronage dating back decades, whereby loyalty to leadership is enforced through a systematic distribution of material rewards. In Basra the political marketplace revolves around the struggle for oil-based assets and institutions. The Shia parties and militias violently compete for assets while simultaneously engaging in collusive violence against any external threat to the political order, resulting in the systematic and targeted killings of protestors. Diyala is unique among Iraqi federal governorates in that a single party -- the Badr Organization -- enjoys almost total hegemonic control. All other participants within the political marketplace engage in commerce and politics on Badr's terms. The militia party has achieved this status of dominance by mobilizing its massive military resources to take advantage of the chaos and disarray of the ISIS period (2014-2017), in addition to the gradual state capture of local security institutions between 2003 and the present.

While the flows of political finance have shifted in relation to events particular to each province, certain key national-level events have rippled across the governorates with similar force. To name one key example, the anti-ISIS campaign – which coincided with a global dip in oil prices – resulted in major changes in each of the

provinces. In Diyala, the anti-ISIS campaign shifted the local balance of power in favour of Badr and its allies in the PMF, as they played key roles in the defeat of ISIS and became the most powerful security actors on the ground. Government funds and private companies fell under the control of Badr, allowing the party to integrate the remaining local Sunni, Kurdish, and Shia politicians and figures within its patronage network. In Nineveh, the rise and fall of ISIS transformed an oligopolistic political field with two to three major actors (i.e., the KDP, Hadbaa, and central government) into a more open, fragmented, and competitive political marketplace with numerous parties and factions vying for territorial control, loyalties, economic gains and political influence. In short, the campaign shattered the barriers of entry into the political marketplace and allowed external parties to establish influence within the local government. In Basra, a multi-faction oligopolistic structure with high barriers of entry mostly held, although the parties and militias affiliated with the PMF gained relatively greater symbolic capital (by defending Iraq and the Shia community against the external threat of ISIS), using these gains to advance their position in relation to the other Shia parties.

In all three provinces, the 2014 precipitous drop in oil prices transpiring at the same time as the anti-ISIS military campaign did not necessarily weaken the major players. Rather, it simply forced a redirection of revenue-seeking activities, as the parties and militias sought to expand non-oil sources of finance such as smuggling activities (stolen oil, scrap metal, and narcotics) and extortion practices (via checkpoints and through direct illegal taxations of private businesses). Overall, militia parties expanded their sources of finances on the local level via smuggling and

extortion and thus maintained greater transactional abilities, while the central government became even weaker. This troubling dynamic is likely to transpire once again with the current drop in oil prices.

## VI. Conclusions: Policy Implications

From a policy perspective, the complexity of the cases suggests that the love affair among policymakers with grand governance solutions such as decentralization entail a form of magical thinking. An underlying assumption of decentralization is that local political actors are more accountable to their populations and better equipped to deliver services than distant bureaucrats and policymakers in the capital. While this may hold credence in the abstract, Iraq's political marketplaces at the governorate-level create little if any space for the voice and agency of populations, as parties and militias have consistently employed various forms of violence and cooptation to secure control. Rather than relying upon local buy-in through service delivery and effective governance, political blocs have captured everything from local administrative bodies to border crossings in order to secure sources of revenue and extend patronage networks. In this context, the injection of more funds and autonomy into local administrations simply accelerates existing forms of state capture.

How can reform-minded actors within the GoI and international partners work against these dynamics and promote public authority in the governorates? As demonstrated in each of the cases, international militaries and aid organizations do not have a promising track record in understanding or navigating the dynamics of subnational political marketplaces. In many cases they have wittingly or unwittingly generated destructive, chaotic shifts in local

competitions over power. Nonetheless, there is still significant support across Iraqi civil society for international actors to play a role in oversight and accountability at the national and subnational levels. The international community should work with the GoI to emphasize accountability mechanisms at the governorate level over further devolution of powers. Iraq's Council of Representatives (CoR) has already created parliamentary committees for each governorate to fulfil oversight responsibilities and hold local government officials accountable. In the short run, representatives of the international community (UNAMI, European Union, US, and the UK) should work with the CoR and assist its governorate committees in fulfilling their local oversight responsibilities. In the medium-term, provincial elections (delayed since 2017) should be held with robust international oversight.

In a similar vein, international partners should work with the GoI to strengthen formal control over international border crossings, ports, and oil and gas fields across the Iraqi governorates. Currently, revenues from these resources are shared between the federal authorities and influential parties on the ground while local citizens receive little benefit. In tandem with anti-corruption efforts within the federal institutions, members of the international community could provide technical assistance and consultations to the relevant federal ministries (ministry of transportation, oil, and finances) on how to strengthen their authority over economic assets and resources located at the governorates. Unless public authority is restored at the local level, providing local governorates with greater access to revenues from border crossings, ports, and oil revenues through decentralization mechanisms would only intensify the competition for resources

and corruption.

While promoting accountability over local administrations and state control over assets should be a key policy objective, the GoI and international partners must be realistic about where this is actually possible on the ground. Different governorate-level political marketplaces allow for varying levels of engagement. As demonstrated, most of Diyala governorate is under the tight control of Badr Organization, a militia party that has employed systematic violence and state capture to dominate the province. Realistically, it would be exceedingly difficult for the GoI and members of the international community to change the course of Badr's actions in Diyala, a governorate seen by Iran as a key part of its strategy in Iraq. Some analysts have argued that the Kurdish northern areas of the province represent the only opportunity for international actors to check Badr's total dominance over the entire governorate. But even this would be complicated as the Kurdish part of Diyala is traditionally a support base of the PUK, which has close ties to both Iran and the Badr Organization.

Basra is likewise a difficult context for engagement and reform, but the presence of a strong civil society and protest movement provides a potential opening. Mass unemployment, largely the result of Shia parties' capture and competition for Basra's resources, are likely to continue generating greater public resentments and protests in the future in Basra. Realistically, the Shia parties and militias are unlikely to abandon their control over the governorate's assets and will continue to contain public protests through limited provision of jobs and services to strategically located groups/tribes and the tactical use of violence. But this strategy is already showing signs of faltering, particularly in the context of falling oil prices and reduced government revenues.

Moreover, Basra's protest movement has persevered beyond the 2018 government crackdown. While it would be difficult to influence the Shia parties directly, reform-minded actors within the GoI and international partners should provide support to Basra's civil society activists and organizations to bolster their capacity to demand political reform and social justice in Basra.

Given the fragmented nature of Nineveh's political marketplace and the presence of a wide range of local allegiances (ranging from pro-Iran to pro-US political actors), one could argue that there is the greatest amount of room and flexibility for the GoI and international actors to shape local governance. The KDP is an enormously important actor in Nineveh's local politics and economy and could be pushed to use its influence towards better governance in the province. Sunni Arab political actors are historically willing to cooperate with international partners, but the window for engagement is closing due to the mass injection of funds from Baghdad-based political parties during the post-ISIS period. Like Basra, arguably the most promising political actors within Nineveh are its civil society activists, who can be supported to better contribute to the reconstruction of Nineveh and gain greater influence over local governance in the future. From the perspective of the international community, this would mean devising a strategy based on a combination of principle and opportunism, devising ways of providing tactical support to local allies (especially civic activists) working towards reform goals.

The political marketplaces of Basra, Nineveh, and Diyala and more broadly that of Iraq as a whole are likely to witness turbulent dynamics in the short and medium term due to the

global crash in oil prices. The parties will be forced to rely on non-oil forms of revenue generation, which could potentially lead to conflict over border crossings, checkpoints, and smuggling. As seen in previous oil-related economic crashes, the parties and militias have used these non-oil alternative forms of political finance to maintain patronage networks and continue political co-optation, effectively increasing their share of power in relation to a cash-strapped central government institutions. In light of such developments on the horizon, the newly installed government and international community have ever-contracting options at their disposal.



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Photography: A man cleans the building of Basra Governorate after demonstrations during which protesters torched the Basra Governorate in Basra, Iraq September 9, 2018. REUTERS/Essam al-Sudani.

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