

# REBUILDING IRAQ: PROSPECTS AND CHALLENGES

*Reconstruction in Iraq cannot be achieved without universal reconciliation, economic and education reform, and equitable application of the rule of law*

*By Abbas Kadhim*

**T**he deterioration of Iraqi infrastructure predates the U.S. invasion of 2003. The Iran–Iraq War (1980–88) forced the regime to divert most available resources to military-related spending and cut back on new projects. As a result, Iraq emerged from the war a crumbling nation with massive debt. The saturation of global oil markets in the late 1980s drove down prices to levels that made Iraq’s recovery highly improbable.

Instead of dealing with the Iraqi economic crisis creatively, former Iraqi President Saddam Hussein decided to double down on his aggressive behavior and invade Kuwait in August 1990, claiming it as Iraq’s “19th Province”. His miscalculation led to a military confrontation with a coalition of thirty nations led by the United States. The war to liberate Kuwait in 1991 involved severe bombardment that reached all Iraqi infrastructure: power plants, factories, bridges, roads, and many other vital structures. The economic sanctions the United Nations Security Council imposed on Iraq in 1990—the harshest imposed on any nation in history—to force Saddam Hussein’s withdrawal from Kuwait banned Baghdad from importing any materials to rebuild its ruined infrastructure or maintain the deteriorating structures. By 2003, Iraq was a skeleton of a nation.

The U.S. invasion made a bad situation worse. What was not destroyed by the conflict was looted or burned by mobs of unruly crowds. United States officials called this popular frenzy a natural by-product of democratic transition. In the view of some, Iraq was a giant reptile that needed to shed its old undemocratic skin and grow a new, democratic one; in other words, a healthy socio-political metamorphosis needed to occur. For the following eight years, an insurgency exacerbated the rate of infrastructural destruction and halted new construction. More funds were spent on payoffs, security firms, and logistics contractors than were used to rehabilitate the country’s infrastructure. The Iraqi governments that gradually took charge after a brief period of U.S. administration were not



any better. Despite \$800 billion in revenues since 2003, no serious reconstruction efforts were made anywhere in the country. Aside from what was paid for maintaining a massive public sector and security-related costs, billions of dollars were lost to waste, fraud, and mismanagement under a systematic absence of transparency and accountability.

△ A worker rebuilds a house destroyed during the fighting between Iraqi forces and Islamic State fighters, eastern Mosul, Iraq, April 21, 2017. *Muhammad Hamed/Reuters*

In June 2014, Iraq faced another security setback that led to the self-proclaimed Islamic State in Iraq and Syria (ISIS) seizing the provinces of Nineveh, Salahuddin, and Anbar—about one-third of Iraqi territory. Within a span of weeks, ISIS established a presence in six provinces, and its slogan (“Staying and Expanding”) turned into a series of gains that could be measured by square kilometers. The Iraqi military melted away, leaving behind state-of-the-art military equipment to be taken by ISIS or by the Kurdish forces in nearby posts.

Millions of devastated Iraqis ran for their lives to safer areas, while unknown numbers were murdered or enslaved according to an antiquated religiosity that still has its proponents in some corners of the Muslim world. In the next two-and-a-half years, these three Iraqi provinces, as well as other territories from adjacent provinces, turned into bloody battlegrounds. Former Iraqi Prime Minister Haider Al-Abadi declared victory over ISIS and the liberation of all lost territories on December 9, 2017. He also announced the price tag for reconstructing affected territories: \$88 billion.

### Picking Up the Pieces

Iraqi officials repeated the catchphrase that Iraqis fought ISIS on behalf of the entire world at a heavy cost in lives, and it was therefore the moral duty of the international community to contribute to Iraq's reconstruction. A reconstruction conference was held in Kuwait in February 2018, drawing potential donors and investors to discuss efforts to rebuild Iraq's economy and infrastructure as it emerged from a devastating conflict. Despite the attendance of key international donors and corporations, the amount pledged was not what the Iraqis had hoped for. Iraq received pledges of \$30 billion, with only a small portion in grants; most of the pledges were investments and credits. To date, many of the pledged funds have not been transferred. Some donors cited concerns about high levels of government corruption and demanded measurable transparency and accountability, while others made their pledges conditional on being allowed to supervise the spending of their funds.

The disappointing outcome of the Kuwait conference left the war-torn areas in a perpetual state of anguish. Mosul, where ISIS announced its now-defunct

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caliphate, witnessed the most severe fighting and sustained devastating damage—the destruction was up to 80 percent in many areas of the historic western part of the city. As we approach three years after the liberation, the rubble has not been removed in many devastated areas and, in many cases, bodies of victims and ISIS terrorists have not been pulled out from the ruined buildings.

To do this and to prepare for the massive reconstruction projects, substantial funds need to be made available and enormous efforts are needed to remove war remnants: unexploded bombs, land mines, and IEDs.

It is highly unlikely we will see any significant reconstruction progress if Iraq's revenue continues to be barely enough to sustain government operations, leaving nothing to invest in infrastructure reconstruction. The ruins of cities and small towns in six provinces will have to be replaced with new buildings, roads, and parks to consolidate the defeat of ISIS and its caliphate, or they will continue to remind the Iraqis that what they accomplished in battle was a pyrrhic victory.

But reconstruction in Iraq needs to involve more than rebuilding destroyed houses, bridges, and roads. Efforts must include the reconstruction of Iraqi society as well. Among the first casualties of armed conflict and the spread of violence is communal cohesion and peaceful coexistence among various ethno-sectarian groups.

## **Comprehensive Reconstruction and Reconciliation**

As violence and bloodshed weaponize fears, mistrust, and alienation, it will take more than the passage of time to heal the scars and normalize broken social relations. The Iraqi government, the international community, and non-governmental organizations can play important roles in overcoming hard post-conflict challenges and pave the way for social reintegration.

Financial challenges are the most pressing issue. Iraq's current revenues are under \$100 billion, drawn from oil sales. This is a risky economic situation, as oil revenues remain unstable and can decrease because of production interruption or a sharp fall in prices. But even if they remain at this level, they are barely enough to pay the cost of operating the state. Economic prosperity brings hope for a better future and gives people something to lose if they engage in self-destructive behavior and a lot to gain if they work together. In order to pay the bill for reconstruction and create a vibrant economy, Iraq needs to increase its annual revenues to \$500 billion by 2030. While this is an ambitious goal, it is perfectly doable if several sectors are activated: agriculture, tourism, trade, transportation, and services.

Another challenge is the urgent need to facilitate the return of almost two million internally displaced people (IDPs) to their homes and to restore their communities. Their return requires, in addition to rebuilding homes, the rehabilitation of their cities; restoration of basic services; removal of unexploded ordnance; and restoration of communal trust. In many cases, tribes have split along pro-ISIS and anti-ISIS lines, causing deep cleavages within Iraq's entrenched tribal system. Local customs are so far-reaching that not only are ISIS members banned from return to their homes, but their close family members are banned as well.

The cases of sectarian and ethnicity-based injuries run deeper. Nobel Peace Prize winner Nadia Murad, a member of the Yazidi community in northern Iraq, told an audience in Doha, Qatar, in December 2018: "The surrounding villages supported ISIS and said we were infidels and were a stain on our village and were not to be in Iraq."

These words were echoed by IDPs from the town of Tal Afar in Nineveh, whom I met in Najaf and Karbala. They recounted positive stories about their pre-ISIS life with their neighbors and were unable to explain why everything fell apart upon the arrival of this terrorist group, and why their neighbors turned against them. These relations do not automatically return to the pre-conflict status quo. These communities need comprehensive reconciliation efforts to heal and to regain their mutual tolerance and coexistence.

Any peacebuilding roadmap must show a feasible program of national

reconciliation. So far, Iraqi leaders have understood reconciliation in its political form, but neglected the urgent need to accomplish social reconciliation. Political deals among the elite and the distribution of high-level appointments may appease disenchanted political elites and their constituents, but they cannot constitute a long-term strategy for a lasting intercommunal peace.

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As long as wide segments of the population live in poverty and lack hope for a prosperous future, there will always be an opportunity for someone to exploit their fear and resentment to navigate the political corridors of government. The government simply does not have enough perks and positions to offer to appease every rabble-rouser. True reconciliation must begin by alleviating the grievances of Iraqi communities and winning them over by good governance, abundance of economic opportunities, and the rule of law. To accomplish these goals, Iraq does not need to re-invent the reconciliation wheel.

### **Not Just Rebuilding ... Transformation**

There are many successful cases from Latin America, Africa, and Europe where communities turned painful chapters in their past into cohesive futures. Needless to say, reconciliation is not a fully transferable template that can work for every society, but each experience has certain lessons that can be taken into consideration when drafting a localized reconciliation program. Iraq also needs to learn from the extensive literature on reconciliation and the various methodologies of reconciling communities in post-conflict areas.

Among the salient aspects of Iraq's development in the next decade will be the demographic distribution and growth patterns of its population. Out of forty million Iraqis, sixteen million (40 percent) are under the age of 14, and eight million (20 percent) are in the 15-24 age bracket. The Iraqi government, with as much help as it can receive from the international community, must invest in converting this population challenge into an opportunity. To accomplish this goal, a massive investment in education must be made, along with serious education reform to divert the graduates from working for the oversaturated public sector to employment in the private sector and entrepreneurial initiatives.

Failing to absorb this young population into a robust schooling system and, eventually, a prosperous economy will drive them to a life of despair, violence, and criminality—or maybe terrorism. But education alone is not enough. There must be after-school programs to let the youth express their talents and acquire skills. A good measure of investment in the promotion of sports, arts, and other forms of creative expression would augment education and direct the energy of

young men and women to healthy pursuits.

In the meantime, it is important for Iraq to give all its communities a credible reason to believe in the rule of law. Although Iraq has a good measure of judicial independence, public confidence in the universal enforcement of the laws is not high. Reconciliation or peacemaking pacts may require the government to dismiss pending cases against certain individual leaders and reintegrate them in the political process.

Leading politicians and high-level bureaucrats have been getting away with grand theft of public funds and a large assortment of high crimes, while petty criminals receive harsh sentences. The rule of law must also be applicable to influential figures in Iraqi society. Tribal leaders and their henchmen who stockpile heavy weapons and conduct military-style conflicts in pursuit of their private interests must be reined in and held accountable like the rest of society.

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This also includes armed groups and militias who are serving their own interests, or the interests of their foreign patrons, under the cover of fighting terrorism or keeping security.

They too must be subject to the same rules that apply to all Iraqis. Equal opportunity and equal accountability go together to solidify popular confidence in the government and the entire political system.

Unlike other war-torn countries in the Middle East, and despite being in some form of conflict or another for four consecutive decades, Iraq has proven to be remarkably resilient. It is also a country with significant financial and human resources and strong potential for recovery and development. However, to accomplish a successful post-conflict transition and reconstruction, the Iraqi leadership must demonstrate a strong will to pull together and face the mounting challenges head on. They must also turn to the international community for guidance and assistance. The latter move means that Iraq must adhere to the best standards in political and economic practices, achieve positive rates of transparency and accountability, and ensure inclusive governance.

Most importantly, Iraq needs to adopt a robust strategy to depart from being a rentier state, with an economy fully tied to one commodity, oil, and become a nation which has activated all possible means of productivity. It is not enough to rebuild what the past conflicts have destroyed. There must be a path for socioeconomic success and a well-structured strategy to eliminate the grievances that caused past conflicts and to deny terrorism and violence fertile ground to operate and thrive. 