The Challenges of Development in Post-Conflict Societies: Iraq’s Reconstruction

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INTRODUCTION

Post-conflict situation and its development immediately after the conflict are essential and determining for the future of each country or society affected by conflict. For successful and sustainable development of post-conflict society is necessary to identify all possible obstacles and challenges so that appropriate actions could be taken to avoid endangering the development. Every country, society and conflict is unique and has its own specifics and therefore must be treated individually.

The main obstacle of this paper is analyzing the challenges of Iraq’s development after Iraq war in 2003. The post-war situation is not connected only with the Iraqi Freedom operation but reflects decades of suffering under dictatorial regimes and the destruction of the country due to several conflicts and vast sanctions.

The development of post-conflict society faces many challenges. To be able to identify them it is necessary to become familiar with the main characteristics and specifics of the country as well as the conflict. So first we describe the post-war situation in Iraq and the key problems that the war brought. We also mention basic features which characterize the society and which we have to take into consideration by the analysis of further development.

The challenges of development are divided into several groups – security, political, economic and social issues. All this challenges are mutually interconnected and interact. Security situation is connected particularly with the process of ensuring of public safety, eliminating old security forces and creating new bodies. Political development involved stabilization, building or rebuilding of political institutions and bodies and cooperation of Coalition Provisional Authority (CPA) and new interim governmental body. Economic issues concern liberalization of economy, ownership, solution of lack of job opportunities. Social issues focus on religious issue, national mindset, problem of refugees, relation to the occupying powers,…

Finally, we compare some post-war reports, their recommendations and expectations with the real development and try to find some evaluation of the reconstruction process.
1. SITUATION IN IRAQ AFTER WAR 2003

The war in Iraq that started on the 20th of May 2003 with the invasion of United States (U.S.) and the United Kingdom (U.K.) officially ended on 18th of December 2011, when the U.S. completed its withdrawal of military personnel.¹ But post-conflict area in Iraq started already in June 2004, when U.S. and the U.K. ended the formal occupation of Iraq.² But as noticed by Lambourne: “The ending of overt violence via a peace agreement or military victory does not mean the achievement of peace. Rather, the ending of violence or a so-called ‘post-conflict’ situation provides a new set of opportunities that can be grasped or thrown away.”³ In such situations the international community is the one that can play a significant role in either nurturing or undermining this fragile peace building process. Since the end of Cold war United Nations (UN), individual states, international development institutions and international non-government organizations (INGOs) have been the actors that have become increasingly involved in trying to rebuild peaceful societies in the aftermath of violent conflict where the goal is “to help countries torn by war to move from dependence on humanitarian relief to a reconstruction process and ultimately into a long-term development phase.”⁴

Triggering sustainable development in the wake of war itself obviously poses a “daunting range of intellectual, political, economic, social and cultural challenges.”⁵ What is more “violent conflict inflicts appalling visible and invisible damage on developing societies.”⁶ As Gennip says:

… the costs are always high, as “vital economic infrastructure is ruined, state institutions often collapse, mistrust of the state soars, schooling is disrupted, refugees flood into cities, fear replaces confidence, skilled workers flee, and war profiteers with a vested interest in conflict lurk in the shadows prepared to resurrect the very tensions that allowed them to flourish economically and politically at the expense of the society as a whole.”⁷

What is also common to post-conflict societies as noticed by the World Bank is that

⁵ Jos Van Gennip
⁶ Jos Van Gennip
⁷ Jos Van Gennip
those societies often find themselves under a “dominating narrow elite, a fragile peace, a lack of confidence among political and economic actors and weak judicial, financial, fiscal, administrative and regulatory institutions.”

What is more the damage caused by war can be the equivalent of several years of the country's peacetime GDP. “Normal economic activity is utterly hampered by the fall in productivity capacity, physical destruction, a dearth of investment, and internal market fragmentation.”

The aim of the following chapter is to present the situation in Iraq after the war 2003 and developments in rebuilding of this post-conflict country. Iraq was not a promising environment for achieving the goal of building a peaceful, democratic, free-market nation. And had failed to develop into a cohesive nation-state, its state structures had the form but not the substance of a modern state, its economy was in poor shape and its society had endured almost half a century of debilitating violence.

Last few decades during which people of Iraq suffered the economic stagnation, wars, sanctions and conflicts have left deep consequences and reduced people’s access to essential services. Although the war in 2003 has brought the fall of Saddam Hussein and the Ba’ath Party and made the end to repressive dictatorship, modern day Iraq is only slowly emerging as a democratic state and according to UNDP data situation and life conditions are far from normal and safe.

Although the Iraq is the fifth highest country for the amount of land cleared of landmine contamination and there has been 18.7 million square meters of land cleared of explosive remnants of the war, that has enabled 1,500 families return to their farms and getting 2,400 children back to school, still, according to UNDP “1.6 million people in Iraq are daily affected by landmines and unexploded ordnances (UXOs).”

The country is facing poor infrastructure. “Iraq’s electricity infrastructure was severely damaged during the Gulf War, suffered from lack of investment and lack of available equipment under sanctions, and suffered again following the US-led occupation in 2003”

While the supply of electricity is increasing, it is unable to keep pace with rising demand. On average households receive 14.6 hours of electricity per day through a combination of the

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9 WORLD BANK
12 UNDP
13 UNDP
public network or private generators and what is more around 90% of households have to supplement the public network with private generators. Therefore it is believed that electricity should be the top priority for improvement. Since the environment awareness in the country is very limited, more than 40% of households are without access to the public waste network and use a septic tank to dispose waste. Very poor is also Iraq’s water resource management system. According to UNDP data from 2010, around 20% of households in Iraq use an unsafe drinking water source and a further 16% have daily problems with supply. The situation is much worse in rural areas, where only 43% have access to safe drinking water, and water for agriculture is often scarce and of poor quality. This has caused many to leave their rural communities in search of water and livelihoods, increasing urbanization.\(^{14}\)

As statistics show Iraq’s population has tripled between the years 1970 and 2007. Today its population stands at approximately 32 million, out of which 5 million people live in the Kurdistan Region. According to UNDP, the population will grow to almost 50 million by 2030. 71% of Iraqis live in urban areas and 13% of these households have more than ten occupants. Iraq is one of the most youthful countries in the world, nearly 50% of the population is less than 19 years old. What change mostly after 2003 is the use of technology, that has increased rapidly and today around 78% of Iraqis use mobile telephones and 12% own a personal computer. UNDP (\textit{ibid.}) sees an opportunity where “with the rise of technology, and the right investments, Iraq could harness the energy, enthusiasm and creativity of its youth.”\(^{15}\)

2. MAIN CHALLENGES OF DEVELOPMENT IN THE POST-CONFLICT IRAQ

2.1. SECURITY ISSUES

Establishing safety and security and dealing with security issues has been a high priority of governments and international assistance organizations in Iraq and is still needed in this war torn country. “Establishing safety and security involves a combination of functions that include enforcing peace agreements, reconstituting security forces under civilian control, ensuring public order and safety, demobilizing and disarming ex-combatants, securing territorial borders, strengthening police forces, and reintegrating former combatants into the


\(^{15}\) UNDP
society and economy.” In Iraq this “function of post-conflict governance” involves not only building effective military and police forces, but also recruiting or training civil servants who can manage programs for or coordinate the activities of non-governmental organizations.”

There is no victory in Iraq as yet. Occasional bombing blasts and shooting are parts of a pattern that give us a grim warning that Iraq still faces major challenges at virtually every level. Cordesman believe that “the problem /in Iraq/ is not just security and the continuing struggle against extremists and insurgent elements.” Iraq is also faced with the challenge of “struggle for political accommodation that can bring lasting stability to Sunni and Shi’ite relations, and to relations between Arab, Kurd, and other minorities.”

The report below focuses on the security issues and challenges that Iraq has been confronted with and can show ether the current situation or efforts of multiple actors to overcome them. Therefore the report covers the issues of terrorism and extremist violence in the country, political violence and abuse of power and internal displacement which are major challenges to the development of the post-war Iraq.

2.1.1. Violence

As Kobler noted in the address to the UN Security Council this year the “violence in Iraq is still a concern,” and unfortunately, “the number of civilian casualties from terrorist attacks was increasing.” According to his address there have been, since the beginning of the year, “an average of 12 incidents per day” and “had claimed a total of more than 1,300 lives.” Iraqi authorities must continue to make every effort to identify the perpetrators and bring them to justice, and Iraqis must turn their backs on past divisions and unite for a peaceful future, he stressed.

The human costs of violence in Iraq are all too high. The presence of Al Qaeda and other Sunni insurgent still pose a major challenge. “Terrorist attacks are not signs of desperation, but a well calculated strategy to attack Iraq at its weakest points.” Weaknesses such as sectarian and ethnic fracture lines, gaps in developing security forces, and divided and uncertain support for Prime Minister Maliki and its central government give terrorist groups

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18 One of the recent bombing attacks had happened on the eve of the Islamic new year and the holy month of Muharram in the middle of November this year (BBC 2012).
19 Anthony H. Cordesman
20 KOBLERin UN
21 Anthony H. Cordesman
and insurgents more opportunities. Therefore Iraq has been since 2004 faced with foreign presence of insurgents and terrorist groups, attacks on key government ministries, offices, visible ‘development symbols’ like bridges, Iraqi forces and local officials. In spite of such post-conflict behavior violence has been sharply reduced.

But the fact that maintaining a security net to protect government and civil centers in the country is almost impossible cannot be ignored. Iraq is a large and diverse country with fragile society and that, in some extend, gives the terrorist and insurgent groups a way to continue with their attacks. In Cordesman’s view groups like that use large bombing incidents also to “capture the attention of both the Iraqi public and the world.” What is more, those groups have the access to all the technology and most modern equipment with which they can plan, time and cluster attacks with a minimum risk of failure.22

Since the withdrawal of the U.S. army from the Iraq and with much smaller international attention violent attacks can bring more destabilization. Each attack discredits the Maliki government in ways that “bear little proportion to the overall strength of the insurgency, and tend to push it towards attacking “Ba’athists” in broader terms that at least indirectly include more Sunnis.” To secure and prevent that new rounds of accusations and anger among political parties, opposition groups and society as such occur, Iraq’s barrier defenses should be strengthened and Iraqi forces become more effective. Rise of violence in Iraq could bring as an “end result /.../ a war of political attrition” that would undermine the government both “domestically and in terms of international support.” That would make foreign embassies and NGOs frightened and would or may leave, investors and visitors will not come, neighboring nations will question Iraq’s stability, and media coverage will make every new body count a symbol.23

2.1.2 Internal displacement

Internal displacement was a reality already under Saddam Hussein’s rule, people in Iraq were displaced until 2003 by campaigns which considered them opponents, after the fall of Saddam Hussein fighting which followed the country’s invasion between 2003 and 2005 forced more people to flee and from 2006 sectarian violence between Sunni and Shi’a militias led to massive civilian casualties and around 1.6 million new internal displaced persons. People have been internally displaced in Iraq over the years by diverse causes, in a variety of

23 Anthony H. Cordesman
locations and periods. Those displaced by the Ba’ath government of Saddam Hussein were principally from the rural Kurdish north and Shi’a south. However, the sectarian violence that broke out following the bombing of the Askari mosque in February 2006 mostly displaced people from the more urbanised centre of the country. Between 2006 and 2008 about 1.6 million Iraqis were displaced by the sectarian violence, which at its height caused over 2,000 civilian deaths per month. In 2008 estimates of the total number of IDPs, including those displaced under the Ba’ath government, ranged from 2.3 million to as high as 2.6 million. By 2011, large-scale new displacement in Iraq had ended, and new displacement was caused only by isolated outbreaks of violence. This sporadic displacement mainly affected members of minorities. Christians continued to be targeted throughout the year, and by the end of 2011, more than half of Iraq’s 1.4 million Christians had fled their places of origin. New displacement also resulted when the armed forces of Turkey and Iran shelled targets in Iraq; up to 1,350 families fled their border villages in the provinces of Sulaymaniyah and Erbil. In 2011 Iraq’s government took a decision to significantly increase the financial incentives for returning internally displaced people, after that the number of internally displaced people returning home increased to over 170,000. But violence and displacement continue to affect communities, and hopes for a durable solution remained dim. Families live in poor settlements without adequate shelter and with limited access to water, electricity, schools and health centres. Some 470,000 people reside in 382 settlements in Iraq, including 156,000 in 125 settlements in Baghdad. Many people illegally occupy land and buildings, and are at risk of eviction. The sustainability of returns and the accuracy of the government’s return figures continued to be questioned, and while the government persevered in encouraging return, about 80% of internally displaced people reported that they would prefer to integrate in the place they had fled to. This demonstrated that they had integrated to some degree in their local communities and that most were unable or unwilling to return due to legal obstacles, the destruction of their social networks there and the lack of housing. Although the overall level of violence in Iraq has declined, Iraqis still feel insecure, and the country is still more dangerous than others in the Middle East.

The UN has developed a Development Assistance Framework to coordinate its delivery of assistance from 2011 to 2014. But as the response turns to development activities, there is a risk of serious gaps in protection activities and of a failure to deliver effective assistance because of funding shortfalls. Iraq is considered a middle-income country but it

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critically lacks technical support. This new phase also ushers in numerous political challenges, as Iraq is still struggling with a system which is neither inclusive nor transparent, and a public sector which is centralised and inefficient. The rule of law remains weak, human rights violations persist and corruption is pervasive, with Iraq the fifth most corrupt country in the world according to Transparency International.\textsuperscript{25}

2.2. POLITICAL ISSUES

Political development of post-conflict Iraq faced many challenges. Iraq’s history shows huge suffering under the brutal dictatorships which led to many conflicts destroying the country. Above all, the regime of Saddam Hussein brought Iraq into misery and isolation, starting with Iraq-Iran war, the Kuwait invasion and the destruction of UN sanctions against his regime and people, and the war in 2003.

When we look into past, there has been built-up of a strong clientelism in the government since 1970s consisting of the creation of a ruling class from Sunni families around the president. This is one of the biggest obstacles for transition of the Arab autocratic regimes toward democracy. Clientelism leads to an economy that ensures economic privileges of the ruling elite and suppress economic liberalization. In this case, conflicts contribute to strengthening clientelistic structures in elite units and security forces.

Political culture of Iraq until the fall of Saddam Hussein could be characterized by concentration of all high functions to the hand of the ruler, single party, single ideology, minimal respect of human rights, and bloody change of the government. First, in 1958 after a bloody overthrow of the monarchy, dictator Qásim seized the power; in 1963 was first established Ba'athist dictatorship, since 1968 headed by General Hasan al-Bakr\textsuperscript{26}. Saddam Hussein came to power in 1979 through the use of clientelistic ties and began an aggressive foreign policy, in which he was first supported by most Arab states and also the West (against Iran in Iraq-Iran war 1980-88). But later, the international community made a stand against his regime in the Gulf War which had tragic consequences for Iraq in the form of international sanctions of the UN. Operation Iraqi Freedom was led by US and according to official statement its main goal was removing Saddam Hussein’s regime and destroying its ability to use weapons of mass destruction or to make them available to terrorists. But this claim about

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Iraq’s effort to gain nuclear weapons was based on unsubstantiated dates and according to former US ambassador to Iraq Joe Wilson, “Bush administration was using what he knew to be incorrect information as a justification for war”\textsuperscript{27}. This operation was neither legal (had no mandate from the UN Security Council) nor legitimate (the reasons of the invasion were not confirmed). There were no evidence of the existence of Iraqi weapons of mass destruction and the link between Saddam and the terrorist Osama bin Laden. Many countries were against this invasion, including China, Russia, France, and Germany.\textsuperscript{28} There was even claim that the US invasion was motivated by the state interests in this area, mainly by Iraqi oil reserves. “In the bid to eliminate Saddam Hussein, the aim was to control Iraqi oil fields, take Iraq out of OPEC, break the anti-Israeli Arab front, weaken the Saudi oil monarchy, punish that kingdom for failing to suppress radical Islamists, and provoke a grassroots demand for regime change in Iran, following the model of a newly democratic Iraq.”\textsuperscript{29}

During the Iraqi Freedom operation in 2003, not only Saddam Hussein fell, but also his power, political institutions, offices, armed forces and Iraq found itself in power vacuum. Immediately after the conflict, the country collapsed from enthusiasm of newly gained freedom into absolute chaos. Different forces were given the opportunity to loot, destroy, set fires and no one intervened. Basic services like water, electricity, hospitals did not work, people were afraid to go out.\textsuperscript{30} And among Iraqi people there started to raise resistance against presence of coalition forces in the country because they had the power but they did not use it for stabilizing the security situation and ensuring usual safe life of the citizens. Furthermore, the reason for which the invasion was launched was not proven to be correct and the claim of the US self-interest was promoted.

In this situation, the UN Security Council Resolution 1483 on May 22, 2003 recognized the United States and the United Kingdom as the occupying forces of Iraq and authorized the Coalition Provisional Authority (CPA) to lead the country through transition process until a legitimate government would be formed. The main task of CPA was to bring the country from chaos, stabilize the situation and lay the stones of liberalization.

\textsuperscript{27} Mike Hanna. ‘The connection between Iraq and 9/11’ (Al Jazeera) \texttt{<http://www.aljazeera.com/indepth/spotlight/the911decade/2011/09/201197155513938336.html>} accessed 8 December 2012

\textsuperscript{28} Jan Eichler. ‘The War in Iraq was neither legal nor legitimate’ (Center for economy and politics) \texttt{<http://cepin.cz/cze/clanek.php?ID=955>} accessed 7 December 2012


For successful reconstruction, several characteristics had to be taken into consideration. Iraq’s population is multiethnic (Arabs, Kurds, Turkmens), multi-religious (Muslims – Shiites, Sunni, Christians) thus multicultural. Iraq has second largest oil reserves in the world which increases the conflict potential and “has formed the foundation of the political economy of Iraq’s centralized authoritarianism”31. Furthermore, there is a threat of Islamism, particularly from the side of the majority Shiite Muslims who have Iran’s endorsement. They can be also hungry for revenge after many years of repression by regime connected with minority Sunni elite.32

The first task of the reconstruction is to dismantle the old power structures. In Iraq, the main step was the so called de-Ba’athification, inspired by de-Nazification of Germany after the World War II33. This process involved eliminating of the ideology, removing members of Ba’ath party from public services, punishing the high officials responsible for war crimes and violence against the population, and severing links of old regime. It was also necessary to abolish the rest of old institutions such as the Ministries of Defense, Interior, Information or special security forces.

To ensure sustainable development at all levels, there must be first the creation of effective institutions, authorities, constitution and legal system. So the next step was to build new democratic institutions which the country was not used to for a long time. The executive, legislative and judicial powers have always been in hands of one person. One of the most important issues in this building is the process of decentralization. Governmental institution should be created on three levels – national, provincial and local34. Decentralization should not only avoid the return of authoritarian government but helps also to utilize more effectively advantages of each region and to satisfy the demands of the population better. It is necessary to abide by several conditions for successful decentralization. First and most important condition is the participation of all groups of the population. Arabs, Kurds, Turkmens, Sunni, Shiite, Christians, all of them should take part on the reconstruction and development of their country. Participation should contribute to peacebuilding and ensure the cooperation among

34 Dr. John Hamre, Frederick Barton. ‘Iraq’s Post-Conflict Reconstruction’ (Iraq Reconstruction Assessment Mission) 2003
all groups in the future. Next condition is interconnection of all of the three levels – even the local units must have access to resources, be connected with national level and participate also on the constitutional process. In the past, there were also local units because of strong Iraq’s political tradition, but they were not connected with the national level, only controlled by the regime.\textsuperscript{35}

One of the main challenges was the question of post-conflict civil administration that should be discussed before an invasion. There were four options for the US: direct military rule, coalition-run civil administration, Iraqi-run civil administration and Iraqi interim government.\textsuperscript{36} State-building should be an internally driven process. It is important to involve as many local forces as possible because they know the system and society better. A very important element of reconstruction was to build a sovereign body on the national level. In the case of Iraq, a Governing Council was formed in July 2003 which could adopt decisions in area of security, finance, education and health but all its actions were connected with approval of CPA. The US preferred coalition-run civil administration from Iraqi interim government because of big contradictions among different groups. There were some efforts to form and interim government by the exile groups already before the end of the war. But big fragmentation of opposition activist who wanted to participate in the political process after Saddam Hussein’s fall becomes a serious problem. First the talks of opposition exile groups in London (2002) showed huge obstacles of mutual understanding and cooperation. Many parties were participating on the talks: INC (Iraq National Congress), Sunni-Shiite INA (Iraq National Accord), Kurds were represented by PUK (Patriotic Union of Kurdistan) and PDK (Kurdistan Democratic Party), Shiite Arabs by SCIRI (Supreme Council for Islamic Revolution in Iraq) and there was also CMM (The Constitutional Monarchy Movement). The main objective of the negotiation was to create an organ which would be the base for new government but no agreement was reached. Monarchists asked for referendum about returning to monarchy, Sunnis opposed the major representation of Shiite Arabs and Kurds although they are majority population. The next meeting which should be held for the first time in Iraq, did not take place at all because of further disagreements regarding the program, participants and also place. This shows the great inability to communicate and make compromises through the Iraqi society which turned out to be a big threat for the future development. Also the


invasion itself caused a big polarity of the society – some groups were supporters of the old regime and disagreed strictly with the US involvement into the state-building process, others welcomed western help and experience with the democratic transition.

A big threat for the political development in post-conflict countries could be also immediate direct elections. People could vote without deep consideration and with prejudice, the party which was in the old regime won most votes in the opposition. In case of Iraq, it could help Shiite Islamic majority which could threaten stable democratic system.

One of the challenges for CPA was also the constitutional process. CPA has decided to create two bodies - a political advisory council of 20-30 members and a constitutional council of 200-250 members that would create a draft constitution for approval by constitutional assembly or referendum. Again, it was really important that all groups were involved in the constitutional process.

The state building process is crucial for the post-conflict development but faces many challenges. Especially if it is led by another state whose vision may differ from vision of the future local authority. Not only political stabilization is important for a stable and sustainable development of the country. Next section outlines the challenges of stabilization of a post-conflict economy.

2.3. ECONOMIC ISSUES

Before the Iraqi war, the economy was considered to be mixed. Lot of people had worked in the private sector, although most of these jobs tended to be informal economy. Part of the population worked in agriculture, but three-quarters of the Iraqi workforce worked for the government. They were employed in the ministries, in the military or in the state-owned companies. In comparison with other Arab countries, Iraq was characterized by a high unemployment rate of women. Most of them were employed in education and agriculture. Men had the largest representation in public administration and business. But almost twenty percent of men were unemployed.

The main source of Iraqi government revenues were profits from the oil. When the embargo was imposed on Iraq, oil revenues almost stopped. The price level increased and the inflation skyrocketed. The rate of interest decreased and money saved in the banks lost their

value. Low interest rates caused the outflow of capital and consequently the Iraqi dinar depreciated. People began to deposit their cash in real estate and gold, not to lose the value. Inflation and depreciation have become a major problem in the Iraqi economy.\(^{39}\)

Economic development after the war faced many challenges. Among them has been the risk of doing business, because the poor security situation has affected it. There have been huge possibilities in Iraq business sector, but the reconstruction of the state has required large investments in areas such as defense, security, infrastructure, construction, telecommunications and oil industry. Due to the various terrorist attacks, vandalism, corruption, multiple authorities, business has been threatened. The American USAID, the European Union, the World Bank, the International Monetary Fund, the United Nations has been trying to compensate investors with the subsidies for the risk that may occur. But attracting of investors has been failing. One of the main reasons is rating. The rating from OECD was worth seven and that is the worst possible rating. Therefore, investors despite subsidies from various organizations have been afraid to invest here. This risk should be reduced as soon as possible.\(^{40}\)

Saddam during his reign brought the best technology to made Iraq self-sufficient and then Iraq closed to foreign trade, except of the oil trading. So another important challenge is a necessity to restore Iraq's foreign trade and to liberalize. Therefore all trade obstacles should be eliminated. This is not yet fully happening.\(^{41}\)

The US strategy of economic reconstruction was to invite US business to reconstruct the post-war Iraq and to make oil privatization. This strategy failed for many reasons. One of them could be the war reparations debt worth $200 billion, which made the economic and social development more difficult. Another difficulty was the US obsession with oil as the only form of economic salvation. According to some experts the agricultural sector has traditionally been the main source of revenue. The restoration of agricultural sector would lead to food security. The US strategy also failed to address macro and micro priorities which are necessary to promote development. The effect of disbanding the army, debaathification, privatization of state companies and the persisting insecurity has increased unemployment.\(^{42}\)

\(^{42}\) Sultan Barakat. ‘Post-Saddam Iraq: Deconstructing a Regime, Reconstructing a Nation‘ (Third World Quarterly, Vol. 26, No. 4/5, 2005)
On June 28, 2004 sovereignty was transferred from the United States to an Iraqi interim government and the situation in the country remained unstable. It was necessary to find out, if the reconstruction of Iraq has made any progress so far. The Center for Strategic and International Studies (CSIS) made a report indicating if the Iraqi government is ready to take charge of its country and if the reconstruction was successful. The report focused on five areas of reconstruction – security, governance and participation, economic opportunity, services and social well-being.43

In the economic area the results were following. High unemployment and the lack of economic opportunity had impact on reconstruction in other sectors. It strengthened frustration and anger among people at the occupying forces. The continuing security problems weakened oil production and export. CSIS also recommended how to deal with these problems. The U.S. assistance program should increase Iraqi involvement and ownership and provide direct assistance to Iraqi people. It should cope with unemployment crisis and provide basic services.44

In conclusion the economic issues were determined not only due to the situation before the war but also the occupying forces brought their own problems. The main challenges remain the high unemployment rate, the lack of foreign trade and local ownership.

2.4. SOCIAL ISSUES

The big challenges in post-war Iraq are social and religious issues. Iraq was at the time of the U.S. invasion in 2003, a deeply divided society which consisted of three main groups – Kurds, Sunnis, and Shiites. Kurds made up about 15-20% of the population, Sunni Arabs covered the same percentage while the majority Shiites around 60%. Sunnis, although they were a minority in Iraq, benefited from Saddam Hussein's regime at the expense of the other two main groups of Iraqi society. It was one of the factors that contributed to the escalation of mutual relations after the fall of Saddam's regime. Shiites and Kurds have repeatedly been subject to harsh Saddam's repression during which he tried to break their resistance. Most Kurds, shares Sunni Islam with Sunni Arabs, however, both entities have different languages, culture and national identity. Since the end of the first Gulf War in 1991, the Kurds experienced relatively large degree of autonomy and Kurdish path to independence after the invasion in 2003 resulted in a semi-independent Kurdish government.

Shiites have been from the very beginning of the modern Iraqi state in 1920 marginalized by Sunni minority, which gradually concentrated power and wealth in their hands. During Saddam's regime, this inequality manifested in such uneven distribution of revenues from oil sales in favor of Sunni areas, although most of the oil reserves are situated in the South, where Shiites live and in the northern areas where Kurds live. The U.S. invasion was supposed to remove all these privileges, so it is not surprising that many of Sunnis raised arms against coalition forces.\textsuperscript{45}

Due to the ethnic and religious diversity in Iraq there is a lack of sense of national unity which leads to a lot of obstacles. Two main challenges can be observed. Firstly, the problem of identity crisis and secondly, the existence of multiple identities. Immediately after the invasion the national identity became subordinate to the ethno-sectarian identities which lead to growing polarization between Shiites and Sunnis. One of the factors which caused the polarization was the process of the debaathification of Iraqi society. Most of the Sunnis have lost their jobs because they were members of the former ruling party and debaathification gradually became a key source of sectarian sentiment in the country. Estimated number of affected persons is between 20 000 to 140 000 depending on whether it includes only employees of government or intelligence officials and military officers. Another problem was the decision of The Coalition Provision Authority to dissolve the Iraqi army and security forces. This regulation was not preceded by any disarmament measures, demobilization or reintegration of their members. The result was roughly 400 000 militarily trained, armed and angry men. The army has been seen by the majority of the population of Iraq (except the Kurds) as a truly national, ethno-sectarian neutral institution that is inherently connected with the history of Iraq and which embodies the sovereignty. Former soldiers (Sunnis and Shiites) represented ideal recruits for the rebellion and many of them have been involved. Apart from the security issue, there was also a significant economic dimension. Members of the army represented about 7\% of the workforce in the country so after the dissolution of the Iraqi army 2, 5 million people remained without a source of income.\textsuperscript{46}

In conclusion the social and religious issues were determined not only by the situation before the war but also the occupying forces brought their own problems. The main challenges remain the deeply divided society, lack of sense of national unity, growing polarization between Shiites and Sunnis and the ethno-sectarian identities.

\textsuperscript{45} Martin Janečka. \textit{Role OSN v írácké krizi v období 2002 – 2007}. (Charles University, Prague, 2012)
\textsuperscript{46} Naďa Aliová. \textit{Budování Íráku po roce 2003}. (Univerity of Economics, Prague, 2012)
3. DEVELOPMENT PROGRESS TILL NOWADAYS

Nowadays, after more than 9 years from toppling of Saddam Hussein and after the withdrawal of American troops, we can evaluate the developing process.

At the beginning, the political process was running relatively successfully – CPA and Governing Council (GC) adopted in 2003 Transitional Administrative Law which became the highest legislative text until the adoption of new constitution in 2005 (approved in referendum by 79 percent). In June 2004 a new Iraqi Interim Government (ICG) was formed in which every ethnic and religious group was represented. Parallel to the ICG was formed also Interim National Council which controlled ICG. In January 2005 elections for 275 members of Interim National Assembly took place, the victorious party become Shiite United Iraqi Alliance. Former members of Ba’ath party and members of security forces of Hussein’s regime were expelled. The first president became Jalal Talabani, head of Iraqi Transitional Government which transferred the power to the first permanent government after a year. In 2006 elections to the provincial units and to the parliament of autonomous Kurdistan also took place. Problems appeared by the next parliamentary election, when the first three strongest parties became Shiite. The election was called into question by Sunni Arabs as well as next elections, but accusations were never confirmed. Even though Shiite parties won, they didn’t get the two thirds needed majority and cooperation with other groups failed because of disagreements regarding engagement of highest governmental functions, mostly of Prime Minister. These disagreements were solved first after carefully considered appointment of the cabinet members, especially of heads of the country’s three top security ministries, so that the demands of the parliament’s Shiite Muslim, Kurdish, Sunni Arab and secular factions would be satisfied. Then, minister of defense became Sunni and minister of interior and national security Shiite. Till nowadays there are continuing conflicts between these two groups in the government and also in the society. The conflicts became even violent in form of often bomb attacks and led to civil war in 2006, 2007. Nowadays, the security situation is better but still not stable; there are many violent attacks every month. Surprisingly, the Kurd’s semiautonomous region is nowadays the most relatively peaceful and stable area of Iraq. Kurdish issue is the main element that influences Iraqi relations with Turkey. Establishment of Kurdish autonomous region with an elected parliament raised in Ankara fears that Turkish Kurds will demand the same. Furthermore, the fall of Hussein’s regime led to activation of

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the efforts of Shiites and Kurds to gain share of power at the expense of dominant Sunni. Sectarian violence resulting in civil war caused exodus of Iraqi people inside Iraq but also to the neighboring countries. Today, Turkey is a strong trade and investment partner and its occasional interventions against Kurdish separatist bases on Iraqi territory have yet not caused stronger reactions of Iraqi government. In regard to Iraq’s relations with other countries, there should be noted improvement of relations with Iran, especially due to the Shiite majority government.

There were some mistakes made by the coalition powers which influenced the future development. Foreign troops failed immediately after the fall of Hussein when the country fell into total chaos, when no security forces worked, violence rise. There were no plans how to deal with this situation; the troops were exercised for war not for peace ensuring. No local police, no trusted Iraqi military.

The next mistake is connected with the process of Ba’athization. The destruction of its links was incomplete; Ba’ath party was not only political party but a huge social network connecting many tribes. The links stayed and many members who were accused of criminal crimes, even genocide, were not punished because of lower rank. Still we can see that former members try to infuse into government. For example during parliamentary elections in March 2003 around 500 candidates connected with Ba’ath party or Hussein’s security troops were expelled.

There is also the question, whether the abolishment of all state agencies was necessary because suddenly, hundreds thousands people lost their jobs. Probably a transformation of these agencies would help also to deal with the security situation.

By the process of new political institutions development appeared many problems. Decentralization was made but the three levels were not properly connected. Establishment of GC faced many challenges, in Iraq society the process was condemned because GC composition corresponded to a simple division of the population into three blocks but didn’t reflect division into social classes or ideological groups. Furthermore, GC served more as an advisory body than a governmental institution.

Constitutional process was accompanied by ideological disputes; Shiite Ayatollah Sistani even issued a fatwa that declared the illegality of the Constitution built by the coalition

forces. Finally they agreed and the constitution was approved in a referendum. Nowadays Iraq is defined as a federal republic with parliamentary democracy and Islamic law is the main source for legislative.

Liberalization of political order was necessary accompanied by liberalization of economy. Building market economy was not an easy process as expected. It required privatization, deregulation of financial sector and rising incentives for foreign investments. However, oil revenues still don’t meet the needs of other sector costs, particularly government and social services. Despite the help of international institutions for example the World Bank, the Iraqi indebtedness is still a big problem.

Social issue reflects particularly the diversification of Iraqi society and its inability of consensus and agreements. It was visible also by the attitude toward coalition forces. Several violent groups were established to attack peaceful, institutional politics. During constitutional process the society became polarized on two blocks and one of them was created by Shiite Islamist against the rest.

Generally, we can evaluate the developing process as rather unsuccessful. As Ned Parker writes in his article for Foreign Affairs，“Iraq is now close to a failed state, the present regime of Nouri al-Maliki is corrupted, using security and military forces to repress enemies, the state is not able to provide basic services, unemployment among young men hovers close to 30 percent, the society is divided between Sunni and ruling Shiite.”

CONCLUSION

It is a struggle for effective governance, economic security and development, and to establish the rule of law. It is also a struggle to find a workable approach to revitalizing Iraq’s petroleum sector, which is its only near term way of financing the Iraqi state, and creating the patterns of investment that can both develop the country and help unify it. It is a struggle to find security in dealing with neighbors like Iran, Syria, and Turkey, and to create a strategic

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partnership between Iraq and other countries that would help to foster Iraqi development without compromising Iraqi sovereignty.

The process of political development faced many challenges. First, there was a foreign body controlling and managing this process with limited cooperation with local Governing Council and that caused serious polarization of society. Furthermore, there were many challenges connected with the character of the society as multi-religious and multi-ethnic setting, with history political culture as decades of totalitarian regime, command economy and long time of suffering. The main task of the Coalition Provision Authority was to bring the country from the chaos and stabilize it politically, economically and socially. First, it was necessary to … the old structure and links inside the Baath party, then create new institutions at three levels and by …very important was the princip of decentralization to avoid reestablishing of dictatorial regime and the princip of participation of all groups of the society to avoid conflicts between them and bring them to cooperation. This all by the international condemnation of whole operation which was neither legitimate nor legal.

Unfortunately, the development process until nowadays could be seen more as unsuccessful. The political process showed progress at the beginning: interim government was established and brought the country to the first free parliamentary elections and constitution. But the fragmentation of the society caused many conflicts between the groups, especially between Shiite and Sunni Muslims. It led even to the civil war in 2006 and 2007. The security situation is better now but after withdrawal of American troops, the country remains in political instability.

Parallel to the political development was under way also the process of economic stabilization and liberalization. It was a very difficult task if we take into account that the economy was completely destroyed by several conflicts and extensive sanctions. It required huge investments in many areas. The biggest world organizations such as The American USAID, the European Union, the World Bank, the International Monetary Fund and the United Nations tried to compensate investors the risk and security instability but did not succeed. Furthermore, it was necessary to restore Iraq’s foreign trade after years of isolation, carry out oil privatization and total liberalization.

The process of social and religious stabilization was determined by many challenges. Some decisions of the occupying forces such as process of the debaathification or the dissolution of the Iraqi army and security forces brought more instability and polarization among Iraqi population. The main challenges remain the deeply divided society, lack of sense
of national unity, growing polarization between Shiites and Sunnis and the ethno-sectarian identities.

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