

Democracy in the Arab World

Explaining the deficit

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Oil and conflict in a historical and socio-political context

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1. Introduction

This chapter examines the relationship between development and democracy in Iraq. We examine in particular the two variables that Elbadawi and Makdisi posit as critical in explaining the 'Arab democracy deficit'. The first variable emphasizes the pervasive impact of war and conflict in the Arab world as an impediment to democratic rule, while the second argues for the negative impact of oil wealth, understood as 'rentierism' (Elbadawi and Makdisi, 2007). Here, we survey and analyse trends in economic growth and development over the past half-century, and evaluate trends in democratization and political rights. We then assess the effects of oil, notably in relation to the theory of the rentier state, and the impact of war – especially the Iran–Iraq war (1980–8) and the Gulf war of 1991 – on democratization. If considered in isolation, oil and war possess only limited ability to explain why Iraq has not experienced greater democratization, so we attempt to expand the Elbadawi–Makdisi model. We conclude by offering a number of supplemental hypotheses, such as the manner in which the Iraqi nationalist movement of the pre-Ba'athist era and the political economy of identity have intersected with the two variables emphasized by the Elbadawi–Makdisi model. By placing the model in a larger context, we seek to enhance its ability to account for the lack of democratization in Iraq.

We frame our analysis of Iraq by posing two main questions. First, what is the relationship between economic growth and democracy? Is there a certain level of GDP that must be achieved before democratization can occur? Further, once a substantial level of economic growth has been achieved, does that promote the consolidation of democracy? Second, does democracy foster economic growth? Are technological innovation and entrepreneurship possible if subject to the whims of authoritarian rulers? Given that all economic activity entails a certain level of uncertainty, why would economic actors expose themselves to further risk if the 'rules of the game' are constantly subject to change?

Early social science literature asserted that there is a positive effect between economic growth and democracy. The classic 'Lipset hypothesis' (Lipset, 1959) states that there is a direct relationship between rise in GDP and democratic governance. In a more recent formulation, Przeworski *et al.* (2000) tested Lipset's

hypothesis and discovered that nation-states that maintain a median annual income of at least US\$5000 are likely to sustain democratic rule.

At the same time, observers have noted that a number of relatively poor nation-states below the threshold suggested by Pzeworski *et al.* have been able to meet the minimum requirements of democratic rule since the fall of communism. The abilities of states such as Mali, Ghana, Bolivia and others to pursue a democratic agenda challenges the hypothesis that democracy requires a certain level of economic prosperity before it can take hold.

Iraq challenges the Lipset model in a different respect. Between 1970 and 1980, Iraq achieved a very high level of economic growth and development through a twentyfold increase in oil revenues. By 1980, it had established the most advanced health care system in the Middle East, dramatically expanded the national education system, and electrified much of the rural sector. Nevertheless, there was an inverse correlation between economic growth and prosperity on the one hand, and democratic change on the other. As the 1970s progressed, political repression increased, especially after Saddam Husayn¹ ousted President Ahmad Hasan al-Bakr in August 1979 and asserted total control over the Ba'athist regime. Although economic growth continued through the early years of the Iran–Iraq war, we demonstrate here that the Iraqi economy actually contracted, even though there was continued improvement in some development outcomes – notably health and education – while political repression intensified as Saddam built what one Iraqi analyst has termed the ‘family-party state’ (*dawlat hizb al-usra*) (Abd al-Jabbar, 1995).

Clearly, the Iraqi experience does not substantiate the Lipset hypothesis. However, when discussing economic growth in Iraq, an important qualification needs to be made on the problematic nature of treating the concept in a one-dimensional manner. Economic growth and development have been almost entirely based on oil wealth, pointing to the rentier quality of the Iraqi economy. It is well known that rentierism has been associated with authoritarian rule. The basic hypothesis argues that the state's ability to derive rents from the sale of commodities in high demand allows it to circumvent the populace at large as a source of revenues, while likewise ignoring pressures for political reform and change.²

While the rentier state hypothesis may help explain the lack of democratic change during the 1970s, it raises more questions than it answers. First, oil was discovered in Iraq in the 1920s. Is it then possible to speak of Iraq as a rentier state prior to the 1970s? Second, how and when did the rentier state come into being, and what were the conditions that led to its decline? Third, which social and political elites controlled the rentier state? How were they able to acquire control of the state? Fourth, why have some rentier states, for example, the Arab Gulf oil producers, developed a more benign form of rule in contrast to the highly repressive quality of the Iraqi Ba'ath? Why have other nation-states that are major oil producers, such as the United States, Canada, Norway and the United Kingdom, not developed authoritarian rule? What explains the variation between oil wealth and forms of political rule?

One argument highlighting the need for a historical analysis suggests that a critical variable is the extent to which a particular society had already developed a functioning civil society, the rule of law, democratic institutions and diversified economies, prior to the discovery of oil. The United States, Canada, Norway and the United Kingdom were all well established democracies at the time when oil became a significant part of their respective economies. Thus ‘history matters’ when invoking the rentier hypothesis. In other words, the hypothesis has the potential to lose validity if divorced from the specific historical context of the nation-state to which it is applied.

Finally, rentierism has not always immunized the state from popular pressures, as the overthrow of the Pahlavi regime in neighbouring Iran demonstrates (Davis, 1991: 10, 13). It can also be argued that rentierism can undermine the state by creating an illusory sense of power, such as that which led Saddam Husayn's Ba'athist regime to initiate two devastating wars that ultimately led to its demise. Under what conditions does rentierism strengthen authoritarian rule, and under what conditions does it undermine it? In short, how do we avoid the static quality and a historical quality that is often inherent in the use of the concept of rentierism?

2. Democracy and economic growth in Iraq

When studying the relationship between democracy and development in Iraq, insights can be gained from the extensive literature that examines whether democracy (or authoritarianism) promotes or hinders development or economic growth.³ Initial skepticism in development economics about whether developing countries could ‘afford’ democracy – often viewed as a costly luxury – has been replaced with the growing realization that there is little empirical evidence to suggest a robust relationship (either positive or negative) between forms of political rule and economic growth. In other words, the effect of democracy on growth in per capita income or development is contingent, weak or indeterminate.

Nevertheless, as suggested by the Lipset hypothesis, there is a statistically robust correlation between the existence of democracy and certain ‘modernization’ variables, such as per capita income, as well as education, health care and other indicators of development (Lipset, 1959). In particular, rising incomes per capita tend to generate increased demand for democratization and promote the development of civil society.⁴ Although Elbadawi and Makdisi recognize that theorizing how precisely these indicators promote democracy is somewhat tenuous, they use the hypothesis as a platform for a thorough econometric study that explores the factors that account for the ‘Arab democracy deficit’ (Elbadawi, Makdisi and Milante, 2006). They conclude that oil and regional conflicts are the main explanatory factors for the lack of democratic governance in Arab countries.

3. Trends in economic growth and income distribution

Income per capita rose steadily in Iraq between 1950 and 1980, but declined thereafter. In fact, incomes collapsed (Yousif 2001, 2007) after the Gulf war of

1991 when economic sanctions limited the export of oil. The Oil for Food Program, starting in 1998, revived Iraqi exports and consequently improved incomes in the late 1990s. However, as we shall see, GDP statistics no doubt overstated the extent of the recovery of the late 1990s.

Although the time series of GDP estimates (in 1990 prices) are unavailable for the period before 1970, there is good reason to believe that incomes increased between 1950 and 1970. According to calculations made by K. G. Fenelon, per capita national income (in 1950 prices) increased from Iraq Dinar (ID) 32 in 1950 to ID 49 in 1956 (Central Statistical Organization, 1970: 17). Our own calculations indicate that per capita GDP (in 1975 prices) increased from ID 675 in 1960 to ID 885 in 1970 (Yousif, 2001:79).⁵ Per capita GDP estimates are presented, along with estimates of oil output and value added in the oil sector, in Table 8.1,⁶ and show that GDP per capita doubled between 1970 and 1980. However, with the onset of the Iran–Iraq war (1980–8), there was a sharp reduction in oil exports, which recovered only very slowly in a decade of declining oil prices. The result was declining per capita income after 1980.

The state attempted to insulate the public from the decline in incomes during the 1980s by the continued subsidization of food as well as education and health services, in part through massive borrowing (Yousif, 2001). Consequently, according to the UN,⁷ household consumption continued to increase during the 1980s, while human development outcomes continued to expand (sometimes at an unreduced pace).

Table 8.1 Per capita GDP, oil output and value added in the oil sector

Year	GDP per capita, in constant (1990) US\$	Oil output (million barrels / day)	Value added to oil sector, as percentage of value added in all economic activities
1950	n.a.	0.14	n.a.
1955	n.a.	0.07	n.a.
1960	n.a.	1.0	41
1965	n.a.	1.3	37
1970	898	1.5	32
1975	1161	2.3	50
1980	1749	2.6	61
1985	1152	1.4	24
1990	1244	2.1	15
1992	504	0.5	15
1995	532	0.7	15
1998	882	2.2	68
2000	998	2.8	83
2002	924	2.1	70
2003	501	1.4	68
2004	714	2.1	71

Sources: Oil output, OPEC (2006): 56. Per capita GDP and value-added estimates, calculated from United Nations, National Accounts Main Aggregates Database, and United Nations (1979): 448.

Yet the government was powerless to insulate the public from the collapse of incomes in the 1990s. The Gulf war in 1991 destroyed much of the economy's infrastructure, while economic sanctions prevented its reconstruction. The economic sanctions prohibited the export of oil, which paid for imports of food, medicine and capital equipment, and which financed most of the state's recurrent expenditures and almost all of its capital expenditures. Consequently, the state withdrew from providing many of the benefits to which Iraqis had become accustomed during the 1970s and early 1980s, concentrating only on those that it deemed essential for survival, such as the food rations programme.

The elevated estimates of per capita GDP in the late 1990s probably overstate the extent of economic recovery. Increased volumes of exported oil under the Oil for Food Program were registered to reflect expanded GDP, but this recovery did not signal a notably enhanced capacity to rebuild or expanded domestic expenditure. Under the programme, revenues generated from the sale of oil could not be spent domestically, while the UN Sanctions Committee tightly controlled imports. Fearing their use for military purposes, the Committee regularly interrupted imports of machinery. Thus, from the start of the programme until October 2000, 15 per cent or \$2.4 billion of the requested imports were placed on hold (Cortright, Millar and Lopez, 2002: 205). As imports were often used in combination with each other, the effect of this delay was more serious than the numbers suggest. If the GDP estimates for the late 1990s are accurate, they nonetheless indicate that average living standards in 2000 had not recovered to the levels of 1990.

Even if correct, these estimates give an indication of average per capita income but may conceal deterioration in income distribution. That is, even if average incomes remain the same, the income of the average Iraqi may have declined if income distribution became more unequal. Income distribution improved until the 1970s but almost surely deteriorated thereafter, especially during the 1990s. Among the factors that account for the improvement in income equality before 1980 are: land reform, enacted shortly after the 1958 revolution that overthrew the monarchy, which redistributed land to the rural poor; and the expansion of the public sector, where wage and salary differentials were deliberately curtailed.

As a result, in 1971, the Gini coefficient of income inequality, reported in Table 8.2, was 0.36 for households (0.26 for individuals), when the data are adjusted to include in kind income. This level of income inequality compared favourably with those in many developing and some developed countries.⁸ However, although the data are unavailable to support this contention, income distribution likely deteriorated in the 1990s. The incomes of the majority of the population, including those of Iraq's once large urban middle and working classes, were effectively destroyed by hyperinflation, which wiped out their savings. Skilled professionals were, for the most part, either reduced to penury or emigrated. Meanwhile, an emerging class of *nouveaux riches* – composed of Sunnis and Shi'a, Arabs as well as Kurds, with ties to the regime – benefited greatly from business activities that were legal and often illicit, particularly oil smuggling (Marr, 2000; Davis, 2007).

The picture of Iraqi development that emerges is one of improving levels

Table 8.2 Indicators of income inequality

Year		Ratio: bottom 40% to top 20%			Gini coefficient		
		Country	Urban	Rural	Country	Urban	Rural
1971	Households						
	Cash	15.9 : 47.1					
	Adjusted	18.3 : 44.1	17.7 : 44.6	19.4 : 42.2	0.36	0.37	0.34
	Individuals						
	Cash	20.8 : 40.7					
	Adjusted	23.9 : 37.3			0.26		
1975	Households						
	Adjusted				0.37	0.34	0.40

Sources: Issa (1979): 123–134; Hummadi (1978): 169.

and distribution of income until 1980 and, thereafter, deterioration. Incomes collapsed in the 1990s, ruining Iraq's once vibrant middle and professional classes, although incomes recovered somewhat later in the decade. Because income distributions deteriorated during the 1990s and GDP estimates likely overstate the level of income later in the decade, the average Iraqi's standard of living in 2000 is unlikely to have recovered to its 1970 level.

4. Trends in human development

The limited utility of per capita income as the main yardstick with which to measure development has been extensively discussed in the development literature.⁹ Iraq presents yet another illustration of the lack of correspondence between the trends in per capita income and human development outcomes. These outcomes continued to expand despite the decline in per capita incomes during the 1980s, but were unable to withstand the economic collapse under sanctions. As shown in Table 8.3, child and infant mortality decreased rapidly from 1960 to 1990, as nutrition levels, expressed in caloric consumption, increased markedly. It may be that improvements in health outcomes would have been even more rapid were it not for the urban bias and emphasis on curative, rather than preventive medicine, which was historically prevalent (not only in Iraq but in most developing countries). It is notable that the advance during the 1980s occurred in the context of declining real expenditures by the government on health, necessitated by war austerity and facilitated by greater reliance on relatively cheap preventative techniques. For example, immunization rates for tuberculosis, diphtheria, polio and measles increased sharply during the 1980s.¹⁰

In the education sector, adult literacy rates rose gradually from 18 per cent in 1957 to 47 per cent in 1977, reaching 73 per cent in 1987. The latter jump was mostly the result of the state's adult literacy programme of the late 1970s (Yousif, 2001: 129). Meanwhile, primary enrolment increased from 48 per cent in 1960, reaching near universal levels in the 1980s, and enrolment in secondary and higher education likewise increased (Yousif, 2001: 132–7). This was achieved largely

Table 8.3 Select human development indicators

Year	Daily caloric consumption in Kcal (provided by ration)	Registered births under 2.5 Kg (%)	Child mortality rates; per '000	
			Under five	Under one
1960	2012*	n.a.	171	117
1970	2256	n.a.	127	90
1980	2677	n.a.	83	63
1990	3150	4.5	50	40
1991	2310 (1300)	10.8		
1992	2270 (1770)	17.6		
1995	2268 (1093)	22.1	117	98
1996	2277 (1295)	22.6	126	97
1997	2463 (2030)	23.0		
1998			125	103
1999	(2150)		126	102
2002	(2215)		125	102

Sources: Garfield and Waldman (2003): 9, 17; Garfield (1999); Pellet (2000): 161; UNICEF; Yousif (2001): 179.

Note

* 1961–3 average.

through heavy state expenditure on education, which reflected the commitment of successive republican administrations to social justice and welfare. In real terms, state expenditures on education more than doubled between 1955 and 1959/60. Similarly, expenditures on education increased sharply during the 1970s and, much like other social expenditure, declined somewhat during the austerity of the 1980s.

The destruction of the nation's infrastructure and economic sanctions that were imposed after the 1990 invasion of Kuwait, in effect, until the beginning of the US occupation in 2003, reversed the trajectory of these achievements. The prohibition on oil exports generated a severe shortage of foreign exchange, which resulted in a sharp rise in the prices of imported commodities, including imported food and medicine, relative to domestic assets (Gazdar and Hussain, 2002). The state's rations programme probably averted a famine, but provided only a portion of caloric requirements. With much of the electricity generation capacity destroyed, water treatment and sanitation capabilities were degraded, resulting in the proliferation of water-borne diseases, to which children, especially malnourished infants, were vulnerable. As Table 8.3 shows, infant mortality more than doubled during the 1990s. According to an authoritative estimate, sanctions resulted in 227,000 extra deaths among children – that is, deaths which would not have occurred without sanctions – from August 1991 to March 1998.¹¹ This caused two UN humanitarian coordinators for Iraq to resign in protest at the continuance of this lethal regime of sanctions.¹²

While the Oil for Food Program, implemented in 1998, partly alleviated malnourishment – chronic malnutrition rates increased from 18.7 per cent in children under 5 years of age in 1991 to 32 per cent in 1996, but declined to 30 per cent in 2000 and to 20.1 per cent in 2002 – (Garfield and Waldman, 2003: 9–10),

it was unable to reduce infant or child mortality. The Oil for Food Program was too small to allow meaningful rebuilding of the health and sanitation infrastructure, which had collapsed by the late 1990s. The Aga Khan's UN-commissioned report on Iraq's humanitarian needs in 1991 estimated that \$6.8 billion per year was required to provide for a 'greatly reduced level of services' (Gazdar and Hussain, 2002). The Oil for Food Program provided for only a fraction of this requirement. Iraq's inability to import medical equipment and supplies, combined with the failure to retain vital staff such as physicians and nurses, many of whom emigrated, severely compromised the public health and sanitation systems. Diseases brought on by the consumption of contaminated food and water, and amplified by malnutrition, could neither be prevented nor cured.

5. Democratization, human rights and conflict

According to the modernization hypothesis the growth in income and enhanced human capabilities experienced in Iraq before 1980 would be expected to encourage democratization and the growth of civil society. In this section, we study whether this prediction materialized, as we evaluate the evolution of democratization and human rights in Iraq. In assessing democratization in the Arab world, Elbadawi, Makdisi and Milante (EMM) compare the actual polity score, an indicator of political democratization, for each Arab country with the country's polity score in the previous year, and the polity score that would be expected given the country's income and human development levels (i.e. modernization as described in EMM). Also, EMM compute a 'predicted polity without oil effects', which assumes oil exports to be zero, and a 'predicted polity without Arab war', which assumes there were no wars in the region (Elbadawi *et al.*, 2006). The results

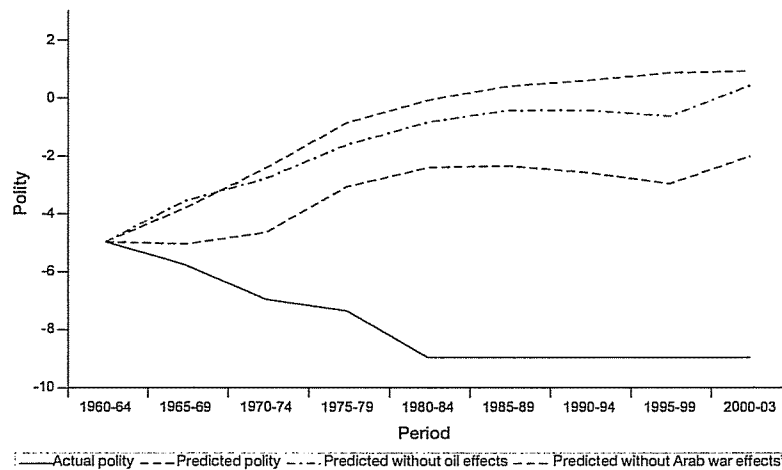


Figure 8.1 Actual and predicted levels of democratization in Iraq.

Source: Elbadawi, Makdisi and Milante, 2006.

for Iraq are shown in Figure 8.1 and indicate that, as with other Arab countries, Iraq's polity score is below what one would expect given the country's levels of income and human development. According to the model, in a world without oil or regional wars, Iraq's polity scores would be higher still.

EMM do not discuss in detail the theoretical mechanism(s) through which oil and war stifle democratization. There is, however, a large body of literature on the rentier state to support their conclusions. According to Beblawi, the rentier state is characterized by a small minority of the population generating wealth, while the majority is engaged in its distribution, and where economic rents accrue largely to the state (Beblawi, 1987: 85–98). As these rents substitute for taxation in government finance, governments are released from accountability, so much so that the state may become independent of society (Anderson, 1987). Similarly, Luciani argues that the lack of taxation hinders the development of solidarities along economic lines (Luciani, 1990). Economic rents also augment the state's capacity to co-opt and/or repress political opponents (Wiktorowicz, 1999). Thus, whichever version of rentierism one finds convincing, the consensus is that natural resource rents have a negative influence on democratization.

6. The Humana Index

This discussion of rentierism raises questions on how democratization, freedoms and rights have evolved in Iraq and what insights the study of these factors reveals about the impact of oil and wars. In this regard, we are interested in assessing the process of democratization through a study of the expansion of freedoms and rights, rather than through a focus on political parties and regular elections. To track the evolution of these rights and freedoms, we apply the Humana Index (Humana, 1986), an index of human rights, political freedom and governance, to three points in Iraq's history: the monarchy, from 1947 to 1948; the 'Abd al-Karim Qasim government between 1958 and 1960; and the Ba'athist regime during the first part of the 1980s. This choice of periods is not arbitrary, but represents difficult periods for the regimes in question, thus facilitating a comparison across time. The period 1947–8 was a time of domestic agitation against the proposed Portsmouth treaty with Britain, and in 1958–63 the Qasim regime was under attack from its Arab nationalist and conservative opponents. In the early to mid-1980s, the Ba'ath regime was engaged in a costly and unpopular war with Iran, which forced it to implement cutbacks in its capital and social spending.

Another advantage of choosing these three periods is that information about rights and freedoms is relatively abundant. The index is calculated from responses to 40 questions related to freedoms, rights and governance, with the scores for each period.¹³ The first six questions are rights or freedoms pertaining to freedom of movement and the flow of information. The next 12 questions are concerned with the extent of the state's use of various forms of coercion. Ten questions attempt to capture the rights or freedoms of political opposition as well as the extent to which various rights are available to women and minorities. Seven questions address the extent to which basic juridical rights are respected. The last five

questions examine the extent to which one may exercise personal freedoms that may run counter to the values of society as a whole. Some of these questions are not utilized in the application of this index to Iraq. Eight rights¹⁴ are excluded because there is too little information for a comparison through time. Rights concerning the position of women¹⁵ are excluded from this index, because a discussion of these rights warrants a separate, detailed study. However, a correction to the possible distortion that this exclusion creates is made below. In total, 11 rights or freedoms are excluded from the calculation of the Humana Index as it applies to Iraq.

Arguably, not all the freedoms or rights in the Humana Index are equally important. For this reason, the Humana Index gives greater weight to certain rights, corresponding to questions 7 to 13 in the index. 'Freedom from': serfdom, slavery or child labour; extra-judicial killings or disappearances; torture or coercion by the state; compulsory work or conscription of labour; capital punishment by the state; indefinite detention without charge; and court sentences of corporal punishment are given three times the weight.¹⁶ Four possible scores are possible for each question, with a maximum of 3 and minimum of 0. The scores for questions 7 to 13 in the index are multiplied by three to reflect the greater weight attached to the rights that correspond to these questions, therefore the maximum score that a single one of these weighted questions is able to receive is 9 (3 × 3). Since there are six weighted questions (one weighted question is excluded from the index because of lack of information), the maximum number of points possible from the weighted questions is 54 (9 × 6). The 23 remaining questions each receive a maximum of three points. Thus, the maximum number of points possible from these non-weighted questions is 69 (3 × 23), and the maximum attainable score is 123.

The results of the Humana Index, computed by dividing the total score received by the maximum possible score, are presented in Table 8.4. This table indicates that rights and freedoms were upheld most under the Qasim regime between 1958 and 1960, less so under the monarchy in 1947–8, and least under the Ba'athist regime in the early 1980s. The overall scores of this index, which excludes the questions concerning the rights of women and those questions for

Table 8.4 Results of the application to Iraq of the Humana Index (score, %)

Category	1947–1948	1958–1960	Early to mid-1980s
All included questions	45	53	14
Weighted rights (Questions 7 to 13)	33	44	17
Rights of movement and information (Questions 1 to 6)	67	73	20
Freedom from coercion (Questions 7 to 18)	38	46	20
Freedom of opposition (Questions 19 to 28)	42	54	0
Juridical rights (Questions 29 to 35)	33	33	0
Personal rights (Questions 36 to 40)	50	50	50

which information is lacking, were found to be 45 per cent, 53 per cent and 14 per cent for the periods 1947–8, 1958–60 and the early to mid-1980s, respectively.

With one exception the pattern of the scores given above is the same in each category. For example, for the weighted questions, the results are 33 per cent, 44 per cent and 17 per cent for the noted periods, and for the questions about the freedom of opposition, the results are 42 per cent, 54 per cent and 0 per cent respectively. Only the results of the questions concerning personal rights deviate from this pattern, at 50 per cent for each of the periods. In this category only two rights were examined, as other rights were excluded for lack of information. The results may be biased, as they exclude the rights or freedoms of women and those rights about which not enough is known. Further, one might argue that the low overall score for the early 1980s can be explained by the ongoing Iran–Iraq war, because governments are often forced to restrict liberties or violate rights in time of conflict. If so, the score for this period will be biased downward compared to the periods 1947–8 and 1958–60, when the country was at peace.

We attempt to correct for these possible biases. First, the exclusion of rights, about which not enough is known, is unlikely to bias downward the overall score for 1982. Table 8.5 shows the questions omitted for lack of information, along with the score received for each period. Six of the eight questions omitted for this reason receive a score of 0 for the early 1980s; no information at all is available regarding the last question. It is therefore unlikely that these omitted questions introduced a downward bias to the score for the last period. Only on one omitted question (namely the freedom to use contraceptive pills or devices) does the early 1980s score the maximum three points. This may cause a slight downward bias in the overall score for this period, but is corrected in the table.

Second, to correct for bias, the three questions regarding the status of women and the question concerning the freedom to use contraceptive pills and devices will each be given the maximum score of three for the last period and the minimum score of 0 for the two other periods of 1947–8 and 1958–60. Of course, these freedoms and rights existed to some extent in the earlier periods but we assume nonetheless that they were absent. We do this to remove the possibility of

Table 8.5 Score for questions omitted for lack of information

Question	1947–1948	1958–1960	Early to mid-1980s
5. Monitor human rights violations	n.a.	n.a.	0
13. Court sentences of corporal punishment	n.a.	n.a.	0
26. Independent radio and television networks	n.a.	n.a.	0
31. Free legal aid and counsel of own choice	n.a.	n.a.	0
34. Freedom from police searches of home without warrant	n.a.	n.a.	0
35. Freedom from arbitrary seizure of personal property	n.a.	n.a.	0
39. Freedom to use contraceptive pills or devices	n.a.	n.a.	3
40. Freedom to practise homosexuality	n.a.	n.a.	n.a.

a bias against the score for the last period, although this modification will likely create a bias in the other direction, against the scores for the earlier periods.

Third, modifications that correct for the Iran–Iraq war during the early to middle 1980s period are also made. The modification envisioned here is to examine the 29 rights in August 1980, one month before the outbreak of war with Iran. Only three rights are affected: the rights to travel inside one's own country, the right to travel outside the country and freedom from compulsory work or conscription of labour. Only a few rights are affected because the policies that are typically enforced under war conditions, such as press censorship, were already in practice in Iraq by 1980.

Although travel inside Iraq in 1980 was generally unrestricted, travel outside the country, while restricted, was not banned until 1982. Travel abroad was generally restricted to two trips per year, except for some persons in the armed forces and security services for whom travel was prohibited. Exit visas were required for those who travelled outside the country. Further, while there was no compulsory conscription of labour in 1980 as there was later, it was difficult for government employees (who formed a large part of the labour force) to leave their jobs, because the required official approval was not easily obtained. Therefore the questions regarding these rights, namely the right to travel in one's own country, to travel outside one's country and freedom from compulsory work or conscription of labour will receive scores of 3, 2 and 2, respectively, for 1980 instead of the scores corresponding to the early to middle 1980s.

Finally, there are rights that the Humana Index does not consider, at least two of which are relevant to Iraq. These include the freedom from collective punishment, and the intensity of the use of the death penalty – not merely if it exists or not. In general, freedom from collective punishment was respected under the monarchy and the Qasim government, but was violated under the Ba'athist regime. Moreover if, as the Humana Index assumes, capital punishment is a violation of rights (namely the right to life), then the more frequent its application, the greater the violation of rights. The death penalty was in existence in all periods under question, but both the number of capital offences and the intensity of their application increased dramatically beginning in the late 1970s (Yousif, 2001). Accordingly, freedom from collective punishment will receive scores of 3, 3 and 0 for the periods 1947–8, 1958–60 and the early to mid-1980s respectively, while the intensity of use of the death penalty will receive scores of 2, 2 and 0 respectively. These rights will receive the normal weight, and will be evaluated in addition to the existing 29 rights, not replacing any existing questions in the index. There will thus be a weighted question regarding the existence of the death penalty and another non-weighted question regarding the frequency of its application. The modifications are summarized in Table 8.6.

These modifications have a limited impact on the results, as shown in Table 8.7. Modification 1, concerning the rights of women, yields the following results: 41, 48 and 21 per cent for the periods 1947–8, 1958–60 and the early to mid-1980s. The second modification to the index, regarding the conditions of war, yields the following overall results: 45, 53 and 20 per cent, respectively. When

Table 8.6 Proposed modifications to the Humana Index

Question	1947– 1948	1958– 1960	Early to mid-1980s	1980
<i>Modification 1</i>				
21. Political and legal equality for women	0	0	3	
22. Social and economic equality for women	0	0	3	
37. Equality of sexes during marriage and in divorce	0	0	3	
39. Use of contraceptives	0	0	3	
<i>Modification 2</i>				
1. Travel in own country	2	3	1	3
2. Travel outside the country	3	3	0	2
10. Compulsory work or conscription of labour	2	3	1	2
<i>Modification 3</i>				
Freedom from collective punishment	3	3	0	
The intensity of use of death penalty	2	2	0	

Table 8.7 Results of the modifications made to the Humana Index (overall score, %)

Modification	1947–1948	1958–1960	Early to mid-1980s	1980
Modification 1 only	41	48	21	
Modification 2 only	45	53		20
Modification 1 and 2	41	48		27
Modification 3	47	54	13	
Upper limit range	47	54		27
Lower limit range	41	48	13	

both of these modifications are taken together, the results are as follows: 41, 48 and 27 per cent, respectively. The two modifications together provide an upper estimate for the last period, early to mid-1980s, and a lower estimate for the periods 1947–8 and 1958–60. The third modification, regarding freedom from collective punishment and the intensity of use of the death penalty, yields: 47, 54 and 13 per cent, respectively. The results of this modification provide the upper limit for the periods 1947–8 and 1959–60 and the lower limit for the period early to mid-1980s.

These results are robust in relation to the three introduced modifications. Whichever modifications or combination of modifications are performed, the results indicate that political freedom and rights were best under the Qasim regime, less so during the monarchy and worst under the Ba'ath. The application of these modifications to the index yields an upper limit score of 27 per cent and lower limit score of 13 per cent for the last period under examination. This is consistent with the Humana Index's overall score of 19 per cent for Iraq in 1986 (Humana, 1986: 132). These results are thus plausible.

Before proceeding to explore the implications of these findings on the effects of oil and regional wars, two points are worth mentioning. First, as noted earlier,

economic growth between 1950 and 1980, and markedly improved human capabilities (evident until 1990), are associated with lower rather than higher levels of democratization. This failure to conform to the Lipset hypothesis is not unique to Iraq and is found in other Arab countries as well (EMM, 2006).

Second, the highest Humana Index was achieved during the Qasim period, when the country was under military dictatorship. National elections were not held and political parties were banned under Qasim. However, the regime promoted a form of social democracy where the state pursued policies designed to better meet the needs of the populace, especially the poor, and promoted anti-sectarianism, both of which are critical to building a foundation for democracy. The experience of the Qasim government illustrates how, even under autocratic governments, policies may be implemented that establish at least the necessary conditions for a transition to democracy. In short, formal democracy is neither necessary nor sufficient to promote the process of democratization, that is, the expansion of liberal freedoms and rights. According to Sami Zubaida (2005), the expansion of these rights and freedoms is arguably an essential ingredient for the growth of civil society, itself necessary for the establishment of democracy. Indeed, Zubaida's claim that civil society in Iraq was most vibrant under Qasim supports our findings.

7. Oil effects

We now explore the question of whether oil accounts for the deteriorating levels of democratization and political rights in Iraq. As noted, one variant of rentierism suggests that the state's financial independence shields it from accountability, while another emphasizes the enhanced ability to bribe or repress opponents. This consideration raises the question of whether either of these aspects account for the low level of democratization in Iraq.

As a proportion of total revenue, oil revenue rose sharply after 1950. As Table 8.1 indicates, there was a sharp rise in oil output in the early 1950s. This was accompanied by a series of negotiations between the oil companies and the Iraqi government, culminating in a more favourable agreement in 1952, whereby the state received 50 per cent of the oil companies' profits annually, as well as other advantages (Alnasrawi, 1994).¹⁷ As a result, oil revenues exploded, and the proportion of state revenue from oil increased from 11 per cent in the period 1946–50 to 54 per cent in 1951–5 (Batatu, 1978: 106–7), and remained high thereafter. Indeed, so large was the expansion in revenue that in 1950 an independent Development Board was established to invest the revenues derived from oil. When first established, the Board was empowered to invest the entire portion of oil revenues. This control over revenues was later reduced to 70 per cent in the mid-1950s and further still to 50 per cent in the late 1950s, the remaining funds being diverted to the government's recurrent expenditures. In time, oil came to pay for most of the current and almost all capital expenditures. At first glance, the general tendency for the period after the mid-1950s is one of elevated oil revenues as a proportion of all revenues – and hence the increased financial independence and

enhanced ability to bribe or repress – which appears to be correlated with reduced democratization outcomes. Within the period, one can point to the oil price rise of the 1970s to claim a relationship vis-à-vis the growing political monopoly of the Ba'ath.

However, the overall correlation of higher oil revenues and increased political repression hides significant anomalies. First, neither variant of rentierism is able to explain why democratization, as expressed in the Humana Index, was higher in the late 1950s under Qasim than under the monarchy in 1947–8, even though Qasim had access to significant oil revenues which the monarchy in the late 1940s did not. Second, if one instead suggests that the proper comparison is between Qasim and an oil-revenue rich monarchy that was arguably more repressive after 1954 than 1947, the puzzle remains: Qasim's government, which could use 50 per cent as opposed to only 30 per cent of oil revenues to avoid accountability and engage in repression, was significantly less repressive than the monarchy of, say, 1955. Third, it is also unclear why, when Iraq was unable to export oil in the early 1990s, its polity scores remained low and unchanged. The simplistic attribution of Ba'athist political monopoly to increased oil revenues has to be balanced against the many other instances when the theory of rentierism cannot explain impediments to trends in democratization. This inconsistency, of course, does not disprove the rentier state hypotheses, but does suggest that rentierism's ability to explain the lack of democratization with reference to oil is limited and highly contextual.

8. The effects of war and conflict

We next discuss the effects of war on trends in democratization. Since the Iran–Iraq war is by far the longest and costliest (both in human and monetary terms) war that Iraq has experienced, we should see evidence of its effects on democracy, if regional war is to have the explanatory impact as argued by the Elbadawi–Makdisi model. However, the results of the Humana Index do not support the existence of a relationship (in either direction) between the Iran–Iraq war and democratization outcomes. There is no significant change in freedoms, rights and governance between the period from the eve of the outbreak of the war and the early to mid-1980s. This lack of political change can be explained by the Ba'athist regime's absolute monopolization of power by 1980, suggesting again the need for a historical contextualization of the 'regional war' hypothesis. All political opposition had been violently eliminated by the late 1970s, and the regime had attained complete control of the mass media.

The findings of the Humana Index do not support Workman's (1994) thesis that the Ba'athist regime used the war with Iran to consolidate its power and widen its social base. Workman claimed that the war provided the regime with a 'blanket pretext to do whatever was necessary to contain its opponents', and thus strengthen its own political position (Workman, 1994: 157). In contrast, our results indicate that the regime had already accomplished what was necessary to strengthen its position in relation to opposition forces. Indeed, the last real chal-

lence to the Ba'ath's authority had occurred in 1973 when the then director of intelligence, Nazim al-Kazzar, attempted a coup d'état (Davis, 2005a: 149, 177; 2005b: 229–44). Responses to only three questions in the index changed for 1980 as compared to the early to mid-1980s, none of which concerned the rights of opposition. On each of the questions concerning the rights of political opposition, the Ba'athist regime scored a zero in both periods. That is, the Ba'ath did not need to start a war to crush its opposition, as it had already done so before the onset of the Iran–Iraq war.

9. Modifying the rentier state thesis and regional war hypotheses

Returning to the issues raised at the beginning of this chapter, we now look at what questions remain once 'rentierism' and 'regional war' are invoked as key explanatory variables for the lack of democratization in Iraq. We argue that both rentierism and regional war need to be conceptually broadened to incorporate a more dynamic and historical approach. Otherwise, both variables assume a static quality that undermines their explanatory capacity. We also argue for the need to avoid an economistic understanding of rentierism, namely, limiting its explanatory impact to a narrow economic focus.¹⁸

First, if rentierism was key to the expansion of the Ba'athist power during the 1970s, why did rentierism fail to protect the Hashimite monarchy from being overthrown in 1958? Oil revenues increased substantially after the Iraqi Petroleum Company and the monarchy revised their royalty agreement in 1952. While standards of living in Iraq improved after the restructuring of the royalties received by the Iraqi government, the monarchy was unable to translate its increased wealth into political power and influence (Batatu, 1978: 352–3). The key variable here, we would argue, was not the impact of oil wealth, but the manner in which the Iraqi nationalist movement had been able to undermine the legitimacy of the Hashimite monarchy prior to 1952. Nationalist agitation had been so vigorous that, even with substantial additional revenues at its disposal, the monarchy was unable to maintain its hold on political power.

This analysis suggests that the notion of rentierism needs to be historically contextualized. By the 1950s, the Hashimites, especially the Regent and later Crown Prince, 'Abd al-Ilah, as well as the regime's strongman and perennial prime minister, Nuri al-Sa'id, had become so unpopular due to their being viewed as Great Britain's handmaidens in Iraq that no social or political forces could have reversed the monarchy's lack of legitimacy. Throughout the monarchical period, the Hashimites made little effort to institutionalize their rule. Even the most powerful state institution – the army – was humiliated by a reduction in its size by the British, with the complicity of the monarchy, following the abortive May 1941 uprising.

The constant manipulation of electoral results from the 1920s onwards meant that the Iraqi parliament was viewed by the populace as an institution designed to enhance the fortunes of rapacious elites, namely the 'merchants of politics' (*tujjar*

al-siyasa). Only the judiciary, which could trace its origins to the Baghdad College of Law, founded in 1908, maintained any degree of institutional legitimacy (Davis, 2005a: 117). While Faysal I (1920–33) had attempted to implement some development measures, especially in the area of education, subsequent rulers, whether his son Ghazi I (1933–9) or the Regent and, after 1953, Crown Prince, 'Abd al-Ilah (1939–58), were not only ineffectual in implementing any significant development projects, but highly repressive towards nationalist demands for social and political reforms (Davis, 2005a: 100–5).

The Iraqi case demonstrates that economic variables considered in isolation cannot explain whether political power is used in an effective manner. This suggests a need to distinguish between the necessary and sufficient conditions for rentierism to 'immunize' the state from mass-based social and political pressures. These considerations on the impact of rentierism require an assessment of the impact of the Iraqi nationalist movement on political and economic developments in Iraq prior to the movement's suppression by the first Ba'athist regime, which seized power in February 1963. Such an assessment suggests the need for a more dialectical understanding of state–society relations, rather than a 'top-down' approach, when analysing rentierism's impact.

In our efforts to expand the rentier state thesis, we argue that it represents a second order level of causality. Put differently, there is a need to understand the conditions that allowed rentierism to become a salient component of the Iraqi political equation in the first place. Unless we return to the collapse of the Ottoman Empire in 1918, we cannot put rentierism in a larger social and political context. The key factor is the *path-dependent* quality of domination of the state by a minority of the Iraqi population – namely members of Iraq's Sunni Arab community – and the implications that this path dependence had for economic, social and political development in Iraq.

The Ottomans favoured their co-confessionals among the Sunni Arab community throughout their rule of the three provinces, Mosul, Baghdad and Basra, that would form the modern Iraqi state in 1921. While Ottoman officials controlled the pinnacles of the state, the lower echelon positions in the bureaucracy, namely the military and police, were primarily distributed to Sunni Arabs. Although some Kurds entered the army, the majority Shi'i population was largely excluded from government employment. It is true that significant commercial interaction between the Sunni and Shi'i Arab communities and the Kurds can be traced back at least to the sixteenth century, but the political exclusion of Iraq's Shi'a and Kurdish populations undermined trust between the three dominant ethnic communities.¹⁹ This lack of trust was underscored by the Shi'i clergy who cautioned young Shi'is against enrolling in state-sponsored schools, fearing their contact with Sunni doctrine (Batatu 1978: 17).

The nationalist movement's importance arises within the context of its efforts to forge a cross-ethnic alliance to bring about economic and political development, which had already begun prior to the First World War. The efforts of the Committee on Union and Progress (CUP), which seized power in Istanbul during the so-called Young Turk Revolt of 1908, to 'Turkify' the Ottoman Empire,

fostered a negative reaction on the part of the Empire's Arab subjects. This was particularly true in Iraq, where the CUP tried to abort a fledgling Arabic-language education system and replace it with schools using Turkish-language instruction. One of the first significant activities of the nationalist movement prior to the First World War was the efforts of a committee of Sunni and Shi'i notables to establish an Arabic-language education system that would provide the necessary administrative personnel to facilitate Iraq's economic development.²⁰

Efforts at cross-ethnic cooperation continued during the First World War, when Shi'i clerics issued religious decrees (*fatwa*; pl. *fatawa*) against the British invasion of Iraq in 1914. What was highly significant was that the clergy defended not just Iraq's Shi'a population, but all of Iraq's ethnic groups, irrespective of religion. The *fatawa* were likewise significant because the clerics viewed themselves as defending a modern nation-state, with defined geographical borders, rather than an abstract and territorially ambiguous Islamic community (*umma Islamiya*). The ecumenical tendency of the emerging Iraqi nationalist movement crystallized in the rising opposition to the British occupation administration, which had promised independence for Iraq when British forces first arrived in Baghdad in March 1917. Iraqi nationalists used peaceful methods as delegations of Iraqi notables tried to convince the British to live up to their promises.

Instead, Great Britain sought and obtained a mandate from the newly established League of Nations, legalizing its rule over Iraq until 1932. The Iraqi populace saw this development as a betrayal of British promises, leading to one of the seminal events of modern Iraqi history, the 1920 June–October Revolt. While some rural tribes tried to exploit the uprising for particular gains, urban nationalists emphasized social and political solidarity. Sunnis and Shi'is prayed in each other's mosques, celebrated their respective religious holidays and rituals, and urged Jews (the largest ethnic group in Baghdad in 1920) and Christians to join the revolt because they were fully equal Iraqi citizens (Davis, 2005c: 47; Batatu, 1978: 23). The 1920 Revolt laid the basis for the subsequent Iraqi nationalist movement that would be characterized by: anti-sectarianism; extensive associational behavior in the form of professional syndicates, labour unions, artists' groups and student and women's organizations; a vigorous and democratically oriented press; and innovative artistic expression that encouraged Iraqis to have pride in their multiple cultural heritages and to challenge political authority (Davis, 2005c: 55–7).

The 1920 Revolt was vigorously suppressed by the British. Great Britain's refusal to seriously consider Iraqi demands for an independent and democratic polity thwarted the possibility of establishing Iraq as a multi-ethnic polity. Instead, British colonial rule helped enshrine sectarian politics at the state level by forcing into exile many of the Shi'i clerics who had demanded independence from British colonial control. The creation of the Hashimite monarchy, through a rigged referendum in August 1921, placed the son of the Sharif of Mecca, Faysal bin Husayn, on the new Iraqi throne, and was buttressed by a Sunni political elite drawn from Faysal's army officers, known as the Sharifians, recruited during the Arab Revolt against the Ottomans. The Sharifians, who were epitomized by Nuri al-Sa'id Pasha, would control the state until the 14 July 1958 Revolution.

Space does not allow for a comprehensive discussion of the Iraqi national movement. Suffice it to say that the movement was dominated by a cross-ethnic alliance that sought to implement democratic and social reforms. The 'Iraqist' or local nationalist wing of the movement was opposed by a smaller pan-Arabist group that was largely limited to the officer corps and the small proto-fascist al-Muthanna organization and its armed wing, the al-Futuwwa, that developed during the 1930s and was largely limited to Baghdad.²¹ The pan-Arabists lost much of their strength in the army after the abortive May 1941 uprising, which led to a brief month-long war between British and Iraqi forces. The size of the army was reduced by the Hashimites at the behest of the British, and many officers were forced into retirement. However, Iraqi strongman Nuri al-Sa'id's skilful manipulation of the Arab–Israeli crisis, following the United Nations partition resolution in November 1947, and the 1948 Arab–Israeli war, dealt a serious blow to the nationalist movement, which contained significant numbers of Iraqi Jews. The Iraqi government accused the nationalist movement of being sympathetic to Zionism and, because one of the major parties in the coalition was the Iraqi Communist Party, of representing a Soviet Fifth Column in Iraq.

Despite the influx of oil revenues, the nationalist movement continued to pressure the Iraqi government throughout the early and mid-1950s to make concessions that would result in freedom to organize political parties, publish newspapers without censorship, allow unfettered participation in free elections and guarantee Iraqi workers the right to organize and receive a minimum wage and proper working conditions.²² As the influence of the officer corps had been reduced, the banner of pan-Arabism shifted to the Arab Socialist Ba'ath Party, which was founded in Iraq in 1952. Initially led between 1952 and 1961 by a cadre of Shi'i activists under Fu'ad al-Rikabi, the Ba'ath Party cooperated with Iraqist nationalists for a brief period between 1955 and 1958.

However, the July 1958 Revolution brought the sharp cleavage between the cross-ethnic majority wing of the Iraqi nationalist movement and the pan-Arabists to the forefront. General 'Abd al-Karim Qasim had been chosen to lead the revolution due to the respect he had earned during the Iraqi army's campaign in Palestine in 1948. Pan-Arabists were deeply angered when Qasim refused to opt for immediate unity (*al-wahda al-fawriya*) with the United Arab Republic formed by Egypt and Syria earlier in 1958. Qasim instead allied himself with the Iraqist wing of the nationalist movement, especially the powerful Iraqi Communist Party (ICP). When the ICP became too powerful in 1959, Qasim moved to create an alliance with the pan-Arabists. His effort to rule through balancing Iraqist and pan-Arabist nationalists satisfied no one and ultimately weakened his power base. His invasion of Iraqi Kurdistan in 1961 to suppress the forces of Mulla Mustafa Barzani undermined his support still further, as the Iraqi army became bogged down in a highly unpopular war it could not win. Allied with Barzani, and with purported help from the CIA, the Ba'ath Party was able to overthrow Qasim in February 1963.²³

Between 1963 and the second Ba'athist coup of July 1968, Iraq experienced a series of weak governments and political instability. Anger at the Iraqi army's poor performance in the June 1967 Arab–Israeli war facilitated the bloodless seizure of

power by an alliance of Ba'athists, led by General Ahmad Hasan al-Bakr and the young Vice-Secretary of the Ba'ath Party, Saddam Husayn al-Takriti, in coalition with Nasirist forces. The Takriti Ba'athist regime followed a path similar to previous republican regimes in that it was characterized by extensive infighting and instability until 1973. Clearly, the massive influx of oil wealth, and Saddam Husayn's shrewd policy of staffing the regime's extensive security apparatus with family and tribal loyalists, were key factors that allowed the regime to stabilize its rule by the mid-1970s.

What does rentierism tell us about the political power of the Takriti Ba'ath? In certain respects, it explains much about Iraq's lack of progress towards democratization, but from other vantage points it explains very little, unless situated in a broader context. First, the Qasim regime, like the Ba'ath, had the benefit of oil revenues, even if these declined somewhat during the early 1960s. Nevertheless, it was unable to translate oil wealth into sustained political power. Second, Qasim was undermined by his concerted effort to break with the path-dependent quality of Sunni Arab domination of the state. Indeed, Qasim is the only modern Iraqi leader to have eschewed sectarian criteria in the recruitment of officials to positions within the state apparatus. While the Takriti Ba'ath placed individual Shi'is in some high positions, for example, Nazim al-Kazzar, Sa'dun Hammadi and Na'im Haddad, these officials always remained outside the 'family-party state' that Saddam Husayn gradually established throughout the 1970s and then consolidated after he seized power from Ahmad Hasan al-Bakr in 1979. Following the 1991 Gulf war and subsequent intifada, Saddam's regime became avowedly sectarian.

Third, what we may call 'successful rentierism' only existed in Iraq for a relatively short period of time. The regime was only able to consolidate its power after the unsuccessful 1973 coup attempt by security chief, Nazim al-Kazzar. However, it subsequently undermined its power through the ill-fated invasion of Iran in September 1980. By 1982, the war had turned against Iraq, which saw its oil exports and revenues plummet, requiring it to turn to its erstwhile nemeses, Saudi Arabia and Kuwait, for loans to sustain the war effort. In other words, the Ba'athist regime was only able to use oil revenues to establish stable rule for a relatively short period of time, between 1973 and 1982. The assertion that rentierism helps explain the strength of authoritarianism under the Ba'ath simultaneously raises the question of why it failed to lead to a prolonged period of stable and institutionalized authoritarian rule in Iraq.

The ability of two of the world's major oil producers, Saudi Arabia and Kuwait, to sustain Iraq's war effort points to the *indirect* effects of rentierism on Iraqi politics. It was these two countries' own access to substantial oil revenues that enabled them to make the necessary loans that allowed Iraq to sustain its struggle with Iran. Nevertheless, the inability of Iraq to experience anything more than a short period of stable rule under the impact of a rentier economy points to the potentially corrosive impact of rentierism on authoritarian rule as well as its negative impact on democratization. A strong argument can be made that both the invasion of Iran in 1980 and the seizure of Kuwait in August 1990 were the result of

decisions made by Saddam Husayn, who was acting under the illusion that Iraq was militarily much more powerful than it really was. In other words, rentierism is often only analysed from the economic perspective of the state's ability to ignore societal pressures due to the extraction of external rents (Mahdavy, 1970: 428-9). The social and political contradictions caused by this type of economy and political rule still have not been adequately theorized.

From the perspective of state power, the state's isolation from the populace at large that is produced by rentierism can lead to dysfunctional and corrosive political effects, particularly in the realm of elite decision-making. One of these effects is the tendency towards personalistic rule (whether in the form of Saddam Husayn, the former Shah of Iran, or the emirs of the Arab Gulf States), in which the authoritarian ruler avoids consulting others in making critical decisions affecting the nation-state. Another problem caused by rentierism is the creation of the illusion of the state's political and military strength. What can be argued, then, is that, while rentierism helps explain the success of the Ba'athist regime in consolidating power after 1973, it also points to the unstable quality of the authoritarian rule based on oil wealth that followed.

Iraq's experience with rentierism points to its relationship with regional war as well. Without access to the massive influx of oil revenues during the 1970s, Iraq would not have been able to acquire the military arsenal that allowed it to invade Iran in 1980. Nor would it have been able to create the pervasive security apparatus that allowed the regime to so effectively crush all dissent. The complete suppression of all dissent meant that few if any constraints existed on Saddam Husayn's decision-making power and that few alternative policy options were presented to the Iraqi leader from advisers outside his inner circle. On the other hand, had not Saddam Husayn's regime begun two destructive wars, a strong counterfactual argument can be made that the regime would have become one of the most powerful in the Middle East. If it had continued to implement the development policies of the 1970s, unfettered by war expenditures, Iraq would certainly have attained the status as one of the wealthiest and most developed countries in the Middle East. There is little evidence to suggest that oppositional forces would have been able to challenge the regime's power had it not destabilized itself through the two Gulf wars.

Finally, let us examine post-2003 Iraq. Oil revenues still constituted 93 per cent of Iraq's federal budget in 2006 (Lando, 2007). Despite the state's continued reliance on oil, the Iraqi government is ineffectual and unable to provide citizens with their most fundamental needs, indeed the most basic public good, namely physical security, or services such as energy and transportation. Unemployment estimates reach levels as high as 60 per cent and much of the national economy is controlled regionally by sectarian militias and crime syndicates, continuing a pattern of oil smuggling, corruption and criminal activity that flourished under the Ba'athist regime during the United Nations sanctions period of the 1990s and early 2000s. While the structurally dependent relationship of the state to oil wealth has not changed, post-2003 Iraq represents a caricature of the Weberian model of the state, that is, that institutional entity which controls a monopoly of the use of force

within specified territorial boundaries. Clearly, the 'decentralized rentierism' that characterizes much of contemporary Iraq, where militias and criminal organizations control significant amounts of oil wealth in various regions throughout the country, presents still further conceptual and analytic challenges to the notion of rentierism and the rentier state.

In sum, we find that the EMM model bears great relevance for Iraq. There can be no question that oil wealth and regional war have remained two of the most persistent barriers to democratization and development. However, we have argued that these two variables only acquire explanatory power when situated in a historical and socio-political context. The danger of ignoring the historical specificity of a nation-state when studying its inability to democratize, especially if democratization is impeded by rentierism, is the potential fallacy of reducing a complex political dynamic to a unidimensional economic calculus, that is, oil wealth = authoritarian rule and state autonomy.

For rentierism to achieve its full theoretical potential, it needs to be situated within the complex and overlapping set of cleavages that continue to plague Iraqi politics. These cleavages are ethnic in origin, particularly the need to restructure the historical dominance of the state by the Sunni Arab community and create a new system in which all ethnic groups feel that they possess meaningful access to political power. As Shi'i political parties have controlled the state since the parliamentary elections of December 2005, Iraq now faces the problem of the Sunni Arab population becoming a dispossessed minority and, in effect, trading places with the formerly dispossessed Shi'a. Having been subject to poison gas attacks by the central government, Iraq's Kurdish population will require significant trust-building measures before becoming a partner in the nation-building process. The core issue here is the need to establish trust among the country's constituent ethnic groups and promote norms of tolerance and respect for cultural diversity, a role in which the Iraqi government must take the lead.

Iraq's cleavages are also centred on the tension between an authoritarian legacy and the desire for democracy as expressed by the populace in numerous public opinion polls since 2003.²⁴ Confronting this cleavage entails the need to establish a political system based on the norms of 'polyarchy'.²⁵ Despite largely successful national elections in January and December 2005, the Iraqi government is characterized by extensive corruption, limited transparency and the sporadic application of the rule of law. Unless government officials can be held accountable and subject to sanctions should they transgress the law, Iraq is still far from having implemented a transition to democracy.

Finally, Iraq's problems remain those first articulated by the mainstream of the Iraqi nationalist movement almost a century ago. One of the core themes of the nationalist movement was that there can be no true democracy in Iraq without social justice. As public opinion polls since 2003 have indicated, Iraqis place their personal security and that of their families first, employment second and democracy third.²⁶ That material well-being comes before political rights emphasizes once again that democracy cannot take root without development.

The challenges facing democratic forces in Iraq were exacerbated by the

United States occupation administration, especially between 2003 and 2007, that promoted counter-productive security and economic policies, such as decommissioning the 385,000-man Iraq army in May 2003, and the firing of hundreds of thousands of Iraqi workers from state-run factories in an ill-fated attempt to turn Iraq into a market economy through 'shock therapy'.²⁷ The United States occupation administration likewise undermined trust among Iraq's major ethnic groups by fostering sectarian identities in the political process that developed after the overthrow of the *ancien régime*. This policy began when the United States used ethnic quotas in establishing the Interim Governing Council in 2003. Although this idea has recently lost favour, the sectarian basis of American policy in Iraq even extended to the idea, which has gained currency in some government and policy-making circles in 2006 and 2007, of dividing Iraq into three loosely federated mini-states based along ethnic lines.

As the Special Inspector General for Iraq recently reported, few development projects sponsored by the United States, for example, electric power-generating plants, have been able to be sustained once completed.²⁸ Many projects are in disrepair or non-functioning. To take one of the most egregious examples, there is less electric power in Iraq at present than there was on the eve of the United States invasion in March 2003, despite billions of dollars of investment in the Iraqi electric power grid. Further, huge amounts of development assistance were never adequately supervised by the United States and remain unaccounted for, which has helped create the widespread corruption that now characterizes the Iraqi government. Unless a comprehensive development programme for Iraq can be established, one that involves not only the United States, but also the United Nations, the Arab League and the European Union, there is little hope that Iraq will be able to face the problems of democracy and development that we have explored in this chapter.

Notes

- 1 This spelling is a closer transliteration of the Arabic than the 'Hussein' commonly used in the West.
- 2 The original formulation of the rentier state hypothesis is attributed to Hossein Mahdavy. See Mahdavy, 1970: 428–67.
- 3 See e.g. De Haan and Siermann, 1996: 175–98; and Helliwell, 1992. For a brief but helpful review of the evidence, see Sen, 1999: ch. 6. Also, see Rodrik and Wacziarg (2004), who find that transitions to democracy, in general, do not affect growth negatively.
- 4 To be fair to Lipset, it should be noted that he hypothesizes that expanded economic prosperity is associated with a number of variables that reinforce its impact, e.g. a rise in levels of education, greater associational behaviour, expansion of the mass media and higher levels of urbanization. For an expansion of the Lipset model, see Deutsch, 1961: 493–514.
- 5 For purpose of comparison, the official exchange rate for one ID was US\$2.8 from 1950 to 1970.
- 6 Because Iraq is an oil economy, per capita income may be a misleading measure of development, as any increase in the price or exported volume of oil – the chief export – will translate into expanded GDP, regardless of whether there is a corresponding

expansion in final consumption or human development outcomes: the very indices of modernization that are correlated with democratization. GDP estimates will thus be supplemented with other development indicators when available.

- 7 UN Statistics Division, National Accounts Main Aggregates.
- 8 See Yousif, 2001: 115–19.
- 9 See e.g. Sen, 1990; Griffin and Knight, 1990.
- 10 See Yousif, 2001: 171–207.
- 11 See Garfield, 1999.
- 12 For the views of one of these humanitarian coordinators, see von Sponeck, 2006, and Graham-Brown, 1999
- 13 For explanations of the individual scores that are given, see Yousif, 2001: ch. 7.
- 14 These are: freedom to monitor human rights violations; freedom from court sentences of corporal punishment; freedom for independent radio and television; legal rights to free legal aid and counsel; legal rights from police searches without a warrant and from arbitrary seizure; the personal right to practise homosexuality with consenting adults; and the freedom to use contraceptive pills or devices.
- 15 These are: rights of women to political and legal equality; to social and economic equality; and personal rights to equality of the sexes during marriage and in divorce proceedings. For numerical scores and corresponding explanations of the scores given see Yousif, 2001: ch. 7.
- 16 This weighting system of course reflects value judgements about which rights are more important than others.
- 17 For a detailed history of oil agreements see Longrigg, 1961.
- 18 Mahdavy is aware of the social and political distortions that may be caused by rentierism, particularly the state's ignoring the development needs of the populace at large (Mahdavy, 1970: 437).
- 19 For a history of the economic interaction of Sunni Arab, Shi'a Arab and Kurdish regions of Iraq, see al-Khafaji (forthcoming).
- 20 For the rise of the Iraqi nationalist movement, see Davis, 2005a: 29–108.
- 21 The two wings of the Iraq nationalist movement are discussed in Davis, 2005a: 13–15. Essentially, the Iraqists or 'local nationalists' argued that domestic social and political reforms took precedent over creating a pan-Arab state. For pan-Arabists, especially those from the Sunni Arab community, a unified Arab state was viewed as changing their status from a minority in Iraq to becoming part of a larger Sunni Arab majority.
- 22 For an analysis of the powerful working-class movement that emerged from the Iraqi Artisan Association (*Jam'iyat Ashab al-Sana'i*) during the late 1920s and early 1930s, see Davis, 1994: 271–303.
- 23 Qasim's policies are discussed in detail in Davis, 2005a: 109–47.
- 24 See e.g. Iraqi Prospect Organisation 2005.
- 25 The concept of polyarchy, which was developed by Robert Dahl, requires seven core principles if a political system is to be considered democratic. These are: (1) control over governmental decisions on policy is constitutionally vested in elected officials; (2) elected officials are chosen and peacefully removed in relatively frequent, fair and free elections in which coercion is quite limited; (3) practically all adults have the right to vote in these elections; (4) most adults also have the right to run for the public offices for which candidates run in these elections; (5) citizens have an effectively enforced right to freedom of expression, particularly political expression, including criticism of the officials, the conduct of the government, the prevailing political, economic, and social system, and the dominant ideology; (6) they also have access to alternative sources of information that are not monopolized by the government or any other single group; and (7) they have an effectively enforced right to form and join autonomous associations, including political associations, such as political parties and interest groups, that attempt to influence the government by competing in elections and by other peaceful means (Dahl, 1989: 233) See also Dahl 1956, 1972.

- 26 There have been numerous public opinion polls taken in Iraq since the fall of Saddam Husayn's regime in April 2003. See e.g. March and Aug. 2007 polls, conducted by ABC and BBC; http://news.bbc.co.uk/2/hi/middle_east/6451841.stm, and http://news.bbc.co.uk/2/hi/middle_east/6983027.stm
- 27 See Yousif 2007: 43–60.
- 28 Quarterly reports to Congress of the Special Inspector General for Iraq Reconstruction, available at www.sigir.mil/reports/quarterlyreports/default.aspx

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