

# Strategic Analysis Paper

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## The Basra Protests and the Future of Iraq

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### Key Points

- Since July, protesters in Basra have been demonstrating against poor public services, water shortages, corruption and poor governance.
- Feelings of neglect by Baghdad have fuelled the protests, as has anger towards Iraq's deeply entrenched corruption.
- The Iraqi economy relies heavily on oil, which has created a volatile economy, limiting employment opportunities and development.
- While the protest movement is airing legitimate grievances against the state, it is unlikely that Baghdad will make any meaningful reforms that target the root causes underlying the protests.

### Summary

In July 2018, a mass protest movement began in Basra and quickly spread through much of southern Iraq. The protests initially targeted the dire state of public services in Basra. The governorate endures frequent electricity shortages, water that is unfit for either consumption or agriculture and high levels of poverty. The scope of the protests has since broadened, with people in Basra demonstrating against corruption, poor governance, unemployment and the extent of Iranian influence in the country. While the protests have been given the moral backing of religious and populist political figures, deep systemic corruption and poor governance mean they are unlikely to extract meaningful concessions from the Iraqi Government.

## Analysis

### *Contextualising the Protests*

#### *Politics*

In May, Iraq held its fifth national election since the fall of Saddam Hussein. This election differed from previous ones in a number of ways. Sectarian divides played a [significantly smaller role than in the past](#). Many political blocs that previously represented sectarian issues were fragmented and several candidates campaigned beyond their traditional constituencies. As a result, to a greater extent than in the past, the election was fought on issues, rather than identity politics. Turnout was also historically low [and only 44.5 per cent](#) of those registered cast a vote.

The federal government could have used the victory it claimed over Islamic State (IS) to its advantage during the election, especially in Shia areas. Apathy and calls for election boycotts, however, suggested that post-conflict Iraqis are tired of maintaining the status quo. In Basra, the problem was especially pronounced, with estimates suggesting that turnout was as low as [14 per cent](#).

Iraq's political system is based on a sectarian apportionment system, known as [Muhasasa Ta'ifia](#). Under this system, Sunni, Shia and Kurdish representatives were all given power, in an attempt to prevent dominance by any one ethnic group, such as occurred during Saddam Hussein's regime. While, in theory, this should have created balance between the different groups, the system has instead worked to deepen sectarian divides. It has also created a system of patronage, in which loyalty to a political party is the only way to government jobs. Ministers have exploited this system, swelling government payrolls to benefit party cronies, rather than selecting candidates on merit. The year after the fall of the Baathist regime, government employees numbered around 850,000. By 2016, this had increased dramatically, with the Iraqi state paying between seven and nine million public sector employees. Despite this, the standard of public services has declined and they have become less accessible, causing greater resentment among Iraqis.

Fuelling the protests is the feeling that Basra has been ignored by Baghdad. The Basra region, in particular, has sought Kurdistan-style autonomy from the capital for a number of years. The democratic model the US-led coalition attempted to install after the Baathist regime was toppled, included provisions allowing regional autonomy in a federalised system. [Under Article 119](#) of the Iraqi constitution, new federal regions may be formed after a referendum in the intended region.

Despite these legal mechanisms allowing for devolution, Basra's requests have been denied by authorities in Baghdad on a number of occasions. Basra has [consistently lobbied](#) for federal autonomy and has routinely been ignored, stoking frustrations with the government. Nouri al-Maliki, who was Prime Minister from 2006-2014, refused to allow any form of decentralisation. Then, Haider al-Abadi seemed to promote decentralisation, but such promises never materialised. Feelings of marginalisation have continued since Adel Abdul

Mahdi, Iraq's new Prime Minister, failed to appoint any parliamentarians from Basra to the new government.

Basra's calls for decentralisation have been largely peaceful and have taken place within existing legal frameworks. While this is a rare positive indicator for Iraqi politics, [the proliferation of militias](#) (especially the Shia militias, known as the Popular Mobilisation Forces (PMFs)) in the region may pose a future security risk. Due to the weakness of the Iraqi Government, the popularity of the PMFs among Shia communities and the endorsement (and therefore legitimacy) of the PMFs given by popular religious figures, such as Grand Ayatollah Ali al-Sistani, have made it difficult for the Iraqi Government to control these groups. The threat from IS in the north of the country, [triggered a large number of youths](#) from southern Iraq to join the PMFs to fight IS. As the group now poses [less of a threat](#) (it still controls a few rural areas) to the Iraqi state, many PMF fighters are returning to Basra and other parts of the south. This leaves the problem of what will happen to the significant number of well-trained, armed and battle-hardened fighters who have returned to poverty and a government unresponsive to their needs.

The PMFs are not a monolithic entity and several groups maintain links to figures such as al-Sistani, or the populist politician Muqtada al-Sadr. The most powerful of the PMFs, however, are those [with strong links to Tehran](#). These pro-Khamenei groups receive funding and arms in return for pledging allegiance to Iran's Supreme Leader, Ali Khamenei. In practice, these factions are in place to promote Iranian interests in Iraq, Syria and in Iranian border areas. Similarly, the Dawa Party, which was in power until after the recent elections, [has strong ties with Iran](#). [Iran's influence in Iraq](#) is inescapable, dominating its trade ties and maintaining a strong influence over Iraqi political processes. This Iranian influence in Iraq has been a particular [source of ire for Basra's protesters](#). In some cases, demonstrators have chanted anti-Iran slogans and on one occasion, set fire to the Iranian consulate.

### *Economy*

The oil sector is the key factor in Iraq's economy and makes up between 90 and 94 per cent of government revenue. From 2005 until 2014, except for a brief period in 2009, [global oil prices were staggeringly high](#). Despite the volatility of global markets and the dangers of relying on a single resource, Iraq has [failed to invest](#) its oil wealth in non-hydrocarbon development. The problem with this failure became fully apparent from 2014, when oil prices contracted by 50 per cent. The impact on Iraq's economy was, predictably, drastic. By 2015, GDP had contracted by 2.4 per cent, foreign exchange reserves had dropped and government debt had exploded. In an attempt to mitigate the damage to the economy, the Iraqi Government approached the International Monetary Fund, which, in turn, insisted on economic reform. Iraq agreed to freeze most non-essential public sector hiring, reduce government spending and raise revenue (including an attempt to increase electricity prices) and to reduce non-oil expenditures. The austerity measures remain in place, exacerbating the lack of basic government services.

Dependence on oil has created other structural issues for the Iraqi economy. The high levels of oil wealth in the past reduced the need to tax citizens. This has, in turn, limited sources of government revenue when oil prices are low. Additionally, the Iraqi population is rapidly

growing and even [the most optimistic forecasts](#) do not predict that the oil sector can possibly generate enough jobs for Iraqi citizens. Although it represents over half of Iraq's GDP, the oil sector only accounts for one per cent of total employment. The collapse in oil prices, as well as the ongoing conflict, also served to dampen foreign direct investment in the country.

Corruption is a huge impediment to developing the Iraqi economy. The country suffers from deep and extensive [levels of corruption](#) within all levels of society. It is consistently ranked poorly on the corruption perception index. Profound levels of corruption have shattered public confidence in state institutions and diminished the legitimacy of the state as a result. Due to the weakness of the Iraqi state, corruption has given rise to rent-seeking behaviour from public officials. They have misappropriated public resources, gutted public institutions for personal gain and severely undermined private sector development. Corruption and the clientelism created by the *Muhasasa Ta'ifia* patronage system, allow politicians to ignore development and public service delivery. This means that instead of being accountable to their voters, voters are accountable [to their representatives](#), as members of the elite are able to give government positions and benefits in exchange for votes.

Basra epitomises the nexus of oil wealth and public decay that has afflicted post-invasion Iraq. Nationally, access to basic services, such as electricity, health care and employment, is poor. [Basra is the economic centre](#) of Iraq; it contains the country's only major port, which connects the country to global markets. It also produces most of Iraq's oil: of the 4.17 million barrels of oil Iraq produces each day, [75 per cent](#) comes from Basra. Despite its significant contributions to the economy, the Basra Governorate suffers from the lowest levels of development in the country. Southern Iraq has the highest rates of multidimensional poverty (MDP) in the country (i.e. low health and educational outcomes, as well as poor access to public services). Similarly, while poverty in the rest of Iraq has generally fallen in the last decade, the southern governorates have seen a [1.8% increase](#) in poverty levels.

While MDP is rampant in all the southern governorates, [it is most acute in Basra](#). Electricity is in constant short supply, with homes receiving, at most, [15 hours of power](#) each day and Basra's sanitation system has been severely neglected. Electricity shortages are especially common in summer, when temperatures [regularly reach 50 degrees Celsius](#); this has also [caused protests in recent years](#)

The protests have also highlighted a severe shortage of employment in the region. Not only do oil companies often fail to recruit locally, but even when they do, it is frequently [influential tribal members](#) who are allocated the better jobs. This is often done as a form of insurance, as many oilfields are in areas under the control of tribes that are known to be armed. This effectively excludes educated Iraqis from high paying, technical jobs. Instead, jobs offered to ordinary Iraqis in the oil industry are generally unskilled, blue-collar roles.

A weak private sector is also unable to generate many meaningful employment opportunities. Instead, the public sector is responsible for the majority of Iraq's formal employment. This poses a problem for many people, due to the pervasive role of clientelism in allocating public sector jobs. Those who apply for government jobs on merit through official channels [will not be considered](#) over those with personal ties to leaders.

### *Water and Agriculture*

Recurrent electricity shortages and a shortage of drinking water in Basra, were the catalysts for the protests when they began in July. While Basra's inhabitants have been unable to safely drink tap water for over a decade, environmental neglect has continued to degrade Basra's water supplies, [rendering them unfit](#) now for either washing or agriculture, as they have become increasingly saline.

There are several reasons for the increase in water salinity in the Shatt al-Arab River (which flows through Basra). First, [Iran and Turkey](#) have developed dams and irrigation projects on the Euphrates and the Tigris (which feeds the Shatt al-Arab). Turkey has built most of the dams as part of the Greater Anatolia Project, which has been responsible for eight dams on the Tigris River. Iran has also dammed a number of its tributaries and those dams have diverted water away from Iraq and into Iran. As a result of extensive dam construction by other riparians, the flow of the Shatt al-Arab has been reduced by 41 per cent and salinity has increased significantly, turning the water brackish. Climate change has also created hotter, drier conditions in the region, which has further reduced the river flows. These conditions are forecast to become worse as global temperatures rise.

Poor water management within Iraq has exacerbated the water crisis in Basra. There are [few effective regulations](#) for the management of domestic water, or to manage the dumping of industrial waste or toxins. Little maintenance has been carried out, which has led to leaky pipes and a lack of appropriate sewage or water treatment facilities. One report claimed that water pollution was responsible for more than [100,000 people](#) experiencing symptoms of poisoning after consuming water in Basra since August. During the reconstruction of Iraq, 13 desalination plants were [provided by donor countries](#). There is currently a legal investigation into why none of these plants have so far become operational.

Irrigation is responsible for much of Iraq's wasted water. Farmers rely on outdated flood irrigation methods, which [waste significant quantities](#) of water; either directly into the Gulf, or through evaporation. Flood irrigation also deposits small quantities of salt in the soil, leading eventually to high rates of soil salinity. According to the UN Food and Agriculture Organization, 60 per cent of agricultural land has been negatively impacted by salinity and 20 to 30 per cent has been abandoned. Salinity has also caused drastic reductions in crop yields. The reduction in water flows and increasing levels of salinity [have forced many](#) to migrate from rural areas to the city, which has increased competition and tensions over the few jobs that are available.

### *Basra's Protests and Iraq's Future*

The current wave of protests in Iraq's south is unlikely to be revolutionary, or to bring more than token reforms. Large-scale protests are not uncommon in Iraq and similar movements have occurred [with regularity since 2015](#). The current wave has managed to develop an air of moral legitimacy, however, through the endorsement of al-Sistani. Movements that grew out of previous protests [have been co-opted](#) into mainstream politics, to protect their members from violence from political elites. This suggests that protest movements that become strong enough to challenge the status quo are likely to either become part of it, or

they will be met with the coercive mechanisms of the state, usually violence. The Iraqi state is able to use these means to suppress mass movements, but, if it does so, it will fail to address the extensive systemic issues that have caused years of mass protests in Basra and the south.

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