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# CORRUPTION IS THE LIFEBLOOD OF POLITICS IN IRAQ

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# Corruption is the Lifeblood of Politics in Iraq

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## Abstract

This paper explains how Iraq's current political system is predicated upon elite party rule that operates akin to a cartel. Using their control and dominance of state institutions these parties cooperate, despite being rivals, to extract wealth across every sector. Examples are given of how corruption to the tune of billions of dollars per year leads to direct and indirect harm to citizens, and the mechanisms used to facilitate and protect corruption. The paper also discusses the reforms necessary to tackle corruption effectively including legislation and empowering accountability institutions. The paper also recommends support for civil society efforts to target corruption multilaterally and hold state institutions and officials to account.



## Executive Summary

Corruption is a systemic issue upon which the current political order in Iraq is dependent, using it to maintain a governing pact and ensure power and resources are shared. The political elite have used a formula for apportioning civil service positions which gives them control over governmental and independent bodies. Corruption is organised and collaborative despite political rivalries and the networks behind every scheme cut across party lines. Therefore, corruption is part of the essence of politics in Iraq and not a symptom of its disfunction. It is a feature of the political system and not a flaw, as it was designed to be.

Examples of how corruption leads to direct harm, such as through insufficient pharmaceutical provisions, and indirect harm, such as through awarding vital land under the guise of investment for little returns to the public wealth, show that the prospects for Iraqis are severely impacted by every act of exploitation by the ruling elite. The cases highlighted here, involving billions of dollars, are just samples of corruption's scale in Iraq, operating across every sector imaginable.

The paper also explains how accountability mechanisms are compromised because of the political control exerted by the parties over independent commissions, the security services, and the judiciary. At every stage of uncovering corruption and holding those behind it accountable there are numerous levers of powers and blockages that can be applied by the political elite to ensure cases never progress. Changes to legislation have been undertaken to weaken oversight and accountability, making governments, and by extension the political parties, even more protected from scrutiny.

Among several reforms that need to be initiated to begin tackling corruption effectively is the empowerment of the Commission of Integrity, the independent body tasked with preventing, investigating and prosecuting corruption in the public sector. The Commission has been carefully managed and limited to small cases over the past decade as it has the potential to upset the political order if it is allowed to pursue the high-profile cases of corruption.

This paper offers the following policy recommendations to address the issue of fighting organised corruption in Iraq:

- Create a network of activists, lawyers, journalists, experts and civil servants to target corruption multilaterally and hold state institutions and officials to account
- Design a platform that will encourage public pressure campaigns to force political elites to curb corruption
- Change legislation so that more oversight of government departments, contracts and spending occurs before corruption transpires
- Introduce conditionality to any further support to Iraq on metrics that show improvement in fighting corruption
- Empower the Commission of Integrity to do its work without political influence and increase its independence from the government
- Create a modern public finance management system and a treasury single account to better manage public finances, and reduce bureaucratic corruption through cashless payments and e-government processes

## Introduction

It is well known that corruption in Iraq is a widespread and deeply entrenched phenomena, previously assumed to be a product of a dysfunctional political system (Jiyad, 2022). The bitter reality is that corruption is the political system and that it keeps the current political elite in power and the governing pact operational. In this paper, the corruption referred to is of the systemic type where public funds are stolen or misused for personal or political gain. Iraq's rentier economy and parliamentary system have been used by political parties to engage in clientelism which in turn fuels state capture and leads to corruption. The cycle has proven particularly difficult to break because accountability mechanisms are politically compromised and even when external efforts to push for reforms are undertaken they are violently repressed, as occurred with the October 2019 protest movement.

Considering corruption to be a symptom would be a mistaken approach, since it ignores the fact that corruption is the glue that binds the political system, and the currency by which it operates. This is acknowledged by Iraq's leaders, who attest to it being more dangerous than terrorism and a plague that threatens the country's future (USIP, 2023). Corruption is a daily topic of public conversation yet the exact details of how it operates rarely come to light. Even with high profile cases such as the 'heist of the century', the ultimate masterminds, enablers and beneficiaries may never come to light because of how politically powerful they are (Foltyn, 2022).

To consider possible solutions we need to understand the extent of the problem first. This includes recognising the political networks that organise corruption, how the corruption takes place, and why prevention and accountability are failing. Undoubtedly tackling corruption is a dangerous journey and the path to reform cuts across the heart of the current political order in Iraq which is why pushback is to be expected. Iraq's most powerful political parties have access to money, media, state institutions and weapons that they are all too ready to use if they feel their interests are being threatened. But the impacts of corruption necessitate action regardless of the hazards because not only is corruption directly harming Iraq's citizens, such as with healthcare, it is also robbing future generations of a chance at a decent life as the country's resources and wealth are plundered.

## The Political Networks Behind Corruption

Power dynamics have changed significantly since the first national elections in 2005, leading to fragmentation, waning influence of formerly powerful players and the emergence of new leaders and parties. Currently there are eight key parties and coalitions who exert the most political influence and power in Iraq. These are State of Law (SoL), Badr and Asa'ib Ahl Al-Haq (AAH) who lead the Coordination Framework of Shi'a Islamist parties, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK) who rule the Kurdistan Region of Iraq (KRI), Taqadum and Azm who represent the bulk of Sunni political power, and the Sadrists who are not currently in parliament but maintain a large network of loyalists in the civil service and key positions.

Because none of these parties are national players and their constituencies are based on ethno-sectarian identity, they are locally powerful but not able to dominate nationwide. As Iraq has a parliamentary system this results in coalition governments that must accommodate all the powerful players. This is how consociationalism became the political system in Iraq, with power-sharing by coalition government, veto rights for the different groups, proportionality, and a high degree of autonomy for each component. Underpinning the power sharing bargaining that forms the current political system in Iraq are two key elements: the informal apportionment system known as *muhhasasa* and the division of resources and wealth through corruption.

The first application of *muhhasasa* starts with ensuring that each of Iraq's three main political constituencies, the Shi'as, Sunnis and Kurds, are included in government, irrespective of election results. The next stage is measuring each party's power through their seats in parliament and giving a corresponding number of cabinet positions. The specific ministerial posts are agreed through negotiation, which is one cause of the lengthy government formation process. Once a new government is in place, the *muhhasasa* is applied to every possible institution in the state, meaning the networks of the political elite spread through the state like a mesh. This starts with the top positions such as deputy ministers and directors-general, known as the special grades, which number in the thousands. It carries on to junior positions and departments, and to the security forces, independent commissions, judiciary, and so on. In this way all the key positions in the civil service and the state in general are divided up along party lines, including those responsible for accountability and anti-corruption. Once those positions are confirmed the people in those roles must play by the political rules of their sponsors. Even the most powerful people, such as the head of Iraq's judiciary, are subjected to political blackmail (Al-Baidar Center, 2022).

The parties then cooperate to facilitate corruption and protect it, meaning those who are non-aligned in the system or not part of corruption are much less influential or powerful. The state's capture by the political elite using *muhhasasa* allows them to perpetuate their power, be in a position to engage in corruption without obstruction, and effectively prevent accountability and subvert the justice process. The role of the political elite in corruption is of two types: politically directed corruption where the parties concoct schemes to enrich themselves or for political gains, and politically enabled corruption where the parties are beneficiaries of corruption usually masterminded by businessmen who do not have political loyalties.



So, the networks comprising corruption are made up of senior politicians, senior civil servants, and businessmen who then cooperate with each other and across party lines to ensure their schemes are unhindered. All the major political powers are involved in corruption and despite their rivalries that can even lead to violent clashes, they have managed to maintain a collaborative partnership that has turned Iraq into a kleptocracy (Worth, 2020). Perhaps the best framework to understand the mechanisms of corruption is the blurriness of state-business relations, which as demonstrated below, is one pillar on which politicians rely to enrich themselves without directly being involved in the formal processes of siphoning public funds.

## Types of Organised Corruption and Sector-Specific Examples

Because the corruption in Iraq is systemic there are many types of corruption schemes in operation. The first type involves public procurement and contracting, where graft and kickbacks (diverting contracts to maximise private or political interests), inflation of costs, fraud (false billing), nepotism and clientelism, extortion, and blackmail are used widely to ensure public funds are captured or extracted to the benefit of the political elite. The second type is theft of public funds using embezzlement (such as the ‘heist of the century’). The third is patronage (to ensure voters, loyalists and party members are rewarded by pushing them into the public sector), payroll fraud (through absenteeism or ghost employees) and salary skimming. The fourth is smuggling of oil and derivatives, contraband and fake goods. The fifth is facilitating the narcotics trade and other similar trades. The sixth is bribery, extortion, blackmail for political or purely financial purposes. In the middle of all of this is a key relationship that is not well known, that between the political elite and the businessmen who benefit from these schemes. It is a kind of political-corporate complex in which politicians do not engage directly in corruption but work with businessmen who may have no political loyalties but are willing to facilitate corruption and launder proceeds from it in return for a cut. In some cases, it is the businessmen themselves who are the masterminds of the corruption schemes and approach politicians to help them in exchange for financial or other rewards. Some of these relationships and networks overlap and party lines are blurred. In some cases, it is not provable or clear that the corruption is illegal, just that it is systematised and politically facilitated.

The first example of organised corruption is that which leads to direct harm of citizens such as the case of the pharmaceuticals sector which is directly controlled by the Health Ministry. Research conducted in 2020–2 showed that lives were placed at risk because of the lack of availability of medicines and equipment relating to contracts which were declared to have been completed but never were (Mansour, 2022). To illustrate, health officials in Basra said in July 2020 that the lives of 7,000 cancer patients were in peril because blood bags were not supplied by the Ministry to hospitals in the province (Shafaq, 2020).

A large chunk of the Health Ministry's budget is dedicated to the purchase of medicines, pharmaceuticals and medical equipment. In the federal budget of 2020 it was allocated just over \$1bn for this purpose. The Ministry is dominated by the Sadrists, who control the purchase process, and they vie with State of Law for influence, though recent changes in the Ministry under the Sudani government have tilted the balance to the latter. This is done through control of several director-generals (DGs) and senior employees, and of companies that import medicines.

The former acting Health Minister, Hani Musa Badr al-Iqabi, is a Sadrist who was Deputy Minister for Technical Affairs before replacing the previous minister, Hassan Al-Tamimi, in May 2021. Al-Tamimi resigned following pressure after several hospital fires (Associated Press, 2021). Iqabi used three main levers of power to control the medical purchases process.

The first was through the ministry's official procurement agency, the State Company for Marketing Drugs and Medical Appliances, commonly known as Kimadia. The agency is directly controlled by the Minister and various cabinet regulations have made oversight of it very loose. These also relaxed procurement regulations, ostensibly so there are no delays in purchasing medicines, but in reality to allow more corruption into the process. The state-owned factories that produce medicines have been deliberately degraded by the ministry so that nearly all medicines are imported and not produced domestically, giving more financial benefits to those who control the process.

The former DG of Kimadia was Ali Hasan al-Baldawi, who was appointed in July 2020 and is loyal to the Sadrists. Kimadia purchases medicines and equipment through two types of contracts: the first is based on the previous year's annual needs and the second is through a direct purchase that does not go through the tendering process. In the first case the annual needs have been inflated for over a decade so that over 30 percent of medicines and equipment sits in storage as surplus. In the second case Kimadia is able to contract the preferred partner, on non-competitive terms. According to sources who spoke to me in confidence, the majority of contracts are signed with domestic companies, for whom the contract terms have been designed to allow them to hold a virtual monopoly on Kimadia contracts, overpricing the contracts by around 40 percent over market prices.

These companies wield enormous influence over Kimadia, even forcing some employees to be dismissed or removed if they are deemed to be presenting an obstacle. Conversely, high level employees who expedite the contracting process are known to receive significant kickbacks from the companies. The four main companies are Bioneer, Omedica, Al-Haditha and Al-Afaq Al-Mutahida. Each of these is owned by a separate political party and any new entrants in the sector are forced to go through an impossibly arduous process so that this monopoly is maintained. The fact that these companies are linked to rival parties but work together to operate a cartel shows how cooperative and organised corruption has become.

Due to the decentralisation push under former Prime Minister Abadi, the Health Directorates in the provinces were given powers to contract for medical purchases directly, without using Kimadia, which made the corruption problem even worse. In the last two years this process has begun to be reversed by the Ministry so that contracts are centralised under Kimadia.

The second lever of power is the Department of Technical Affairs, whose former DG was Haider Hussain al-Tamimi (a Sadrist), who replaced the SoL-linked Karim Askar in late 2021. The department decides what medicines and equipment are required by the Ministry, the quantities and specifications, and who the preferred suppliers are or the product origins. In this way it instructs Kimadia to purchase based on its requirements. This gives Kimadia some cover as it can point to the technical reports and instructions provided by the department for its tenders and purchases.

The third lever of power is the new High Committee for Medicines formed in late 2021, which supervises Kimadia and the Department of Technical Affairs and directs their work. The committee, chaired by the Minister and includes his subordinates, allows the Minister to direct the purchase process without issuing personal instructions himself, instead using committee recommendations and notes to Kimadia so that he is not seen to be interfering. It also allows the Minister to bypass any obstacles in the Ministry or in Kimadia which may be holding up the purchase process, by using the committee to directly instruct Kimadia.

In addition to the overpriced contracts and the excess quantities, corruption also occurs through the following methods:

1. The process to import medicines is notoriously slow and subject to the Ministry's inspections and testing, with only one lab available for the task (forcing a deliberate backlog). This forces the importing companies to pay bribes for their goods to skip customs and medical inspections and enter the country as effectively black-market goods. The going rate is said to be \$300,000 per container at Umm Qasr port. On average around 300 containers containing medicines and equipment are released through this method every day.
2. Some of the medicines that are contracted by Kimadia are delivered with the same specifications but are clones and not originals. For example, some drugs stated in the tenders to be from Pfizer or GSK are actually Chinese-made clones which have similar specifications but not the same quality. Kimadia is able to get away with this because the tenders mention the type of drug, not the source company, and Kimadia contracts with domestic importing companies and not manufacturers. However, the cost of the drugs in the tenders is even higher than the original made by Pfizer or GSK.
3. Pharmacies and companies that sell medicines and equipment are subject to inspections but these are rarely done properly. Instead inspectors are paid off by the owners and so expired drugs are sold regularly. Sometimes the Health Ministry inspectors also run shakedowns to extort businesses.
4. Some drugs that are sent to the Ministry lab for inspection end up expiring as they take so long to clear, so the inspectors are bribed by the companies to replace the packaging with new dates.
5. The importing companies pay off the Ministry so that their warehouses are not inspected, these companies then sell all their goods to the mass distributors who then are extorted by the inspectors.
6. The excess medicines and equipment that sit in Ministry warehouses are sold by Kimadia employees on the black market or through hospital pharmacies and marked as delivered and in use to that hospital for inventory purposes.

There are three well publicised cases that further serve as examples of the corruption in this sector. The first is the excess purchases, such as that in Muthanna where 60,000 surplus PPE items costing over \$4m were discovered (INA, 2022). The second is the case of medical equipment (footwear for doctors and nurses) purchased for \$27 each to the tune of \$900mn during Adila Hammoud's tenure as Minister (Alaraby, 2017). The third is the resignation of former Minister Alaa al-Alwan after coming under intense pressure from the Sadrist MP and Parliamentary Health Committee member Jawad al-Mousawi to direct Kimadia contracts to certain companies (Nas News, 2019).

The second example of corruption is that which leads to harm for the country's wealth and that of future generations. This type of corruption is usually harder to expose but generally involves larger sums. Because the political elite are well placed to administer the nation's resources, they frequently make deals under the guise of investment, domestic and foreign, which sees companies receive land, funds, licenses and exemptions under extremely favourable terms in exchange for payments or share of profits. The prime example is the deals conducted through the National Investment Commission (NIC). The NIC is a federal entity which is directly supervised by the Prime Minister, managed by the head who is a special grade appointee approved by the Council of Ministers. The NIC has the power to oversee investments on a national scale, and on a local scale above a certain value threshold. Additionally in each province there is an Investment Commission (IC) which is a parallel entity to the NIC, supervised by the Governor of the province.

The past two heads of the NIC have been known to facilitate deals (at the behest of Prime Ministers) which allocated large tracts of public land for certain projects leading to little or no return for the government. The NIC head does not grant investment licenses directly but has broad knowledge of the NIC portfolio and can instruct department heads to pursue a course of action. This is important because it gives the head tools to ensure investments are awarded as requested by political connections without directly connecting the head to such awards and thus offers another layer of separation.

The NIC has five departments headed by special grades, the most powerful of which are the economic, legal and one-stop shop departments. The economic department studies the feasibility of opening an investment opportunity and conducts a review of an investment application. It recommends approvals of investments but does not have the power to approve or reject. Its work is internal, and it is in effect advisory as it is subordinate to other departments.

The legal department reviews the legal aspects of opening up new investment opportunities and applications for investment licenses and as such has the power to stop investments being awarded. Both the economic and legal department act as internal review or advisory bodies and do not interact directly with investments, but while they are not crucial to the NIC's work, parties jockey to have loyalists appointed there in order to receive tip-offs on investment opportunities, influence NIC processes and ensure smoother deals.

The most powerful department in the NIC is the one-stop shop which is responsible for awarding investment licences. These are highly sought after for the following reasons:

- An investment licence grants access to the dollar currency auction, allowing a company to buy and sell vast amounts of USD at central bank rates. Several companies use this method to sell dollars to exchange shops or to facilitate onward transfers of dollars without actually having any other business.
- Licences grant customs duty exemptions, allowing imports of materials with little inspections and oversight.
- Tax exemptions on company profits for duration of the licence.
- Clearance to physically move hard currency in and out of the country, which in combination with the first point means front companies are able to legitimately move money in and out of the country freely.

With investments, political parties use two approaches to profit. The first is to act as a facilitator, either by offering investment opportunities to businessmen they have relations with, in return for a fee or profit-sharing, or by agreeing to seek approval for investment licences when approached by investors, again for a fee or profit-sharing. The second method is to obtain investment licences for companies that are indirectly owned by the parties or belong to affiliates. This then provides income directly to party interests through the investment or through sub-contracting of the licence or use as a front for other means, such as currency exchange or transfers, imports, etc.

Based on information from sources, the NIC facilitates political corruption through three methods. The first begins with an investment opportunity being identified by the NIC. Before the investment is publicly announced, staff within the NIC tip-off their political connections, who then make the deals with the relevant companies, with their applications expedited to be approved within a week and the licence issued on the day the investment opportunity is publicly announced. The second is when the NIC is approached by the parties to grant an investment licence, with the other details such as provision of land, or banking approvals, being taken care of by the parties with the other ministries, so the NIC need only issue a licence. The third is when the NIC delays issuing a licence for a legitimate investment, in order to extort money, usually for hundreds of thousands of dollars. As the issuing of licences is an opaque process with no public oversight or visibility, the NIC is in a good position to take advantage.

Some companies who have been granted licences have then managed to sell them on formally, in effect using the NIC to obtain a licence for a non-existent project, then selling them to other companies for a massive sum where those companies would not be legitimate investors or would not have the political ties to gain the licences through the NIC process. Additionally, the lucrateness of investment licences has led to an entire industry of fake investment licences being created, operated and even sold on.



For provincial ICs, the process is even more closely linked to political parties, as governors indirectly instruct the IC to issue licences that benefit them or their parties through the methods noted above. Without the provincial council and no oversight from parliament, governors have near complete power over the IC. A recent example provided by a source in Basra explains how a new international hotel was built, with the governor offering the investment opportunity directly to a construction developer in return for a share of the profits, then instructing the IC to grant the licence and designating the land from the Basra government. On paper there is nothing that ties the governor to corruption and the process seems legitimate (it is also a real project as the hotel opened recently). That is why the position of governor is highly sought after by parties, with Salahaldin, Kirkuk, Wasit and Babil among those in the headlines recently as parties battled to secure the position.

Political connections have been especially prevalent in Anbar where the governor has used the IC to issue investment licences for property and construction projects, and senior politicians have used the NIC to grant national licences to companies indirectly controlled by them for developments such as a new international hotel in Ramadi (Mawazin, 2021). This influence over the local IC and the NIC concurrently occurred under previous governments and as it results in massive returns for political interests, it is still happening.

## How Accountability Mechanisms are Compromised

As explained earlier, the *muhasasa* guarantees that the political elite will either have loyalists in the key posts responsible for upholding accountability or use political blackmail to keep non-loyalists in line. Failing that, a backup exists where loyalists in other important positions ensure subversion of accountability and justice, thus making anti-corruption seem hopeless.

In order to ease the process through which corruption operates, the political elite deliberately undermine and weaken the mechanisms that are meant to prevent corruption. An example is Law 24, passed during the turmoil of the October 2019 protests, which abolished the Inspectors General Offices (IGO) (Alsumaria, 2019). Acting as an independent body and reporting to the Prime Minister, an IGO was present in each ministry and was tasked with monitoring corrupt practices, strengthening prevention and contributing to investigations. With the abolishment of the IGO, it became almost impossible to prevent corruption in the ministries and the accountability would only happen after the fact.

Once all the tools are in place and corruption is facilitated, the next step is to prevent it from being uncovered, which is where the *muhasasa* is most useful, forming a quid pro quo attitude that keeps the lid on damaging information. The parties are able to sideline officials with integrity by moving them to ineffective or obscure roles so that only loyalists remain in sensitive positions. If investigations are somehow undertaken, then the aim is to ensure a case does not reach the prosecution stage. This includes government departments withholding cooperation and evidence, senior officials in charge of investigations closing cases without further action and security forces failing to detain suspects for questioning.

If an investigation proceeds and makes it to the judiciary, there are yet more barriers to prevent the application of justice. Investigative judges could find their cases being turned down by trial courts, trial judges could be moved to other courts, and even when sentences are passed, the decisions are overturned by appeal, amnesties are issued, or the accused never make it jail.<sup>1</sup> These obstructions to justice have been applied for mid-level officials and it would be unthinkable for the most senior politicians to ever reach the end stage as their cases simply never start.

Recovering the proceeds of corruption is even more difficult to achieve than prosecutions. Funds and assets are moved abroad where foreign governments are uncooperative, those that remain in Iraq are laundered and move through real estate, currency conversions and high value goods which makes tracking them very difficult. Very little funds or assets are held directly by politicians, instead proxies are used to hide the real beneficiaries and most citizens can point to properties or major projects and disclose who the real owner is but can never find any hard evidence.

## What Needs to Change to Effectively Combat Corruption

Iraq already has the most powerful tool it needs to tackle corruption – an independent body called the Commission of Integrity (CoI). Unfortunately, it too has been subjected to *muhasasa*, with key officials being appointed along party lines, and faces barriers to its work. But if there is a starting point from which to begin fighting corruption seriously, then it has to commence from the CoI by making it more effective.

Without sufficient political will to empower the CoI and remove hindrances from public institutions and the judiciary, anti-corruption measures will remain superficial and will not tackle the root drivers of corruption. Second, the CoI is capable of doing more, provided it is reformed and granted more resources and powers. Increasing the number of anti-corruption bodies (i.e., through committees) is a political tool not in the public benefit. Third, legislative, technical, procedural, and capacity hurdles can be overcome, and though they are systemic, the right support and sponsors of reforms could focus specifically on anti-corruption changes that do not attempt to tackle the system as a whole.

Fourth, the political class has figured out a way to keep the CoI in line. Any reform effort needs to consider disrupting that dynamic without endangering the CoI or inviting a backlash. Digitisation, access to information, and adoption of technology all play small parts in forcing transparency without inviting a head-on conflict. Empowering the Investigations Department would be a logical step, but not without reforms to other parts of the process (e.g., judicial or CoI Director power). Finally, the message that no more money will come

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<sup>1</sup> Per the Commission of Integrity's 2020 Annual Report, it referred 8,695 new investigations to the judiciary for prosecution in 2020, and with the pending investigations from previous years, it totalled 13,482 referrals, of which only 7,386 (55%) were progressed by the judiciary. Of these 7,386 cases, only 1,976 were referred to the criminal court which oversees corruption cases. In 2020, the criminal court resolved 1,147 of these cases, with only 639 convictions.

into Iraq, no more assistance, no investments (coupled with the threat of sanctions), so there will be no way to perpetuate patronage or public support unless anti-corruption is taken seriously should be strongly impressed upon the politicians, forcing adoption of critical reforms and postponing the potential collapse of the state.

The CoI can do more with the resources at hand, such as: working with government to promote its more capable officials to leadership positions; giving departments more directives; providing more training to its staff and increasing their skillset; and offering support and logistics staff to investigators so they can use their time more efficiently. Educating the public by organising a campaign against bribes and an awareness campaign on whistle blowing and anonymous reporting would be useful. The Planning and Studies Department should conduct a thorough survey on corruption in public institutions to inform some of their strategies. The CoI needs to improve their media strategy and communications, and then use that to put public pressure on the judiciary and public institutions that hinder their work.

The problems anti-corruption efforts face are well known in Iraq, as are some of the solutions and suggestions for reforms. While there is no magic bullet, the absence of real political will requires creative solutions to force changes in behaviours. In this context, transparency and prevention of corruption are more likely to meet with success than accountability and prosecution. Therefore, the focus should be on how to force public accounts, processes, transactions, and officials to be more transparent and to close avenues for corruption. With time, confidence and experience, the second part becomes more realistic. Right now, there is public pressure to show results by holding officials to account, but the more impactful and long-lasting change will be to force transparency and limit corruption from occurring in the first place. In this regard, the Preventions Department in the CoI, alongside changes to laws and legislations, will be as important as supporting the Investigations Department of the CoI. Later, the Education and Public Relations Department will become more useful and crucial than the Recoveries Department in tackling corruption. Supporting the CoI requires an understanding of what it realistically can achieve in the current context, what it needs to improve in its work with current resources, what parts of corruption can be tackled without conflicting with the political elite, and how to increase public trust and improving societal attitudes toward anti-corruption.

There are several pieces of legislation that need to be addressed, most important of which is to return more power to the prevention of corruption before it occurs. This would see Inspectors-General brought back to Ministries, possibly under the purview of the CoI. Reforming the public appointments system so that it moves away from the *muhasasa* towards a meritocracy would dilute the power of the parties. Other technical reforms such as a modern public finance management system and a treasury single account would make it harder for billions to disappear from government accounts (Tabaqchali, 2020). For citizens, reducing bureaucracy, using cashless payments and e-government processes would reduce the toll of corruption on everyday procedures that are a constant annoyance for even the simplest applications. The current Prime Minister Sudani has said that he is determined to do what previous leaders could not in rooting out corruption, yet public confidence is low, and the fallout of the 'heist of the century' has shown little results so far.

## Conclusion

Tackling corruption in Iraq should be the highest priority as the country's development depends on it. It may seem logical that the ruling elite stand to gain if reforms are enacted as the country would then prosper with people returning some faith in the political system. However, Iraq's leaders see danger in allowing the current pact that allows them to govern to unravel. Partly this is because there is no clear alternative grand bargain, nor do they believe there are adequate protections from future reprisals for their conduct, so maintaining the status quo seems to be the safest option. This is contingent on the oil money continuing to flow, on the public sector payroll being paid, and on public anger being contained.

Corruption in Iraq is complex, collaborative and fiercely protected, which means relying on the political elite to undertake reforms is somewhat unrealistic. Without pressure and a multi-axis approach that deals with the political, financial, bureaucratic, judicial, technical and other aspects of corruption simultaneously, any progress will be isolated and superficial. Understanding that Iraq's political system is wholly intertwined with corruption and is the bedrock of cooperation between the parties is the first step to looking at the issue as a systemic problem, rather than just examining the outcomes. Corruption in Iraq is causing direct harms now and indirect harm for the future of Iraq. The political elite are the problem themselves and so reforms need to address their power and influence over the state.





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Anti-government protesters set fires during a demonstration against corruption and lack of jobs in Baghdad, Iraq, October 2019.

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