

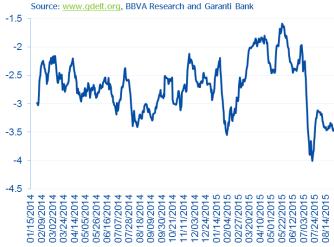
Global Hot Topics

Iraq: On the brink of a political crisis favoring ISIS

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Iraq is facing massive protests against corruption and the lack of public services since the end of July. Although most of them remained peaceful, they are still alive in Baghdad, Najaf, Basra and in some other southern provinces. The Prime Minister Haider al-Abadi has proposed a reform agenda backed by Najaf-based Grand Ayatollah Ali al-Sistani (Iraq's leading religious cleric who has a significant influence over the Shi'a population and political elites). However, other Shi'a figures supported by Iran are using the crisis to generate instability and restore a presidential system led by former PM Maliki again.

Iraq political sentiment (Jan 14 - Aug 15) Lower values indicate a deterioration of political climate Source: www.gdelt.org, BBVA Research and Garanti Bank



Abadi will fight in two fronts at the same time ...

The current Government has important challenges in this crisis:

- The lack of adequate local public services and infrastructure (particularly electricity and water services) is challenging the central government's ability to manage the country.
- Corruption and low living standards in Iraq may accumulate the social rage against the central government and distort its ability to govern.

In order to prevent it, PM Abadi announced a reform package on 9 August, including the removal of the three Deputy PM and three Vice Presidential posts (Maliki's post will be

removed as well). The reform package also includes a **reduction in salaries of senior government officials**. In addition, there will be a **sectarian limit over governmental appointments for critical posts.** The package has been approved by the Council of Ministers and by the Council of Representatives and now it has a full effect.

The PM Abadi situation is becoming fragile. Qais Khazali – the head of Asai'ab Ahl al-Haq (AAH; Shi'a militia that is supported by Iran) had called for PM Abadi's resignation on 7 August. AAH supports and making announcements in favor of a presidential system in which the president of Iraq will be elected via public poll rather than voting in the parliament. Thanks to the support of Sistani to PM Abadi's reform agenda, some major Shi'a political fractions have also gave a chance to PM to fulfill his commitments. For now, Sistani's stance in the crisis seems to prevent any direct challenge from Iranian backed fractions.

Should the political crisis escalates, it might favor ISIS ...

The fight against ISIS will also support PM Abadi as the leaders of Shi'a militia may not want to fight in the battleground against ISIS and in the political fog of Baghdad at the same time. However, any sign of inability or unwillingness to sustain sound reforms will favor Maliki and others who want to topple the parliamentary regime in Iraq down and establish a presidential system.

ISIS is feeding itself with Sunni rage in Iraq. As the political rivalry between Abadi and Maliki deepens, it might create more anger upon the Sunni population due to lack of governance. **ISIS and other Sunni extremist groups can utilize such an environment to recruit more followers and rising the crisis to geopolitical arena.**

... Summing Up

The reform package that aims to contain corruption and increase the effectiveness of the Iraqi central government can become the glimpse of hope to create public confidence on Abadi government. Yet, it depends how the government will implement the reforms. In the meantime, former PM Maliki, his supporters and Shi'a fractions loyal to Iran will monitor the Abadi government's performance. Therefore, Mr. Abadi has to follow more inclusive policies to increase collaboration in governance and to prevent sectarian aspirations that threaten the unity of Iraq.



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