

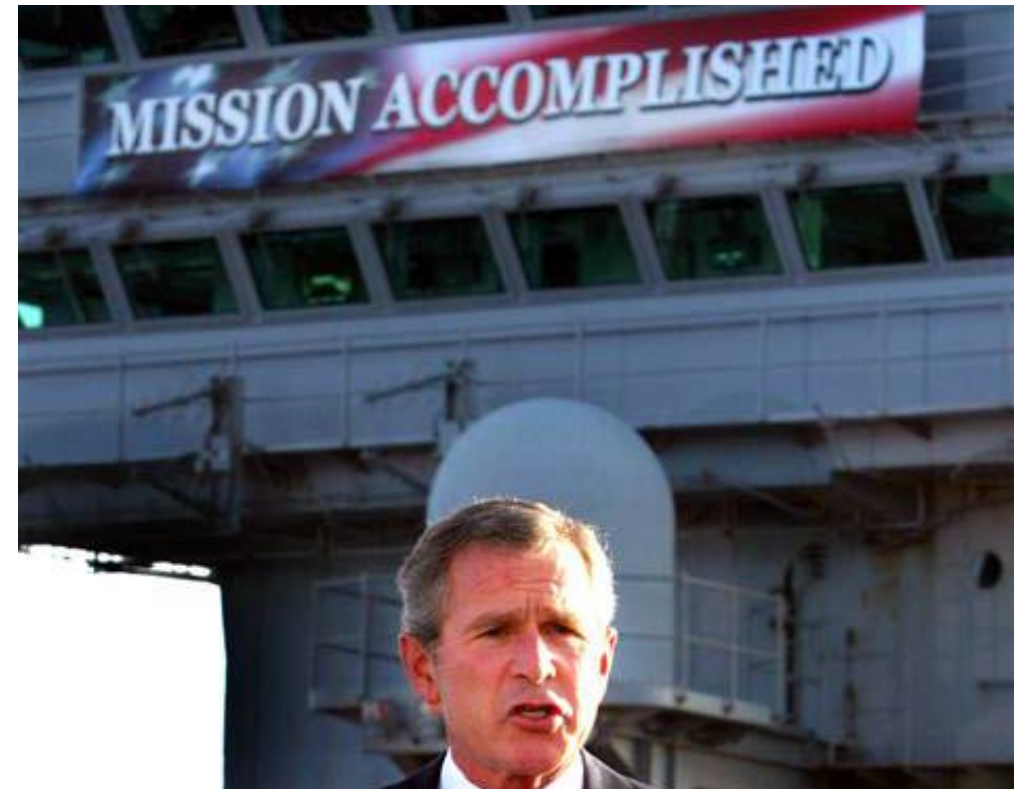
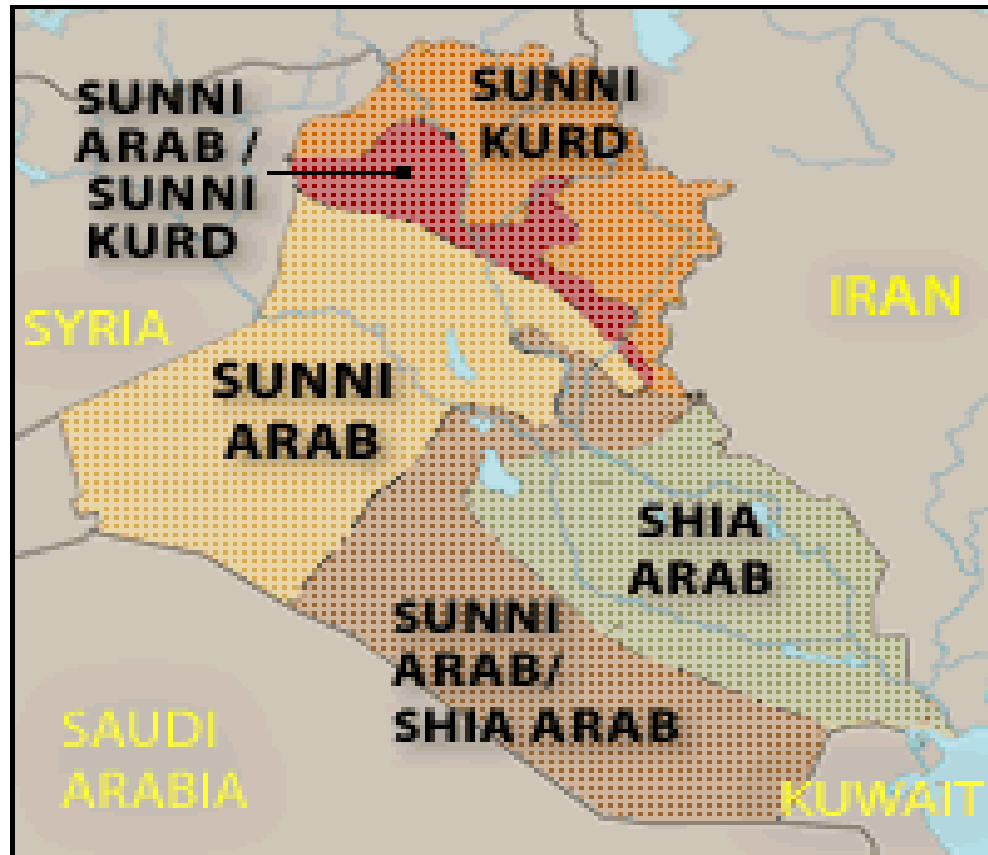
Rise of ISIS and Economic Capacities (Prospect of the Islamic State Survival)

Anas AlQaed

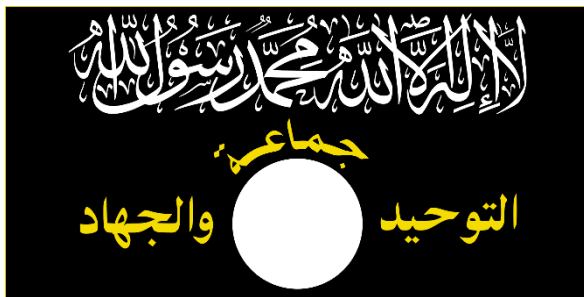
Dr. Donnay

Rise of ISIS

- Was the Mission Accomplished in Iraq?
- Complex societal situation in Iraq (tribal and sectarian conflict, plus manipulation of power by Saddam and Baath).



Life Circle of ISIS



Life Circle of ISIS

Date of Formation	Name	Leader and Active Places
1999	Jamaat al-Tawhid wa al-Jihad	Leader: Abu Mosab al-Zarqawi. Started in Afghanistan then moved to Iraq in 2003.
2004	AQI - Tanzeem Qaedat al-Jihad fi Bilad al-Rafidayn	Leader: Abu Mosab al-Zarqawi. Main presence was in center and west of Iraq.
2006	Majlis Shura AlMujahideen	Leader: Abu Mosab al-Zarqawi. Main presence west of Iraq and it lasted for few months only and was the first divorce between AQC and Zarqawi.
2006	The Islamic State of Iraq	Leader: Abu Omar al-Baghdadi. This was the first group post Zarqawi and controlled parts of west Iraq. This was the first manifestation for Zarqawi's ideology in reviving the Caliphate system.
2013	The Islamic State in Iraq and Syria/Levant (ISIS or ISIL)	Leader: Abu Bakr al-Baghdadi. The first expansion beyond the borders of Iraq to Syria.
2014	The Islamic State	Leader: Abu Bakr al-Baghdadi. They removed the geographic limitations in in the name as they aimed to expand it to North Africa, Turkey, Caucasia and some parts of Europe.

Doctrinal Differences ISIS vs AQC

Egyptian Salafi-Jihadism Minds



ultra-conservative Saudi
Wahhabism (\$)



al-Qaeda



al-Qaeda

Doctrinal Differences ISIS vs AQC

al-Qaeda Iraq



Salafi-Jihadism and anti-Shiite
hyper-Sunni sentiments



ISIS



ISIS

The Caliph of 21st Century



- Muslim Brotherhood / Salafi Jihadi Ideology
- Bucca Camp and connection with other Jihadist leaders.
- Role of infiltrated Iraqi gov. by Iran and Shiite militias
- Role of former (Baathists) Saddam's police and army officers in ISIS (State and army)

ISIS act as a State

Government Department	Function
Diwan al-Ta'lim	Education
Diwan al-Khidamat	Public Services (e.g. electricity, water, street cleaning). Management of public facilities (e.g. parks)
Diwan al-Rikaz	Precious resources (two known divisions: fossil fuels and antiquities)
Diwan al-Da'wah wa al-Masajid (wa al-Awqaf)	Da'wah activity and control of the mosques
Diwan al-Sihha	Health
Diwan al-Asha'ir	Tribal outreach
Diwan al-Amn (al-Aam)	Public security
Diwan Bayt al-Mal	Finances and currency system
Diwan al-Hisbah	Enforcement of public morality: Islamic police
Diwan al-Qada wa al-Mazalim	Islamic court, judicial matters, marriages
Diwan al-Alaqat al-Amma	Public relations
Diwan al-Zira'a	Agriculture, environment
Diwan al-Ifta' wa al-Buhuth	Fatwas, textbooks for training camp recruits etc.

Current Financial Status

- RAND corporation study in front of US Congress cmt. Estimated that ISIS surplus is about \$2 Billion.
- Hard Currency accumulation.

How could ISIS use the money? Four scenarios:

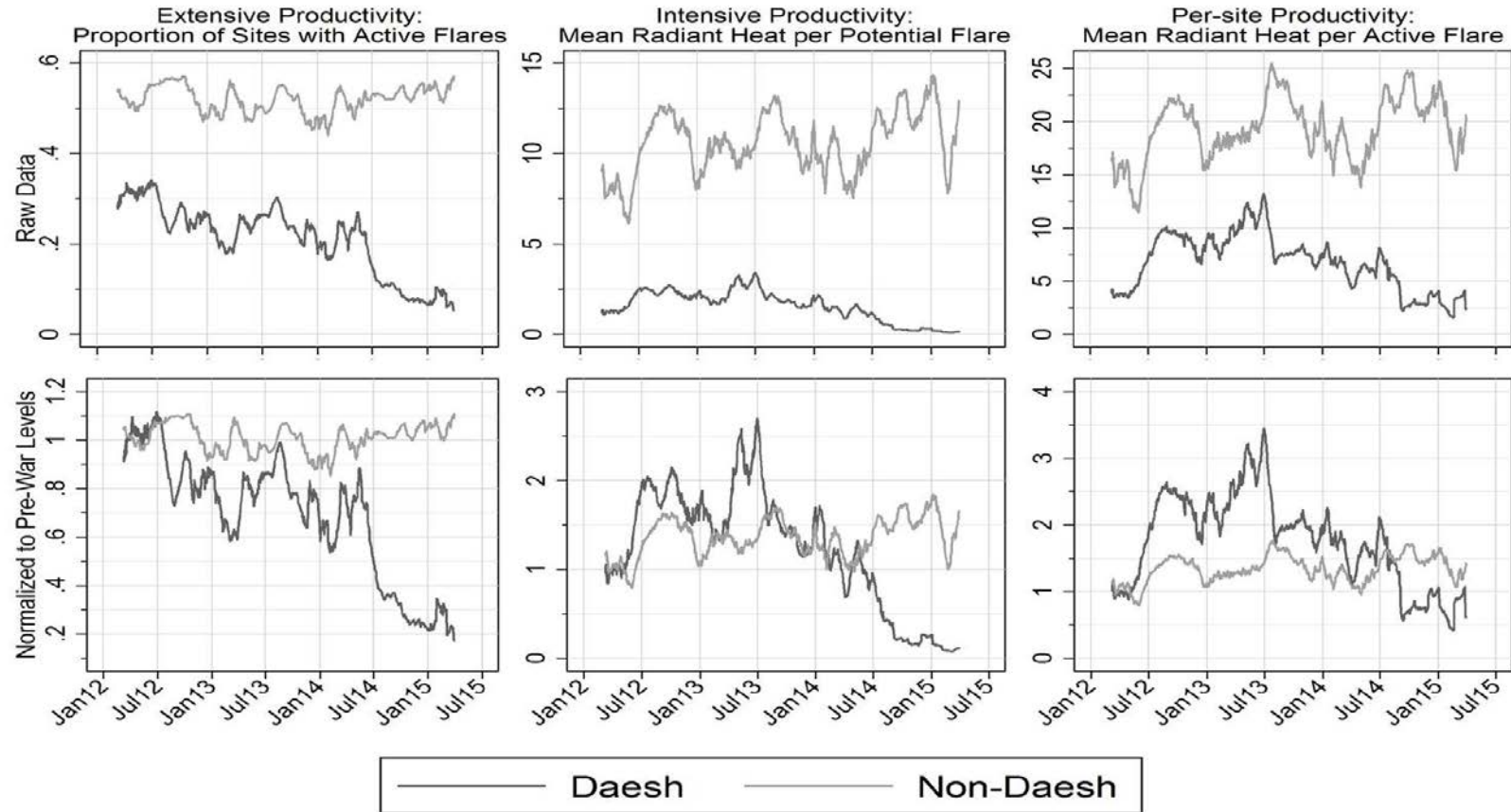
First: planning territorial expansion and fund undercover ISIS groups

Second: expand influence in other strategic parts of the Muslim world.

Third: encourage and fund attacks in Western States.

Fourth: fund its members and to provide services and maintain its sharia-based order in the territory it currently controls

Oil Revenues

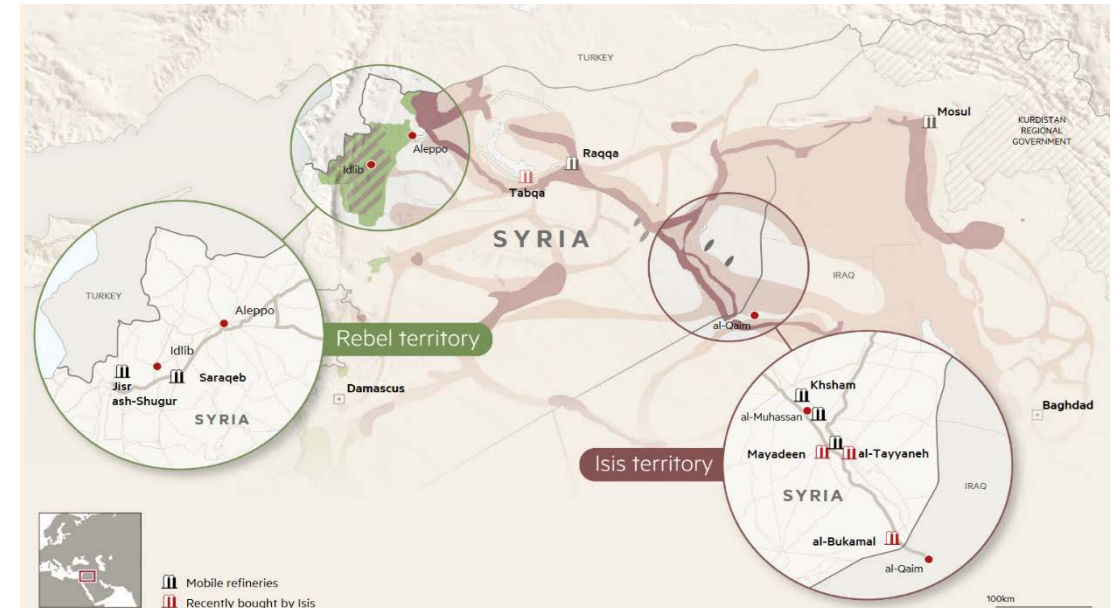
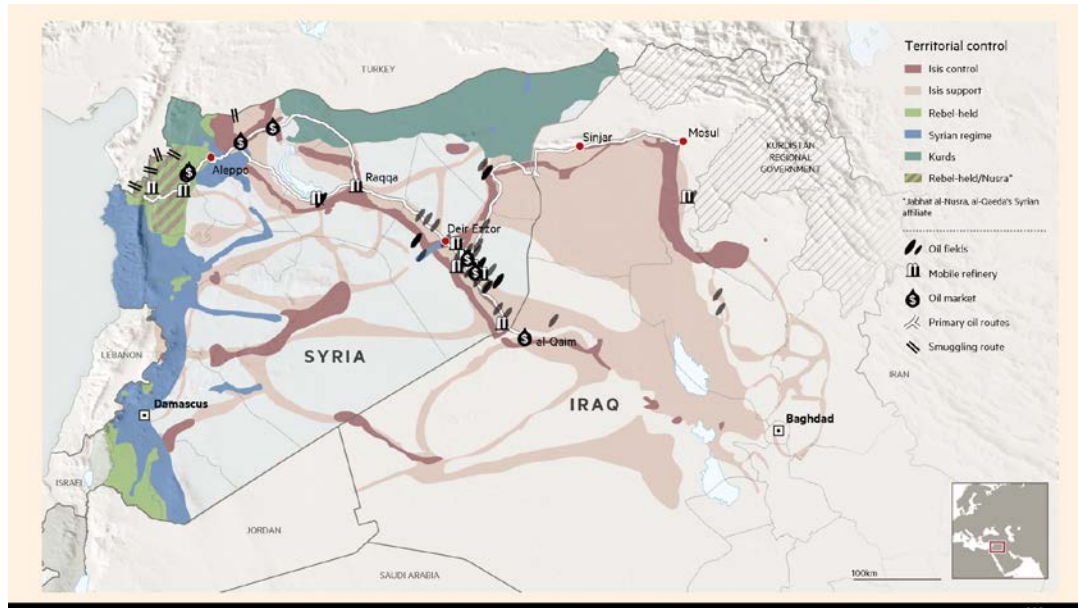


Extracting, refining and Smuggling Crude Oil

34,000 to 40,000 barrels per day by end of 2015.

Estimated to earn at least \$1.5m per day

Great capacity to create new ways to trade oil, i.e. (outsource market)



Extortion, Taxation and Sales of Antiques

- They seized approximately \$1 billion from the banks (\$675 million from Mosul only).
- \$1 Billion from taxation and extortion
- Local money laundry.
- Trafficking and sex slavery.
- Sells of antiquities (estimation to be second largest revenue after oil)

How is ISIS managing financial transactions?

- **First:** Controlling small banks in South Turkey, North Iraq benefit from huge transactions.
- **Second:** Use the expertise among its fighters to handle the banking issues, mainly the international banking transfers plus the use of intimidation and fear to force.
- **Third:** They identify the weakness points in these systems and use it to dodge international sanctions.

Conclusion: Why ISIS is not defeated yet?

- Control of territories.
- Great resilience and high adaptation.
- Diverting geopolitical changes into victory for the group.
- Highly trained and qualified cadre from all over the world.
- Ideological cohesiveness and certainty in their righteousness and ultimate victory

Conclusion: How to defeat ISIS economy?

Two facts about ISIS current economy:

First: revenues from economic activities in areas of control are shrinking.

Second: ISIS public institutions are hostile to any economic growth since its economic module is unsustainable.

Two points to completely shut all ISIS economic resources:

First a large-scale and heavy bombing campaign targeting IS infrastructure, **second** a serious and complete sealing off of IS from the outside world

Sum of Conclusion

- ISIS main strength comes from the wealth extracted from areas under its control to fund its fights.
- Removing ISIS should not be accompanied or replaced by anti-Sunni ruler or sentiments.
- The Islamic State will be capable to endure for years unless subjected to direct ground military attack led by capable neighboring Muslim countries (Saudi Arabia, Jordan, Turkey and Egypt). Ground forces should be Sunni forces to ensure collaboration of Sunni tribes and to kill any future calls to fight Shiites or Western forces. This military operation must go hand in hand with a political reform in both countries, in which Iran's role is minimized and Sunnis restore their rights and fair political representation in government.