

A Spatial Analysis For The Phenomenon Of Financial And Administrative Corruption In Iraq And Its Political And Economic Effects

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Abstract

The phenomenon of financial and administrative corruption is one of the most prominent challenges that faced the Iraqi state after 2003 due to its profound effects on the building of the state and its economic structure. Corruption is a political, economic, administrative, and social phenomenon that is basically extracted from the exploitation of power or influence in order to achieve material or moral gains by illegal means. There is no more evidence for this than listing Iraq as the world's most corrupt country. This phenomenon has grown and increased until its features are engraved and rooted in the state and this has been confirmed by the reports of Transparency International since 2004. These reports showed that Iraq occupies an advanced position among the most financially and administratively corrupt countries. This is due to the weakness of the official agencies concerned with confronting corruption on the one hand, and the control of utilitarian parties aspiring to maximize their gains at the expense of the people through corruption on the other. The phenomenon of financial and administrative corruption in Iraq has hampered the process of building and progress in the state at the political and economic levels. Accordingly, this research came to delve into the nature of this phenomenon and its causes and to propose solutions to confront it.

Key words: financial corruption, administrative corruption, political corruption, nepotism

Introduction

There is no doubt that the phenomenon of financial and administrative corruption is one of the biggest determinants that were and still stand in the way of building the Iraqi state after 2003 as it directly affects its political and economic foundations. This weakened the state and made it captive to that deadly scourge, especially after the utilitarian parties seized the state's capabilities. The power or influence was exploited in order to achieve material or moral gains through illegal means, until it became the most corrupt country in the world. This was confirmed by the reports of Transparency International since 2004, which showed that Iraq occupies the forefront of the most financially and administratively corrupt countries in the world. This is due to the weakness of the official supervisory bodies concerned with confronting corruption on one hand, and the lack of seriousness of the Iraqi decision-maker in confronting this phenomenon on the other. Perhaps, the danger of this phenomenon outweighs the

scourge of terrorism on the state, as it is a gateway to undermining its security and stability, as terrorism and organized crime are implemented through it to the state in general and society in particular. This leads to obstruct the process of building the state and the human being, and makes it empty and weak in the face of the challenges.

Problem statement

The problem of the present study lies in the following questions:

What are the political and economic effects of financial and administrative corruption in Iraq? What are the ways to confront it?

The hypothesis

Based on the problem, the researcher assumes the following hypothesis:

-The phenomenon of financial and administrative corruption that is rampant in Iraq has led to the weakness of the state at the political and economic levels.

The scope of the study

This study is classified within the research field of political geography, which is concerned with the study of the various phenomena that affect the power of the state and its internal and external behavior.

Structure of the study

The study contains an introduction and three main demands. The first demand deals with the extent of the phenomenon of financial and administrative corruption in Iraq. The second is devoted to study the political and economic effects of the phenomenon of corruption in Iraq. The third presents an account for the causes of the phenomenon of financial and administrative corruption and ways to confront them, in addition to the results and recommendations and a list of margins and sources.

The first Demand: the extent of the phenomenon of financial and administrative corruption in Iraq

Corruption is one of the most prominent challenges to the state entity and its economic structure, as the exploitation of power to achieve material or moral gains by illegal means at the expense of the people's interests contributes in hitting the pillars of its stability and makes it hollow in facing the challenges ⁽¹⁾. The best example of this phenomenon is what Iraq suffers from, whose roots go back to the nineties of the twentieth century ⁽²⁾. It has grown, increased and became rooted in the country after 2003. This was confirmed by the reports of Transparency International in 2004, which indicated that Iraq is the most corrupted country in the world ⁽³⁾.

There is no doubt that the phenomenon of financial and administrative corruption impedes the process of building the state and its progress in all political, economic, social and administrative fields ⁽⁴⁾. It is noteworthy to mention that the authority of the American civil administration in Iraq, Paul Bremer, is primarily responsible for the growing phenomenon of financial and administrative corruption in the state. He allowed the loss of (9) billion dollars of Iraqi oil funds under the pretext of spending

them as salaries and operating expenses besides the funds allocated for the reconstruction of the state. A total of \$20 billion, the state has received only \$90 millions in addition to having 22 United Nations bodies in the country whose budget and finance are unknown ⁽⁵⁾.

The financial and administrative corruption emerged in Iraq significantly in 2003, until the state became one of the most corrupt countries in the world, especially with regard to the economic and public financial process. US reports indicated the disappearance of about (100) billion dollars on the pretext that it was spent by the civil ruler Paul Bremer on the reconstruction of Iraq after the occupation authority concluded contracts with local and foreign companies participating in state-building. Add to that the theft of expenses contents, destruction of infrastructure, military installations, army camps and weapons, and failure to deter spoilers, tampering and thieves in Iraqi museums and vital and important facilities in order to weaken the structure of the Iraqi state in the future ⁽⁶⁾. In order to understand the topic, it is going to be explained as follows:

First - The extent of financial corruption in Iraq

In 2004, Iraq ranked 129th among the most corrupt countries according to the report of Transparency International among the 145 countries included in the report. Then, corruption increased to rank 137 in 2005 as it was the worst country in the world in terms of corruption. It ranked 175 in 2010 in the classification, which included about (178) countries and thus topped the most corrupted countries ⁽⁷⁾. It declined slightly in 2017, to be ranked (169) among the most corrupted countries (see Table (1)).

Table (1)

The extent of corruption in Iraq compared to neighboring countries for the period (2012-2017)

No.	Country	Corruption according to the year			Rank in 2017
		2013	2015	2017	
1.	Iraq	17	16	18	169
2.	Syria	17	18	14	178
3.	Iran	25	27	30	146
4.	Turkey	50	42	40	91
5.	Jordan	45	53	48	60
6.	Saudi Arabia	46	52	49	51
7.	Kuwait	43	49	39	85

Source: Done by the researcher based on the Information on:

<http://www.transparency.org>

What proves the correctness of what was revealed by the corruption data is what was issued by the Iraqi Integrity Commission, which showed the high volume of corruption in all the bodies of the Iraqi state institutions. It amounted about (319,158)

billion dollars for the period (2005-2017), in which the amount of corruption varied over the period. The study recorded the highest level of financial waste in 2010, reaching about (92,820) billion dollars. This can be attributed to the great political rivalry among Iraqi political parties and entities over gains and spoils, in addition to the weak oversight role. On the other hand, the lowest rates of financial corruption were recorded in 2007. It amounted about (0.4%) of the total corruption during the study period (See Table (2)).

The data revealed by the research is very frightening and reflects the identification of successive governments with the administration of the state in finding appropriate laws, legislation and institutions capable of confronting this rampant phenomenon that has become eroding the body of the state, impeding its progress and degrading its political and economic weight.

Table (2)

The temporal variation of the financial corruption in Iraq for the period (2005-2017)

No.	year	the financial corruption (billion Dollar)	Percentage %
1.	2005	7,140	2
2.	2006	3,570	1
3.	2007	1,428	0,4
4.	2008	3,570	1
5.	2009	3,570	1
6.	2010	92,820	29,6
7.	2011	3,570	1
8.	2012	17,850	6
9.	2013	10,710	3
10.	2014	78,540	25
11.	2015	7,140	2
12.	2016	35,700	11
13.	2017	53,550	17
14.	Total	319,158	%100

Source: Republic of Iraq, Integrity Commission, unpublished data 2018

Second- Manifestations of administrative corruption in Iraq:

There are multiple manifestations of administrative corruption witnessed by the new Iraqi state until it became an inherent characteristic of the style of state administration after 2003 despite the efforts that were made to confront this phenomenon. In order to reveal the most prominent manifestations of administrative corruption in Iraq, the issue is examined as follows:

1- Legislated political corruption:

Political corruption provides a protective incubator for all kinds of financial or administrative corruption by legitimizing corrupt laws on one hand and protecting the perpetrators of corruption crimes from legal prosecution and encapsulating these acts with legal legislation on the other hand ⁽⁸⁾. This type is represented by

the corruption of the upper classes in the state, including politicians and parties, as the higher bureaucratic jobs are transformed into tools for the rising personal enrichment⁽⁹⁾. This is due to the fact that the higher authorities in the state are not subject to the applicable laws and regulations that enable the relevant authorities to exercise control over them⁽¹⁰⁾. Among the most prominent manifestations of political corruption in Iraq are the following⁽¹¹⁾:

A - Corruption of the legislative authority: It is represented by the adoption of corrupt laws by parliament or local councils. This indicates the legislation that protects the corrupt, such as contracts and money that are spent unlawfully. It is noted that there are many incidents of corruption and organized looting were committed by those who call themselves representatives of the people under the slogan of the interest of the country and the citizen and the preservation of the public interest.

B - Corruption of the executive authority: it indicates the corruption of the authority that implements the laws issued by the legislative authority, provided that whoever assumes that authority, s/he exempts him/herself from accountability by virtue of the power that s/he enjoys. Therefore, the doors of public money are open without supervision. The government position is a gate for the richness on the expense of the interests of the people. The best evidence for this is the failure to implement judicial judgments against corrupt officials such as the former Minister of Trade, Falah Al-Sudani, the former Minister of Electricity, Ayham Al-Samarrai and others.

C - Corruption of the judiciary: the lack of accountability for the corrupters, the reluctance of the judiciary to establish justice and enhance accountability has become a facilitating way for the spread of a culture of impunity and identification in violation of the law. There is no evidence for this claim in Iraq, where registered and unfinished criminal cases amounted to be about (6,492) cases according to the data of the Integrity Commission for the years 2016-2017 only. This indicates the size of the great imbalance in the work of the Iraqi judiciary, since many of these unfinished cases are concerned with financial and administrative corruption that affected the state.

In summary, political corruption is the gateway to the scourge of corruption in the Iraqi state, as it provided legal frameworks to legitimize corruption in addition to protecting senior state officials. This is due to the profit-making behavior adopted by successive Iraqi governments in managing the state after 2003, which is reflected negatively on its reality. The political and economic situation opened the door wide to criminal manifestations such as organized crime and terrorism, which are subsisted and financed by the major corrupted people in the state.

2- Political symbolism (personalization of the leader)

One of the most prominent features of the political process in Iraq after 2003 is the dissolution of the personality of the ministers, members of parliament, and employees of special ranks in the state behind their political leaders, regardless of the qualifications of those leaders and their geopolitical orientation. This means

that those ministers and members parliament do not have the ability to take decisive decisions, which concerns the interest of the Iraqi people if they do not meet the interest of the political symbol that they follow. Thus, their opinions fluctuate with the fluctuations of the opinions of their leaders⁽¹²⁾. The identity of the leader and his party was made to prevail over the identity of the state, which led to the absence of a national identity that is inclusive for all Iraqis⁽¹³⁾.

Based on the foregoing, it can be said that the political symbolism has contributed to the fragmentation of the political reality in Iraq and revived administrative corruption in the state. This is due to the fact that the personalities entrusted with the tasks of the state administration do not take into account the work contexts and the legal controls that govern them, but rather, they are dependent on their party leaders and their orientations at the internal and external levels.

3- Violation of employment controls (Nepotism)

Nepotism is one of the great challenges that the Iraqi state suffers from. One of its most prominent manifestations is the lack of a sense of responsibility and the abuse of power by some of the higher administrations in the state in order to achieve their interests by violating the employment system. This is in addition to obtaining special privileges for themselves and their families, as well as other benefits represented by commercial deals, taxes and customs exemptions and the prohibition of licenses for persons and companies illegally and unlawfully in return for special commissions and based on personal and factional loyalties. All of that weakened the state and its political and economic entity. This, in turn, led the Iraqi citizen losing their confidence in the political process and spreading a spirit of despair among the people, as they are unable to curb the spoilers and hold them accountable for wasting public money. This is besides breaching employment controls and abhorrent nepotism in granting ministerial positions and special degrees⁽¹⁴⁾.

Based on the foregoing, it can be said that nepotism has led to the weakness of the state and its official and unofficial institutions. It kept the competent elements away from confronting the state administration, and made its senior positions and special ranks confined to specific partisan groups, which made Iraq a prisoner of that category besides the failure of political modernization projects, which the people aspired to achieve.

The second demand: the political and economic effects of the phenomenon of corruption in Iraq

First - the political effects of financial and administrative corruption

The Iraqi state suffered from bad conditions on the political, economic and social levels. The Iraqi decision-makers made a timid effort to confront this phenomenon, which spread like wildfire. It is not an accidental case, but rather it is considered as a contagious viral focus that infects the mind of the authority first and then spreads to the body of authority secondly and then the whole state⁽¹⁵⁾. The increase in corruption in the state institutions clearly participated in decreasing the respect for the sovereignty of the state and its public order, which negatively affects the political environment of Iraq and the legitimacy of the system of government and the

rationality of political decision-making as well as the state's external relations ⁽¹⁶⁾. It is noteworthy that the phenomenon of corruption in Iraq existed in the state institutions before 2003, but it spread and exacerbated clearly after that year. It moved to all the bodies of the new state, to be a sign of opening the doors of deviation from the value path in job performance for the sake of quick gain and keeping the positions using violence in behavior. This can be attributed to lawlessness, the absence of accountability and transparency, and the weak application of laws in the country ⁽¹⁷⁾.

Second - the economic effects of financial and administrative corruption

There is a negative impact of corruption on economic growth in Iraq by reducing the rates of foreign and domestic investment. This is due to the fact that investors are staying away from investing in the environment in which corruption appears. This is in addition to the failure to attract foreign investments and the flight of local capital, as well as the waste of resources due to the interference of personal interests in public projects for development. Besides that, the state failed to obtain foreign aid due to the bad reputation of the state's political system and the emigration of economic competencies because of the lack of appreciation and the emergence of nepotism in occupying public offices. The economic corruption has a great role in the public budget deficit, as it works to reduce public revenues, increase expenditures, tax smuggling, and attempt to obtain tax exemptions. All of this affects the general budget and prevents the government from implementing its public policies. The poor efficiency and quality of public utilities is one of the effects that the problem of corruption has left on the economy of the Iraqi state, as well as distorting the Iraqi market. Poverty rates are represented in Table (3) not to mention the poor distribution of income among members of Iraqi society ⁽¹⁸⁾.

Table (3) the percentage of poverty in Iraq for the year 2017

No.	Governorate	Percentage of poverty %
1.	Dohuk	6
2.	Nineveh	16
3.	Sulaymaniyah	3
4.	Kirkuk	11
5.	Erbil	4
6.	Diyala	20
7.	Anbar	15
8.	Baghdad	13
9.	Babylon	14
10.	Karbala	12
11.	Wasit	23
12.	Salahaddin	15
13.	Najaf	11
14.	Qadisiyah	43
15.	Muthanna	52
16.	Dhi Qar	42
17.	Maysan	42
18.	Basra	16

Source: Republic of Iraq, Ministry of Planning, Central Bureau of Statistics, unpublished data, 2018.

This is proved by the reports of the US General Inspector submitted to the US Congress and the reports of the Iraqi General Inspector in the Ministry of Oil, which showed the size of the economic losses suffered by the state due to the phenomenon of financial and administrative corruption. According to this Iraq's losses are amounted to about (24) billion dollars since the US occupation of Iraq until 2007. The administrative corruption was estimated to be about (5) billion dollars for the period from 2004-2007. This reflects the significant negative impact of the phenomenon of corruption on the state's economy⁽¹⁹⁾. In addition to that, about (7) billion dollars were theft from Al-Rafidain Bank on the pretext that it was damaged as a result of the rains in the city of Baghdad during that period, according to what was announced by the Director of the Central Bank, Ali Al-Alaq. However, it was nothing but a robbery of public funds and practicing corruption in the day light. The financial and administrative corruption devastates the body and structures of the state, as it has spread in all its parts. This affects the process of economic growth with its negative effects on local and foreign projects and hinders long-term foreign and local investments, besides increasing taxes, which hinders the construction of economic structures in the state.

The third demand: the reasons behind the phenomenon of financial and administrative corruption and ways to confront it.

First - the reasons behind the phenomenon of financial and administrative corruption

The phenomenon of corruption in all its forms, political, administrative and financial, has spread remarkably as a result of the lack of submission of the political and administrative authorities to clear laws and declared controls that have the ability to exercise control over the work of state institutions. This prompted the opponents of the management of senior positions to exploit their positions for purposes other than those granted to them through their practice. In addition to that, among the reasons for its emergence are ignorance, subjection to certain pressures, failure to activate the principle of equal opportunities among citizens, conflict of authorities, weakness of collective action, the spread of individualism in the management of institutions. Moreover, the government suffers from the lack of clarity of vision about the procedures for cooperation, coordination and integration among government institutions regarding undermining the phenomena of corruption and reluctance in accountability of senior officials accused of corruption, mismanagement, abuse of positions, and disregard by members of society of the laws in force in various fields⁽²⁰⁾. We can add to this the weak oversight role over the work of state institutions because the supervisory authority does not have real independence over the performance of state institutions and the extent of their commitment to the constitution and the laws in force but rather has fake independence. As judges and integrity officials are considered state employees, and therefore they are subjected to pressures, intimidation and enticement by members of the political authority. This leads to a decrease in accountability and opens the way for them to practice corruption in its various forms⁽²¹⁾.

This can be attributed to the political parties restricting the work of the supervisory authorities, as giving them free rein loses them from the opportunity to maximize their financial returns by controlling the largest possible number of positions whether those that bring them money or those that protect their sources of income. Therefore, the majority of government contracts in Iraq contain some form of corruption in the field of processing and payment processes, not to mention the continued competition between parties and political entities in Iraq in order to obtain key positions in the state to maximize its financial benefits ⁽²²⁾.

Second - Ways to confront the phenomenon of financial and administrative corruption in Iraq

The phenomenon of corruption is one of the negative and destructive phenomena in society that has spread clearly in the country, especially after 2003. It has become clear that its great effects that strengthen the determination of the state in order to reach the mechanisms and ways to solve this problem, and it is not possible for the mechanisms and standards of good governance to emerge in the state with the presence of the phenomenon of corruption. Therefore, it is necessary to activate legal mechanisms and processes to curb the phenomenon of corruption, prevent its spread and combat it, and use the means of accountability, transparency and integrity and apply them in all state institutions, whether official or unofficial, in order to create an environment free of all types of corruption. These mechanisms can be addressed as follows ⁽²³⁾ :

- A- Applying the legislative, institutional and operational conditions to effectively address the problem of corruption through the application of the law and criminal justice systems. These work in accordance with the task of facilitating informing about corrupt practices and activating criminal justice bodies in handling notification cases effectively and ensuring the application of procedures in a fair, transparent and effective manner to investigate and prosecute these cases.
- B- News channels and media play an important role in combating and preventing corruption and ensuring appropriate application of the law when committing corruption crimes, as they provide information on cases of this phenomenon and bribery.
- C- Developing correct solutions to tackle corruption by using modern technology and electronic control. These devices cannot be bargained, as it is the case in all countries of the world using the smart card or linking companies to the WORKNET system. These mechanisms are considered as an immune system to fraud and corruption.
- D- Activating the laws and mechanisms and work to reform them in order to fight corruption and work to strengthen the relationship of the government, the political system and the citizen in order to support those laws in order to remove corruption from Iraq and make it a state characterized by the characteristics of the rule of law.
- E- Working on combating all kinds of corruption that has spread in society, such as wasting public money, the spread of bribery and extortion of citizens by government officials, and holding senior officials to account.

- F- The Iraqi government must activate the laws and regulations for the protection of citizens who report cases of corruption that occur, and most important of all is to find an effective political system and government that operates according to transparency, integrity and accountability away from cases of corruption. It is not possible for cases of bribery and corruption to occur before citizens in the state with the availability of an honest government. The state should select people who represent the government that are able to provide what the citizen needs.

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