Other Publication

The Neo-Caliphate of the "Islamic State"

Author(s):
Mahadevan, Prem

ETH Library

The Neo-Caliphate of the "Islamic State"

The so-called "Islamic State" represents a new phase in global jihad, wherein efforts will be made to seize and retain territorial control in the face of overwhelming Western military superiority. While this potentially makes jihadist groups vulnerable to destruction, it also increases the risk of home-grown radicalization as foreign fighters flock to join the new "Caliphate".

By Prem Mahadevan

The jihadist takeover of Iraq's second-largest city Mosul in June 2014 sharply focused international attention on the country. Coming at a time when Western policy concerns were oriented towards Ukraine, the South China Sea, Gaza, and Afghanistan, the takeover's abruptness came as a surprise. Shortly thereafter, the responsible jihadist group named itself the "Islamic State" (IS) and declared the formation of a new Caliphate, signaling that its ideological agenda was not confined to distinct political or geographic boundaries. The IS has been since projecting itself as a rival to al-Qaida, by competing for credibility and legitimacy among the global jihadist community.

The IS is unusual in that, until very recently, it had a record of impressive operational success, combined with a slick propaganda machinery to showcase this success. In contrast, al-Qaida remains weakened as a result of counterterrorism efforts in the Afghanistan-Pakistan region. Leaders of the older group are being upstaged by a new generation of jihadists with a more sectarian agenda that fits well with the political climate of some Arab countries reeling from the revolts of 2011. Al-Qaida now has competition from the IS in Libya and Syria, with possibly another front opening up in Algeria. Meanwhile, jihadist factions in Nigeria and Egypt have claimed alignment with the IS.

A militant Islamist fighter celebrates the declaration of an Islamic "caliphate" in Syria's northern Raqqa province in June 2014. *Reuters*

What now confronts Western policymakers is the possibility of a strategic rivalry between two jihadist movements with almost identical aims, but divided by personality clashes and divergent priorities. Al-Qaida remains focused on attacking Western targets in order to isolate "apostate regimes" in the Arab world, while the IS is keen to overthrow these regimes by military force. By playing upon sectarian tensions, the latter seeks to undermine the cohesiveness of government forces and paralyze its opponents while it occupies fresh territory. However, after being targeted by US-led airstrikes since August 2014, its rhetoric has started to emulate that of al-Qaida, in calling for attacks on Western homelands. Given the attractiveness of the IS to Western jihadists, this is a worrying development. The group potentially could develop a long-distance strike capability that would operate directly or indirectly,

depending on whether its leadership orders specific attacks or sanctions them *post hoc*.

Origins of the "Islamic State"

The IS is descended from a group set up by Jordanian jihadist Abu Musab al-Zarqawi. Following the 2003 US invasion of Iraq, Zarqawi and his followers joined the Ba'athist-led insurgency against the occupation forces. In 2004, he formally aligned with Osama bin Laden, with whom he previously had had differences, and named his group "al-Qaida in Iraq". After Zarqawi was killed by the US in 2006, the group adopted the name "Islamic State of Iraq". This was changed once again in April 2013, as the group established a direct presence in Syria, to the "Islamic State of Iraq and the Levant" and finally in June 2014, to "The Islamic State".

From an early stage, the group embarked on a sectarian agenda, much to the discomfort of al-Qaida's core leadership in Paki-

Mosul was the focus of a targeted killing program in which several hundred government employees were assassinated.

stan, which advocated Shi'ite-Sunni unity against the West. Between 2003 and 2007, the IS attacked Shi'ites despite advice from the core leadership to concentrate on foreign soldiers. By 2007, resentment against the group had permeated even the Sunni community of Iraq, resulting in a popular tribal uprising against the group. Since the IS drew heavily on foreign jihadists for its operations, it lacked a strong local network and suffered very severe losses of personnel. The underlying alliance of Sunni tribal leaders and US forces constituted one of the pillars of the successful US "surge" in 2006–7, pulling Iraq back from the brink of sectarian civil war.

Between 2008 and 2010, however, the group developed an indigenous cadre of leaders who were intimately familiar with Iraqi demographics and were capable of long-term planning. This cadre was a combination of Ba'athists and Salafists, who had been incarcerated together in US-run prisons. The most famous of these was Camp Bucca, in which at least nine top members of the IS were detained. Ba'athists, many of whom had previously served in the Iraqi military, brought a professional understanding of military tactics and/or administrative bureaucracy to the IS, while

Salafists brought a degree of ideological fervor that few other insurgent groups possessed.

The appointment of Abu Bakr al-Baghdadi as leader of the IS in 2010 was a turning point. Al-Baghdadi had the support of a former Iraqi colonel, who helped him formulate a long-term plan for territorial expansion. The outbreak of civil war in neighboring Syria, although initially perceived as a distraction, was later appreciated for the strategic depth it provided the jihadist movement in Iraq. With the al-Assad regime being excoriated for its repression of Sunnis, Syria was a cause célèbre among jihadists worldwide. The IS established a presence in the country through a subsidiary organization known as Jabhat al-Nusra. Over time, the latter began to carve out an independent identity for itself and made direct overtures to the core al-Qaida leadership in Pakistan. Seeking to regain control of its proxy, the Islamic State of Iraq included the "Levant" in its own name. This worsened tension between Jabhat al-Nusra and al-Qaida on the one hand, and the IS on the other. A formal split was announced in February 2014, but the subsequent battlefield successes of the IS through the remainder of the year substantially weakened its opponents.

The fall of Mosul was a key event. In hindsight, it appears as though the IS had operated according to a long-term plan to isolate the city and build up pockets of support among its Sunni community. Between November 2012 and November 2013, 57 per cent of IS operations were concentrated in just two of Iraq's 18 provinces – Nineweh and Salah ad-Din. Mosul as the capital of Nineweh was the focus of a targeted killing program in which several hundred government employees were assassinated, crippling the city's administrative machinery. Salah ad-Din, meanwhile, served as a corridor to Baghdad, which was rocked by vehicle bombs on a daily basis. This pincer movement – simultaneous attacks in the north and the south – became a staple tactic of the IS and an effective means of dispersing Iraqi government forces over a wide area.

Leadership and Characteristics

Although all numbers cited in this context have to be treated with caution, the IS was reportedly able to seize Mosul with just 800 men, having undermined the cohesion of roughly 52,000 Iraqi security forces sta-

tioned in the area. Sectarian rifts between Shi'ites and Sunnis were exploited to disintegrate military units, whose commanders were in any case fleeing upon hearing of the IS' brutality towards government loyalists. IS columns, mostly composed of thin-skinned SUVs with heavy machine guns, used the extensive road network to outmaneuver scattered and ill-coordinated security detachments. For shock effect, the group employed suicide bombers as a form of cheap artillery, softening up military targets before engulfing them in well-coordinated light infantry assaults. This was an operational-level innovation unseen previously in other theaters of war, where suicide bombers have mainly been used either for tactical purposes and occasionally or for strategic effect.

Planning for the June offensive had been conducted by a former Iraqi army captain. Like many of the IS' key operatives, he used professional knowledge of small-unit tactics to develop an intricate battle plan, which was then implemented with precision. However, this also heralded a weakness in the group, which might come into effect during 2015: the IS is good on human and physical terrain that it knows, but has shown itself to be relatively brittle at strategic adaptation. The battle for Kobane in Syria is an example of such brittleness – despite coming under withering attack from Western air power, the IS continued to dispatch fighters to the combat zone, thereby refusing to cap its losses. Across Syria and Iraq, its advances have been greatly aided by intelligence networks created over a period of time among the local Sunni population. When confronting organized forces in areas where it has no local support, the IS has been unable to replicate its successes in the Sunni heartland.

The group has shown a relatively sophisticated command and control model, wherein the top leadership issues operational objectives to be met by local commanders who rely on their own discretion as to the means employed. This does have the negative effect of dissipating some of the group's offensive power in subsidiary operations, but overall it still serves to confuse adversary forces as to the chosen axis of an IS advance. Combined with night-fighting skills and the determination to follow through with an attack once launched, the IS has often been able to overwhelm its opponents. Its large cash reservoir helps in buying the support of ancillary tribes in Sunni-dominated areas, thus making for a fluid battlespace. A principal reason for the
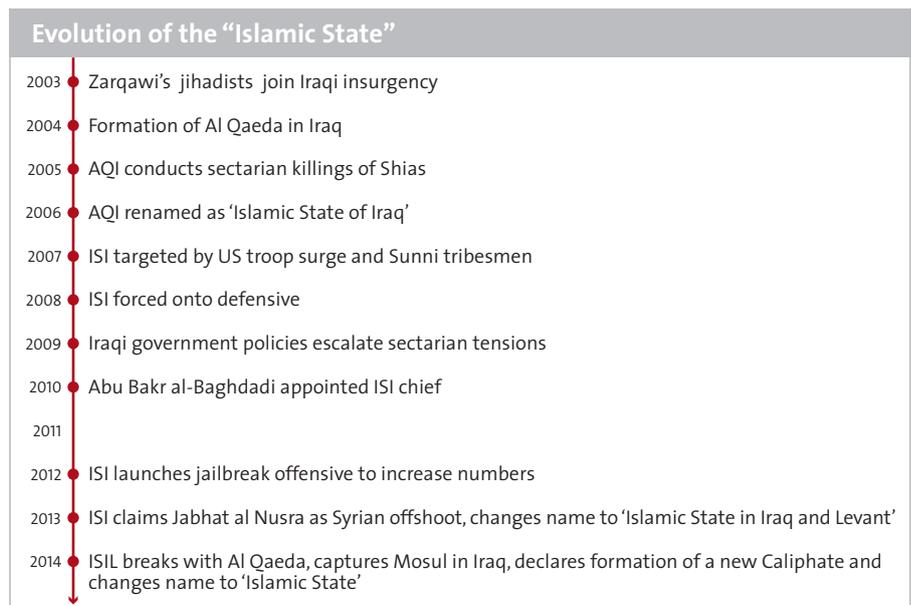
failure of Iraqi security forces to withstand the IS onslaught in summer 2014 was lack of maneuver room – a result of Sunni militias' refusal to cooperate with the government, even if they were themselves hostile to the IS.

The IS is thought to recruit at least 50 per cent of its core combat strength from abroad, with 25 per cent coming from Tunisia, Morocco, Jordan, Saudi Arabia, and Turkey. Over 3,000 EU nationals are believed to be fighting with the group, according to the EU's Counterterrorism Coordinator. While the large foreign presence in the IS gives the group international visibility and potentially opens it to partnership with jihadists in other regions, it highlights the limits of the IS' ideological appeal within Iraq and Syria. Furthermore, this foreign presence has been mainly attracted by the IS' military record; it could be demoralized if the group starts suffering major setbacks. Several experts already believe that by claiming to represent a new Caliphate, the IS has committed itself to a positional war which it can only lose under the combined weight of US airpower and Iraqi ground offensives, even if the latter will take a long time to materialize. The group cannot afford to relinquish large amounts of territory in order to ensure its physical survival, as doing so would expose the fragility of its claim.

For its part, the IS shows no sign of wanting to give up its final aim of territorial dominance in all 18 Iraqi provinces. It has created a civilian infrastructure to continue the process of governance, even as its military

According to one estimate, the IS controls 40 per cent of Iraqi wheat production.

formations capture new areas or fight to retain those under government counterattack. The entire network is run by Abu Bakr al-Baghdadi, who is thought to be based in the Syrian town of Raqqa. Assisting him is a six-member Sharia Council, which makes the key decisions of the IS. There exist a number of subsidiary councils dealing with oversight and strategic advice, counterintelligence and security, military operations, and civil administration. A major strength of the IS has been its ability to synergize its military and psychological operations by showcasing exceptional brutality through propaganda videos and electronic maga-

Evolution of the "Islamic State"

Year	Event
2003	Zarqawi's jihadists join Iraqi insurgency
2004	Formation of Al Qaeda in Iraq
2005	AQI conducts sectarian killings of Shias
2006	AQI renamed as 'Islamic State of Iraq'
2007	ISI targeted by US troop surge and Sunni tribesmen
2008	ISI forced onto defensive
2009	Iraqi government policies escalate sectarian tensions
2010	Abu Bakr al-Baghdadi appointed ISI chief
2011	
2012	ISI launches jailbreak offensive to increase numbers
2013	ISI claims Jabhat al Nusra as Syrian offshoot, changes name to 'Islamic State in Iraq and Levant'
2014	ISIL breaks with Al Qaeda, captures Mosul in Iraq, declares formation of a new Caliphate and changes name to 'Islamic State'

zines. Hitherto, jihadist brutality was commonplace in some conflict zones, but rarely publicized for fear of attracting international criticism. The IS is unconcerned about such criticism, since it is focused on creating a state structure outside the established international order and indeed, in contravention of international norms.

The World's Wealthiest Terror Group

Owing to bureaucratization, the IS is believed to have become the wealthiest terrorist group in the world, with assets estimated anywhere between USD 1.3 and 2 billion. At least USD 1 million is earned daily through illicit sales of Iraqi oil. Other income sources include kidnapping for ransom, protection racketeering, and the smuggling of antiques. Over a period of time, the group has diversified from an initial dependence on wealthy private donors, who today are thought to provide just 5 per cent of its finances.

The IS offers monthly salaries of between USD 200 and USD 600 to its frontline fighters, and also pays the salaries of Iraqi civil servants working in areas under its control. Its apparent munificence is appreciated in a country where agricultural output has shrunk by 90 per cent in the last decade, forcing many Sunni farmers into destitution. All the same, the IS' overhead costs are quite high as it seeks to consolidate its administrative presence in newly captured territories. Partly to conceal the

limits of its financial capacity, the group has engaged in widespread looting of displaced persons' property, expropriating apartments, vehicles, and household goods to pay off its combatant ranks. The expulsions of religious minority populations may be derived from an imperative to sustain this war economy. In a similar vein, the IS has arbitrarily halved the price of wheat, thereby perpetuating some degree of popularity at the street level. The financial losses caused by the price cut are being forced onto small businesses, which have no choice but to acquiesce in them. According to one estimate, the IS controls 40 per cent of Iraqi wheat production. It allows government employees working at flour mills and grain silos to continue working relatively unimpeded, even to the extent of permitting them to travel for meetings with federal authorities in Baghdad. The group itself operates several mills and directly skims off a percentage of the revenue from wheat sales.

However, the displacement or expulsion of large farming communities from IS-dominated areas might threaten the group's financial longevity, as would its largesse in artificially lowering wheat prices. Already, oil production from IS-controlled refineries has dropped from an estimated 70,000 barrels per day to 20,000 as a result of airstrikes by the US-led coalition. Further damage to oil infrastructure, as well as interdiction of vehicular movement on highways, would substantially reduce the IS' ability to raise funds through illicit oil sales

and "road tolls". That said, there many stakeholders in Iraqi organized criminal activity, a number of whom sit across international borders. Antiques pilfered from Iraq have been discovered in the EU and the US, having traversed a convoluted smuggling route that disguised their origin. Likewise, local businesses in border regions of Turkey profit from the sale of illicit Iraqi oil, and can be expected to keep the IS funded for a while.

The group controls approximately 4,500 archaeological sites in Iraq and Syria, allowing local smugglers to excavate in return for between 20 and 50 per cent of the profits. By permitting the theft of artifacts, the IS accomplishes two objectives simul-

For the foreseeable future, the Islamic State will be a threat to the West.

taneously – raising revenue and "purifying" Iraqi society from relics of pagan idol worship that the group's extreme view of Islam cannot tolerate. It thus strengthens its own identity as a new type of politico-religious regime, by subsuming local populations within a literalist interpretation of Islamic law. However, in the long run, it is possible that a fratricidal conflict might emerge between some of these populations and the IS if the latter were wholly disrespectful of local sentiments. The advantage hitherto enjoyed by the group of being able to tap into popular anger against the Shi'ite-dominated government in Baghdad would then wither away.

Global mission and foreign fighters

The IS shares some similarities with the Afghan Taliban, in that it is a regional jihadist group with pretensions of pioneering a new form of "Islamic" governance.

During the late 1990s, much of the Taliban's attractiveness for the global jihadist community came from its puritanical, absolutist style of administration and its military success during 1994 – 6. Today, the IS enjoys the same adulation, being able to use social media to bypass restrictions on its propaganda effort.

Like the Taliban, which drew the bulk of its combat troops from Pakistan, the IS relies on foreign fighters for much of its effectiveness. This creates the risk of a militant spillover that could destabilize other countries in the Middle East and North Africa. Already, it is believed that the IS assisted a jihadist takeover of Benghazi in August 2014, which saw that city being declared as part of a new "Islamic Emirate". The IS is thought to have orchestrated this development by ordering its entire Libyan contingent to return home, a month before the takeover was implemented. Meanwhile, in Algeria, reports suggest that factional rivalries within al-Qaida in the Islamic Maghreb could solidify along pro- and anti-IS lines, with one group having already pledged loyalty to the IS.

The IS is also a rival of the Taliban in that it demands a pledge of loyalty from new members that cannot be shared with other jihadist organizations. Thus, the Taliban and al-Qaida have lately been feeling the pressure from IS successes in Iraq, which have triggered a number of low-level opportunistic defections from their own ranks. To regain their credibility, it is likely that the Taliban will attempt to carry out dramatic operations in Afghanistan, while al-Qaida intensifies efforts to hit proximate targets in South Asia. For its part, the IS has begun to call for attacks upon Western targets, thus finally subscribing to a core element of al-Qaida's operational philosophy.

A focus on hitting Western homelands would not necessarily elevate the intensity or sophistication of the IS threat, but would increase its scale. Jihadists from the West (both of immigrant origin and native converts to Islam) currently view the IS as their organization of choice. Although exceptions exist, such volunteers tend to fit a certain profile: male, in their early 20s, with a low level of vocational skills, and often with a criminal record. Support for the IS is predicated not so much on ideological conviction as on a deep sense of marginalization and personal failure on the part of these individuals, who seek alternative circles of association online and thus get drawn into jihadism. While security agencies are cooperating regularly in intercepting Western recruits to the IS, they face a strategic dilemma: preventing radical Islamists from leaving the West risks forcing bottling up a homeland terrorist threat, while allowing them to travel to Syria or Iraq would result in the acquisition of combat skills that could be applied with devastating effect when they eventually return home. For the foreseeable future, the IS will be a threat to the West at an ideological level, even if it were to suffer heavy setbacks in its home base.

Dr. Prem Mahadevan is a Senior Researcher with the "Global Security" team at the Center for Security Studies (CSS) at ETH Zurich. His research focuses on jihadist groups and counter-terrorism.

Most recent issues:

4