

COUNTRY PROFILE: IRAQ

April 2005

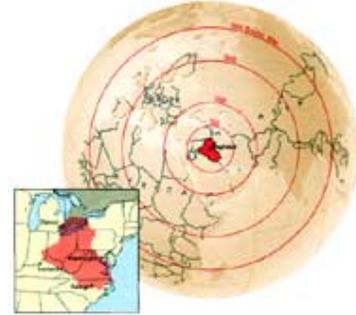
COUNTRY

Formal Name: Republic of Iraq (Al Jumhuriyah al Iraqiyah).

Short Form: Iraq.

Term for Citizen(s): Iraqi(s).

Capital: Baghdad.



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Major Cities (in order of population size): Baghdad, Mosul (Al Mawsil), Arbil (Irbil), Kirkuk, Basra (Al Basrah), and Sulaymaniyah (As Sulaymaniyah).

Independence: October 3, 1932, from the British administration established under a 1920 League of Nations mandate. April 9, the date of the fall of Saddam Husayn's regime in 2003, is the official national holiday.

Public Holidays: New Year's Day (January 1) and the national holiday (April 9) are celebrated on fixed dates. The following Muslim religious holidays occur on variable dates according to the Islamic lunar calendar, which is 11 days shorter than the Gregorian calendar: Eid al Adha (Feast of the Sacrifice), Islamic New Year, Ashoura (the Shia observance of the martyrdom of Husayn), Mouloud (the birth of Muhammad), Leilat al Meiraj (the ascension of Muhammad), and Eid al Fitr (the end of Ramadan).

Flag:

The flag of Iraq consists of three equal horizontal bands of red (top), white, and black, with three green, five-pointed stars centered in the white band.

The phrase "Allahu Akbar" ("God Is Great") also appears in Arabic script in the white band, with the word Allahu to the left of the center star and the word Akbar to the right of that star.



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HISTORICAL BACKGROUND

Early History: Contemporary Iraq occupies territory that historians regard as the site of the earliest civilizations of the Middle East. Because of its lush vegetation and ample water supply, ancient Mesopotamia (the land between the rivers, so named because the Oxus and Jaxartes rivers, now the Tigris and Euphrates, flowed through it) attracted settlers before 6000 B.C. In Sumer, or southern Mesopotamia, elements of early urban culture developed in response to the unpredictable natural rhythm of the rivers. The Sumerians introduced writing, literature, the

wheel, astronomy, irrigation, and a highly developed sense of religion. Because the Sumerians worshiped the number 60, hours, minutes, and circles were divided into 60 units.

The Sumerians dominated southern Mesopotamia from 3360 B.C. until about 2000 B.C., when they were conquered by the Amorites. In the early eighteenth century B.C., the Babylonian king Hammurabi (whose dynasty took its name from the capital city of the Amorites, Babylon) established a complex law code upon which later civilizations based their laws. In the early sixteenth century B.C., the Hittite tribe destroyed Babylon and established a new kingdom, which collapsed around 1200 B.C. After a period of disunity, Mesopotamia was occupied by the Semitic Assyrians in the ninth century B.C. Hated for their cruel military rule, the Assyrians were overthrown by local tribes in 612 B.C. The Chaldeans, who succeeded the Assyrians, re-established Babylon under King Nebuchadnezzar (ruled 605–562 B.C.). In 539 B.C., Cyrus the Great incorporated Mesopotamia into the Persian Empire. The conquest of Persian Babylon by Alexander the Great in the early 330s B.C. began a period of political disruption and brought substantial Greek influence into the region.

Iraq was conquered by the Parthians in 126 B.C. and by the Iranian Sassanids in 227 A.D. By 650 Arab tribes gained full control of the region from the Iranians, introducing Islam to what had been a mainly Christian group of tribes ruled by the Iranians in Iraq. The first great Arab dynasty, the Abbasid Caliphate, ruled the region from Baghdad between 750 and 1258. The fundamental schism of Islam, between the Shia and the Sunni branches, which had occurred in the late 600s, stood in the background of the Abbasid and ensuing Islamic dynasties. A great Arab cultural flowering occurred under Al Mamun (ruled 813–33), but in the ninth and tenth centuries Turkish warriors, the Mamluks, achieved substantial influence under the Abbasids. The Mamluks' successors, the Seljuks, built a de facto empire around Baghdad before being conquered by the Mongols in the early thirteenth century. Under the leaders Chinggis Khan and, later, Timur, the Mongols destroyed much of urban Iraqi culture.

The Ottoman Period: Beginning in the early sixteenth century, the Sunni Turkish Ottoman Empire struggled against the Shia Persian Safavid Empire for control of Iraq. The Ottoman Empire controlled Iraq for most of the ensuing four centuries. However, the Safavids made substantial inroads, and Iraq was under the de facto authority of tribal confederations beginning in the seventeenth century. This trend was reversed in the eighteenth and early nineteenth centuries, as the Mamluks took control of most of modern-day Iraq. After Mamluk rule ended in 1831, the *tanzimat* administrative and educational reforms of the Ottoman ruler Midhat Pasha increased the influence of urban culture in Iraq. In the same period, Western Europe established commercial outposts and brought technological advances to Iraq. Beginning in 1908, the influence of the pro-Western Young Turk faction in Ottoman government introduced democratic concepts while alienating Arab parts of the empire by a campaign to centralize and “Turkify” Ottoman holdings.

By the early twentieth century, the decrepit Ottoman Empire was an area of conflict among the European powers. In World War I, British and Ottoman forces fought on Iraqi territory. After leading a revolt by Arab tribes in Iraq, Transjordan, and Syria, in 1917 the British occupied most of modern-day Iraq. Disappointing Arab ambitions for independence after the war, the Paris Peace Conference of 1919 made Iraq a British territory under a League of Nations mandate. The

postwar British government faced nationalist sentiment that evolved into terrorist activity by secret societies. The Great Iraqi Revolution of 1920 united Shias and Sunnis and brought about an Arab provisional government headed by King Faisal, son of a Saudi royal line. Faisal never established legitimacy or stability in Iraq because he was not an Iraqi, he remained under British control, and his government was predominantly Sunni.

Independent Iraq: Throughout the 1920s, nationalist Iraqis pressed the British for independence. Iraq became fully independent in 1932, retaining a special relationship with Britain. However, Iraq's formation into a state was hindered by the ongoing Shia-Sunni split, the ambitions of many factions to gain power in the new state, and the fragmenting effect of arbitrary borders and tribalism. Ethnic groups such as the Kurds and the Assyrians strongly resisted inclusion. In 1933 Assyrian resistance was marked by the massacre of several hundred Assyrian villagers by the Iraqi army. The death of Faisal in 1933 led to a successful coup against the destabilized government by General Bakr Sidqi, a Kurd, in 1936. In 1939 the death of Faisal's son Ghazi ended a period of Iraqi pan-Arabism and increased nationalism and anti-British sentiment. Subsequent decades would be marked by nationalism at home and quickly changing relations with Iraq's neighbors.

World War II brought new changes. In 1941 radical nationalist Rashid Ali overthrew the pro-British government of Nuri as Sad, precipitating a British invasion, restoration of the monarchy, and further alienation of the powerful nationalist factions from the Iraqi government. Beginning in 1943, Iraq was a base of Allied operations in the Middle East. The international stress of World War II exacerbated Iraq's economic and ethnic fragmentation and set the stage for two events of importance in 1948. An uprising, known as the Wathbah, forced Iraq to renounce the Treaty of Portsmouth, which called for cooperation with Britain, and Iraq sent troops to fight in the first Arab-Israeli War. In the early 1950s, economic hardship increased sentiment against the government. Major protests occurred in 1952 and 1956. A new Arab secular party, the Baathists, grew from the intellectual community and gained support among the military. Inspired by Egypt's opposition to Iraq's membership in the British-led Baghdad Pact and by long-standing public unrest, in 1958 a revolt led by General Abdul Karim Qasim overthrew the monarchy and established a republic. Qasim's government failed to consolidate Iraq, however, and its overthrow by the Baath Party in 1963 began a period of coups, instability, and military domination in the mid-1960s. Following Iraq's controversial role in the Arab-Israeli War of 1967, the Baathists returned to power in 1968. In the ensuing decade, the Baath Party consolidated power under Ahmad Hasan al Bakr and Saddam Husayn. By 1970 the latter was the dominant force in Iraqi politics.

Iraq under Saddam Husayn: In the 1970s, Saddam Husayn was able to patch relations with most Arab states, substantially improve economic conditions, and, in 1979, replace al Bakr as president of Iraq. Internally, he began a pattern of ruthless manipulation and extermination of enemies that would continue throughout his regime. In 1980 long-standing territorial disputes and the perception of Iran's weakness following its 1979 fundamentalist revolution led Iraq to invade Iran. Despite international mediation efforts, the ensuing war lasted until 1988 and killed between 500,000 and 1 million people. In the same period, Kurdish insurgents in northeastern Iraq took advantage of the war to press militarily and diplomatically for Kurdish autonomy. Iraq's invasion of neighboring Kuwait precipitated the Gulf War of early 1991, in which a U.S.-

led United Nations force defeated Iraq decisively. Withdrawal of that force from Iraq was followed by long-term arms restrictions, protected autonomous status for Iraq's Kurds, and economic sanctions. Iraq's observance of arms restrictions became the subject of international controversy in the 1990s and early 2000s.

The 1990s were marked by new moves toward autonomy by the Kurds, periodic resistance by Saddam Husayn to arms inspections and no-fly restrictions in northern and southern Iraq, and progressive deterioration of living standards in Iraq because of international sanctions. A United Nations Oil-for-Food Program, established in 1997, did not relieve the domestic crisis. The terrorist attacks on the United States in 2001 brought a reassessment of U.S. policy toward Iraq as a threat to international stability. Although Iraq agreed to unconditional arms inspections in 2002, in March 2003 a U.S.-led force invaded Iraq on the grounds that the regime was concealing weapons of mass destruction and had supported the attacks of 2001. The invasion quickly toppled Saddam Husayn from power.

Post-Saddam Husayn: In mid-2003, the U.S.-led Coalition Provisional Authority named an interim Coalition Governing Council of Iraqis, which was empowered only to facilitate the next stage of government formation. From 2003 through early 2005, insurgent and terrorist activities blocked the normalization of government and services, primarily in Sunni-dominated central Iraq. A provisional Iraqi government assumed nominal control in mid-2004, but U.S.-led forces remained in place. In January 2005, a national election chose members of a parliament, charged with electing an interim president and writing a constitution. This election initiated intense debate over the allocation of executive power among Iraq's major factions.

GEOGRAPHY

Location: Iraq is located in the Middle East, at the northernmost extent of the Persian Gulf, north of Saudi Arabia, west of Iran, east of Syria, and south of Turkey.

Size: The total area of Iraq is 437,072 square kilometers, including 432,162 square kilometers of land surface.

Land Boundaries: Iraq has common borders with the following countries: Iran, 1,458 kilometers; Jordan, 181 kilometers; Kuwait, 240 kilometers; Saudi Arabia, 814 kilometers; Syria, 605 kilometers; and Turkey, 352 kilometers.

Disputed Territory: Iraq's only border dispute, with Kuwait, was resolved by a United Nations commission in 1993. Both countries accepted the new demarcation.

Length of Coastline: 58 kilometers on the Persian Gulf.

Maritime Claims: Iraq claims 12 nautical miles of territorial sea and an unspecified distance of continental shelf.



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Topography: Iraq has four main topographical regions. The desert zone of Iraq's west and southwest is part of the Syrian Desert, dominated by wide, flat, sandy expanses. The uplands region occupies most of Iraq's northern part, beginning about 120 kilometers north of Baghdad and including the watersheds of the Tigris and Euphrates rivers to the Syrian border. Primarily desert, the region is characterized by deep river valleys. The third region is the northern highlands, which includes all of Iraq's northeasternmost territory and extends into neighboring Turkey and Iran. A series of elevation rises, interspersed with steppes, gives way to mountains as high as 4,000 meters near the Iranian and Turkish borders. The fourth region is the alluvial plain that extends from north of Baghdad southward to the Persian Gulf, following the lower Tigris and Euphrates rivers. The area, which is a large delta, includes lakes and marshlands. The extent of marshland in the alluvial plain varies according to the volume of water carried by the rivers in flood season. In their lower reaches, the two rivers break into several channels.

Principal Rivers: The Tigris and Euphrates, which rise in Turkey, form the dominant river system of Iraq. About 150 kilometers north of the Persian Gulf, the rivers join at Al Qurnah to form the Shatt al Arab, which then flows into the gulf. Several major tributaries of the Tigris flow through Iraq. The Khabur, the Great Zab, the Little Zab, the Uzaym, and the Diyala all flow into the Tigris from the northeastern highlands.

Climate: Most of Iraq has a desert climate, with mild winters and dry, hot summers. The northeastern uplands have cold winters with occasionally heavy snowfalls. In the western desert and the northeastern foothills, average winter temperatures range from a low of 0° C to a high of 15° C, and average summer temperatures range from a low of 22° C to a high of 38° C. In the alluvial plain, the winter range is 4° C to 17° C, and the summer range is 29° C to 43° C. About 90 percent of Iraq's rainfall occurs between November and April. Except in the northern uplands and the northeastern highlands, average annual rainfall is 100 to 170 millimeters. In the uplands, the range is 320 to 570 millimeters, and in the mountains the annual total may reach 1,000 millimeters.

Natural Resources: Iraq's arable land has been rich and productive, particularly in the lower alluvial plain. The substantial amounts of arable land in the northwestern uplands region require irrigation. Because of its river systems, Iraq has the most abundant water reserves in its region. Hydrocarbons are Iraq's most important natural resource. Depending on the estimate, Iraq has the second or third largest oil deposits in the world. Confirmed reserves total 112.5 billion barrels. Natural gas deposits are estimated at 3.1 trillion cubic meters, about 2 percent of total world reserves. Other mineral resources include phosphates, estimated to total 10 billion tons, and sulfur deposits located near Mosul.

Land Use: About 13 percent of Iraq's land surface is classified as arable; some 0.78 percent of the total land is planted to permanent crops. In 1998 some 35,250 square kilometers of cropland were irrigated.

Environmental Factors: Events of 1980–2005 have created environmental crises of emergency proportions. Military operations in three wars (1980–88, 1991, and 2003 to present) have left unexploded ordnance and land mines in exposed positions, killing or wounding an estimated 100,000 people in the early 2000s. Because of infrastructure damage, significant parts of the

population do not have adequate water supply or sanitation systems, and sites where municipal and medical wastes have accumulated carry the risk of disease epidemics. The wartime destruction of military and industrial infrastructure has released heavy metals and other hazardous substances into the air, soil, and groundwater. Numerous spills have resulted from damage to Iraq's oil infrastructure, and the lack of water treatment facilities at Iraqi refineries has led to pollution from those installations. In the alluvial plain, soil quality has been damaged by the deposit of large amounts of salts, borne by irrigation overflows and wind and promoted by poor soil drainage. Desertification and erosion also have reduced arable land. Transboundary pollution and a lack of river basin management by the government have led to the degradation of Iraq's major waterways. Under Saddam Husayn, the government drained the extensive marshes in the lower reaches of the alluvial plain, changing water circulation and wildlife patterns over a wide area; beginning in 2004, some restoration has occurred. Flooding danger in the alluvial plain has decreased since construction of dams upstream on the Euphrates. Although the interim government appointed in 2004 included a Ministry of Environment, long-term environmental crises such as the depletion of marshland in the Shatt al Arab have a low priority.

Time Zone: Iraq's one time zone is three hours ahead of Greenwich Mean Time.

SOCIETY

Population: In 2004 Iraq's population was estimated at 25,375,000, and the estimated growth rate was 2.7 percent per year. Average population density was 58.5 persons per square kilometer. The population occupies predominantly the alluvial plain and the northeast, leaving the western and southern desert regions very sparsely inhabited. The most densely populated governorate (province) is Baghdad, near the northern end of the alluvial plain, followed by Ninawa, in the western section of the uplands region. Urbanization has been a strong demographic trend; between 1985 and 2005, the proportion of the population in urban areas increased from 69 percent to 79 percent. Between 2003 and 2005, an estimated 700,000 Iraqis fled into Syria, which received by far the most Iraqi refugees in that period. Earlier, an estimated 1 million Shias fled from southern Iraq to Iran to avoid persecution. An estimated 1.5 to 2 million Iraqis were internally displaced by military operations between 2002 and 2004.

Demography: In 2004 an estimated 40.3 percent of the population was 14 years of age or younger, and an estimated 3 percent was 65 years of age or older. Slightly more than 49 percent of the population was female. The birthrate was 33.1 births per 1,000 population, and the death rate was 5.7 per 1,000 population. The infant mortality rate was 52.7 per 1,000 live births. Life expectancy for men was 67.1 years, and for women 69.5 years. The fertility rate was 4.4 births per woman.

Ethnic Groups: In 2004 an estimated 75 to 80 percent of the population was Arab and 15 to 20 percent, Kurdish. Other significant minority groups, together constituting less than 5 percent of the population, are Assyrians, Chaldeans, and Turkmens.

Languages: The official languages of Iraq are Standard Arabic and Kurdish, which is official in regions whose population has a Kurdish majority. The two main regional dialects of Arabic

spoken in Iraq are Mesopotamian (spoken by about 11.5 million) and North Mesopotamian (spoken by about 5.4 million). Other languages spoken in Iraq are Assyrian, Azeri, and Chaldean.

Religion: Some 97 percent of Iraq's population is Muslim. Of that number, 60 to 65 percent are Shia, and 32 to 37 percent are Sunni. In 2003 an estimated 700,000 to 900,000 Christians were in Iraq, mostly Assyrians belonging to the Chaldean Catholic Church. Although the Shias have constituted more than half of Iraq's population throughout the twentieth century, until 2005 all governments excluded them from proportional political power. The Kurds, predominantly Sunni but ethnically different and of a less militant religious orientation, did not share this political advantage with their Arab Sunni coreligionists. Throughout its existence, the regime of Saddam Husayn systematically repressed the Shias. In 1991 a Shia revolt in southern Iraq brought mass executions and further alienation, and in the post-Husayn era, the Shia-Sunni split remains a key political factor.

Education and Literacy: Following the regime change of 2003, the Coalition Provisional Authority, with substantial international assistance, undertook a complete reform of Iraq's education system. Among immediate goals were the removal of previously pervasive Baathist ideology from curricula and substantial increases in teacher salaries and training programs, which the Husayn regime neglected in the 1990s. The new Ministry of Education appointed a national curriculum commission to revise curricula in all subject areas. Because of under-funding by the Husayn regime, in 2003 an estimated 80 percent of Iraq's 15,000 school buildings needed rehabilitation and lacked basic sanitary facilities, and most schools lacked libraries and laboratories.

In the 1990s, school attendance decreased drastically as education funding was cut and economic conditions forced children into the workforce. After the regime change, the system included about 6 million students in kindergarten through twelfth grade and 300,000 teachers and administrators. Education is mandatory only through the sixth grade, after which a national examination determines the possibility of continuing into the upper grades. Although a vocational track is available to those who do not pass the exam, few students elect that option because of its poor quality. Boys and girls generally attend separate schools beginning with seventh grade. In 2005 obstacles to further reform were poor security conditions in many areas, a centralized system that lacked accountability for teachers and administrators, and the isolation in which the system functioned for the previous 30 years. No private schools exist. Prior to the regime change of 2003, some 240,000 persons were enrolled in institutions of higher education. In 2000 the literacy rate was 55 percent for males and 23 percent for females.

Health: During its last decade, the Husayn regime cut public health funding by 90 percent, contributing to a substantial deterioration in health care. During that period, maternal mortality increased by nearly three times, and the salaries of medical personnel decreased drastically. Medical facilities, which in 1980 were among the best in the Middle East, deteriorated. Conditions were especially serious in the south, where malnutrition and water-borne diseases became common in the 1990s. The conflict of 2003 destroyed an estimated 12 percent of hospitals and Iraq's two main public health laboratories. In 2004 some improvements occurred. Using substantial international funds, some 240 hospitals and 1,200 primary health centers were

operating, shortages of some medical materials had been alleviated, the training of medical personnel had begun, and the inoculation of children was widespread. However, sanitary conditions in hospitals remained unsatisfactory, trained personnel and medications were in short supply, and health care remained largely unavailable in regions where violent insurgency continued. The 2004 budget of the interim government allotted US\$1 billion for health care; that figure was to rise to US\$1.5 billion in 2006.

In the late 1990s, Iraq's infant mortality rates more than doubled. Because treatment and diagnosis of cancer and diabetes decreased in the 1990s, complications and deaths resulting from those diseases increased drastically in the late 1990s and the early 2000s. The collapse of sanitation infrastructure in 2003 led to an increased incidence of cholera, dysentery, and typhoid fever. Malnutrition and childhood diseases, which had increased significantly in the late 1990s, continued to spread. The incidence of human immunodeficiency virus (HIV) in Iraq was estimated in 2003 at about 0.1 percent of the population, mainly from blood transfusions. Although HIV carries a distinct stigma in Iraq, statistics from the early 2000s are considered reliable because the Husayn regime did extensive testing. As of early 2005, more recent figures were not available.

Welfare: Like the health system, Iraq's welfare system, one of the best in the Middle East in the 1980s, suffered drastic funding cuts in the 1990s as the regime shifted funds to other priorities. Beginning in the 1990s, damage to the economy by international sanctions drastically reduced the standard of living and left a large portion of Iraqi society in poverty, despite the United Nations Oil-for-Food mitigation program established in 1997. Average wages decreased drastically in the late 1990s. In the early 2000s, an estimated 60 percent of Iraqis were dependent on monthly food rations (for which all Iraqis were eligible beginning in 1990) from the Public Distribution System (PDS). In early 2005, that system and subsidized fuel distribution remained the main elements of the social safety net; nationwide shortages of sugar, milk, and ghee (a type of butter) were reported at that time. A plan to monetize or reduce the PDS rations was under consideration in 2005. In 2003 the occupying forces and the interim government began establishing a permanent system to support the poor and the unemployed. As of early 2005, however, such a system was not yet in place, although more than 30 percent of the workforce reportedly was unemployed in late 2004.

ECONOMY

Overview: Iraq's economy was badly damaged during the Iran-Iraq War (1980–88), and the international sanctions imposed following the Persian Gulf War of 1991 were another major blow. Aside from those events, reconstruction of a viable economy in the early 2000s encountered a severely distorted system. Under Saddam Husayn, the levers of economic power were solely in the hands of a corrupt elite in the ruling Baath Party; for the 25 years prior to 2003, no national budget was prepared. Under those circumstances, the private sector engaged mainly in illegal economic activity. Because Iraq's economy depends heavily on the oil industry, progress from the post-Husayn low point of 2004 depends on the rates at which that industry is reconstructed and re-integrated into the world oil market. In 2005 economic development in Iraq depends first on improvement of the security situation, which greatly hindered economic

progress in 2004. Most major enterprises are expected to remain in state hands until a permanent government is in place. Near-term government planning goals include budget deficit reduction, diversification of the economy through privatization, and reduction of unemployment. International grants and investments are an important source of funding for such goals.

Gross Domestic Product (GDP): According to the World Bank, in the crisis year of 2003 Iraq's GDP shrank by 34.2 percent compared with 2002, but the 2003 figure, US\$12.1 billion, was a drop of about 60 percent from the 2000 figure of US\$31.8 billion. Because such a low point was reached in 2003, the projected figure for 2004, US\$21.1 billion, amounted to an increase of 74.4 percent. (According to the Economist Intelligence Unit, however, between 2002 and 2004 Iraq's GDP varied by not more than 25 percent.) To reflect the dominant role of the oil industry, contributions to Iraq's GDP are divided into four parts rather than the conventional three. In 2004 the World Bank projected that the oil industry share of GDP would be 80 percent, with agriculture contributing 9.8 percent, services 8.7 percent, and manufacturing 1.5 percent.

Government Budget: The World Bank estimated that in 2003 government revenue was US\$4.7 billion and government expenditures totaled US\$8.6 billion, incurring a deficit of US\$3.9 billion. The official 2004 budget of the interim government called for expenditures of US\$33.5 billion and revenues of US\$19 billion, incurring a deficit of US\$14.5 billion.

Inflation: In 2003 and the first half of 2004, estimates of inflation in Iraq ranged from 25 percent to 28 percent. However, by the end of 2004 inflation was under substantially tighter control.

Agriculture: Historically, only 50 to 60 percent of Iraq's arable land has been under cultivation. Because of ethnic politics, valuable farmland in Kurdish territory has not contributed to the national economy, and inconsistent agricultural policies under Saddam Husayn discouraged domestic market production. The international Oil-for-Food program (1997–2003) further reduced farm production by supplying artificially priced foreign foodstuffs. The military action of 2003 did little damage to Iraqi agriculture; because of favorable weather conditions, in that year grain production was 22 percent higher than in 2002. Although growth continued in 2004, experts predicted that Iraq will be an importer of agricultural products for the foreseeable future. Long-term plans call for investment in agricultural machinery and materials and more prolific crop varieties—improvements that did not reach Iraq's farmers under the Husayn regime. In 2004 the main agricultural crops were wheat, barley, corn, rice, vegetables, dates, and cotton, and the main livestock outputs were cattle and sheep.

Forestry: Throughout the twentieth century, human exploitation, shifting agriculture, forest fires, and uncontrolled grazing denuded large areas of Iraq's natural forests, which in 2005 are almost exclusively confined to the northeastern highlands. Most of the trees found in that region are not suitable for lumbering. In 2002 a total of 112,000 cubic meters of wood were harvested, nearly half of which was used as fuel.

Fishing: Despite its many rivers, Iraq's fishing industry has remained relatively small and based largely on marine species in the Persian Gulf. In 2001 the catch was 22,800 tons.

Mining and Minerals: Aside from hydrocarbons, Iraq's mining industry has been confined to extraction of relatively small amounts of phosphates (at Akashat), salt, and sulfur (near Mosul). Since a relatively productive period in the 1970s, the mining industry has been hampered by the Iran-Iraq War (1980–88), the sanctions of the 1990s, and the economic collapse of 2003.

Industry and Manufacturing: Traditionally, Iraq's manufacturing activity has been closely connected to the oil industry. The major industries in that category have been petroleum refining and the manufacture of chemicals and fertilizers. Before 2003, diversification was hindered by limitations on privatization and the effects of the international sanctions of the 1990s. Since 2003, security problems have blocked efforts to establish new enterprises. The construction industry is an exception; in 2000 cement was the only major industrial product not based on hydrocarbons. The construction industry has profited from the need to rebuild after Iraq's several wars. In the 1990s, the industry benefited from government funding of extensive infrastructure and housing projects and elaborate palace complexes.

Energy: As one of the three most oil-rich countries in the world, Iraq has the resources for complete energy independence. By world standards, production costs for Iraqi oil are relatively low. However, long-term neglect and mismanagement of the petroleum industry by the Baathist regimes left the industry's infrastructure in poor condition. The lifting of sanctions in 2003 allowed repairs to begin. However, since 2003 oil pipelines and installations have been sabotaged persistently.

In 2004 Iraq had eight oil refineries, the largest of which were at Baiji, Basra, and Daura. Sabotage and technical problems at the refineries forced Iraq to import fuels, liquid petroleum gas, and other refined products from nearby countries. In October 2004, for example, Iraq spent US\$60 million for imported gasoline. In late 2004 and early 2005, regular sabotage of plants and pipelines reduced export and domestic distribution of oil, particularly to Baghdad. Nationwide fuel shortages and power outages resulted. In 2004 plans called for increased domestic utilization of natural gas to replace oil and for use in the petrochemicals industry. However, because most of Iraq's gas output is associated with oil, output growth depends on developments in the oil industry.

As much as 90 percent of Iraq's power generating and distribution systems were destroyed in the Persian Gulf War of 1991, and full recovery never occurred. In mid-2004, Iraq had an estimated 5,000 megawatts of power-generating capacity, compared with 7,500 megawatts of demand. At that time, the transmission system included 17,700 kilometers of line. In 2004 plans called for construction of two new power plants and restoration of existing plants and transmission lines to ease the blackouts and economic hardship caused by this shortfall, but sabotage and looting held capacity below 6,000 megawatts. In 2004 the World Bank estimated that US\$12 billion would be needed for near-term restoration, and the Ministry of Electricity estimated that US\$35 billion would be necessary to rebuild the system fully.

Services: Iraq's financial services have been the subject of post-Husayn reforms. The 17 private banks established during the 1990s were limited to domestic transactions and attracted few private depositors. Those banks and two main state banks were badly damaged by the international embargo of the 1990s. To further privatize and expand the system, in 2003 the

Coalition Provisional Authority removed restrictions on international bank transactions and freed the Central Bank of Iraq (CBI) from government control. In its first year of independent operation, the CBI received credit for limiting Iraq's inflation. In 2004 three foreign banks received licenses to do business in Iraq.

Because of the danger posed by Iraq's ongoing insurgency, the security industry has been a uniquely prosperous part of the services sector. Often run by former U.S. military personnel, in 2005 at least 26 companies offered personal and institutional protection, surveillance, and other forms of security. In the early post-Husayn period, a freewheeling retail trade in all types of commodities straddled the line between legitimate and illegitimate commerce, taking advantage of the lack of income tax and import controls. The Iraqi tourism industry, which in peaceful times has profited from Iraq's many places of cultural interest (earning US\$14 million in 2001), has been completely dormant since 2003. Despite conditions, in 2005 the Iraqi Tourism Board maintained a staff of 2,500 and 14 regional offices.

Labor: In 2002 Iraq's labor force was estimated at 6.8 million people. Recent figures on labor participation by sector are not available. In 1996 some 66.4 percent of the labor force worked in services, 17.5 percent in industry, and 16.1 percent in agriculture. In 2004 estimates of Iraq's unemployment ranged from 30 percent to 60 percent. The actual figure is problematic because of high participation in black-market activities and poor security conditions in many populous areas. In central Iraq, security concerns discouraged the hiring of new workers and the resumption of regular work schedules. At the same time, the return of Iraqis from other countries increased the number of job seekers. In late 2004, most legitimate jobs were in the government, the army, the oil industry, and security-related enterprises. Under Saddam Husayn, many of the highest-paid workers were employed by the greatly overstaffed government, whose overthrow disrupted the input of these people to the economy. In 2004 the U.S. Agency for International Development committed US\$1 billion for a worker-training program. In early 2004, the minimum wage was US\$70 per month.

Foreign Economic Relations: From the 1990s until 2003, the international trade embargo restricted Iraq's export activity almost exclusively to oil. In 2003 oil accounted for about US\$7.4 billion of Iraq's total US\$7.6 billion of export value, and statistics for earlier years showed similar proportions. After the end of the trade embargo in 2003 expanded the range of exports, oil continued to occupy the dominant position: in 2004 Iraq's export income doubled (to US\$16.5 billion), but oil accounted for all but US\$340 million (2 percent) of the total. In late 2004, sabotage significantly reduced oil output, and experts forecast that output, hence exports, would be below capacity in 2005 as well. In 2004 the chief export markets were the United States (which accounted for nearly half), Italy, France, Jordan, Canada, and the Netherlands. In 2004 the value of Iraq's imports was US\$21.7 billion, incurring a trade deficit of about US\$5.2 billion. In 2003 the main sources of Iraq's imports were Turkey, Jordan, Vietnam, the United States, Germany, and Britain. Because of Iraq's inactive manufacturing sector, the range of imports was quite large, including food, fuels, medicines, and manufactured goods.

Balance of Payments: In 2004 the World Bank estimated Iraq's current account balance at –US\$3.8 billion after being in surplus for the previous three years. The remaining elements of the balance of payments were not available.

External Debt: At the time it was deposed, the Husayn regime had an estimated US\$120 billion of external debt. In late 2004, the Paris Club of international creditors agreed to cancel 80 percent of the debt owed by Iraq to member nations, an amount estimated in 2004 at US\$42 billion. As of early 2005, the restructuring of Iraq's remaining debt and war compensation obligations, which the United Nations was to carry out, had not begun.

Foreign Investment: Generally, in 2005 foreign investors awaited a quieting of insurgent activities before making large commitments. Although foreign banks received permission to do business in Iraq, security conditions limited their activity. The Standard Chartered Bank of Great Britain, the multinational Hong Kong and Shanghai Banking Corporation (HSBC), and the National Bank of Kuwait received licenses to conduct banking transactions in Iraq, but a limit of six such banks was set until 2008. Iraq's Foreign Investment Law allows foreign banks to hold a 50 percent interest in Iraqi private banks. In 2005 the World Bank's International Finance Corporation joined the National Bank of Kuwait in buying a share of the Credit Bank of Iraq, a major infusion of money into the Iraqi financial system. In early 2005, there was much discussion of U.S. and European firms gradually privatizing Iraq's state-owned oil industry, despite Iraqi resistance to such a foreign presence. Shell, BP, and Exxon Mobil have signed agreements to study Iraq's reserves, and in December 2004 an international consortium signed a small-scale oilfield development agreement with the Ministry of Oil.

Foreign Aid: In 2004 the U.S. Agency for International Development was responsible for awarding contracts totaling US\$900 million for capital construction, seaport renovation, personnel support, public education, public health, government administration, and airport management. The World Bank committed US\$3 billion to US\$5 billion for reconstruction over a five-year period, and smaller commitments came from Japan, the European Union, Britain, and Spain. Russia canceled 65 percent of Iraq's debt of US\$8 billion, and Saudi Arabia offered an aid package totaling US\$1 billion. Some US\$20 billion of U.S. 2004 appropriations for Iraq were earmarked for reconstruction. Effective application of such funds, however, depends on substantial improvement in infrastructural and institutional resources. Because Iraq's international debt situation had not been elaborated in 2005, for the foreseeable future U.S. funds are expected to pay for capital investments in rebuilding.

Currency and Exchange Rate: In October 2003, the new Iraqi dinar replaced the old Iraqi dinar as the official currency. In March 2005, its value, originally 1,950 to the U.S. dollar, had appreciated to 1,460 to the U.S. dollar.

Fiscal Year: Iraq's fiscal year is the calendar year.

TRANSPORTATION AND TELECOMMUNICATIONS

Overview: In the 1970s, a sustained campaign for economic development provided Iraq with elements of a high-grade ground transportation infrastructure. Further development of roads and railroads in eastern Iraq supported the war effort against Iran (1980–88). However, damage in the Persian Gulf War of 1991 was only superficially repaired, and the insurgent sabotage that began in 2003 brought another round of damage. Most of that damage is to be repaired by U.S.

contractors and international aid organizations. The speed of such repair will depend largely on security conditions. In 2004 the United States allotted US\$500 million in aid for transportation upgrades, compared with an appropriation of US\$85 million in Iraq's 2004 budget.

Roads: In 2004 Iraq had about 39,000 kilometers of paved roads, many of which were broad highways constructed for military and commercial use in the 1970s and 1980s. Most road and bridge damage was repaired after the 1991 Persian Gulf War had targeted transportation infrastructure. However, beginning in 2003 main roads in central and northern Iraq, such as the connector between Baghdad and the Jordanian border, sustained repeated damage by saboteurs. Bridges damaged in 2003 by coalition forces were the focus of a major repair operation in 2004.

Railroads: In 2004 Iraq had an estimated 1,963 kilometers of standard-gauge railroad track, connecting Baghdad with other Iraqi cities and foreign borders in several directions. Most of the railroad infrastructure was in poor repair. Operations on the Baghdad-Mosul and Baghdad-Umm Qasr lines was restored following the government change of 2003, although service has been unreliable. In 2005 plans called for new rail links with Syria and Iran.

Ports: Iraq has three oil tanker terminals in the Persian Gulf: Basra (the main oil port) and offshore terminals at Khawr al Amayah and Khawr az Zubayr (mainly for dry goods and natural gas). In October 2004, Basra's capacity was 2 million barrels of oil per day, and the planned capacity of Khawr al Amayah is 1.2 million barrels per day. Umm Qasr, which has received major renovation since 2002, has 23 berths on the Shatt al Arab for general commercial use and delivery of emergency supplies.

Inland Waterways: Iraq has 5,275 kilometers of inland waterways, including canals and rivers that are considered major lines of communication. The main navigable waterways are the Euphrates River (2,815 kilometers) and the Tigris River (1,895 kilometers).

Civil Aviation and Airports: In 2004 Iraq had 79 airports with paved runways, including 21 with runways longer than 3,000 meters. Another 32 airports had unpaved runways. The three major international airports are at Baghdad, Basra, and Mosul. All major airports were damaged during the war of 2003, and since that time the coalition military force has been the major user. In early 2005, Royal Jordanian Airways was the only airline running regular flights between Amman and Baghdad. The state-owned national airline, Iraq Airways, has not been allowed to resume flights. The airline's financial position remained unclear following a 2004 decision by the interim government to delay restoration of the air travel industry until the seating of a permanent government. In March 2005, Iraq's Ministry of Transportation signed an agreement with Alya Airways of Jordan to airlift passengers between Baghdad and Amman.

Pipelines: In 2004 Iraq had an estimated 5,418 kilometers of oil pipelines, 1,739 kilometers of natural gas pipelines, and 1,343 kilometers of pipelines for refined products. The system, which nominally is capable of transporting several million barrels of oil per day, has suffered severe damage in three military conflicts and in the sabotage that followed the 2003 war. The main oil export line is the 1,000-kilometer Kirkuk-Ceyhan dual line, which leads to the Black Sea and has a capacity of 1.6 million barrels per day. However, since 2003 the line has been either closed or operating at minimum capacity. A major line between Iraq and the Red Sea has a similar

capacity but was confiscated by Saudi Arabia in 2001. The largest natural gas pipeline connects Baghdad with the West Qurnah field in southeastern Iraq.

Telecommunications: The war of 2003 severely disrupted telecommunications in all of Iraq. Since that time, the U.S. Agency for International Development has overseen repair operations by U.S. contractors, but sabotage has delayed restoration in some areas. In 2004 Iraq had an estimated 1.2 million conventional telephone lines, about half of which were in the Baghdad area. However, a large percentage of those lines were out of service. An insufficient technical infrastructure also has delayed the replacement of conventional telephone lines with fiber optic lines. Construction of a mobile-phone system began in late 2003, with the goal of providing what is considered an essential service by the end of 2005. Three consortia received contracts to establish mobile phone service in the north, center, and south, respectively. In 2004 work in the northern region proceeded fastest, although jurisdictional and financial complications emerged.

Internet access expanded rapidly after the war of 2003, following the end of full state control under the Husayn regime. In 2002 an estimated 25,000 people were using the Internet. In 2004 the main points of access were hotels and Internet cafés in Baghdad, Basra, and Kurdistan. Domestic Internet land lines remained unreliable.

GOVERNMENT AND POLITICS

Overview: The Transitional Administrative Law (TAL), functioning as an interim constitution until the end of 2005, calls for Iraq to have a permanent republican, federal government system, with power shared among the central government, 18 governorates (provinces), and local and municipal governments. The autonomy of one region, Kurdistan, is specifically recognized. The U.S.-led Coalition Provisional Authority (CPA) officially transferred sovereignty to an Interim Iraqi Government in June 2004. This was a first step in the process of completely rebuilding a government structure in Iraq. In January 2005, national parliamentary elections were a second step in that process. However, the establishment of a permanent government was delayed by ongoing violence by insurgent groups and by conflict over how to distribute positions in a new government among three powerful factions: the Kurds, the Shias, and the Sunnis. In March 2005, the Kurdish and Shia factions formalized their alliance in a principle of understanding. As of April 2005, procedures for drafting a permanent constitution had not been defined, but a two-thirds majority of voters must approve it once submitted. Aside from an enormous economic restoration process, major issues facing the first government include the protection of factional rights, the sharing of oil revenues between the central government and the provinces (particularly those dominated by the Kurds), the drive by Kurdistan for permanent autonomy, and the role of Islamic law in government and jurisprudence.

Executive Branch: In June 2004, Ghazi al Ujayl al Yawr was appointed interim president of Iraq, and Ayad Allawi was appointed prime minister of the Interim Iraqi Government formed by the Coalition Provisional Authority. The Transitional Administrative Law (TAL) calls for the permanent executive branch to consist of a president and two vice presidents, collectively called the Presidential Council; a prime minister; and a Council of Ministers (which in the interim government includes 36 ministries, although the TAL did not stipulate a specific number). The

president and vice presidents are to be elected by a two-thirds majority of the National Assembly. The Presidential Council then chooses a prime minister (the most powerful executive position in this system of government), who must receive unanimous approval of the council followed by majority approval of parliament. If the council cannot choose a prime minister unanimously, the National Assembly is authorized to choose that official by a two-thirds vote. In consultation with the prime minister, the council then chooses the other government (cabinet) ministers. In April 2005, the following leaders of the national government were chosen: a Shia, Ibrahim al Jafari, as prime minister; a Kurd, Jalal Talabani, as president; and a Sunni, Hachim Hasani, as speaker of the National Assembly.

Legislative Branch: According to the Transitional Administrative Law (TAL), Iraq is to have a unicameral, 275-member parliament, the National Assembly. Prior to formation of that body, the 100-member Interim National Council, named in mid-2004, was the national legislative body. In the parliamentary elections of January 2005, a Shia Muslim coalition, the United Iraqi Alliance, won 140 seats (later reduced to 138 when two deputies left the coalition), the Kurdish alliance won 75 seats, and a secular bloc won 40 seats. Having largely boycotted the election, the substantial Sunni minority gained only 17 seats, but the Sunnis were in position to gain the position of speaker of parliament in a power-sharing compromise with the Shias. One of the parliament's first duties was to draft a permanent constitution, which then would be submitted to a public referendum. The parliament also elects the president and two vice presidents and must approve those individuals' choices for prime minister and other cabinet positions. The presidential election requires a two-thirds vote of parliament, and approval of the heads of ministries requires a simple majority. The requirement of a two-thirds majority was a key obstacle in the formation of a government following the first parliamentary election. If the constitution is approved, in late 2005 the parliament would be responsible for organizing elections for Iraq's first permanent government.

Judicial Branch: The Transitional Administrative Law (TAL) calls for Iraq's judicial authority at the federal level to consist of the Supreme Court (nine members, appointed by the prime minister in the interim period and by the Presidential Council in the future permanent government); the Federal Court of Cassation (appeal); and the Central Criminal Court of Iraq. Appointments to the federal system are to be made by recommendation of the Higher Judicial Council, whose members are the chief appellate judge of each of the 17 appellate districts and some judges from the Federal Court of Cassation. The council's presiding officer is a judge from the Supreme Court. The council bears ultimate responsibility for all matters in the judicial branch. For military cases, civilian judges are named to a specially convened military court.

Administrative Divisions: Iraq has 18 governorates (provinces), which are divided into a total of 102 districts.

Provincial and Local Government: The governorates have been run by governors appointed by the central government, together with directly elected provincial councils. From Iraq's independence in 1932 until early 2005, these governments were completely subordinate to the central government. An increase in the power of provincial governments vis-à-vis the central government has been proposed in the formation of Iraq's new permanent government structure. For the elections of January 2005, each provincial council had 41 members except for the

Baghdad council, which had 51. The Transitional Administrative Law (TAL) gives those councils authority in all local matters. In the new structure, district governments also will be run by elected councils. The lowest level of subnational governance is composed of municipalities and townships.

In 2003 the U.S. Agency for International Development set up a Local Governance Program, creating citizen advisory councils at all subnational levels to serve as the basic structure of representation and liaison with U.S. authorities and the central government, and to plan restoration projects. In 2004 some 14 governorate councils, 34 district councils, 127 city councils, and 237 neighborhood councils were in existence in preparation for the election of permanent governments.

In 1992 the Kurdish Iraqi Front organized elections in which the three Kurdish provinces of northern Iraq elected the autonomous Kurdistan National Assembly. However, conflict between the two major Kurdish factions, the Kurdistan Democratic Party and the Patriotic Union of Kurdistan, prevented that body from meeting from 1996 until 2002. According to the TAL, the 111-member Kurdish Parliament elected in January 2005 has jurisdiction on all matters except foreign policy, diplomatic representation, security, defense, and fiscal matters including currency. The seats of that body are divided between the two major Kurdish parties, with designated seats for the Assyrian Christian minority.

Judicial and Legal System: Under Saddam Husayn, the judicial system was fully controlled by the executive branch. Between the formation of the Interim Iraqi Government Council in mid-2004 and the anticipated formation of a permanent government in 2005, Iraq is ruled by the Transitional Administrative Law (TAL), one of whose aims is to restore an independent judiciary. However, chronically poor security conditions have prevented that system from functioning on a regular basis. The legal system in place pending comprehensive renovation under a permanent government combines elements of Iraq's pre-Baathist laws and international law. In that system, which was influenced by French, Egyptian, and Ottoman law and is considered seriously outdated, judges rather than lawyers dominate court proceedings. Decisions are made by a three-judge panel, and no juries exist. Since 2003 Iraq's court system has been moved from the Ministry of Justice to the jurisdiction of the Higher Judicial Council, removing the influence of the executive branch that marked the Husayn regime. The system is divided into civil and criminal courts and courts of personal status (for matters to be tried under Islamic law). Criminal courts are of two types, misdemeanor and felony. The hierarchy begins with courts of first instance, then district appeals courts (existing in 17 districts), courts of cassation, and the Federal Court of Cassation, which normally is the final appeal stage. Extraordinary cases go to the highest level, the Supreme Court. In an effort to curb violent crime, the interim government reinstated the death penalty in 2004 for crimes including drug trafficking and kidnapping.

The interim government assigned an Iraq Special Tribunal, to include as many as 20 judges, to try top members of Saddam Husayn's regime, including Husayn himself, for war crimes. Human rights organizations noted that the tribunal does not include Iraqi judges of high reputation. The investigations of this court have proceeded very slowly; as of early 2005, no defendant had come to trial. In 2004 a British program began identifying and retraining Iraqi judges and legal personnel to replenish the court system.

Electoral System: The parliamentary elections of 2005 were supervised by an interim election commission. Although some voter registration centers were closed because of violence, overall turnout in those elections, in which all Iraqis 18 years of age and older were allowed to vote, was estimated at 58 percent. An estimated 265,000 expatriate Iraqis also voted. However, the participation percentage figure was reached because of high turnout among the Shia and Kurdish populations; in some districts, only 2 percent of registered Sunnis voted. The elections of January 2005 also chose provincial councils for Iraq's 18 governorates. Some 7,850 candidates ran for a total of 748 provincial council seats (17 provincial councils with 41 seats each and Baghdad, with 51). Kurdish voters in the provinces of Dahuk, Arbil, and As Sulaymaniyah also cast ballots for the 111-seat parliament that is part of the Kurdistan Regional Government. If a constitution were approved in the fall of 2005, the next major election would choose a permanent National Assembly. The electoral system stipulates that at least one-quarter of National Assembly deputies must be women; the first parliament had 79 women. All of Iraq's ethnic and religious communities also must be represented.

Politics and Political Parties: Although Shia leader Ayatollah Sistani has opposed the formation of Shia political organizations, two major Shia parties existed in early 2005. The Supreme Council for the Islamic Revolution (SCIRI) has close ties in Iran, commands a militia force of 10,000, and seeks a strong political role for the Islamic clergy. Since its return from exile in Iran in 2003, SCIRI has projected a more pluralistic image in a successful effort to broaden its support. It has supported the United States presence in Iraq and the January 2005 parliamentary elections. The second Shia party, al Dawa, began in 1958 as an Islamic revolutionary party, existed in exile during the Husayn regime, and emerged as an advocate of Islamic reform and modernization of religious institutions. In the Interim Iraqi Government (June 2004–April 2005), al Dawa was represented by party leader Vice President Ibrahim al Jafari. In the parliamentary elections of January 2005, Shia parties formed a loose coalition, the United Iraqi Alliance, which gained 140 of the 275 seats contested.

Iraq's Kurds are represented by two major parties, which since 2003 have cooperated in the Kurdistan Regional Government that administers three predominantly Kurdish northern provinces. Both parties have supported the U.S. presence in Iraq and played important roles in interim governments. The secular, nationalist Kurdistan Democratic Party (KDP) is the larger of the two parties and held one of two vice presidencies in the Interim Iraqi Government. Founded by the main Kurdish tribe, the Barzanis, the KDP has established good relations with the Turkish government. The Popular Union of Kurdistan, led by Jalal Talabani, also has a secular nationalist agenda and represents Kurds closest to the Iran border. In the parliamentary elections of January 2005, the Kurdish alliance of the two parties gained the second largest number of seats.

Several non-sectarian parties have played important roles in Iraqi politics since the fall of Saddam Husayn. The Iraqi National Congress (INC), led by Ahmed Chalabi, is a coalition with a large militia and strong ties in the southern Shia community, although Chalabi's influence in Iraq's governance waned significantly after 2003. The INC advocates economic privatization and a secular government. Iraqi National Accord (al Wilfaq) is led by Ayad Allawi, prime minister of the Interim Iraqi Government. Although the party was a key player in planned coups against Saddam Husayn in the late 1990s, its influence in post-Husayn politics has been modest. The Iraqi Communist Party (ICP) had its greatest influence in the 1960s, then substantially changed

its agenda during the 1990s. Since 2003, the ICP has been represented in interim governments and maintains some support among secular Shias and Sunnis.

As of early 2005, Sunni parties had not participated in the interim government, although Shia and Kurd factions endorsed the naming of a Sunni as speaker of the National Assembly. The Muslim Scholars' Association, formed in 2004, represents the senior Islamic scholars who make religious policy for the Sunni community. The association opposed the United States presence in Iraq and called for a boycott of the 2005 parliamentary elections. The association issued a conciliatory statement following the election, however. The Iraqi United Islamic Movement, led by Ahmed Kubaysi, has taken similar positions. The senior Sunni politician in Iraq, former foreign minister Adnan Pachachi, has endorsed the new government and urged Sunni participation. Several small parties represent the Assyrian and Turkmen ethnic minorities.

Mass Media: After the end of full state control in 2003, a period of considerable growth occurred in Iraq's broadcast media. In 2005 about 80 radio stations and 25 television stations (all of the latter in the state-run al Iraqiya network) were broadcasting in Arabic, Kurdish, and Assyrian. The broadcast media presented both positive and negative positions on participation in the national elections of January 2005. Since the end of media oppression in 2003, newspapers in Iraq have presented a variety of views on critical issues. The daily papers with the largest circulation, all published in Baghdad, are *Al Mada*, *Al Mutamar*, *Al Sabah*, and *Al Zaman* (also published in London). *Al Mutamar* is the official organ of the Iraqi National Congress, and *Al Sabah* often reflects the positions of the interim government. The Iraqi News Agency is the main domestic news agency; major foreign news agencies with offices in Iraq are the Anadolu Ajansı of Turkey, the Associated Press of the United States, the Deutsche Presse-Agentur of Germany, the Informatsionnoye Telegrafnoye Agenstvo Rossii-Telegrafnoye Agenstvo Suverennykh Stran (ITAR-TASS) of the Russian Federation, Reuters of Britain, and Tsinhua of the People's Republic of China.

Foreign Relations: Because of the primary roles taken by the United States and Britain in deposing Saddam Husayn and establishing interim governments to replace his regime, Iraq's relationships with those countries, particularly the United States, will remain paramount for the foreseeable future. Government and nongovernmental aid from the United States will continue as a crucial support in reconstruction. Formulation of more precise foreign policy priorities will await the seating of a permanent government. In the short term, Iraq's relations with Western and Far Eastern economic powers are determined by debt forgiveness and reconstruction assistance, which have come from many quarters.

Relations with Iraq's Sunni Arab neighbors have been conditioned by their degree of support for the 2003 regime change that empowered Iraq's Shia majority. For example, Jordan's ambivalent role toward the overthrow of Saddam Husayn cooled Iraq's normally close relations with that country. In March 2005, Iraq's relations with Jordan worsened when an ostensibly Jordanian suicide bomber killed 125 Iraqis. Traditional territorial disputes with Kuwait have been quiet in the early 2000s. Iraq retains important commercial agreements with both Jordan and Kuwait. Since 2003, relations with Syria and Saudi Arabia have been harmed by what is seen as those countries' poor border security, which has allowed insurgents to move into and out of Iraq.

Iraq's relations with Iran, always complex, have depended on the approach taken by Iran's Shia government toward factional politics in Iraq. Since 2003 Iran's aims have been to prevent the resurrection of a strong, threatening Iraq while avoiding a collapse of Iraq into a civil war that might spread eastward. The optimal outcome for Iran would be establishment of a Shia-dominated government with at least some Islamic principles. As of early 2005, Iran had not overtly used its extensive Shia connections within Iraq to destabilize interim governments, although that strategy remained available and Iran has supported a Shia party, the Supreme Council for Islamic Revolution, in Iraqi politics. An important regional issue is water sharing with Syria and Turkey, which have restricted the flow of the Tigris and Euphrates into Iraq by building upstream dams. In 2005 resolution of that issue awaited formation of a permanent government in Iraq.

Membership in International Organizations: In 2004 Iraq was a member of the following international organizations: Arab Bank for Economic Development in Africa, Arab Fund for Economic and Social Development, Arab Monetary Fund, Council of Arab Economic Unity, Food and Agriculture Organization of the United Nations, Group of 77, International Atomic Energy Agency, International Criminal Police Organization (Interpol), International Development Association, International Federation of Red Cross and Red Crescent Societies, International Finance Corporation, International Fund for Agricultural Development, International Labour Organization, International Maritime Organization, International Monetary Fund, International Olympic Committee, International Standards Organization, International Telecommunication Union, Islamic Development Bank, League of Arab States, Organization of Arab Petroleum Exporting Countries, Organization of the Islamic Conference, Organization of the Petroleum Exporting Countries, United Nations, United Nations Committee on Trade and Development, United Nations Educational, Scientific, and Cultural Organization, United Nations Industrial Development Organization, Universal Postal Union, World Customs Organization, World Federation of Trade Unions, World Health Organization, World Intellectual Property Organization, World Tourism Organisation, and World Trade Organization (observer status).

Major International Treaties: Among the multilateral treaties to which Iraq is a signatory are the Biological and Toxin Weapons Convention; Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques (signed but not ratified); Geneva Conventions; Treaty on the Non-Proliferation of Nuclear Weapons; and United Nations Convention on the Law of the Sea.

NATIONAL SECURITY

Armed Forces Overview: In May 2003, the armed forces of Iraq were disbanded by the Coalition Provisional Authority (CPA) that took control after Saddam Husayn was toppled. This process included the destruction of large amounts of military equipment. With training from forces and agencies of the United States, Britain, and other members of the CPA, new security forces have been in the process of formation. Former military and police personnel have been screened and organized as the near-term basis for security forces, following reversal of a 2003 decision to disband all Iraqi forces. Despite high unemployment, terrorist acts against the Iraqi military and police have depressed recruitment. More than 1,500 Iraqi police were killed in 2004.

In March 2005, the minister of interior predicted that Iraq's security forces would be fully staffed and competent in 18 months.

Army: The ground forces will account for the majority of the 35,000 personnel envisioned in the Iraqi Armed Forces. The New Iraqi Army is to be purely defensive and represent all the major factions in Iraq's population. The initial organizational structure includes light infantry brigades (possibly an infantry division), rapid intervention forces, and special forces.

Navy: Plans call for a small naval force. In 2004 an estimated 410 naval personnel were active. In 2003 British Royal Navy units began training a small Iraqi Riverine Patrol Service, which eventually is to have 400 personnel and 22 patrol boats to regulate trafficking and illegal entry into the country via the Shatt al Arab. In 2004 Iraq deployed a Coastal Defense Force of 400, stationed at Umm Qasr, with five patrol boats and 10 rigid inflatable boats for use in the northern Persian Gulf.

Air Force: Plans call for a small air force whose main function will be reconnaissance of borders and potential targets of terrorist attack.

Foreign Military Relations: Beginning in 2003, the coalition forces in Iraq, particularly U.S. and British, performed the bulk of security operations and provided all military training for Iraqi units, and the United States was the source of Iraq's military budget. Lacking in the coalition were France, Germany, and Russia, which opposed the 2003 military action against Saddam Husayn and provided little support in the two years that followed. Of 25 countries with troops in Iraq in March 2005, five besides the United States (Britain, South Korea, Italy, Poland, and Ukraine) had more than 1,000 troops; Italy, Poland, and Ukraine announced plans for full troop withdrawal in 2005.

External Threat: In 2005 unknown numbers of insurgents were crossing the borders with Iran, Jordan, Saudi Arabia, and Syria to mount terrorist attacks inside the country. This situation accelerated the training of border police and the construction of border installations. Technology at existing points of entry was to be upgraded in 2005. Iraq was not the target of conventional attack from any outside force.

Defense Budget: The interim government of Iraq budgeted US\$2 billion for military expenditures in 2004.

Major Military Units: In 2004 the air force had one air wing, composed of 500 personnel, with a domestic reconnaissance mission. In the army, plans called for the formation of light infantry brigades or one light infantry division.

Major Military Equipment: Iraqi equipment remaining intact after the war of 2003 and suitable for future use is to be absorbed into the new armed forces. The nature and numbers of that equipment are not known. In 2004 the air force had two Seeker reconnaissance aircraft; plans call for purchasing eight more.

Military Service: As of early 2005, Iraq had no conscription system, although a system could be established after the permanent government is seated in late 2005. Recruitment centers were established in Arbil, Baghdad, Basra, and Mosul.

Paramilitary Forces: The Department of Border Enforcement had 18,200 active personnel in 2004; the target number is 32,000. The department is to include three main functions: border police, a Bureau of Civil Customs Inspection, and a Bureau of Immigration Inspection. As new border police were trained, the basis of the force was experienced, screened Iraqi personnel. Although some 300 border installations are planned by Iraq's international military advisers, at the end of 2004 about 50 were operational, and another 75 were under construction. The Iraqi National Guard, formerly called the Iraqi Civil Defense Corps, had 36,200 active personnel in 2004, with a target level of 41,100. The mission of that force is maintaining internal security. In 2004 and 2005, U.S. army units recruited and trained National Guard forces. The lightly armed Facilities Protection Service force, under the Ministry of Interior, had 74,000 personnel in 2004, which was the required level. This force, whose members received a beginning salary of US\$56 per month, was to protect infrastructure, particularly in the oil industry; government installations; and likely individual targets of assassination. In addition, an estimated 50,000 militiamen are attached to various factions represented in the National Assembly. Plans call for these forces to assume border and security assignments under the oversight of the national government.

Foreign Military Forces: In early 2005, an estimated 153,000 U.S. troops and 23,900 non-U.S. coalition troops were in Iraq.

Police: During the regime of Saddam Husayn, Iraq's law enforcement system was marked by corruption and inhumane practices. After the previous police force was completely disbanded, in 2003 a new Iraqi Police Service was established to act as a municipal law enforcement agency under the authority of the Ministry of Interior. Plans call for a highway patrol element to be added in the future. The Police Service does not conduct investigative operations, but it has been assigned to support some operations of coalition military forces. In early 2005, a nominal total of 55,000 police officers had been trained, but the training and reliability of this force were under question. The target number for the force has been variously estimated at 65,000 and 89,000. In 2004 starting pay for police personnel was US\$60 per month, with a hazardous duty allowance of an additional US\$87 per month. Experts consider reform of the police system a long and difficult process. As under the Husayn regime, police corruption, extortion, and theft have continued to be a problem. In the January 2005 elections, the National Guard and police provided polling place security that monitors characterized as adequate, under threats of large-scale insurgent disruption.

The Iraqi National Intelligence Service (INIS) was established in 2004 in cooperation with the U.S. Central Intelligence Agency (CIA) to gather information on groups threatening national security. The president is to appoint the director of the INIS, which is to serve as an information agency for the Council of Ministers and have no law enforcement authority.

Internal Threat: In early 2005, the director of the Iraqi National Intelligence Service estimated the number of insurgents in Iraq carrying out attacks and bombings at between 20,000 and 30,000. Those personnel were located mainly in Sunni-dominated central Iraq and were

organized by surviving leaders of the Baathist establishment. An organization central to this threat is Tanzim Qaidat al Jihad fi Bilad al Rafidayn (TQJBR). Also known as Al Tawhid and the Zarqawi Network, TQJBR is led by the Jordanian extremist Abu Musab al Zarqawi. Its objectives are to expel the multinational coalition forces from Iraq and establish a state under Islamic law, and it has allied itself with the global anti-Western jihad of al Qaeda. In 2004 its presence in Iraq was estimated at between 500 and 1,000 operatives. Beginning in 2000, TQJBR has taken credit for numerous bombings, assassinations, and kidnappings in the Middle East; since 2003 its activities have been concentrated in Iraq. However, many independent militia groups are believed responsible for other such attacks. In the absence of effective security, conventional crime also has increased significantly since 2003. Kidnapping for ransom and the trafficking of women and workers increased particularly in 2004. The trafficking activity took advantage of Iraq's loose border controls.

Terrorism: Since the toppling of Saddam Husayn in May 2003, coalition military forces, Iraqis involved with reconstruction, and the general public have been endangered by a variety of bombings, kidnappings, and executions conducted by insurgent forces believed to be primarily Sunni and of both domestic and foreign origin. Particular targets have been Iraqi police and military personnel and trainees. Terrorism escalated prior to the elections of January 2005. Many terrorist acts have been unattributed, and many apparently independent militias are known to have participated in them. The main identifiable organization has been Tanzim Qaidat al Jihad fi Bilad al Rifayn (TQJBR), under the leadership of Abu Musab al Zarqawi.

Human Rights: In the early post-Husayn era, some forms of human rights abuses continued to exist in Iraq, aside from those implicit in a society racked by terrorist acts. The Iraqi Corrections Service, which continued to run the prison system as it had under Husayn, did not meet international prison standards, although conditions improved in 2004. Some instances of prisoner abuse and torture were reported, and overcrowding and poor medical care were problems. The Iraqi National Guard, responsible for domestic security, was charged with abuse of detainees and coercing confessions, as were police agents. Specialized agencies such as the National Intelligence Service were charged with violating pretrial procedures.

Under the Transitional Administrative Law, the judicial system generally has functioned fairly, given its inherent limitations. Backlogs in the system have led to long pretrial detention, and in some cases detainees have not been notified of their status. The government has not impeded the work of foreign journalists, although several have been kidnapped or murdered and access to especially dangerous locations has been restricted.