

LEBANESE AMERICAN UNIVERSITY

VARIABLES BEHIND THE EMERGENCE AND
CONSOLIDATION OF THE ISLAMIC STATE OF IRAQ
AND SYRIA

By

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A thesis

Submitted in partial fulfilment of the requirements

For the Degree of the Master of Arts in International Affairs

School of Arts & Sciences

October 2016

Thesis Approval Form

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Thesis Title Elements Behind the Success and Sustainability
of the Islamic State

Program: International Affairs

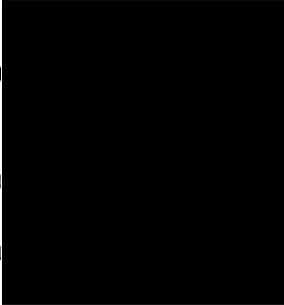
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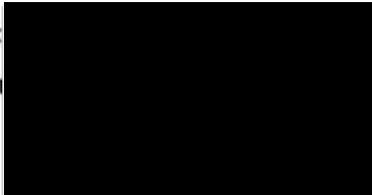
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VARIABLES BEHIND THE EMERGENCE AND CONSOLIDATION OF THE ISLAMIC STATE OF IRAQ AND SYRIA

Mae Anna Chokr

ABSTRACT

The rapid rise and mobilization of ISIS was unexpected and soon after the organization announced its formation as a state under its controlled areas. Estimating the power of the Islamic State in Iraq and Syria (ISIS) has been a major topic of discussion since its foundation. Throughout this period, it has continued its fight against existing governments in Syria and Iraq, with a key factor in its growth being its control over key resources such as oil fields and refineries in order to guarantee a basis for financing its operations.

This research addresses the variables that explain the rise and expansion of the Islamic State (IS) as a transnational Islamic movement. After determining the elements playing a role in the organization's viability while considering IS' variables of consolidation, two cases are discussed, the Russian revolution and the Iranian revolution. Due to the nature of IS' sudden emergence and opposition to existing governments, studying their initial motives will help elucidate whether the Islamic State can be considered to be a revolutionary state or not.

To further discuss the variables of the Islamic State's consolidation, the research seeks to investigate the factors behind state formation as presented in literature, and how it compares to the factors behind the formation of Islamic State. The research will lastly examine the key elements behind the success of the Islamic State in controlling and managing the territories it has conquered showing it to be the only

variable serving to their continuity. Key elements are summarized by the available economic resources, geopolitical depth, and administrative leadership on the controlled lands.

Keywords: Islamic State, Al Qaeda, State Elements of Success, Revolutionary State, State formation

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List of Abbreviations

AML	Anti-money laundering
AQI	Al Qaeda in Iraq
CBI	Central Bank of Islamic Republic of Iran
CFT	Counter-terror finance
CIA	Central Intelligence Agency
ICSR	International Centre for the Study of Radicalism
IS	Islamic State
ISI	Islamic State of Iraq
ISIL	Islamic State of Iraq and Levant
ISIS	Islamic State of Iraq and Sham
MENA	Middle East and North Africa
US	United States

Chapter One

Introduction

The Islamic State today is considered to be an extremist jihadist organization, with an objective of establishing “a regional caliphate, or state, under the Islamic law” (Kirkpatrick, 2014). Islamic State’s use of violence as a deterrent against objections and disobedience coupled with its announcement that it is adhering a holy war against the Shia, Christians and Kurds populations confirm its extreme ideology. The group is led by Abu Bakr Al Baghdadi, the Caliph of the Islamic State (IEP, 2014).

IS controls 3 essential revenue streams making it one of the richest terrorist organizations active today. The first stream consists of selling what fighters acquire on the lands they take control over, such as selling oil to locals, the Syrian government, the black markets and Turkey (Marcel, 2014). IS has control over “a dozen oil fields and refineries in Iraq and Syria generating revenues reaching between \$1 million to \$3 million per day” (Johnson, 2014). IS also controls over 40% of wheat fields in Iraq. The other essential revenue streams are financing from foreign investors (Shatz, 2014) and by controlling public utilities such as electricity, fines and religious taxes (Opperman, 2014).

1.1 IS Background

The Islamic State (IS) has its origins in Al Qaeda, which was founded after the United States’ (US) invasion of Iraq in 2003 in order to counter the invasion. Al Qaeda attracted a high number of fighters from different nationalities to fight against the US army. In 2006, Al Qaeda succeeded in establishing a new affiliate called the Islamic State of Iraq (ISI). The objective of this affiliate was to recruit fighters and jihadists and to establish an Islamic caliphate in Iraq (Laub & Masters, 2014).

Of course, the Arab Spring movements in 2011 helped play a catalyzing role in the expansion of the ISI rule over lands reaching Syria. In April 2013, the Islamic State caliph, Abu Bakr Al Baghdadi, declared that the State of Syria and Islamic State in Iraq has become united under “the Islamic State of Iraq and Sham (ISIS) or also known as Islamic State of Iraq and Levant (ISIL)” (Shadid, 2010).

This statement outraged the former partner of the Islamic state of Iraq and the affiliate of Al Qaeda in Syria, Jabhat Al Nusra, leading to a denial of the Islamic State announcement. Al Nusra assured its relations to Al Qaeda and refused to be independent from the rule of its leader Ayman Al Zawahiri (Naharnet, 2013). Moreover, Al Zawahiri actually refuses this merger through a letter he had sent to Baghdadi in June 2013 requesting the dissolution of ISIS immediately (Tucker, 2014).

Tucker (2014) indicates that this has led to a split between Zawahiri and Baghdadi. Since this split Baghdadi has operated independently and no longer appears to be under the rule of Al Qaeda. In June 2013, ISIS officially declared the foundation of the Caliphate and has been renamed as the Islamic State (IS).

Islamic state is constituted by 31,500 soldiers joining from Syria and Iraq. Their average monthly wage amounts to \$400 plus a bonus every year. ISIS has also recruited around 12,000 foreign fighters (see *Figure 1*) to participate in the war in Syria (IEP, 2014). *Figure 1* illustrates the estimated number of fighters in Syria. These estimates are based on government reports and the International Centre for the Study of Radicalism (ICSR).

The figure shows that most of these fighters are foreigners coming from the Middle East and North African countries such as Tunisia, Morocco and Saudi Arabia. “Low estimates suggest that there were four times as many foreign fighters from the Middle East and North Africa, compared to Western European countries” (IEP, 2014).

These soldiers participate in various “military operations including training camps as well as military incursions and terrorist activities.” These operations often come in the

form of serial bombings that not only target enemy governments, but also “citizens, police and businesses.” It has been proven that in 2013 alone, the Islamic State has perpetrated “around 350 terrorist attacks” killing 1,400 people and injuring 3,600 (IEP, 2014).

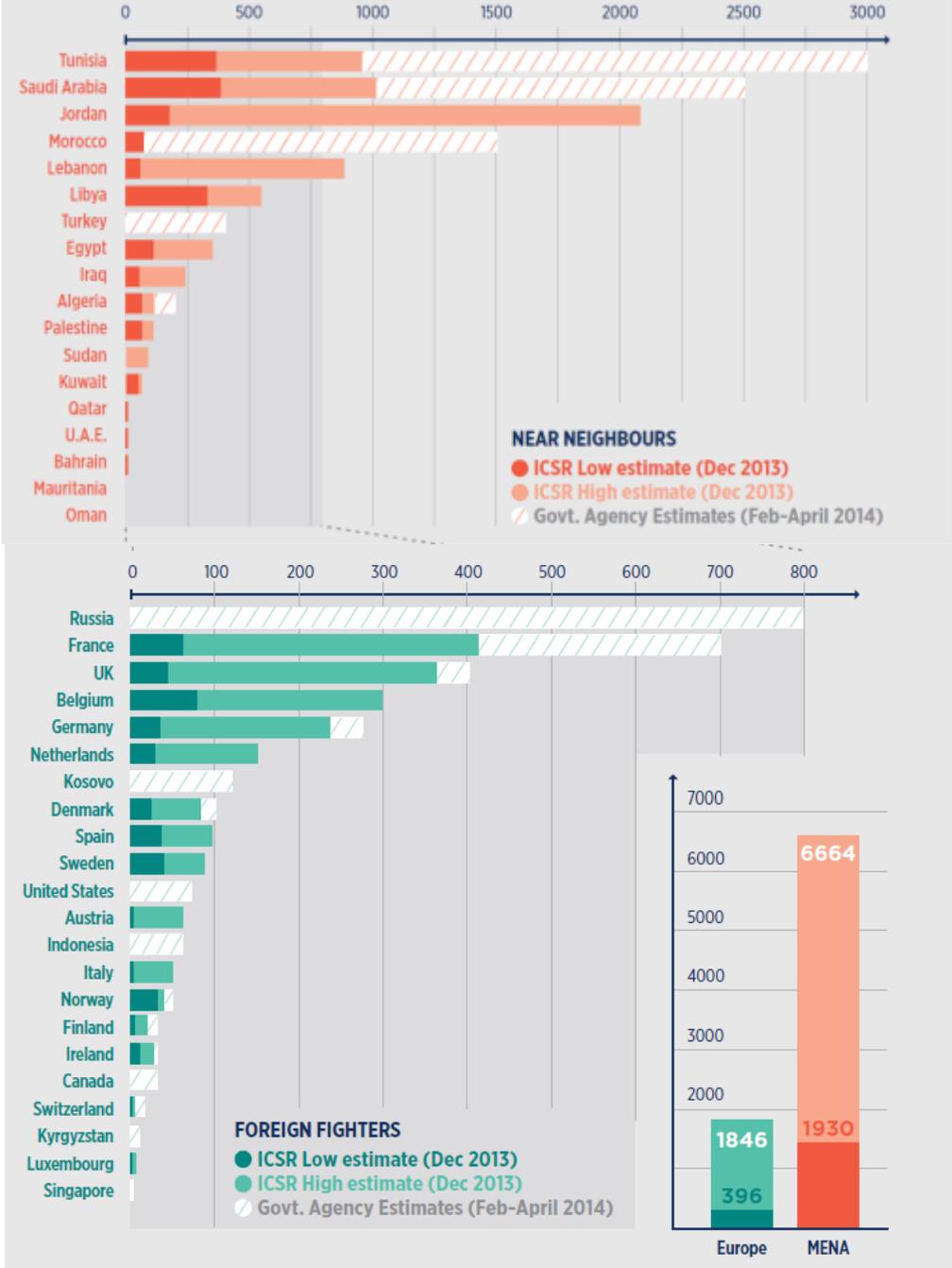


Figure 1 Foreign Fighters in Syria

Source: (IEP, 2014)

Furthermore, the Islamic State has succeeded in developing an organized, structured government with several departments after the announcement of its state. These departments have been charged with several responsibilities and tasks including the development of laws, recruitment, controlling financial resources and media streams. The Islamic State has also established courts ruled by an Islamic constitution; in addition to the delivery of services including post offices, electricity and repairing roads (Opperman, 2014).

1.2 The Geopolitical and Generational Changes of IS’ Formation

The Islamic State is considered to be an outcome of “major geopolitical and generational changes” that are currently occurring in the Middle East and North Africa (MENA) region. These changes have accelerated since the September 11 attacks, the US invasion of Iraq in 2003 and the dominance of the Iraqi Shia majority in the government beginning from 2005. These factors have led to the “marginalization” of the Sunni within Iraq including the arrest and captivity of Jihadists who would later become leaders of the Islamic State (Azoulay, 2015).

There are several geopolitical changes that facilitated the formation of the Islamic State in the region. The initial factors were the September 11 attacks, the US invasion of Iraq and the subsequent fall of the Saddam Hussein’s regime in 2003. Whilst the negligence of Syrian and Iranian regimes allowed a flow of Jihadis from Lebanon and Afghanistan to enter Iraq and fight US forces, however since 2006 they have shifted from fighting the US invasion to fighting the Shia (Azoulay, 2015).

Another major catalyst for the expansion of Islamic State is the Arab spring movement in 2011. Further complications to the situation took place after these movements, where several Sunni populations across the MENA region stood beside the Syrian revolutionaries against Iran and its regimes (Hokayem, 2014).

Another factor of the rapid rise of IS was the imprisonment of dissidents within Iraq. After the US invasion of Iraq and fall of Saddam Hussein's regime, almost 70% of future Islamic State leaders were imprisoned by the US army during the periods 2004 and 2011 (Chulov, 2014b) where they had the chance to communicate and coordinate plans for the movement.

In 2013, the Islamic State was responsible for multiple jail break-ins, resulting in the escape of over one hundred Jihadists, most of which were senior Al Qaeda leaders (Al-Salhy, 2013). In addition, the current war in Syria resulted in the escape of a further 900 Islamists who joined IS and other Jihadists tribes (Itani, 2014).

Finally, the "marginalization" of the Sunni populations in Iraq and Syria (Wicken, 2013) have allowed IS to form alliances with Sunni tribes in both countries. These alliances have strengthened the organization, since IS' identity is predominantly Sunni (Mohamedou, 2014).

Azoulay (2015) states that the Islamic State "is very much the product of internal generational change and competition for leadership." In order to understand that, it is critical to firstly understand and analyze the ongoing changes of the Jihadi movements starting from 2001.

For example, the establishment of Al Qaeda with its ideology of international jihad came as a reflection to the failure of local jihadi insurgencies in the 1990s. Then in the mid-2000s, Al Qaeda started permitting the reinitiating of combat zones, for example as what happened especially in Iraq and Yemen, the fact that led Al Qaeda's leadership to be less proficient in controlling these fights.

Azoulay (2015) states that the “fragmentation of these jihadi groups often put a further burden on Al Qaeda’s core, with groups taking control of territories and engaging in hostilities against near enemies rather than confining their activities to Al Qaeda’s traditional modes of operation.” Along with their diminishing capability to control these battles on an international level, Al Qaeda was also faced by “the rise of a second generation of jihadists” that had become more skilled and experienced with the jihad and the battles in Iraq.

In fact this generation had succeeded to overcome the rule of Al Qaeda to form its own power and impose its control over the region (Azoulay, 2015).

1.3 IS’ Doctrine is Different from Al Qaeda’s

There are numerous variances between the doctrines of Al Qaeda and the Islamic State. There are critical disagreements with Al Qaeda principles (Azoulay, 2015), for instance “issues such as the conduct of war, classification of the enemy, interpretation of “Takfir,” treatment of prisoners and dealing with the wider Muslim community.”

Warfare within the context of the Islamic law is directed by two core guidelines: “protection of non-combatants, and the limitation and restriction of war.” According to the Islamic State, violence, extreme brutality and the infidel principles are the main norms for classifying groups who are enemies, nonbelievers, and the international community which joined forces to fight against it (Azoulay, 2015).

Azoulay (2015) also shows that the Islamic State has published a detailed doctrine. This doctrine consisted of essential fundamentals that concentrate on the “near enemy and the need to purge the Muslim community from the inside.” And as recent developments prove IS prioritizes war against the Shia as their first task rather than against the US army (Azoulay, 2015).

IS considers those who do not accept the Caliphate an enemy or “Takfir”. According to IS doctrine “Muslims all over the world had an obligation to emigrate from the lands

of nonbelievers to the land of Islam and pledge allegiance to the Caliph.” However it should be noted that IS has granted the ‘people of the book’ protection “as long as they pay the poll tax imposed on them and aside by a set of other strict regulations” (Azoulay, 2015).

1.4 Research Objective

This research aims at identifying the factors behind state formation and addresses the variables behind the expeditious expansion of the Islamic State (IS) as a transnational Islamic movement. Consequently, the reason for their sustainability also helps explain the reasons of the state’s consolidation. The research also investigates the factors behind state formation, and compares it to the factors behind the Islamic State formation.

In order to understand a revolutionary state’s drives, the Russian revolution and the Iranian revolution will be examined and discussed in order to answer whether the Islamic State can be considered to be a revolutionary state or not. This research also aims at examining the key elements behind the success of the Islamic State in controlling and managing the territories it has conquered.

Key elements accessed include: available economic resources, geopolitical depth, and administrative leadership. It will also focus on defining the revolutionary state, by comparing and contrasting its elements to that of the Islamic State. It shows how the legitimacy has been shifted from the main government to the Islamic State’s control. This study also illustrates the nation state formation phases in context with the Islamic State’s formation.

According to several political analysts, the elements that lead to the Islamic State’s success are considered temporary, leaving to the organization’s expansion uncertain. A further aim of this research is to study the key elements behind the success of the Islamic State in controlling and managing the lands it is conquering. These factors are

summarized by the economic resources available, the geopolitical elements active today or the administrative leadership of the land and people.

Moreover, this study aims to present an analysis of the level of impact that these elements have on the success of the Islamic State in achieving its goals and objectives. For instance, the oil resources that the Islamic State has taken control of has led to the empowerment of the state from the economical context. This requires studying the real value of this wealth and how it would help its sustainment.

1.5 Methodology

The methodology describes and explains the research methods used in this thesis. The study examines the case of the Islamic State by undergoing a situational analysis of the case.

1.5.1 Research Design

The study undergoes a case study method that focuses on the rise of IS, providing a situational analysis to the factors contributing to the rise or fall of the state. Indicators are derived from literature of state formation. Interpretation and analysis of contemporary literature constitutes the bulk of the research. It also depends on empirical research in order to accurately collect data and assess the situation of the Islamic State. It is proposed to follow a desk review for all the relevant secondary materials such as reports. This study commonly depends on the information and analysis provided by existing literature, media sources and policy documents concerning the Islamic State.

Before proceeding with the research, it is vital to highlight the reason behind selecting case studies as a method for this research. George and Bennett (2005) define a case as “an instance of a class of events such as revolutions, types of governmental regimes, kinds of economic systems, or personality types that the investigator chooses to study with the aim of developing theory regarding the causes of similarities or differences

among instances of that class of events.” Case study methods are divided “within-case analysis of single cases and comparisons of a small number of cases” (George & Bennett, 2005).

Seawright and Collier (2004) define within-case analysis as the “internal analysis of one or a few cases.” It is accompanied with “process-tracing which attempts to trace the links between possible causes and observed outcomes, congruence testing which attempts to assess the ability of a theory to explain or predict the outcome in a particular case, and counterfactual analysis which is a mental exercise of analyzing variables and outcomes” (George & Bennett, 2005).

George and Bennett (2005) continue to identify the strengths of case studies. One of which is the “conceptual validity” which is defined as “the researchers’ ability to identify and measure the indicators that best represent the theoretical concepts the researcher intends to measure.” They add that “case studies have a strong advantage in identifying new variables and hypotheses by studying deviant or outlier cases and through fieldwork.” In addition, case studies can “accommodate complex causal relations” (George & Bennett, 2005).

1.5.2 Data Collection

Data has been collected from secondary sources mostly from reports and newspaper articles concentrated between the years 2011 and 2015. The data is qualitative depending on the experiences of the writers with the Islamic State, and on the history of the Islamic State formation and development.

1.5.3 Research Questions

This research answers the following research questions:

1. What are the variables explaining the emergence of the Islamic State?
2. What are the variables explaining the spread of the Islamic State?

3. What is the positive relationship between the Islamic State's success and control of the resources and capabilities it acquires?

1.5.4 Research Analysis

This study follows the “theory testing process – tracking” in its analysis. Beach and Pedersen (2013) describe the “theory testing process – tracking” as a process that deduces “theory from the existing literature and then tests whether evidence shows that each part of a hypothesized causal mechanism is present in a given case.” Therefore, the researcher has to prove that whether the mechanism match with the existed theory or not. One disadvantage of this process is that no evidence can be made to show that the mechanism is responsible for the outputs (Beach & Pedersen, 2013).

1.6 Map of the Thesis

The thesis is divided into four chapters. Chapter one provides the history of the foundation of the Islamic State and the objectives behind the formation of the state. Chapter one also demonstrates the methodology used in this thesis, aimed at proving the data collected as evidence of the elements of success, and answering the research questions.

Chapter two aims to present all possible literature concerning the elements that contribute to the success of the Islamic State, the defining of a revolutionary state, the development of the Islamic State and whether the Islamic State is considered to be a revolutionary state or not.

Furthermore this chapter will describe the developmental phases of a national state from consolidation to the transfer of national legitimacy and formation of a national constitution. It will also define the main characteristics of a modern state. This includes a comparison between what is stated in the literature and what the Islamic State is practically doing.

Chapter three provides an analysis of the collected data and illustrates the results. The aim of this chapter is to understand under what nature IS is forming its state leading to answering the research questions. While chapter four demonstrates the conclusion of the study and presents the trends and challenges to be taken further.

Chapter Two

Literature Review

This chapter illustrates the factors behind the state formation process in order to understand what the basic structures of building a state are, in relation to how IS is building its own state. Then it goes on to define the origins of revolutionary states, developed by Tkachev in order to analyse whether IS is a revolutionary state. Then, it presents an analysis of the Iranian revolution as a comparative example. In addition, it analyzes the main factors behind the Iranian revolution success. This clarifies the Islamic State's ideals and principles, which helps in answering the reasons behind the expansion of IS.

2.1 Factors behind a State Formation

In order to understand how the Islamic State has been able to function under an ongoing system, it is vital to study how a state is established and maintained, subsequently expanding its influence. Since the organization claims to be establishing a 'state', is the Islamic State undergoing a valid state formation process?

Ayoob (1996) defines state formation as the process by which the "state not only grows in economic productivity and government pressure, but also in political and institutional power." While Suhrke, Wimpelmann, and Dawes (2007) define the state formation as the "development of state structures, usually with reference to certain expectations of what these structures are supposed to do, and how these functions are performed."

Tilly (1990, 1994) argues that state formation could be directed toward the "centralization of political power over a region" in presence of force as a method of

ruling. OECD/DAC (2005) states that “state-building rests on three pillars: the capacity of state structures to perform core functions; their legitimacy and accountability; and ability to provide an enabling environment for strong economic performance to generate income, employment and domestic revenues.”

Young Greven (2014) argues that state formation consists of procedures desired to provide a “security apparatus for the state, governing institutions to manage and administer the state and economic ability to maintain these functions.” Whilst Schwarz (2004) adds that the “central feature in all the analysis of state formation processes focus around the notion of bureaucratization that is the means by which the state administers, monitors and regulates society, and extracts revenues from it.”

The previous literature agrees together that the set-up standards for the formation of the state are centralized power, state administration, structure and revenues needed for the state’s sustainability. The centralization of power is illustrated through the rule of a leader or a party, in form of monopoly, for the state. State administration defined as the procedures followed to manage the people’s needs and the necessary function of police to provide security over the state. The obtainment of revenues is considered to be one of the main aspects for a state to maintain legitimacy.

Without revenue streams the state would not be able to function, from the military force to the economic and social aspects. When states depend on unlimited or excessive amounts of resources available within its boundaries, these nations’ sustainability survives much longer.

For example, if a state owns a rich resource such as oil, it can use it to generate revenues, and, thus, becomes independent of its people’s productivity. In other words, it gains autonomy from its citizens. It also allows the state to be freed of external interventions since oil is considered to be a strategic resource (Moore, 2004). Based on the previous arguments, **Table 1** demonstrates indicators on which this research builds a solid argument on the elements leading to the state formation process.

Table 1 Indications of a states' elements of success

Factors/Elements	State Formation
Focus of Process	Create/strengthen institutions – manage state functions for state survival/administration
Type of process	Functional: implementation of processes to administer and manage the state
Funding of process	Negligible: nationalization of natural resources; International Dev; Market
Mode of stability	Military power
Stability	Rule of law
Benefit to population	Basic infrastructure/security

Source: Young Greven (2014)

In a further illustration of the definition of state formation, Fukuyama (2004) says that state formation is the “creation of new government institutions and the strengthening of existing ones.” Lake (2010) presents state building through three models. The first focuses on forming “loyal and politically stable subordinate states.” The second focuses on establishing “legitimate states.” The third emphasizes the foundation of “legitimacy for the state by providing security and social services to the population.”

Kaplan (2009) views state formation through focusing on the formation of national identity since “states that lack a common identity and a cohesive society will never

progress.” Moreover Brahim (2007) considers state formation based on elements like “constitution-making,” “electoral processes,” “reintegration and national reconciliation” and “rule of law.”

Another key element in the development of a state according to Apter (1965) is that a government seeks to shape its society instead of the opposite. He states that “strategic instruments of the political variable is government” which helps to “shape society according to differing norms of participation, with the underlying purpose of realizing potentialities of human and social resources.” He adds that the state should maintain equilibrium between “what society is” and “what it should become.”

However it should be noted that state formation is significantly affected by international interventions, for instance donations provided by external influences and their common interests. According to De Guevara (2008), global players differ in “their institutional backgrounds, financing, human resources, mandates, areas of expertise, accountability, experiences, moral ideas, degree of legitimacy and so forth.”

He adds that the variation in these interventions affects state formation policy “as much or more as does the local context of the intervened country.” He also states that it is essential for the implications of this study. He mentions that “donors compete against each other in determining how much aid will be donated vying for the ability to determine policies for the state.” This implies the presence of a “foundation for stronger states to provide more aid and then take more responsibility in determining how the reforming state develops politically, economically, and socially” (De Guevara, 2008).

2.2 The Revolutionary State

To add to the discussion, this chapter will define a revolutionary state and use the example of the successful Russian revolution in order to illustrate how a revolutionary organization maximized its sustainability, and asks whether IS used similar revolutionary principles as a means to consolidate its state.

At the start of the 1860s, many Russians including Pyotr Tkachev believed that there could be a chance for change within the political system, the possibility of “reform from above”. He became part of the looming legal reforms discussions, which in his opinion marked a successful implementation that would transform the relationship between social classes in Russia and introduce a settlement between landlords and farmers.

Yet by the end of the decade Tkachev had reached the assumption, that "the so-called path of peaceful reform and peaceful progress is one of the most unrealizable utopias which have been contrived by man to soothe his conscience and lull his mind to sleep” (Tkachev, 1932). Tkachev’s political views transformed through the decade from a reformist political to that of a revolutionary (Then, 1969); having come to the conclusion that it was implausible to introduce a revolution within the context of a dictatorial system.

This transition in his political ideology led to the development of a political philosophy in the 1870’s which consisted of the materialist conception of the history of revolution and its subjective methodology.

After refusing the Hegelian opposition, Tkachev replaced his theory of "historical leaps." He argues that “the social question, in all of its complexity, could be solved by a simple governmental decree in the interest of the workers”. This decree would present rational, socialist principles that assist in the development process and formation of a society (Then, 1972).

In utilising this theory, Tkachev succeeded in avoiding a predicament that faced the Russian Marxists which was the postponement of “socialist revolution until economic conditions had produced a large working class in Russia reaching the realization of the social revolution” (Then, 1972).

The prominence on Tkachev’s preliminary effort to indicate the setback of social change in Russia is important, as these attempts were entailed as an optimistic vision

of the state and possibly considered a robust representative of “reform and progress.” This specific aspect related to his earlier assumptions which are reflected his theory of revolution.

According to Tkachev a revolution “is an act of violence by a minority in the interest of the majority; it can take place only when the minority refuses to wait for the majority to become conscious of its own demands, but decides, so to speak, to impose this consciousness, when attempts to ignite the suppresser’s feelings of dissatisfaction which is always inherent in the people.”

He argues that how the minority acts and how the majority responds defines the variance between a social revolution and peaceful movement. Tkachev’s conclusions are contrary to the observations of most of his social group as well as his own earlier beliefs. He realized that any provocation for progress and social change should not be from the crowds, but only from the rational minorities, which are considered the revolutionary elite that has the greater consciousness and advanced social ideals.

He believes that people will not perform any form of revolution if they were left to themselves. Only those who are called the “revolutionary minority” can make a difference and bring about the social revolution (Theen, 1972). Tkachev believes that revolutionaries represent the elite of the society and should embrace ethical authority over the majority. He also believes that this authority should be transformed into physical supremacy for “the fundamental essence of every true revolution consists precisely of this metamorphosis of power. Without it, a revolution is impossible.”

Tkachev goes on to suggest that “since in contemporary societies, in general, and in Russia, in particular, material force is concentrated in the power of the state, a true revolution as the true metamorphosis of moral and material force-can be accomplished only under one condition, the seizure of state power by the revolutionaries.” The second objective of the revolution is to take over government facilities and to replace the current government with the new revolutionary government (Theen, 1972).

Tkachev recommended the use of government for preserving national security, instead of eliminating its role from the whole political process. In fact, he presented the government as a strong organized authority with absolute power to help in rooting the idea of socialism among the people. The institution of the state is considered to be neutral and depends on the side controlling it.

Tkachev sees it in the form of “a force of reaction, a traditional component in society, or a strong force for revolutionary change.” He also believes that a social revolution's main obstacle is “not to modify the configuration or form of the existing social order but rather its content” (Theen, 1972).

Tkachev based his arguments about the direct political revolution and the revolutionary state from the experiences of the Russian regime and history. Like Herzen and Chernyshevsky as well as the Slavophiles, Tkachev observed rudiments of uniqueness and gains in the very backwardness of Russia. Viewing comparing relationships between social classes and the state in Western Europe with that of Russia, he determined that in Russia the state was not the product but the producer of social classes.

For that reason, he theorises that the leading stumbling block to social change and revolution in Russia was not the usual economic conditions or the presence of dominant, engrained social classes but rather in the existence of a conservative and despotic state. Thus in the case of Russia, the political revolution becomes a rational requirement for the social revolution.

Tkachev concludes that if the Russian governments' self-serving interests had been a contributory factor in the formation of new social classes and had effectively shaped the nature and character of Russian civilization, then it would be logical to assume that a state wedded to revolutionary goals could shape the nature and character of Russian society in the future.

Thus Tkachev's idea of the state as an inspired strength in Russian history is in agreement with his belief in the potential of the state as an actual force for revolution. It was this faith that led him at one point to declare that the whole social question could be cracked by a simple government ruling in the interest of the workers (Theen, 1972).

According to Tkachev, the social revolution undergoes two discrete stages: a vicious and damaging phase, i.e., the political revolution, concurring with the confiscation of control by the revolutionaries and the alteration of the present conservative state into a revolutionary state; and a productive phase, the genuine social revolution, which would result in the steady awareness of socialist principles-culminating in the creation of a society characterized by perfect equality, rationality, social harmony, and justice (Theen, 1972).

In contrast to Lavrov and Bakunin, Tkachev stressed the use of propaganda after the success of revolutionaries to control the state. It is only after the revolution, and after founding the revolutionary state that full-scale and powerful effective propaganda could become utilised.

This idea contrasts with Lenin's concept of the 'tutelage state', in which he visualized the state being led by the revolutionary elite because the organization which would articulate a huge and sustained form of propaganda to be spread and to raise moral ideas of the people.

In the 1860s, Herzen raised the issue that after the successful coup of any established political order the masses might not be proficient in considering their own needs. Tkachev states that it is important that the people must be obliged to change their lifestyle and to rise to the superior principles of the revolutionary elite. Therefore a revolutionary state must have a power tool or the strength of force (Theen, 1972).

As for the Islamic state, their administrative capabilities are operative and being supported by the revenues they continue obtaining. Yet for the organization to fall under the 'revolutionary state' category such as the Bolshevik revolution, it must

follow a set of revolutionary values and motives within its ideology, therefore understanding the IS structure entails looking into its original make up.

2.3 The Development of IS Ideology

While the emergence of the Islamic State came as a surprise, its ideology was established during the early 2000s. It visualized the arrival of younger jihadists in Iraq, which were influenced by more extreme tension of Jihadi-Salafism.

The most persuasive of these young jihadists was Abu Mus'ab al-Zarqawi who set in motion the ideological route that subsequent Islamists would take. Zarkawy provided the Islamic state with two main ideological beliefs which were: an anti-Shi'ism and the reestablishment of a caliphate. However, it should be noted that Zarkawy's sectional views conflict with Al-Qaeda's leadership (Bunzel, 2015).

Between 2006 and 2013 the Islamic State of Iraq (ISI) was established, where regional and western media outlets referred to it as Al-Qaeda in Iraq. Although there had been strong relations between Al Qaeda in Afghanistan and Pakistan and the inexperienced Islamic state in Iraq, ISI however never directly followed Al Qaeda in Afghanistan. The only reaction from Al-Qaeda towards ISI took place as the vital headship expressed their interest in the founding of the state which was previously called Al Qaeda in Iraq. Subsequently they lost the foundation of ISI and began disregarding orders from the Al-Qaeda leadership (Bunzel, 2015).

During the period between April 2013 and July 2014 the Islamic state in Iraq announced the establishment of a new state in Syria. Jihadis were elated at the news of the Islamic state and inspired all of them by the fast growth and success on both the battlefield and in the ideological realm and this was the reason for divide the Islamic State and Al-Qaeda's followers (Bunzel, 2015).

In June 2014 the Islamic state achieved a fast and a great victory in Iraq, as the group swept into western Iraq nearly unhindered and controlled a vast area of the country

which was mainly the most of country's Sunni grounds including the city of Mosul. On June 29, it was defiantly announced as caliphate in a victorious audio by Abu Muhammad Al-Adnani.

After this he announced that the state is no longer named 'the Islamic State of Iraq and Sham' and that the Caliphate would spread across the entire world not just Iraq and Syria. Five days later Abu Bakr al-Baghdadi made his first public appearance conveying a message to the whole world and Jihadist everywhere, from the great mosque of Mosul (Bunzel, 2015).

With the inception of the first Sunni Muslim caliph, he also alluded the memory of the early Islamic caliphate. The assertion of the caliphate was supported by the group's military seizure of Sunni Iraq. In his speech Al-Adnani illustrated that the Islamic state had come "to possess all the essential components of the caliphate," and that Al-Baghdadi had all the qualifications to be its caliph (Bunzel, 2015).

2.4 The Iranian Revolution

The best example to illustrate the formation of the Islamic state is to compare it to the Iranian Islamic revolution, as they are comparative in their Islamic nature. Both movements were led by a robust revolutionary leader, in the case of Iran it was Ayatollah Khomeini, a man who rose above the restraints put in place by the Shah.

Khomeini stood against the Shah's regime because it was not only a key ally to the Americans but also because it was the cause of the secularization of the Iranian society. Khomeini believed that Israel and the United States were enemies of Islamic fundamentalism and they are at war against Muslims.

This belief was perhaps strengthened in 1962 as the Shah issued a new legislation allowing non-Muslims to be political candidates following extensive pressures from Kennedy's administration. In addition, the Shah protected the Americans from

prosecution in Iranian courts, the fact that incensed Khomeini and his followers (Wise, 2011). Khomeini realised that the implementation of this legislation was his excuse to save Iran from the government's threat to the Islamic world.

After opposition against the Shah and his regime in 1962, Khomeini was imprisoned for two months. He continued to participate in opposition movements which led to his exile by the Shah in 1964. From Iraq, Khomeini continued his struggle against the Shah's regime, and ignited the Islamic revolution in Iran (Wise, 2011).

During that period, Iran faced a "harsh economic downturn, urban overcrowding, monetary inflation, corrupt electoral processes and leaders, and a large gap in the distribution of wealth." Consequently, several groups in the Iranian society rebelled against the Shah. Women, students, and religious reformers were the main actors of this revolution. They hoped for a government that would benefit the Iranian public and Islam (Wise, 2011).

According to Khomeini, "the government had four key jobs: enforce Muslim Law, destroy corruption and establish rights for the oppressed, eradicate laws that had been created by false governments, and prevent foreign nations from intervening in Islamic societies." The revolution continued and its extensive pressure placed Iran in a state of chaos (Wise, 2011).

On January 16, 1979, the Shah and his family left Iran; 4.5 million Iranian citizens flooded the city streets in celebration. On January 27, several million anti-government demonstrators marched throughout Iran in support of Khomeini and denounced the Shah (Wise, 2011).

The main catalysts of the revolution state in Iran had been the western governments' intervention in their sovereign matters and their goal to apply Islamic law as the law of the land. In order for a state to be formed and subsequently survive, a vital element that must be fulfilled is its economic stability. Both states relied on oil production as a main source of income. In addition, they worked on developing their armed forces as

it is not possible for a nation to survive in the presence of international intervention without the call for a strong army.

To conclude, just as Iran referred to Islam in aim to promote its revolution and resulted in succeeding in establishing a state, the Islamic State is currently undergoing a similar process. Nevertheless, as seen the Islamic State lacks a consolidated geographical area but are also recruiting fighters from abroad.

Therefore, the Islamic State is an outcome of long-term political and religious conflicts within the region. Their ambiguous orientation in establishing a state results from the lack of social support and political structures and they will accordingly continue to exist as a transnational Muslim community.

2.4.1 Factors of Success Post the Iranian Revolution

This section elaborates on Iran's success after the instabilities that swept over the country. It is discussed in context to prove the absence of an established governing structure within the Islamic State; therefore processes such as the implementation of an economic system will be unlikely unfold.

Esfahani and Pesaran (2008) elaborate on the transformation of the Iranian economy during the twentieth Century. During the period between 1953 and 1979, the Central Intelligence Agency (CIA) supported the coup of 1953 to end the episode of oil nationalization and brought the Shah to power. This is turn led to including larger shares of oil exports as well as foreign aid and support especially from the U.S.

In 1956, the regime announced its second seven-year plan as it provided more funding channels to the private sector which has led the private sector's credit to increase by 46% in 1957 and by 61% in 1958. Though these procedures have enhanced the Iranian economy, it lacked the required coherence and a stable macroeconomic framework.

While incomes were rising, non-oil exports became costly to maintain, which was the reason for the regime to restrict its funding, leading to the “Economic Stabilization Program” implementation between 1960 and 1962. The program was successful in stabilizing the economy. The government initiated another program to redistribute agricultural lands, sell the shares of public enterprises and distribute profits on workers.

In 1963, the Shah managed to crush the opposition’s uprising which had been supported by the landlords and traditional strata of society. The increase of power and oil revenues became an essential mix for a positive economic change. The GDP grew in the years between 1963 and 1979 of a percentage that averaged 8% per year (Esfahani & Pesaran, 2008).

The GDP was rapidly increasing where high income levels did not reflect on the standard of living for Iranian households, as more than the third of the income was streaming from oil. Adding to that, the government’s income was under the complete control of the Shah’s regime. The regime has mainly focused on the total growth rate, neglecting the equality in the income distribution process.

The regime’s excuse was that any improvement in income distribution will be caused by Kuznets effect in the near future. A noticeable consequence of the sharp rise in income compared to expenditure, has positively affected the living standards for almost all of the nation in support of rapid enhancements in different sectors such as public service, roads, electricity, water, industry and education (Esfahani & Pesaran, 2008).

The war in the Middle East had led to the sudden increase in oil prices in 1973, and thus, oil revenues reached phenomenal levels, leading the Shah’s government in doubling its expenditures, although it was promised that the Iranian Economy will be more stable however in 1970 inflation rates reached an all-time high. The government took actions to minimize the inflation rate by controlling market prices such as accusing shops for increasing their prices. In the meantime, people’s dissatisfaction

from the new government's policies intensified, bringing on opposition movements which eventually lead to the beginning of the Islamic revolution (Mohaddes & Pesaran, 2012).

The Islamic revolution furthered the economic decline, with the exception of the years 1983-1984. In 1988 GDP dropped by 54% of its peak in 1976 and non-oil GDP reached 63%. The war between Iran and Iraq in 1980s only exacerbated the situation. The government adopted a new strategy and embarked upon a radical transformation to change the economic system from the free enterprise system (which is western oriented) to "a state managed theocratic oligarchy."

Several companies and institutions that were following and supporting the Shah were seized, and no compensations were provided to the owners; an action that is described to be against the constitution (Amuzegar, 2004).

In the subsequent period from the revolution, the Iranian financial system has witnessed several developments in several periods. Firstly, in the early 1980s, "it experienced widespread nationalization." Then in the 1990s, Iran has witnessed "a reconstruction of the financial system," where it focused on restructuring the regulatory framework of the financial system.

The restructuring included policies such as "placing an interest rate on bank deposits at a position that guaranteed positive real returns, giving out investment certificates, and motivating the existence of individual credit institutions, reducing the use of executive controls on interest rates and credit apportionment, reinvestment of the state banks by issuing securities, and the establishment of private banks and non-bank credit organizations" (Taghipour, 2009).

The banking system in Iran is divided into 17 commercial banks 6 of which are owned by the private sector, the rest are owned by the government. The private banks have a market share of 22% of the market (Nejad, 2010). The four main goals of the central bank of the Islamic republic of Iran which was set up in 1960, evolved around

formulating and implementing the fiscal and credit policies and made sure they were in line with the government's economic policy, they are:

- (1) Preserving the value of national currency;
- (2) Preserving the stability of the balance of payments;
- (3) Smoothing the path of trade-related transactions; and
- (4) Developing the potential expansion of the country (Nejad, 2010).

Nejad (2010) believes that the Iranian financial institutions, in accordance with the Central Bank of Islamic Republic of Iran (CBI), are divided into public and private banks, credit institutions, money brokers, and cooperative funds and cooperative credit firms.

The banking system in Iran follows the Islamic banking principles and regulations (Nejad, 2010). Nejad (2010) states that these banks “are not allowed and, beside to interest rates, profit rates are set on deposits and expected rates of profit on facilities are set on loans.”

Moreover, several reforms in the financial sector were introduced. These reforms and policies were focused on “privatizing the majority of Iran's state-owned banks.” Furthermore, Gharoie-Ahangar (2009) believes that “in Iran, following to the completion of landmark reforms in the financial sector, banking sector has witnessed large changes with the elimination of bureaucratic controls, encouragement to foreign private and private investment and integrating the Iran's banking systems with the international economy.”

The economic analysis of the Iranian Revolution helps clarify the factors which lead to the government's sustainment until today. Compared to the Islamic State movement, IS lacks the socio-economic elements in creating a regionally integrated and robust market. This is largely due to the lack of state formation features, which is discussed in the following chapter.

Educational institutions also played a role in the economy where statistics have shown that the educational attainment in Iran from year 1966 to 2006 has improved, especially for women. In only 10 years, women succeeded in increasing the literacy level from 17.42% in 1966 to 35.48% in 1976, whereas men's literacy increased from 39.19% to 47.49%. The literacy level for women continued to increase during the post revolution period; whereas 60% of the Iranian females were considered illiterate before the revolution. This increase provided the needed opportunities for women become part of the workforce.

The number of students in private and public universities also increased in the enrolment year of 2006/2007 to reach only in public universities and institutes around 1.5 million (Elmi, 2009). The total enrolled students in both private and public universities for the enrolment year of 2006/2007 has reached 2.8 million students. Whereas, 0.77 million were enrolled in technical and engineering majors, 0.14 million in medicine, 1.34 million in Humanities, 0.3 million in basic sciences, and the rest in the other majors, making them more eligible for employment after graduation (Elmi, 2009).

On the social level, Baktiari (2009) believes that "the demographic gift of the post-revolutionary period has resulted in a doubling of the population to 71 million, and more specifically a burgeoning of the youth population." This means that for every 3 Iranians, 2 are under the age of 30.

Also, one of the main achievements of Iran was population control. This is mainly because of the increased levels of education and access to health among the Iranian, especially those in rural areas. For example, the average number of births per woman decreased from "about eight in the mid-1980s to about two in 2006" (Salehi-Isfahani, 2009). Salehi-Isfahani (2009) states that "poor's access to basic services has substantially increased: during 1984-2004."

Despite the fluctuations of the Iranian economy after the revolution, the readjustment period offered the needed variables of survival in maintaining the new government.

2.5 Is the Islamic State a Revolutionary State?

States change from their current stable conditions into a new state as an act of a revolution based on various “political philosophies” with rebellions leading precipitating such changes. Over the course of history, there were the “Bolsheviks in Russia, the Communist Party in China, the Khmer Rouge in Cambodia, or Ayatollah Ruhollah Khomeini and his followers in Iran” who have had a revolution and succeeded to change the current state into a new one. Usually, rebellions take over the state by the means of violence, in another cases, they coup and take control of the existing regime (Walt, 2015).

Revolutionary leaders need to convince their followers about the risks they are going to face in order to achieve the revolution’s goals. These difficulties range from arrest to death. Walt (2015) believes that “revolutionary movements naturally use a mixture of encouragement, intimidation, and indoctrination to put into effect compliance and encourage sacrifices, just as the Islamic State is doing now.”

Within the context of Islamic State, it is their employment of jihadist ideology to endorse the use of violence, using the promise of heaven and a lot more when they are sacrificed for this holy cause. Titles and slogans differ from one revolution to another, but the cause is the same: substituting the current regime with a new one and taking control over the state. This aim is essential for persuading followers, especially if their efforts will flourish. “Typically, revolutionary ideologies do this in three main ways” (Walt, 2015).

The first way is labelling the current regime as an evil. Walt (2015) believes that rebellions consider the current regime as corrupt, criminal, aggressive and unwilling to perform reforms. Regression to their former state is not an option and so rebellions move ever forward in their path. During the eighteenth century, French revolutionaries

viewed European monarchies as inherently corrupt and unjust, which would ultimately lead to a war with Europe.

Vladimir Lenin and the Bolsheviks theorised that the only process that could eliminate capitalism and its oppressive ways is through an exhaustive revolution. Similarly, Mao Zedong states that the imperialists will not lay down their 'butcher knives', while Khomeini urged his followers to make sure that the Shah was strangled (Walt, 2015). Comparably, the Islamic State looks at the international community and its neighbouring Arab governments as its enemy and the enemy of Islam. It considers them as non-believers or infidels, and thus, should fight them (Walt, 2015).

The second way is to predict victory and its inevitability. Thus, leaders of the revolution encourage their followers to stick to their beliefs. "Lenin argued that capitalism was doomed by its own contradictions, and Mao described imperialists as paper tigers, both thereby reassuring their followers that the revolution would eventually triumph." The Islamic State's leader, Al Baghdadi, also followed the same path, and presented an optimistic speech encouraging his followers that the state is continuing to achieve its goals and objectives regardless of all obstacles (Walt, 2015).

The third way is to provide promises to the followers to be performed once victorious. Revolutionary leaders convince their followers that once the revolution succeeds, the current situation will change and become better, in other words become a perfect state. "French radicals in the 1790s called for a crusade for universal liberty, and Marxist-Leninists thought that a world revolution would harvest a classless, stateless commonwealth of peace."

Likewise, the Iranian revolution was envisioned as "the first step towards the eradication of the "un-Islamic" nation-state system and the formation of a global Islamic community" (Walt, 2015). Indeed within the Islamic state, its leaders convey their fundamentalist message across the entire Muslim world, and further. Al Baghdadi for instance has previously stated that IS will one day unite 'the Caucasian, Indian,

Chinese, Syrian, Iraqi, Egyptian, Yemeni, North African, American, German, French and Australian.”

The Islamic State also uses social media to convey its message to the international community. This universal applicability forms a key part of the group’s appeal to outsiders and is a reason as to why other governments view the group with such alarm (Walt, 2015).

Walt (2015), states that any leaders of a revolution are aware that their new positions are still under the risk that “adversaries may pursue to crush them before they can consolidate control.” In addition, the new leaders believe that since they defeated the strong evil regime, then they are the only ones capable of passing through this critical period and stabilizing their positions in rule (Walt, 2015).

Paradoxically, because of the uncertainties and fears that revolutions evoke it actually helps solidify the gains already made. Indeed Walt (2015) states that “external supremacies cannot know for sure how powerful or appealing the revolution will be, they hardly can determine which is the greater threat: the revolution itself or the probability of taking advantage of the chaos by some rivals to strengthen their position.”

For example, in Europe, the monarchies at the time were more concerned with gaining profits than of reinstating Louis XVI to his throne. This fact led to the French revolution success. Correspondingly, “partitions among the main powers and hesitation about the Bolsheviks’ long-term aims inhibited a synchronized reaction to the revolution in Russia and helped Lenin and his groups preserve power after 1917” (Walt, 2015).

However more often than not in revolutionary states there is an extended conflict between the revolutionaries and the previous regime. This usually “ends when the revolutionary government is removed from authority, as the Sandinistas were in

Nicaragua, or when the state moderates its revolutionary aims, as the Soviet Union, communist China, and revolutionary Iran eventually chose to do” (Walt, 2015).

The Islamic State holds similar characteristics as other revolutions, in the handling of its propaganda and spread of its Islamic authority, despite surprisingly proving its capability at securing the land under its control, “spreading its message online and fighting on the ground against weak opponents” (Walt, 2015). However, despite the group’s control of certain territories it lacks the alternative political and socioeconomic structures which revolutions carry out in their early developments.

IS also believes that it is a populist transnational uprising that will remove existing governments, however its continuous terrorist activities and instances of ethnic cleansing across various countries, gives little theoretical reason for such a state to remain viable, as it is an eminent threat. The organization currently does not command the full support of the Arab and Muslim world, failing to be accepted as an ordinarily functioning country.

The Islamic state has also exacerbated Iraq’s existing failed state, IS members’ goal is to persevere regardless as to whether they have a consolidated geography, but rather a consolidated transnational power. And this has only proved it more difficult for its survival as a revolutionary movement fighting for a morally virtuous change with the support of the suppressed.

2.6 Phases of Nation State Formation

Since IS fails to carry variables of a revolutionary state, then the alternative to the sustainability of its state must rely on the support of an internal state structure building processes which will enable the organization to stand for a longer period. Relying on outside sponsors, including its governing nature of supervision and tax institutions will not suffice. So where does this organization’s ‘state’ formation stand?

This requires taking a closer look into describing the developmental phases of a nation state from the consolidation phase to the transfer of national legitimacy and the formation of a nation's constitution. This will explain the Islamic State's variables of consolidation, if viable they could potentially lead IS to its next phases of state formation. The chapter then states the main characteristics of a modern state, which includes a comparison between what is stated in the literature and what Islamic State is practically doing while going through its own state formation phases.

Before going through the nation state phases, legitimacy should be defined first. According to Pick (2011), legitimacy is defined by the instructions of a ruler being recognized. Every society seeks, as its first demands, security and order. This occurs only when the society agrees on one legitimate trustworthy ruler.

As Pick (2011) mentions "a legitimate ruler can both resolve disputes by judging them and enact laws by which disputes can be avoided or resolved without the need for judgement." Thus, when the legitimate ruler fails to afford the minimum needs of the people, an alternative power will rise. This might cause a civil war which usually leads to the formation of a new state with a legitimate authority (Pick, 2011).

In regards to Islamic State, Al Baghdadi is currently recognised as the legitimate ruler for the lands under the Islamic State's control. Concurrently, in terms of civil wars the Islamic State is fighting for its existence through a war against the political regime in the lands it controls such as in Iraq, Syria and Libya to an extent. So, it is using the same means of the civil war mentioned earlier in order to retain its legitimacy on these lands.

Pick (2011) identifies five forms of states: "personal states, empires, military states, tribal states, and theocracies – whose governments depended on the fact that they were not accountable to the people they ruled. If they were accountable to the people, they could not function."

In a nation state, the legitimacy is shifted from the leader to the people. As people become more aware of earning this legitimacy, the leader will be more responsible for his people and not for his own interests and religious authority. Of course, this requires gradual stages to take place.

Pick (2011) believes that “the ruler was at first held accountable to those persons in the state who generated the most added value – the principal landowners, merchants, and financiers. If this accountability was effective and the national wealth continued to increase, accountability was extended to a broader section of the population, until full democracy was achieved.”

Practically, the implications of this transition are considered difficult for various nations. For example, if the ruler with a certain agenda and objective coincides with the objectives of the nation, political conflict and tension could rise between the ruling party and the opposition parties representing different agendas. Nevertheless, most of the proven cases state that the ruler’s aims and objectives have not coincided with those of the society.

Theocracies for instance consider any opposition or threat to their rule as immoral. What military states usually do to avoid threats and internal pressures, is attack neighbouring countries. In this case, any opposition or threat would be considered as a betrayal (Pick, 2011).

It is different in case of the Islamic State. The Islamic State is a nation also known for its religious loyalty. In other words, the ruler is not only accountable to the nation, but also to the religion he follows. Not only that, the state is even bound with the Islamic (religious) constitution. Consequently, the two concepts cannot be split when it comes to the Islamic State.

In several personal states, legitimacy has faced a crisis because of the long time rule of a “dynastic ruler” during the time where new types of governments appeared. There were instances when a “non-dynastic ruler” has ruled the nation in the same

performance as a “dynastic ruler”. These “non-dynastic states” have been ruled by a government formed from a group of selected elites, and sometimes fail to elect a ruler who can lead the nation towards growth and industrialization. This leads to an instability where authoritarian parties and rulers, in addition to rebellions, take over the rule of the nation until it is stabilized (Pick, 2011).

Therefore, as a first phase, a personal or imperial state is formed under the rule of a legitimate ruler and within specific boundaries. The state can now set a suitable agreed upon language for its use. Then, the ruler, based on his/her legitimacy, could set several producers and decisions concerning all administrative, fiscal, military, economic and social activities within the nation, and of course based on the resources available. The main result the ruler seeks is national security in order to facilitate the development of the other vital components of the society such as literature, culture, history, and economic infrastructure (Pick, 2011).

For Islamic State, the first step was announcing Al Baghdadi as the legitimate ruler. Then it intended to declare the boundaries of the state. Later, the ruler who was supported by his legitimacy imposed rules and regulations bound by the Islamic constitution. Afterwards, he implied several procedures related to imposing the Islamic culture on the areas under his legitimacy.

For example, the Islamic State’s troops began destroying and eliminating all monuments and historical sites claiming that their existence stands against the Islamic constitution, thus enforcing a new culture the Islamic culture. In addition, he concentrated on selling oil and some of these historical monuments (which were not destroyed) as a source of income, and thus, guaranteeing the flow of cash to the government’s budget. Moreover, Al Baghdadi set several tax procedures based on the Islamic constitution, and also assigned a court of justice to judge based on the Islamic doctrine.

Most newly formed nations include relationships between the ruler and each of his main constituents such as landowners, cities or the church in the form of defined and

distributed authorities (Pick, 2011). Under Islamic State Al Baghdadi has the ultimate authority, assigning certain local rulers to administer local areas under his rule.

Indeed, groups with authority had certain “privileges”, meaning that “they might delay the formation of the single principles of administration, justice, and taxation for the whole country.” Therefore, business’ in all forms rule along with the legitimate ruler (Pick, 2011).

According to Pick (2011) rich communities might rebel if they felt that their privileges are being overlooked, and therefore structures of law based on customs may differ across the territory. Church hierarchies for instance have different forms of influence between states, some may have direct rule, some may have had the right to create legislature while others are immune from taxation of property or income and some even maintain exclusive control over subjects such as education, marriage, health or social services.

A second limitation might be ineffectiveness of the ruler, which most of the time meant waiting for the next generation to rule, but in case of extreme incapacity may entail deposing the legitimate ruler (in fact or in name), an action which raised a major problem of legitimacy for his successor.

A third delaying factor might be the invasion of the state by a neighbouring personal ruler seeking to extend his territory, as occurred continually throughout the period of personal states, since such an invasion diverted the resources of the ruler from state formation to defence. Therefore the attention, efforts, and resources of his subjects were then diverted to gaining, ruling, or retaining this intended empire.

A fourth possible delaying factor might be incapacity of the ruler’s administrators, who were frequently inadequately remunerated and accordingly open to corruption (Pick, 2011).

Yet, none of these factors appear to play a part within the context of Islamic State. In other words, up until now none of these factors have happened to have delayed the expansion of Al Baghdadi's rule over Syria and Iraq. Instead the role of the church, or in this case the Mosque, is consistent with the beliefs and objectives of the ruling state. Furthermore, neither Al Baghdadi nor his administrators lacked the capacity to run the state. Facts have proven that the Islamic State is well administered (more details are provided in Chapter 4).

Secondly, the state has to be transferred to own the feature of a nation. This means that the nation only belongs to the nation and not to the ruler. This requires self-awareness and assertion of nationality, which involves the transfer of legitimacy from the current ruler to the people (nation). This only happens by the means of a revolution. The ruler could be a "personal, imperial, military, tribal, theocratic ruler, or another nation state with which the rebelling nation state no longer identify itself" (Pick, 2011).

Consequently there must be a singular defined nationality for the transfer of legitimacy to take place. This took place in western European countries such as, England, Denmark, Switzerland, Portugal, France, Spain, Scotland, and the Netherlands where the state united under one nationality. During the phase of individual rule of each state a certain amount of wealth, a legal, cultural, and identity had been shaped. Pick (2011) adds that countries that were mainly ruled by empires composing of different peoples, specifically in the Middle East and Eastern Europe, were incapable of developing a unified nationality until after the empires had collapsed.

"Governments in Islamic states often had a theocratic element, which delayed the growth of a national sense there. Other parts of the world did not have a state structure, or their government was not stable for a sufficiently long period, or a civil society had not developed to the necessary extent" (Pick, 2011).

Eventually colonial states were integrated by the European colonial empires whose internal territorial borders provided the necessary steadiness for the present states

across the world to take shape. In Iran or China for example, discontent with a ruler was expressed by a change of dynasty (Pick, 2011).

This is contrasted by the Islamic State, which rebelled based on religious ideology rather than a nationalistic one. Indeed Islamic State rejected the current ruler entirely, and thus, rebelled to declare its own values and beliefs.

After the successful transfer of legitimacy from the deposed ruler to the rebels' control, the third phase begins: the process whereby a legitimate national government is formed. However, since governments are held accountable to their nations, they generally consider that they have the authority to substantiate or withdraw consent from time to time.

Additionally, nations generally consider that the authorities that the government possesses should be discussed and accepted, and the approach by which it implements these powers, including powers to tax and spend, should also be debated, agreed upon, and examined by a body independent of the government.

The process of conferring powers is termed legislation, and the independent legislating body is an elected Parliament. Legislation also defines the mutual rights and obligation of national citizens against each other.

The rights and obligations of citizens under the authority of their government are defined in the classification of law, and the validity of the elected government and parliament approves of the law's credibility. The government then is naturally subject under the rule of Law; subsequently the law is also applied to the individuals, formerly a role of the ruler (Pick, 2011).

Through the facts and statistics available it becomes clear that Islamic State is still in the first phase as there are no rebellions taking place under its premises, and there is no legitimate government taking over the nation. The nation is under the rule of a person who is recognized by the people. Although, the Islamic State has a constitution,

this constitution was not developed based on a legitimate authority which happens under the authority of the Parliament.

In principle, as Pick (2011) mentions, in a national state where it is ruled by a national government, a parliament should be elected from various groups and entities of the society. These elected members of parliament join to constitute what is known as the constitution.

However, a government carries a defined program to administer the nation, and the parliament has the right to accept or refuse the program. In addition, the formation of the parliament is based on political struggles between parties, each promoting their own agenda aiming at gaining a seat in the parliament. Typically, these parties are divided into left and right wings.

These theories about statehood highlight the fact that Islamic state has not followed the same development as other nations. IS applies the laws of the Islamic constitution developed decades ago, and the one-person government applies the concept of voluntary advisory with the administrators. So, the modern political dynamic is totally absent in the Islamic State.

Once the transition phase has settled, every nation should determine “where within the nation legitimate authority resides, and by what process are political programs to be promoted including that the persons in charge with implementing them are approved.” The nation, at this point, has made an enormous transformation from the previous system.

The nation, while rooting its authority and legitimacy, could refer to a certain reference point in history where a national legitimate government was ruling, and the whole nation was subject to justice, law and constitution. The Western European nations were the first nations to transfer their legitimacy from one-person rule to the nation. Two main factors were the catalyst for such transition (Pick, 2011).

Primarily, the dynasty in power usually carries sufficient to be able to direct the country within the context of present establishments, simultaneously strengthening its economy and constitution. As long as the government is suitable and capable of lasting, the ruling entity would maintain the legitimacy to exercise its power while a constitutional government is developed.

Secondarily, the variables of the society must be adequately wealthy and disciplined to be able to afford participation in parliament and in the promotion of political programs related to the government and Parliament to implement. As Pick (2011) states, these wealthy social subjects are commonly termed as civil society.

Another matter to be discussed is the characteristics of a modern nation. The modern nation, as referred to by Max Weber, is “a human community that successfully claims the monopoly of the legitimate use of physical force within a given territory” (Geping, 2010). So in order for the state to extend its power over its territories, it should form a kind of “centralized and rationalized bureaucracy” that provides “a unified and effective apparatus of power for the absolute monarchies that at the same time lead to a de facto loss of power on the part of the nobles” (Geping, 2010).

This is what the Islamic State is attempting to do. It is claiming power over the areas under its control. After that, it is assigning lords for every area it controls. These lords’ mission is to manage the lands’ resources including manpower and families.

New modern nations are no longer represented by a one-person rule. Instead, the nation’s authority today is mostly represented by the people, and it is characterized by rationality. The public’s opinion is better represented, especially after the shift from a monarchical rule to the republican rule, where politicians and parties enjoy a democratic political life.

Weber believes that these parties in the modern nation have become profit seeking parties while running for elections. Candidates are nominated under political parties fashioned to increase the number of voters. Although the main concern of the party is

to attain power, to win an election, the party must try to consider and balance out the many interests of its voters. In this way, state influence is limited from being absolute.

Geping refers to Weber who describes professional politicians as people who should have morals of responsibility, suggesting the liability of one's actions rather than the objective of the ultimate end, which can lead to the justification of means by ends. Geping (2010) states that modern nations should be administered based on rationality in terms of the officials and the program.

The officials should be assigned based on their experiences and education. This requires separation between the administrative roles and the political power. Geping (2010), states that there is a relationship between administrative rationality and power with corruption. The more political power is involved in the administrative role, the higher rate of corruption there is. So, the higher the corruption there is in the nation, the more likely for the nation to lose its legitimacy.

In the case of the Islamic State, corruption is not a possible action, as it is prevented by the Islamic law. It should also be noted that the Islamic State has taken restrictive measures to prevent corruption within official governmental officials.

Another characteristic that Geping (2010) believes is important in the modern nation is "Homogenization" which is defined as "a dynamic historical process, which can take place on a variety of dimensions: religion, ethnicity, language, etc." So, if it concentrates on one of these dimensions, such as religion as in the case of the Islamic State, the dimension becomes extremely political.

Geping (2010), states that equality is also a crucial characteristic of a modern nation. He considers it closely related to homogenization. "Equality for its part means that individuals are considered equal in relation to the law notwithstanding many differences between them for example, religion, gender, age, wealth, position, ethnicity or even culture."

When individuals are treated similarly on a specific dimension, this is homogenization. Equality means that individuals with different dimensions are not taken into consideration within the political system. “Actually, both homogenization and equality reflect, though in different ways, the need or requirement of homogeneity in modern states” (Geping, 2010).

It is quite clear then, that the Islamic State has not begun the homogeneity process. This is evidenced by not only the destruction of ancient monuments but also the abandoning and killing of minorities and ethnicities of other religions.

Ernest Gellner in his ‘Nations and Nationalism’ argues that modern, commercial and industrial societies are based on continuous cognitive and economic development. The legitimacy of the modern state’s influence largely relies on its ability to stimulate and assure this progress. Modern state powers act to preserve a national “high culture”, assist the industrial society, but also as Gellner argues it provides the institutional guarantee for the progress of the national economy, including the legal safety of property rights and free contract.

It can be argued that this is precisely what Islamic State is doing. It is attempting to guarantee its development through several economic activities such as selling oil, selling archaeological valuables and more (to be explained in details in chapter three).

The concept of “territoriality” is also another main characteristic of a modern nation. Which means the governing rule should possess power and authority over a specific geographical area. In a more detailed explanation, the nation should possess authority over not only the land, but also everything within it, including space and water.

“In principle, territory must be contiguous, each part of the territory overlapping another part, between which there are no holes, which means that within it there is nowhere that is not under the rule of the centralized state.” Modern nations’ territories are developed through homogenizing people, and providing them with equal rights (Geping, 2010).

By referring to the previous definition of territory in a modern state and to the map below (*Figure 2*), it is noticed that the Islamic State has not yet fulfilled the definition in the sense that it does not have sovereign control over contiguous land.



Figure 2 The Geographic Representation of the Islamic State control

Source: Institute for the Study of War (2016)

Carl Schmitt believes that modern nations are inhabited by homogeneous people or citizens. While outside, there are nations which are inhabited by other people “which constitute potential enemies.” He states that “there is always the possibility that a potential enemy becomes an actual one, threatening the way of life of the nation, and thus the possibility of real conflicts among nations” (Geping, 2010).

Figure 3 below illustrates a clear example of what Schmitt has mentioned. The Islamic State is facing a conflict between the international communities, and thus, they are not accepting the presence of the Islamic State.

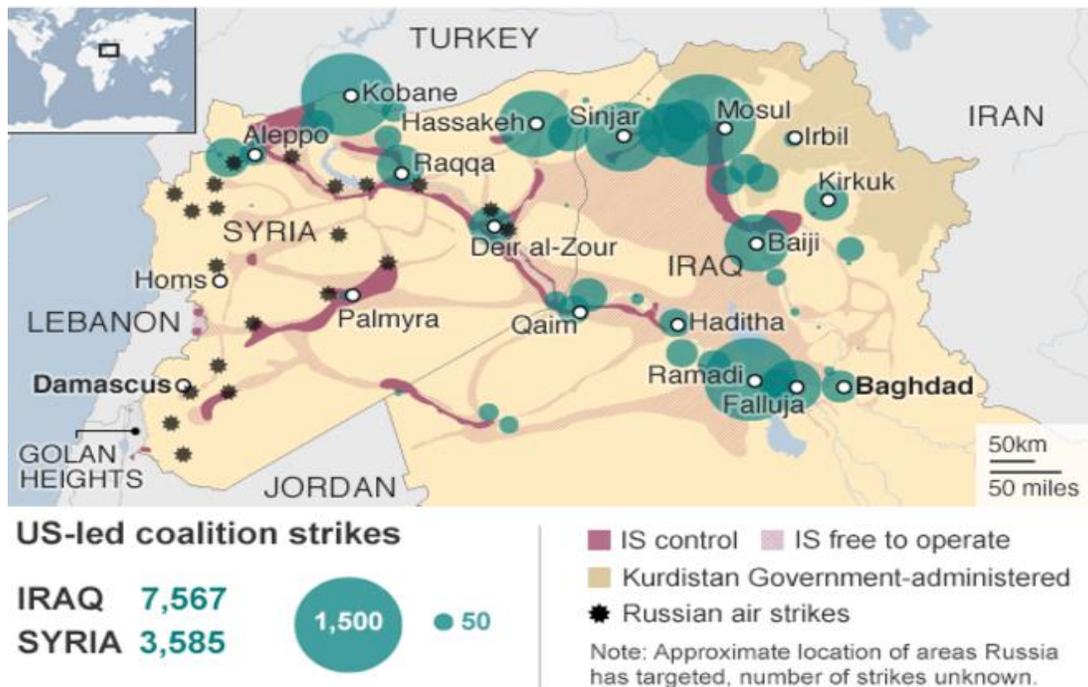


Figure 3 Illustration of the Air Strikes on the Islamic State Territories

Source: Institute for the Study of War, US Central Command, 13 April 2016

Chapter Three

The Islamic State's Elements of Success

As the organization fails to build itself by following processes of credible state structures as outlined, its attempt to sustain a consolidated transitional power is supported only through its main revenue streams. This chapter describes the remaining variable that is assisting the organization in its continuity, which is its source of capital, which has supported the organization's expansion so far. By demonstrating these elements, it explores the reasons behind its growth.

3.1 Elements of Success

Mecham (2015) argues that the "Islamic State has attracted a great deal of attention because it has brought disruptive innovation into Islamic political thought, both in terms of ideology and what it is doing on the ground." This attention has garnered it with fighters from all around world, wanting to join IS because of its "success at building institutions and creating prosperity for a select group of its patrons" (Mecham, 2015).

Although the evidence provided highlights that the Islamic State does not own all the elements needed to build a state, it still holds the basic ones. This matter is important since it demonstrates the shape of the state for locals and sets up relations to be with the International community (Mecham, 2015).

Mecham (2015) states that the "more the Islamic State resembles a state, with its security provision and regulatory institutions, the less international actors will be able to "degrade" or "destroy" the group without also degrading or destroying the fundamental functions of the state." The intention to destroy the state usually leads to "anarchy" that in return leads to undesirable consequences (Mecham, 2015).

Various researchers consider states to be the main body of “interaction within the international system and as legitimate components of the international order.” This sets IS outside the concepts on statehood defined earlier. To be considered successful, a state should include roles such as “rule of law,” “administrative control” and “creation of citizenship rights” (Mecham, 2015).

According to Mecham (2015), these roles could be split into 6 sub roles which are: “1) tax and labor acquisition, 2) defining and regulating citizenship, 3) providing international security and managing international relations, 4) ensuring domestic security, 5) providing social services and 6) facilitating economic growth.”

Mecham (2015) explains that in order for a state to become well-defined, it should be able to “extract wealth” such as collecting taxes and “extract labor” such as for military actions. Here these words apply to the Islamic state where it has been “highly extractive from the population in the territory it controls.” It has succeeded in extracting money through austere engagements such as the seizure of property from minorities and by collecting taxes.

This guarantees them the continuous flow of revenue streams consisting mainly of foreign donations, oil revenues and criminal enterprises (to be discussed further in this chapter). Similarly, the Islamic State has succeeded in attracting labour using its media, and by convincing fighters that there is no alternative choice for them to make (Mecham, 2015).

Mecham (2015) also mentions that the state should define the “rules for citizenship” and the rights and duties of their citizens. The Islamic State’s citizenship appears to be based on the Islamic religion. Whoever lives under the auspices of the Caliphate should follow and obey only the rules and regulations of the caliphate.

In addition, Mecham (2015) considers managing international relations to be a major element of a state, as it protects the state from external potential threats. In regards to this, Mecham (2015) states that the Islamic State has partially failed to set strong

relations with its neighbors. Instead, it has created enemies from its neighbors, which it should destroy in order to spread its control over these areas.

Nevertheless, the Islamic State has been able to perform some of the international relationship grounds by “developing routes to get its oil to market, attracting international “investment,” seeking “immigrants” from abroad, signalling its intentions to international audiences and threatening the interests and territory of neighbouring states” (Mecham, 2015).

Mecham (2015) believes that a state should be able to provide security to its citizens and in parallel guarantee, that rules and laws are followed. This case however fails to reflect what the Islamic State is practically doing. The reason behind it as Mecham (2015) explains, the “Islamic State in early 2015 operates much more like a military organization than either a rebel insurgency or a local police force, although it also plays both of those roles. It has tactical units that report to a central command, that are highly metrics-driven and that are designed to clear and hold territory, ensuring subsequent security within that territory.”

Islamic State has succeeded in organizing its forces both military and police. Indeed, whenever the military forces are done with their operations in a certain area, the police forces play an increasingly important role. Moreover, Mecham (2015) adds that “Sharia courts are widely established in consolidated territory to create a semblance of the rule of law and to hear grievances that may not have been effectively resolved under local tribal or Iraqi national rule.”

One of the functions of the state is to provide social services and security such as “health care, education, sanitation, utilities and support for the vulnerable.” It is obvious that the Islamic State is trying to provide social services and security to its citizens. Mecham (2015) illustrates that the “social services come with a clear ideological orientation; particularly the religious and educational institutions that it establishes or transforms in newly acquired territory.”

With the land under its control Islamic State has been working on running and administrating the existing infrastructures and building new ones. It attempts to prove its credibility as the previous existing government in administrating the municipal works in the areas it controls. Moreover, it has succeeded in being more effective in running these facilities, such as providing “food and humanitarian assistance” in efforts to prove their reliability (Mecham, 2015).

Lastly, Mecham (2015) considers that a state should be capable of “effectively managing the economy and facilitate economic growth over the long run. This is done through the establishment and enforcement of property rights, through market creation and regulation, through targeted investment in capital-intensive industries and through the regulation of public goods, such as the environment.”

In the case of the Islamic State, the organization has enough cash gained from several types of operations allowing it to “generate its own economy.” Islamic State intends to have an “authoritarian control” over the market. For instance, it has subsidized several forms of services, controlled the “management and distribution of wheat and flour” and violated “existing property rights.” In addition, the Islamic State has intended to establish a central bank with a main role of setting economic policies (Mecham, 2015).

In terms of the particulars of the Islamic State’s financial operations, the Islamic State’s revenues cover its essential expenditures (Barrett, 2014). It is estimated that the revenues range of \$3 million/day, owning assets equivalent to approximately \$2 billion (Barrett, 2014).

Moreover, the expenses of the Islamic State include the total amount of money needed to run the war, such as the supply of machines and affording salaries for their warriors. The fighters receive an earning between \$200 and \$600 per month. Also, the Islamic State has to cover the cost of maintenance and operations of the infrastructures under its control, and pay for workers running facilities an amount of \$300 to \$2000 per

month depending on the position. In addition, the expenses include the costs of media campaigns and bribes (Barrett, 2014).

It is known publicly that the Islamic State has seized approximately “\$430 million from the Central Bank in Mosul, Iraq and other financial institutions after their capture” as well as government property such as military equipment (Barrett, 2014). The Islamic State acquires a separate income derived primarily from the sales of oil, support from donors, and criminal enterprises (Levitt, 2014).

Barrett (2014) states that the “main sources of income are oil production facilities in Syria and Iraq, and the taxation of owners and producers in areas under its control. This ranges from preying on small family businesses such as grocery stores or appliance repair shops to taxing large enterprises such as electric companies and other energy suppliers, cellular phone service providers, water delivery companies or others fulfilling government contracts. For instance, it has threatened to blow up cell phone towers unless the parent company pays protection money; the same applies for electricity substations and utility poles.”

Another source of revenue is imposing tolls on cars and vehicles passing through highways or “robbing passing traffic at checkpoints.” Other source is through the kidnapping foreigners such as photographers and journalists for ransom. For instance, four French hostages were released in year 2014 in return of \$18 million (Barrett, 2014).

3.1.1 Oil Production and Refinery

In 2014, estimates determined that the Islamic State's daily income would reach around \$3 million (Dilanian, 2014), “giving it a total value of assets between \$1.3 and \$2 billion” (Chulov, 2014a). This places the Islamic State on top of the world's most funded terrorists, and sets it as the highest income receiver, higher than that of any small nation such as Tonga and the Marshall Islands (McCoy, 2014). The importance for such control of oil resources is that these resources generate the Islamic State an

income where it can continuously exist and self-sustain. For example, it has to “supply and maintain equipment, provide salaries for fighters, manage civilian infrastructure and administration, expand its propaganda campaign, and bribe tribal leaders” (Levitt, 2014).

Around 350 oil wells in Iraq (di Giovanni, Goodman, & Sharkov, 2014), and 60% of Syria's oil fields (Montgomery, 2014) were under the control of the Islamic State. In addition, the Islamic State produced 80,000 barrels/day of oil, of which it sold 30,000 barrels/day in Iraq and 50,000 in Syria that costs in the black market around \$40/barrel (Barrett, 2014). The Islamic State is using pre-existing black market routes that date back to the 1990s in order to sell the extracted oil to smugglers (Faucon & Albayrak, 2014). The oil is transported from Syria through illegal oil pipelines to Turkey (Tastekin, 2014).

Moreover, the Islamic State refines crude oil in neighboring countries and transports it back to urban areas in order to resell it (Rasheed, 2014). Whilst also selling oil to foreign customers in Turkey, Kurdistan and Jordan. Turkey announced that it detained around 20 million litres of oil at its southern border in 2014. Kurdistan stated that it arrested citizens, politicians and security officials for helping the smugglers transport the stolen oil. According to the International Energy Agency, the current production went down to 20,000 barrels/day (Levitt, 2014).

One of its major successes in managing the oil resources is that it kept the skilled workers in their positions. In return, the Islamic State pays and provides them with security and protection from the local governments (Rasheed, 2014).

3.1.2 Donations

The Islamic State benefits from donations coming from “Al Qaeda leaders in Iraq, foreign fighters, and local Iraqis.” However, sanctions and restrictions set by regional countries such as Saudi Arabia, the United Arab Emirates, Qatar and Kuwait have led to these donations becoming small in quantity (Levitt, 2014).

Although the sanctions are being enforced, the Islamic State has succeeded in collecting more than \$40 million in the last few years from donors in Saudi Arabia, Qatar, and Kuwait (di Giovanni et al., 2014).

Levitt (2014) says that the “US has applied sanctions against more than twenty-four individuals associated with Al Qaeda in Iraq or the Islamic State over the past ten years.” There is a direction from the international community to stop the “flow of foreign fighters and funds” to the Islamic State and other extremist tribes in the region.

3.1.3 Criminal Enterprises

Being financially self-sufficient for at least eight years, IS jointly with the earlier ISI accomplished an increase in their profit from \$70 million to \$200 million a year from criminal activity in Iraq (Burns & Semple, 2006). Reports and documents show that donations from external sources does not exceed 5% of the Islamic State’s budgets between the years 2005 and 2010, the date when their Caliphate Al Baghdadi took over control (Allam, 2014).]

Today “the Islamic State steals livestock, sells foreign fighter passports, taxes minorities and farmers and truckers, runs a sophisticated extortion racket, kidnaps civilians for ransom payments, and much more” (Levitt, 2014). In Mosul alone, the Islamic State has succeeded by robbing banks including the central bank in Mosul. Also, it charges companies and imposes individual taxes that return a small amount of millions of US dollars monthly (Fordham, 2014).

Furthermore, the Islamic State forcefully seizes properties mostly belonging to Christians, Shiites, and government officials, and their owners are forbidden to return them back unless they pay for it (Levitt, 2014).

In addition, the Islamic State allowed owners of bank accounts to withdraw their money, but on condition that they must submit a “statement to a committee consisting of three members of the Islamic State to make sure that there is no connection between the accounts and any of whom are considered an enemy such government institutions,

Christians, Yazidis or Shiites.” Along with these guidelines they are also only permitted to withdraw 10% of their balance (Joumah, 2014).

The Islamic State also gains an income from imposing taxes on goods and all vehicles transporting them. For instance, “a large truck typically pays \$400, while small trucks are charged \$100 and cars \$50 if they are also carrying goods” (Rasheed, 2014). The Islamic State has not only set its control over 40% of Iraq’s wheat production, but also has forced farmers to pay a tax in form of cash or wheat that has amounted to more than the value of their product’s selling price (Fick, 2014).

Archaeological sites have not been excluded from the Islamic State deals. Roughly 12,000 archaeological sites are under the Islamic State’s control. These artefacts provide the Islamic State with a large revenue which is considered their second main stream after oil. The artefacts are being smuggled into Europe through Turkey, Iran, and Syria. There are no exact estimates of the prices and profits from the selling process. But some say that “one lion sculpture from the region sold for more than \$50 million in New York in 2007” (Kohn, 2014).

Other revenue streams include “the sale of goods produced by requisitioned factories or seized farms, stripped equipment from decommissioned facilities, ransacking and appropriating the wealth of neighbourhoods, ransom payments from kidnappings and managing a thriving sex-trafficking industry (Levitt, 2014).

3.1.4 The Islamic State’s Administration

While administering its premises the Islamic State aims to “establish” an extremist ideology amongst its people, to gain more supporters to its caliphate. The Islamic State is trying to replace and even promote itself as a more enhanced administration than the former regime. Yet the extremist policies and actions set forth by the Islamic State such as the use of violence as a form of punishment, and even the control citizens’ appearance have created fear amongst the people instead of respecting the new ruler (Barrett, 2014).

On the ground, the Islamic State is exploiting the discrimination that Sunnis feared under the Iraqi government. This is increasing the support in numbers especially that the Islamic State is succeeding in reversing the loss of wealth caused by the Iraqi government. Barrett (2014) states that the “Islamic State is significantly dependent on support from the Sunni tribes and has set up tribal affairs departments within its provincial administration dealing with complications of security, property disputes, and the distribution of resources, in conjunction with tribal elders, which suggests that it has learned from Baghdad’s mistakes.”

Barrett (2014) outlines the type of administration the Islamic State runs. Barrett (2014) believes that it follows the “hierarchical pattern of its military structure with delegation down the chain of command.” This provincial system requires independence in governing local provinces and at the same time requires a shift from time to time in the governors to avoid the growth of ultimate power.

Barrett (2014), states that “below the level of governor, the provinces have an administrative stream and a services stream. The first covers security, law enforcement, religious education and what little non-religious education is allowed, and tribal affairs, while the second, the Islamic Administration of Public Services looks after the region’s infrastructure including electricity, sanitation, water, agricultural irrigation systems, cleaning and repairing roads, and other essential services such as the production of bread.”

This method of administration gives the Islamic State the power to control and influence its citizens, rendering it easy to manage its premises and provide the needed services. In the previous era, especially in the Sunni areas of Syria and Iraq, governors and their employees were known for their corruption and misgovernment (Barrett, 2014).

One of its ways of administration, the Islamic State motivated fighters by offering them material gains and the opportunity to purchase enslaved women. The Islamic state used “religion as a tool for indoctrination and motivation, and as a means of

control.” Therefore, “the Sharia departments, at both state and provincial level, are possibly the most important part of the administrative structure in helping the State exert and maintain control.” For its importance, it included this ideology in the educational system (Barrett, 2014).

3.1.5 The Islamic State and Media

Media operations within Islamic State are of no less importance than the financial, military and administrative operations. Social media is the main medium of interaction and connection for the Islamic State. Social media is vital for the Islamic State as it can broadcast all its news and updates directly and immediately. For example, on the day of the Caliphate declaration, a picture of Abu Bakr Al Baghdadi was posted on Twitter, and the video of his speech was uploaded on YouTube. It has become clear that the Islamic State has well administered media department (Barrett, 2014).

The increase in media output is a result of the efforts of the crowd of writers, bloggers and researchers who monitor global media, in particular social media. They tweet links of videos, generally with high production values (Barrett, 2014). Barrett (2014), states that “the media department is highly productive, churning out a wide range of media material that its supporters can use to attract potential recruits, raise money, promote the image of the organization, or just spread fear among its enemies.”

Moreover, the Islamic states’ attempts to produce extreme Hollywood-like violent action films, which helps it maintain its reputation and make others fear their opposition. Furthermore, each Islamic State province has its own media outlet, which focuses on local news (Barrett, 2014).

3.2 The Expansion of the Islamic State

The Islamic State has declared that “it was annexing territory in Algeria, Libya, Sinai, Saudi Arabia and Yemen” as well as Pakistan and Afghanistan. “This bold declaration of an expanding number of provinces resembles the announcements by Al Qaeda of creating numerous franchises in the mid-2000s” (Zelin, 2015).

The Islamic State's expansion strategy significantly differs from Al Qaeda's strategy. Zelin (2015) named Al Qaeda's strategy as the "franchise" strategy. One of the differences between both strategies is that Al Qaeda aims to use its "franchises" to attack Western targets. However this strategy only worked with its branch in Yemen (Zelin, 2015). These franchises, which included countries in the Middle East and North Africa, became a burden for Al Qaeda because of the distance between the head leaders in Afghanistan and the local leaders in these countries.

In addition, there is a problem caused by the duality between the goals of Al Qaeda against Western targets and the local struggles of its franchises. Another problem is related to the difficulty in coordination and control of the franchises from Al Qaeda, which has caused Al Qaeda to damage its reputation (Byman, 2014).

Unlike Al Qaeda's expansion, the Islamic State's key priority is building its caliphate. The Islamic State, according to Zelin (2015), concentrates on "the 'near' enemy rather than the 'far' one," and Mohamedou (2014) elaborates that "the Islamic State ideology is secondary to its identity, which is mostly Sunni and tribal, having relied upon a mix of force, clientelism and manipulation of local rivalries to assert its power in territories."

Another advantage that sets the Islamic State in a better position than Al Qaeda is that the "central command is predominantly Iraqi." In other words, the Islamic State hires locals from tribes as leaders. These locals are aware of the region they are responsible for as well as they have "social power within their communities." Such strategy led the Islamic State to take over several areas in Syria and Iraq. Moreover, the Islamic State succeeded more than Al Qaeda in using media in an effective way leading to more recruitment (Azoulay, 2015).

The group has been attempting to take over parts of the Aleppo Governorate, but this attempt is being faced by local resistance and the air strikes from the Syrian government. *Figure 4* shows precisely the areas under the control of the Islamic State. The red highlighted areas are the areas where the Islamic State is present while the

back ones represent its control areas. The figure illustrates that the Islamic State's presence in Iraq is greater than in Syria. But its areas of control are stronger in Syria than in Iraq.

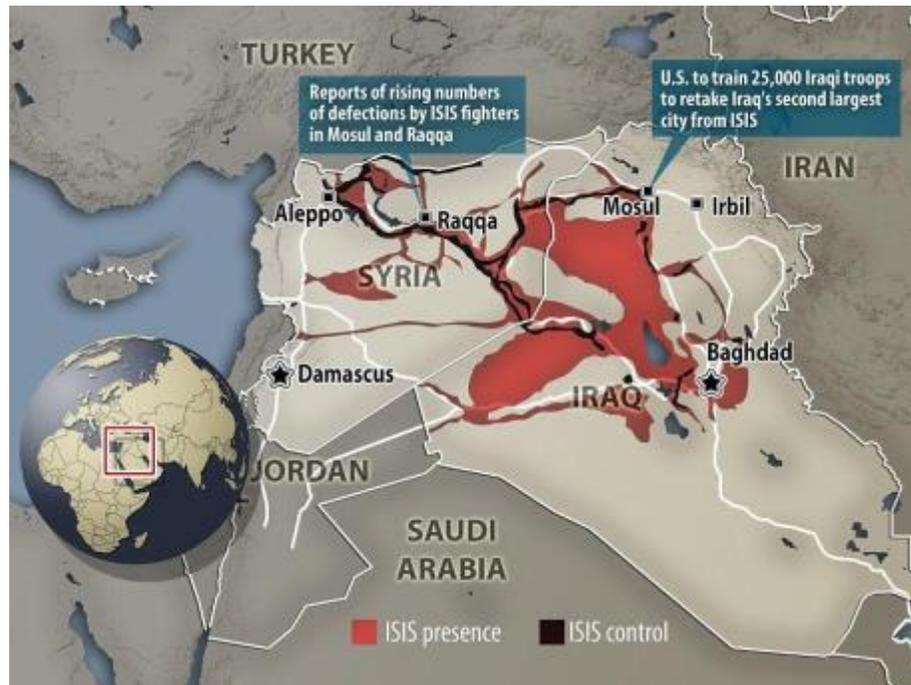


Figure 4 Areas under the Islamic State Control

Source: Akbar (2015)

Islamic State has expanded internationally into countries such as Yemen, Libya, and Egypt (see *Figure 5*). Khatib (2015) says that “the Islamic State has accepted pledges of allegiance from groups residing in those areas and has sent its own emirs to broker deals with them.” These groups are: Ansar Bayt al-Maqdis in Sinai and Ansar al-Sharia in Libya.

Khatib (2015) also states that “this expansion of activities appears to be motivated not by a desire to increase the geographical boundaries of the caliphate, but rather by both psychological and tactical concerns.” The process the Islamic State is performing

through this expansion is to prove to the international community and its followers that it has a strong influence in the region (Khatib, 2015).

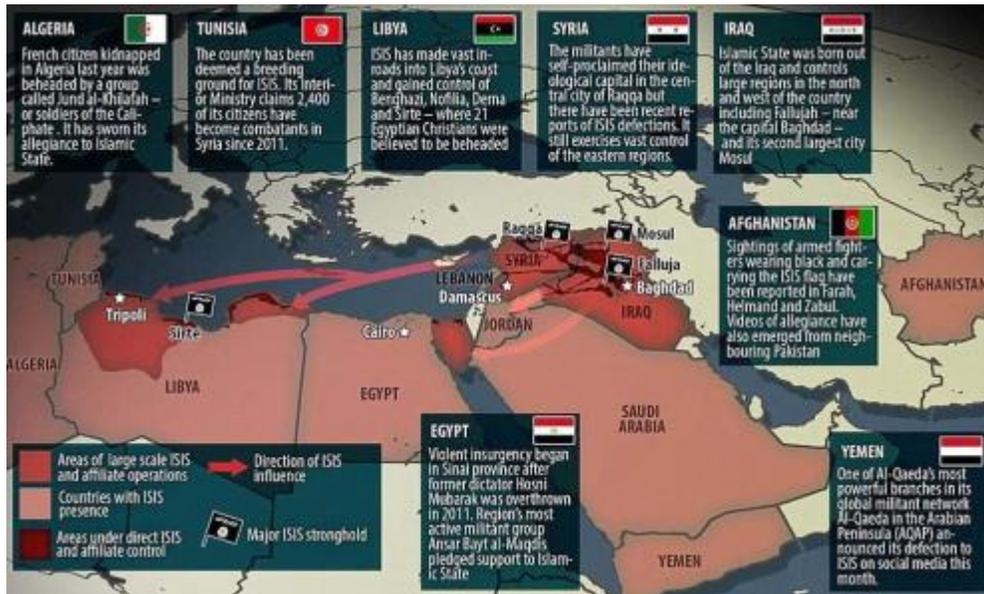


Figure 5 The Islamic State International Expansion Map

Source: Akbar (2015)

3.3 The Islamic State’s Global Strategy

The Islamic State’s strategy has developed different aspects in order to continue controlling the areas it invades, whilst also establishing a base to continue expanding within the region as explained in the previous chapters. The US government is seeking to limit the expansion of the Islamic State by increasing the number of air strikes and to cripple their military operations which are based mainly in Iraq and Syria and by applying more restrictions.

The key resources which the Islamic State depends on are manpower, finance and promotion. The U.S. military may succeed in changing the capabilities of IS, as they force them to change their strategy to a defensive position. However afterwards they may increase by numbers in the controlled regions and expand even more than before (Gambhir, 2015).

The Islamic State previously announced their aims to expand beyond Syria and Iraq, and they announced that the operations will take place in Libya and Sinai. Their fears grew after heightened U.S. air strikes, so therefore, in order to preserve themselves it was necessary they extend operations outside the region. This expansion helped support maintaining the area they are controlling in Syria and Iraq, while also weakening the coalition (Gambhir, 2015).

The Islamic States' main goal is to extend its Caliphate Empire and incite a global apocalyptic war. In order to keep hold of it, they intend to stretch across three different regions which are: Interior ring, the near abroad, and the far abroad (Gambhir, 2015).

The 'Interior Ring' or the base of ISIS is Iraq and Syria, evidently from the name 'ISIS' meaning the Islamic State in Iraq and al-Sham, hence it is considered as the organization's heartland. While other states such as Jordan, Lebanon, Israel and Palestine are also taken into consideration.

The second ring is the 'Near Abroad Ring' which includes other countries in the region as Arab countries, North Africa, Afghanistan and Pakistan. All these lands were once controlled by the former Caliphate which ISIS hopes to re-establish, by setting a "Wilayat" or governorate.

The third ring is called the 'Far Boarding Ring' which includes the rest of the world such as Europe, U.S. and Asia. ISIS initial focus is on Europe as it is geographically closer and already contains a sizeable Muslim population with less effort needed to create groups in these countries is than in the U.S. or Asia. The strategy is to polarize

Muslim communities, isolate them depending on the propaganda and subsequently increase hatred among them.

ISIS is focusing on the Interior and Near Abroad Rings by keeping the areas under control and expanding to other regional countries. ISIS' terrorist activities have targeted mainly on the Far Abroad Ring to support their strategy for the other rings (Gambhir, 2015).

Chapter Four

Conclusions and Recommendations

4.1 Conclusion

The Islamic State is a current phenomenon that requires further investigation and observation regardless of governments' opposition worldwide, the question here is whether this phenomenon will survive, or will it expire? Constructing a cross-related framework in dealing with the Islamic State is essential to finding a solution to be implemented on an ideological transnational movement.

For instance, considering a forceful solution could entail having regional governments coinciding with an international effort in order to build military blocks aiming at destroying the Islamic State and end its ongoing operations. Any military campaign would have to realise that the Islamic State contains around 30,000 skilled fighters and receives continuous financial support which in turn might affect the sovereignty of the surrounding governments.

Another solution is to focus on one of the Islamic State's strengths, its finances. To try and stop the flow of money obtained by controlling oil resources, receiving funds from donors as well as the criminal enterprises supporting it. This will ultimately weaken the Islamic State's expanding military power. In addition to pushing for an end to the well-directed and produced media propaganda that is seen.

The Islamic State's relation with the Arab Spring movements subsequently facilitated its rise. The Arab spring depended heavily on social media to achieve its objectives. This is considered a challenge to the Islamic State today. This challenge is related to limiting the people's access to information and isolating them from the entire world as part of its control.

Another subject that must be highlighted is the Islamic State's impact in the Middle East. The extent of damage caused by the Islamic State is dependent on the need for international forces' intervention. Every day the number of people executed increases, infrastructure is destroyed, lands are invaded and citizens become migrants.

This researches aim was studying the key elements behind the emergence and consolidation of the Islamic State in controlling and managing the lands it is conquering. These key elements are summarized by the economic resources available and the geopolitical elements or the administrative leadership of the land and people.

The research has provided the history of the foundation of the Islamic State and the objectives behind the formation of the state. A literary review has been demonstrated presenting the theories supporting the rise of a state whilst also symptomatically defining the elements that have led to the success of the Islamic State. In addition, the development phases of a national state from consolidation to the transfer of national legitimacy and formation of nation constitution has been demonstrated aiming to prove that IS fails to embody the recognized processes of state formation.

Moreover, the study has analyzed this phenomenon and results have shown that the Islamic State bolstered by strong military force in the region that might potentially take years to defeat. The Islamic State depends on several financial channels as previously mentioned, consisting of oil production and selling and substantial amounts from donors and criminal enterprises.

In addition to using media as an instrument of pressure spreading fear among the people that are already under IS control. With the lands under its control it has set laws and regulations bound by the Islamic law, imposing a certain type of taxes. It succeeded so far in applying the concept of the state in its general form.

Furthermore, this research has answered questions concerning the consolidation of the transnational Islamic movement. Explaining the relationship between the Islamic State's success and the economic resources it is controlling as it expands, including

the connection between the Islamic State's success and its administration of the land taken over by its army. Through these elements, the Islamic State has succeeded in setting the basic pillars of its Caliphate.

The economic resources under the organization's control have set the Islamic State in a strong position to finance its operations, thus, spreading its control. This proves that there is a strong correlation between the economic resources owned by the Islamic State and its success. Lastly, the Islamic State's administration of the state, beginning with military actions and ending with imposed taxes, shows the capability of the Islamic State in running the state.

4.2 Contemporary Trends and Challenges

The Islamic State to date is expanding throughout the Middle East along tribal lines supporting their rise. As earlier stated, to stop the diffusion of this organization, a joint international effort must take place in aim to find a solution. Levitt (2014) has proposed recommendations that will not only limit ISIS' financial resources, but may cut it for good.

To limit the financial resources of the Islamic State, Levitt (2014) recommends that "airstrikes continue targeting the Islamic State's financial hubs, including oil refineries large and small, as well as smuggling routes known to be used to move oil and other contraband."

Levitt (2014) adds that "leveraging financial and other intelligence to target criminal middlemen moving ISIS oil to the market, as well as those who transport, refine, or otherwise facilitate this process. This is something Treasury has already talked about, and actions should be forthcoming. Once they are, they should come in waves, not as infrequent one-off actions."

Levitt states that "governments and international bodies should together help countries such as Qatar and Kuwait build up their counter-terror finance (CFT) capacity and hold

their feet to the fire to actually implement the anti-money laundering (AML) and counter-terror finance (CFT) laws they have passed.”

Levitt (2014) also recommends that there be efforts “working to isolate the Islamic State from the international financial system, including blocking banks located in areas of Iraq that are under the Islamic State control from the international financial system,” and “continuing to press for an international consensus against the payment of ransoms to terrorist groups.”

Levitt (2014) also highlights the importance of “pushing the Islamic State back from areas it controls through the air campaign to deny the group the ability to profit from extortion, taxation, looting artefacts and natural resources and other criminal activities in those areas.”

In addition, he suggests “over the long run to pressure the Iraqi government to put in place real political reforms and create a credible, trusted law enforcement body, able to move into liberated areas and other areas under government control, investigate and prosecute the criminal enterprises financing the Islamic State or other illicit actors.”

In sum, understanding the presence of Political Islam as, an ongoing world phenomenon is a key factor when considering the future of the Islamic State. This stems from the fall of the Ottoman Empire and the failure of Arab nationalism. The Iranian revolution henceforth paved the way for a strong Shiite presence in the region, posing a threat to Sunni populations across the Arab world. Iranians were further strengthened through the existence of other Shiite regimes such as the Alawites in Syria.

After the breakdown of Arab Nationalism and the lack of the Arab Spring’s success, countries attempted to introduce civil society, however this failed to come through. The outcome fuelled the current jihadist movements, as a result leading to endless acts of violence.

The sociological and geographical composition of tribes in the Arabian Peninsula and the Levant accommodated these Jihadist movements in gaining momentum, with the Sharia law as the main reference. Taking for instance, countries such as Iraq, Palestine, Syria and Jordan where political structures were largely influenced by the tribes within the region. Needless to say, there are differing cases where tribes were the element shaping the ruling system itself, such as the Al Saoud family from the 'Rabia' tribe in Saudi Arabia.

Following the Arab spring, most pre-existing regimes have deteriorated, the remaining two components were the tribal system, and Sharia later used as backing for these emerging tribal powers.

As seen throughout the region's history, tribal allegiances and homage have proven powerful in directing the region's sociological and political facets, even more so than any nationalistic or ethnic allegiance. Indeed the Prophet Mohammad was only able to create a governing system after gaining the support of the tribes.

The Islamic State is an organization created based on these two strong elements, tribal linkages alongside Islam. The Islamic State exerts its authority and control along these strengths, thus the absence of one will only undermine the cause of its existence.

The elements sustaining the Islamic State are discussed thoroughly throughout this research. Its continuity, viability and expansion are maintained through foreign funds flowing from neighbouring Sunni countries, exploiting the Islamic State in return for political gains. In the larger context, if the Shiite Iranian government no longer takes part in the Arab world's political field, the Sunni world will no longer be challenged by Iran, consequently will no longer need ISIS as an instrument of support.

To take the analysis further, as the war's climax is reached; existing governments could possibly remerge with older political systems, including tribes to rebuild what was destroyed. As a result, the demography needed for the Islamic State's continuity

will be lost, rendering the Islamic State's purpose as no longer valid, and thus ceasing to exist.

In today's ever connected world, interaction is fundamental in building a credible nation state based on the factors discoursed throughout the research. The elements of sustainment discussed are also applied to other fundamental Islamic movements which could potentially emerge.

Economic openness, International organizations and diplomacy are some examples of building blocks in which the Islamic State as an organization and its ideology fail to embody. In due time, the remainders of the Islamic State will perhaps create minor religious groups, and their survival will rely on the future changes and trends of the region.

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