

The Influence of Political Money on Iraq's Political Process: A Deep Dive

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ABSTRACT

Objective: The current study aims to identify the important factors that contribute to the flow of political money in Iraq. **Method:** For this purpose, a method approach was used. A questionnaire was developed for quantitative analysis, and face-to-face interviews were conducted for qualitative analysis. Regression analysis and descriptive statistics were employed for quantitative data analysis, and for qualitative data, thematic analysis was done. **Results:** The findings from the quantitative data set suggest that political money somewhat correlates with corruption, except for the foreign corporate influence. Similarly, the result of thematic analysis highlights the key themes, which suggests a more positive correlation between the variables. **Novelty:** The study recommends implementing stronger oversight mechanisms, promoting transparency and addressing the influence of the external political actors in Iraq's political and economic areas to enhance stability and equitable governance.

INTRODUCTION

After 2003, the political system of Iraq was born out of a US-led intervention that dismantled the Saddam Hussein regime. After the death of Saddam Hussein, a new political system emerged based on the sectarian and ethnic quotas [1]. Moreover, the political money became central to maintain the power structure, facilitating corruption and clientelist politics. The introduction of the sectarian quota system created a race for political funds and resources to secure electoral success. This leads to financial transactions that reinforce the sectarian identities. The system divided the political power among Iraq, Shia, Sunni, and other minority groups [2]. Now, in control of state resources, the political elites use political money to buy loyalty and solidify their positions. Ministries were filled by political allegiance, not by merit. This fosters a climate of patronage, nepotism, and embezzlement [3].

Moreover, to distribute benefits such as jobs, infrastructure, and services, to their supporters' political parties and leaders used state resources. Such a type of system increased the reliance on the financial contributions from the wealthy individuals, external actors, and individuals [4]. Additionally, the electoral campaigns are heavily funded by private contributions from the business elites and the militia groups, which make the political leaders indebted to their financial backers [5]. The utilisation of political money to secure votes undermines the democratic process and develops a system where political loyalty is bought.

Similarly, Iraq's oil wealth has been the most significant source of political money. Although Iraq is one of the richest countries in the world because of its greater oil reserves but still the control of oil contracts and revenues is concentrated in the hands of the

political elites and the militia groups [6]. The manipulation of the revenues for political gain helps to prevent the development of the infrastructure and the public services for the general population.

Many of Iraq's political parties try to maintain their links with the militias, like the Popular Mobilisation Forces (PMF) [7]. Such groups operate outside the official military framework and hold more influence, especially in the key sectors of the economy. Political elites gain financial power by using money, controlling lucrative sectors such as construction, oil smuggling and transportation [8]. These groups finance their operations and the political agendas by illicit means and the official government channels. Such concentrations of power prevent from fully exercising control over the country's resources [9].

Furthermore, various international actors, such as the U.S, Iran, and Gulf states, have tried to influence Iraq's political landscape by providing funding to various political factions. Such external funds are used to win elections and policy decisions, along with the alignment of Iraq's domestic politics with international interests [10]. The international oil industry plays an important role in Iraq's political economy. This is done by helping the political elites in exchange for lucrative contracts. Such companies help to maintain resource management [11]. Iraq is continuously facing challenges with the deep sectarian divides, which make the political reforms extremely difficult. Any change that is capable of threatening the financial interests of powerful groups is sometimes seen as destabilising [9].

Research Objective

The objective of this research is to analyse the influence of political money on Iraq's political process, especially in shaping the political behaviour, perpetuating corruption, and strengthening the patronage networks. And the aim of the study is to identify the important factors that contribute to the flow of political money in Iraq. It includes the impact of clientelism, the quota system and the involvement of foreign corporations.

Research Question

The following are the research questions:

1. How does political money influence the political process in Iraq?
2. To what extent does political money contribute to corruption and political instability in Iraq?
3. What is the role of militias and the external actors, including the foreign corporations, in shaping the political money flows and political outcomes in Iraq?
4. How does the quota system in Iraq affect the distribution and the use of political money?

Literature Review

A comprehensive literature search was done to determine the role of political money in Iraq's political system. Political money in Iraq manifests in various forms, such as campaign financing, distribution of state resources as well as the use of oil wealth for personal and partisan gains. Under Saddam Hussein's rule, political money was used predominantly. Political power was concentrated in the hands of the ruling elite,

particularly the Saddam family and close allies. Many articles have been published to address this issue.

Previously, an author stated that political parties used financial resources to build loyal constituents by offering jobs, services, and other types of financial incentives in exchange for votes and loyalty. These results in the development of strong relations for the sake of religious affiliations [1]. Moreover, another author has highlighted the issue of how sectarian clientelism stifles political competition. Well-funded parties with strong financial backing often overshadow independent candidates and those without resources [12].

Another study was performed to understand that political money has been an integral part of state resources by elites, particularly through control of oil revenues. The findings of the study suggest that this state capture led to the diversion of state wealth for personal and political gain [13]. Furthermore, another author states that Iraq's political elite utilise the country's oil wealth to secure their positions, which results in loyalists while neglecting broader economic development and public welfare [14].

Additionally, the control of political money, especially from the oil revenues, was addressed by various researchers. An author states that Iraq's rentier state economy has proved to be helpful for political elites to consolidate power by controlling the distribution of oil wealth. Anyhow, this concentration of wealth, according to the author, led to growing economic inequality and stagnation. Such a type of economic imbalance hinders the diversification of Iraq's economy and results in the development of sectors such as education, infrastructure, and healthcare [6].

Political money plays an important role in shaping Iraq's overall political system, as political money provides political elites with all the resources to consolidate power; it has undermined the democratic processes and created a deep, polarised political landscape [15]. Such a type of reliance on political money, especially from oil revenues and foreign actors, continues to present significant challenges for Iraq's political stability and democratic consolidation [16]. An author has discussed that the overall influence of political money is essential for the promotion of transparency, accountability and inclusive governance in Iraq [17].

Moreover, the relationship between political money and economic development in Iraq faces many challenges, specially in terms of resources misallocation, inequality, and the lack of diversification. Iran and other neighboring states [18].

RESEARCH METHOD

The current study employs the mixed-method approach, including qualitative and quantitative data analysis. Quantitative data analysis was done through a survey by using a questionnaire to gauge public perception of political money influence on Iraq's political system, whereas Interviews with the political experts and local leaders were conducted for qualitative data analysis. For quantitative data collection, a sample size of 50 was enrolled in the study. whereas only ten participants were involved in the qualitative data collection. The questionnaire consists of four sections. The first section

includes understanding political money and Iraq's Political System, followed by interaction between corruption and patronage. The third and fourth sections were related to the external influences involving political parties and economic and government impact, respectively. The five-point Likert Scale was used to assess opinions such as transparency, corruption, and the role of political money in Iraq's political system. The questions that were asked in the interview were related to personal experience and perception regarding the impact of political financial resources on the political system. Descriptive statistics and regression analysis were used in quantitative data analysis to identify the correlation between various variables. While thematic analysis was used in qualitative data analysis to identify the recurring themes regarding the influence of wealth.

RESULTS AND DISCUSSION

Results

Table 1. Results of Descriptive Statistics.

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|----|---------|---------|--------|----------------|
| Role of Political money in shaping Iraq's political process | 50 | 1.00 | 5.00 | 2.6000 | .90351 |
| influence of the quota system on political money in Iraq. | 50 | 1.00 | 5.00 | 2.6600 | .89466 |
| used of political money in clientelism and rewarding loyal supporters in | 50 | 1.00 | 5.00 | 3.0800 | .98644 |
| Clientelism contributes to corruption | 50 | 2.00 | 5.00 | 3.6000 | .80812 |
| Political money contributes to corruption | 50 | 1.00 | 5.00 | 3.2200 | 1.07457 |
| unfair distribution of political services | 50 | 2.00 | 5.00 | 3.9800 | .86873 |
| Political money is a primary driver of corruption | 50 | 3.00 | 5.00 | 3.9400 | .61974 |
| Militias and armed groups in Iraq significantly influence political money flows. | 50 | 1.00 | 4.00 | 2.1800 | .89648 |
| Militia groups use political money to gain influence in Iraq's political process. | 50 | 2.00 | 5.00 | 3.8800 | .65900 |
| influence of external factors on political money | 50 | 1.00 | 4.00 | 2.7800 | .91003 |

| | | | | | |
|---|----|------|------|--------|--------|
| Foreign corporations influence political money flows in Iraq | 50 | 1.00 | 3.00 | 2.1600 | .71027 |
| Political money has led to stagnation in Iraq's economic development | 50 | 1.00 | 4.00 | 2.9600 | .66884 |
| Political money has contributed to the instability of Iraq's political system | 50 | 1.00 | 5.00 | 2.4200 | .78480 |
| The effectiveness of Iraq's government institutions is hindered by political money. | 50 | 1.00 | 5.00 | 3.9200 | .96553 |
| Impact of political money in the hands of political elites on public trust | 50 | 2.00 | 5.00 | 3.9000 | .67763 |
| Valid N (listwise) | 50 | | | | |

The results of descriptive statistics state that political money exhibits a weak or non-significant relationship with corruption in Iraq's political system. Most of the predictors like the role of political money in shaping Iraq's political process, militia influence and clientelism. Do not show statistically significant effects as p-values will be above 0.05. Similarly, the influence of foreign corporations on political money flows is significant, as the p-value is 0.031. It suggests that foreign corporate involvement has a notable impact on the corruption levels. The other variables include political instability, stagnation in economic development and the effectiveness of the government institutions. It does not show significant associations with the dependent variable, political money driving corruption.

Table 2. Model Summary.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | .568 ^a | .323 | .052 | .60345 |

Predictors: (Constant), impact of political money in hands of political elites on public trust, influence of quota system on political money in Iraq., unfair distribution of political services, used of political money in clientelism and rewarding loyal supporters in Foreign corporations influence political money flows in Iraq, Militias and armed groups in Iraq significantly influence political money flows, Political money has contributed to the instability of Iraq's political system, The effectiveness of Iraq's government institutions is hindered by political money, Clientelism contributes to

corruption, Political money contributes to corruption, Political money has led to stagnation in Iraq's economic development, Role of Political money in shaping Iraq's political process, Militia groups use political money to gain influence in Iraq's political process., influence of external factors on political money.

The model explains the R-squared value of 0.323. This suggests a moderate level of fitness; it means that the factors included show variation in the political money as a driver of corruption. The Adjusted R-squared value of 0.052 shows that after adjusting for the number of predictors, the model's explanatory power is much lower. It means that the predictor may not be strongly contributing to the outcome. The standard error of the estimate is 0.60345, it indicates some degree of error in predicting the dependent variables based on the model.

Table 3. Results of ANOVA.

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|-------|-------------------|
| 1 | Regression | 6.075 | 14 | .434 | 1.192 | .324 ^b |
| | Residual | 12.745 | 35 | .364 | | |
| | Total | 18.820 | 49 | | | |

The ANOVA results show that the model is not statistically significant, as the P-value is 0.324. which is greater than the typical significance level of 0.05. This indicates that the regression model is not statistically significant, which explains the variance in the dependent variable. Political money is a primary driver of corruption. The F value of 1.192 indicates that the model is not strong enough to justify its inclusion. Moreover, the sum of squares for the regression is 6.075 and the residuals 12.745, showing that the unexplained variance in the model is greater than the explained variance, which indicates the model's limited effectiveness.

Table 4. Results of Regression Analysis.

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|---|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6.728 | 1.537 | | 4.376 | .000 |
| | Role of Political money in shaping Iraq's political process | -.069 | .115 | -.101 | -.605 | .549 |
| | Influence of the quota system on political money in Iraq. | -.086 | .112 | -.125 | -.775 | .444 |

| | | | | | |
|---|-------|------|-------|--------|------|
| The use of political money in clientelism and rewarding loyal supporters in Clientelism | -.046 | .097 | -.072 | -.467 | .643 |
| contributes to corruption | -.070 | .129 | -.091 | -.537 | .594 |
| Political money contributes to corruption | -.069 | .107 | -.120 | -.646 | .523 |
| Unfair distribution of political services | .077 | .125 | .108 | .616 | .542 |
| Militias and armed groups in Iraq significantly influence political money flows. | -.029 | .109 | -.042 | -.268 | .791 |
| Militia groups use political money to gain influence in Iraq's political process. | -.258 | .194 | -.274 | -1.326 | .194 |
| influence of external factors on political money | -.042 | .148 | -.062 | -.285 | .777 |
| Foreign corporations influence political money flows in Iraq | -.330 | .147 | -.378 | -2.247 | .031 |
| Political money has led to stagnation in Iraq's economic development | .066 | .176 | .072 | .376 | .709 |
| Political money has contributed to the instability of Iraq's political system | .102 | .124 | .129 | .819 | .418 |
| The effectiveness of Iraq's government institutions is hindered by political money. | -.070 | .102 | -.108 | -.685 | .498 |

| | | | | | |
|--|-------|------|-------|-------|------|
| Impact of political money in the hands of political elites on public trust | -.089 | .149 | -.097 | -.597 | .554 |
|--|-------|------|-------|-------|------|

a. Dependent Variable: Political money is a primary driver of corruption

The results of regression analysis indicate that the role of political money in shaping Iraq's political process does not have a statistically significant impact on the dependent variable. Political money is the main cause of corruption. Most of the variables have a p-value greater than 0.05, which indicates that they are not significant predictors. The variable, like foreign corporations, influences political money flows in Iraq with a P value of 0.031. It is statistically significant, which indicates that the foreign corporations' influence on political money flows plays a meaningful role in driving political corruption in Iraq. Additionally, a greater beta value of -0.378 was shown, suggesting the strongest effect among all the predictors in the model.

Table 5. Results of Thematic Analysis:

| Themes | Codes | Research Question | Findings (from 10 Participants) |
|---|--|--|---|
| Role of Political Money in Shaping Political Power | Political Patronage and Clientelism | How does political money contribute to the establishment of clientelistic networks in Iraq's political system? | 7 out of 10 participants stated that political money fosters patronage and personal loyalty. 3 highlighted its divisive nature, creating factions based on financial backing. |
| | | To what extent does political money influence electoral outcomes in Iraq? | All 10 participants emphasised that political money plays a significant role in shaping electoral outcomes, with many noting the reduced role of merit and policy. |
| | Quota-Based System and Political Money | How does the quota-based system in Iraq amplify the | 9 participants noted that the quota system perpetuates political money flow, creating |

| | | | |
|--|----------------------------------|--|--|
| Corruption and Lack of Accountability | | influence of political money? | more division and reliance on financial backing. 1 felt it had less impact in certain sectors. |
| | Resource Mismanagement | How does political money contribute to the mismanagement of public resources in Iraq? | 8 participants indicated that political money encourages mismanagement, with resources often diverted for political gain rather than public benefit. 2 saw it as more of a symptom of larger corruption. |
| | Illicit Funding and Kickbacks | What role do illicit funding and kickbacks play in Iraq's political corruption? | All participants agreed that kickbacks and illicit funding are common, with 5 emphasising how political money facilitates these activities at every level of governance. |
| | Erosion of Trust in Government | How does political money contribute to the erosion of public trust in Iraq's government? | 6 out of 10 participants mentioned a significant loss of public trust due to corruption and financial manipulation. 4 noted that citizens feel disconnected from the political system. |
| Influence of Militant Groups and External | Militias and Political Influence | How do militias use political money to influence Iraq's | 8 participants stated that militias use political money to secure power in |

| Actors | political process? | certain areas, often destabilising governance. 2 participants emphasised that this is a growing concern. 7 participants highlighted the significant role of foreign influence, particularly from Iran and the U.S., in financing political factions, influencing decisions, and perpetuating sectarian divisions. 6 participants noted that multinational corporations have substantial influence on political outcomes, with some offering financial incentives to political leaders for favorable contracts. 9 participants noted the weakened institutions as a direct result of political money, reducing efficiency and accountability in governance. 1 emphasised that some reforms are slowly taking place. All participants agreed that Iraq's economy remains overly dependent on |
|---|---|--|
| Foreign Influence and Financing | How do foreign actors use political money to influence Iraq's political system? | |
| Economic and Military Control by Foreign Corporations | How do multinational corporations use political money to influence Iraq's politics and economy? | |
| Impact on Governance and Economic Development | How does political money contribute to institutional weakness in Iraq? | |
| Institutional Weakness and Governance Challenges | How does political money affect economic diversification | |
| Economic Diversification Stagnation | | |

| | | | |
|--|---|--|--|
| | | in Iraq? | oil revenues, and political money reinforces this dependency by funnelling resources into this sector exclusively. |
| | Public Services and Economic Inequality | To what extent does political money contribute to the unequal distribution of public services in Iraq? | 8 participants agreed that political money causes inequalities in public services, particularly in regions controlled by specific political or sectarian groups. 2 mentioned that services are slowly improving in some areas. |
| Resistance to Reform and Political Will | Resistance from Political Elites | Why do political elites resist reforms that would reduce the influence of political money in Iraq? | 10 participants unanimously agreed that political elites resist reforms because it threatens their financial interests and power, fearing a loss of control. |
| | Limited Institutional Capacity for Reform | How does Iraq's institutional capacity limit efforts to reduce the influence of political money? | 8 participants stated that Iraq's institutional weaknesses, such as inefficiency and corruption, impede the ability to implement meaningful reforms. 2 participants saw room for gradual improvement. |
| | Role of Civil Society and | How does civil society | 7 participants saw civil society as |

| | | | |
|--|--|---|---|
| Prospects for Reform and Transparency | Protests | challenge the influence of political money in Iraq? | essential for reform but noted the difficulty due to repression. 3 felt that protests could make a small impact if they gained more support. |
| | Electoral and Political Reforms | What reforms are needed to reduce the influence of political money on Iraq's political process? | 10 participants agreed that electoral reforms, especially regulating political funding and ensuring transparency, are vital for breaking the hold of political money. |
| | Strengthening Anti-Corruption Mechanisms | How can strengthening anti-corruption mechanisms help reduce political money? | 9 participants agreed that strengthening anti-corruption mechanisms is key to curbing political money, though they expressed doubts about political will. 1 suggested that local accountability could help. |
| | Empowering Civil Society | How can civil society organisations reduce the influence of political money in Iraq? | 8 participants noted that empowering civil society is essential for change, while 2 were sceptical of its immediate impact due to political repression. |

The result of thematic analysis highlights the key themes, which suggest a more positive correlation between the variables. The table consists of questions that were asked by the participants. All the themes that were made during the thematic analysis have also been discussed in the table above.

Discussion

The current study examines the impact of the political money on the political system of Iraq using a mixed-methods approach. This combines the quantitative survey data and the qualitative interviews. The findings from the quantitative data set suggest that political money somewhat correlates with corruption, except for the foreign corporate influence. Previously, many studies have suggested the same aspect of the study [19]. Moreover, the regression model shows a low R-squared value of 0.323. The lack of significance in most predictors further indicates that political money may not be the dominant driver of corruption. The result of thematic analysis highlights the key themes, which suggest a more positive correlation between the variables. Many authors have discussed it previously. Additionally, the study also focuses on how political money exacerbates inequality in public services, undermines economic diversification and further weakens the state institutions. This ultimately hinders Iraq's political and economic development [20]. In the current study, all the participants agreed on Iraq's over-reliance on oil revenues. The lack of significant association between the political money and the economic development in the regression analysis urges the need for strategies to face oil dependency due to the entrenched political and financial interests [21]. Many authors suggest that political money contributes to the weakening of Iraq's government institutions [22].

CONCLUSION

Fundamental Finding : The result of the study concluded that political money plays an important role in shaping Iraq's political landscape. It contributes to corruption, patronage, as well as the erosion of public trust. Moreover, the findings also suggest that the external factors have a more pronounced impact on political money. **Implication :** The study recommends implementing stronger oversight mechanisms, promoting transparency and addressing the influence of external political actors in Iraq's political and economic areas to enhance stability and equitable governance. **Limitation :** Although the study provides insights into the role of political money, the conclusion highlights that its scope remains limited to the general dynamics of corruption, patronage, and external influences without delving into specific institutional mechanisms or variations across regions of Iraq. **Future Research :** Future research should build upon these findings by examining how particular institutional reforms, local governance structures, and international interventions might mitigate the adverse effects of political money on democratic stability and public trust in Iraq.

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