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THE STRENGTH OF ISIS: MONEY, ORGANIZATION, TERROR

The real strength of Abu Bakr Al Baghdadi's – or Hamed Dawood Mohammed Khalil Al Zawi's - ISIS (Islamic State of Iraq and Syria) is not just in the weapons (many of which were sacked from Syrian and/or Iraqi military depots), but rather in its capability to administer and control the territories that it occupies. To do so it has set up an extremely efficient organization that can obtain and use large financial resources and which uses terror to threaten, subdue or drive away local populations. These tools, used in an adequate way, have ensured the ISIS militia with military success and with a territorial expansion that has marked its advance.

Warning signs of the birth of a state

Although the message ISIS sends to the West is one based on the abuses inflicted on defeated enemies or prisoners, in the territories occupied by ISIS there is another, ambivalent tactic adopted: the cruel elimination of those that do not subscribe to the cause or that are considered hostile and the financial support to those that are favorable to the ISIS, with a particular focus on the weakest social groups. True, the freedom of the populations living under ISIS rule is limited, – with the obligations and impositions of the radically interpreted Islamic precepts (the forced closure of shops during prayer time; the obligation to wear a veil for women), the respect of which is monitored by a religious police that resembles the Saudi Wahabism – but there is strong protection for the supply and well-being of the principal commercial activities such as bakeries, gas stations and markets in general.

In a relatively brief time span, the ISIS was able to set up a capillary organization that controls the territory it occupies, both on the military front and under the economic and social aspect. This is perhaps the most peculiar aspect that distinguishes the ISIS from other Islamic militias that operate in the same region. After all, the objective of ISIS is that of proving the thesis that their conquests are not just temporary, but rather lasting. Meaning that these conquests constitute the premise for the creation of a political/territorial/religious entity called the Caliphate which, according to Muslim tradition, should bring together the “umma” (the entire community of Muslim believers), currently geographically scattered and divided by borders that are the heritage of colonial times.

To set up such an organization, Al Baghdadi has split his command structure into 16 administrative districts (wilayat) that are located in Syria (9) and Iraq (7). Each district is

responsible for the military, political and financial management of the territories that it administers. The military strength of ISIS, according to the CIA, is esteemed to be roughly composed of 20/30.000 units (a number that seems to grow hand in hand with the military success of the group). Theoretically, this many troops would not be sufficient to manage such a vast territory. From computers found alongside dead militiamen in Mosul, the CIA and other western intelligence services have managed to obtain a glance at a cross section of the organization which most have defined as astonishing. The ISIS does not appear in the territories that it occupies as a terrorist group fighting against a government, be it Iraqi or Syrian, but rather as a structure that manages to maintain and consolidate its power. In other words, as another, alternative State.

Despite the numerous sympathizers in the occupied territories, it is mainly the mass executions and the widely publicized violence that scares and subjugates populations, forcing them to flee their land. This makes it easier for ISIS to control its territories. The homes left abandoned by the fleeing population are often reassigned to Sunni refugees. This is exactly what happened with the homes of the Shiite Turkomans that left Mosul. Those who don't convert and who refuse to send their children to fight alongside the militias, like the Christians, the Yazids, the Sabeis or the Shiites, are threatened with death. Those who survive are forced to pay the "jizya", protection money for the non-Muslim. The prisoners, especially the women, become objects of commerce or sexual exploitation.

The finances of the Caliph

All of this would not be possible without a solid financial base. It is esteemed that the ISIS has daily earnings of over three million dollars. It is the money needed to pay the militias and to build up the Caliphate. Their principal source of income is the oil produced by the installations situated in the east of Syria. The oil field of Omari (controlled by the terrorists since 2012) extracts between 10 to 30 thousand barrels of crude oil per day. Then there are also the oil fields in the region of Kirkuk in Iraq (presently 7 of which work with two principal refineries and other small, similar structures destined exclusively to contraband activities), from which the ISIS extracts roughly between 25 and 40 thousand daily barrels.

We are presently unable to evaluate whether the recent US bombings of the Syrian refineries (but not of the oil wells) have produced any lasting result in blocking the smuggling of oil out of the country. The commercialization of the oil is ensured by intermediaries and counts, among its clients, the Syrian government itself (through a Lebanese-origin Christian mediator called George Hasnawi; a man with ties with Bashar al Assad and economically connected to Russia), Jordan and Iraqi Kurdistan.

The remaining tankers with crude oil end up in the Turkish black market. In the region bordering Turkey, Syria and Iraq, the contraband of petrol is a consolidated economic activity. The channel used by ISIS is the same that Saddam Hussein used about a decade ago to circumvent the international embargo. Turkey closes both eyes when faced with this traffic in order to indirectly support a region which is economically depressed and subject

to the turmoil caused by the Kurdish Combating Party, the PKK. Even the pressure from the US has so far failed to produce concrete results. After all, the terrorists sell their crude oil at a bargain price – between 15 and 40 dollars per barrel, compared to an international quotation on the market of about 100 dollars – and ends up filling the oil duct that goes from Kirkuk to the Turkish port of Ceylan. The US Security Council, on July 28, 2013, approved a resolution that prohibited the procurement of oil from terrorist groups in Iraq and Syria. Ankara must have never gotten the message.

Although petrol is the principal financial resource of ISIS, the terrorist group also taps other resources. After conquering Mosul it ransacked local banks for an esteemed 420 million dollars. In that same city, the taxes on various commercial activities generate roughly 8 million dollars per month. The tax on profit derived from commerce is anywhere between 10 to 20 percent. Those that do not pay are first threatened, then killed. Targets for tax collection include the few remaining government offices in the occupied region. The terrorists also cash in on the toll paid by all vehicles traveling on the region's arterial roads. The collection of taxes is the first step towards the legitimization of the Caliphate.

Indirect resources

There are also indirect sources of financial support, like the kidnapping of foreigners and the collection of a ransom for their release. The recent release of four French nationals and of two Spanish journalists has surely meant a profit of a few millions for ISIS, despite the denials of the respective governments. It is not clear whether Turkey also forked out cash for the recent release of 49 Turks, including the diplomats captured by ISIS after the conquest of Mosul. There was surely an exchange in prisoners with the release, by the Turks, of a number of Jihadists.

Another source of income for the self-proclaimed Caliph Abu Bakr al Baghdadi and his militias are donations from Arabic non-governmental organizations. The US Department of Treasury has tried to tackle this problem, calling Saudi Arabia, United Arab Emirates, Kuwait and Qatar up to the stand. The difficulty in blocking this kind of transaction is in the opacity of the Kuwaiti banking system, used by almost all Arab NGOs.

It is esteemed that ISIS has a total availability of funds worth roughly 1,5/2 billion dollars. It is hard to evaluate what they could do with such finances but, to give an idea of how dangerous this money can be, it is sufficient to think that the combatants of Jabhat al Nusra – the competition to ISIS – that switched their allegiance to al Baghdadi's group were rewarded with a 200 dollar monthly allowance. The financial self-sufficiency of the terrorists is perhaps the most dangerous aspect of a war that could be won on the battlefield, but which could also ensure the survival in time of the ISIS members. As we write this, no terrorist group operating in the Islamic world has as large an availability of funds as the ISIS.

THE NEXT CRISIS ZONE: YEMEN AND THE HOUTHIS' STRUGGLE

There is a war no one is talking about. A conflict that has been ongoing for years, causing several casualties, linked to terrorism and affecting the stability of the Arabic Peninsula. It is a struggle that sees, once again, Sunnis against Shias and, through their proxies, Iran vs Saudi Arabia. We're talking about Yemen and the Houthis' struggle; they're a Shiite armed group that can count on an estimated force of 100 thousand men.

The reason behind the silence surrounding this conflict is the fact that it is taking place in an archaic country like Yemen, located on the outskirts of the region's hot spots. But the country facing the Gulf of Aden is geographically strategic. Its chronic instability, a weak central government, tribal tensions and endemic poverty have allowed the development of a local branch of Al Qaeda, Al Qaeda in the Arabic Peninsula (AQAP). But the Houthis' war against the government is probably the biggest threat to Yemen's stability.

The “martyr commander”

This Shiite community derives its name from its leader, Hussein Badreddin al Houthi, killed on September 10, 2004 during a clash with the Yemeni army. The Houthis belong to a minority sect of Shiism, the Zaydis, who worship Zayd bin Ali, great nephew of Prophet Mohamed, and consider him to be the fifth Imam (as opposed to the majority Shias who enumerate twelve legitimate descendants of the Prophet). The Zaydis have their own body of laws and theological school that dates back to 740 AD. Among the Shia sects, they are considered the closest ones to Sunnism. The Zaydis can be found in several countries (Iran, Pakistan, Iraq), but in Yemen alone they represent 30% of the population. There are around 400 tribes that are exclusively Zaydi. If we consider that Yemen has about 25 million inhabitants, it is pretty easy to estimate their potential military might.

Hussein Badreddin al Houthi was originally a member of Parliament for an Islamic party (Al Haqq) from 1993 until 1997. In June 2004 he began and lead the armed struggle in the area of Saada until that fatal June 8, 2004. Hussein used a religious undertone in his fight against the central government and became a self-proclaimed Imam. This was not the first Houthi insurgency in the history of Yemen. In 1992 Hussein's father, Badreddin, had founded the revolutionary movement “Ansarullah” to fight then Yemeni president Ali Abdullah Saleh. His secessionist plans had forced him into exile in Iran and lead to his killing together with one of his children.

The death of Hussein al Houthi did not put an end to the uprising, which is now lead by his brothers: Abdul al Malik, Yahia and Abdul Karim. Hussein is now worshipped as the “martyr commander”. Over the last decade, the relationship between the Houthis and the central government has shifted from repeated clashes to brief periods of truce. In 2011, during the so-called Arab Spring, the Houthis gave a decisive contribution in the toppling of president Saleh.

The bigger picture

In a country like Yemen, any armed struggle against the ruling regime is defined along tribal lines or – as is the case of the Houthis – religious ones. Large portions of the country

are not under the government's control and are ruled by local tribal militias. Besides the issue of terrorism, there is an ongoing struggle between the incumbent president, Abd Rabbo Mansur (who comes from the south), and his predecessor, Ali Abdullah Saleh (who comes from the north).

The continuous tensions have ruled out any form of democracy and have turned Yemen into a chronically unstable, highly conflictual, dangerous and poor country. The political game in Sana'a is not played by political parties – that do formally exist – but by the different Sheykhs ruling over the respective clans scattered about Yemen. Each of them pursues a specific agenda, is not under the rule of the central government and often resolves controversies by picking up arms.

What makes the Houthi rebellion peculiar is that its religious undertone has become part of the wider conflict between Sunnis and Shias. Hence, the Houthis' struggles goes beyond the boundaries of Yemen and involves other regional actors. One of them is Iran, that has sided with the Houthis and forced the Saudis to react. The Houthis live along the border with Saudi Arabia and their militias have often crossed onto the Saudi province of Jizan.

In fact, the Houthis have always controlled a good portion of the north of Yemen and especially the governorates of Saa'dah, al Jawf, Hajjah and of the recently conquered Amran. In the areas under their control the Yemeni national army is banned. The insurgents have their own armed forces, their police and administration and do not recognize central authorities in Sana'a. The struggle for Amran and the clash between the Houthis and the powerful Al Ahmar tribe began in June 2013 when a Houthi family was killed in a restaurant.

The relationship with the Saudis has been tense for quite some time. In 2009 there was a brief conflict between the Houthis and the Saudi army. The 2013 changes in Saudi employment laws have lead to the expulsion of thousands of Yemeni expatriates living in the kingdom. There were about 2 million Yemeni workers in Saudi Arabia out of 9 million expats. In a poverty stricken country like Yemen, the Saudi's decision to deport them fueled strong resentments.

President Hadi relies on Saudi support for both his political and financial survival. Yemen's economy relies both on remittances from migrants abroad and on donations from other Arabic countries. Saudi Arabia is the largest contributor. On a different note, Qatar has decided to offer more money and has expressed its willingness to employ the Yemeni workforce that was expelled from Saudi Arabia, offering them access to both education and healthcare. This is yet another chapter in the fight between Doha and Ryad.

The frontline has reached Sana'a

Recently, the struggle between the Houthis and the regime has hit the streets of Sana'a. The war has left the outskirts of the country and has become a veritable assault on government.

The Houthis reached the Yemeni capital after defeating a number of hostile tribes and causing over one thousand casualties. Their greatest opponents are the Sunni tribes with

links to the Muslim Brotherhood and their local offshoot, the Al Islah Party. Another enemy of the Houthis are the tribes from the north of Yemen like the al Ahmar that supported (or used to support) former president Ali Abdullah Saleh and his General People's Congress party. Then, of course, there are the Salafist groups with ties to Al Qaeda that label the Zaydis as infidels.

In this all out conflict, the Houthis have also found the support of a number of tribes that are in favor of change and that want to get rid of a corrupt and inefficient government that has recently raised fuel prices. President Hadi is called upon to find a solution under the threat posed by the Houthis. The Zaydi militias have set up road blocks in the Yemeni capital, control government buildings and the State's broadcaster.

Despite the attempts of holding a national reconciliation conference, there has been no progress in the dialogue between the Houthis and the government. The rebels, together with the Yemeni Socialist Party and other groups from the south, are demanding the setting up of a federal state comprising two regions: the north (where they aim to take over) and the south. But president Hadi is against a proposal that would bring the country back to the decades of conflict that lead to Yemen being united in 1990 and would rather opt for 5 to 6 federal states.

The federation would represent for the Houthis their first step towards secession and independence. For almost a thousand years and until 1962 a Zaydi reign ruled over the mountainous regions in the north of Yemen. The political marginalization suffered by these populations reinvigorated their pursuit of a return to the past. If having their own state could be an unsurmountable task, the Houthis want to at least have the possibility to rule over their affairs regardless of what happens in Sana'a.

ABDEL FATTAH AL SISI, THE NEW KINGMAKER OF THE MIDDLE EAST

In Egypt, the Arab Spring begins on January 25, 2011 with protests and local rallies that spread across the country. Cairo, Alexandria, Suez: the more people went on the streets, the greater the violence. On January 27 the ruling National Democratic Party's offices are attacked. What some Western analysts hastily labeled as a fight for freedom and democracy is instead driven by widespread poverty, little or no expectations for a better future and the hatred against a corrupt military elite that has enriched itself while the rest of the country dies of hunger. Egypt has a population of 80 million people and an average pro capita income of 3 thousand dollars that is unequally distributed. Inequality is such that 30% of Egyptians, for instance, are illiterate.

A “reliable” man

The military regime that has been ruling over the country for almost 60 years crushes the rebellion then, in a desperate attempt to survive, opens a negotiation. The deposition of Hosni Mubarak and the charges brought against him are just an attempt to find a scapegoat. But the protests continue, Tahrir square in Cairo becomes a symbol of the rebellion and is constantly filled with demonstrators. The Muslim Brothers that until then had not taken part in the rallies, suddenly appear on the scene. They take the lead of the protests, provide them with a political program and put their solid, deep rooted and structured organization and their decades of know how in dealing with the government from the opposition to good use. Their time has come. They marginalize the military elite and its system of power. Mubarak and his sons are put on trial. The Brotherhood takes over Egypt after a large electoral victory.

Mohamed Morsi becomes president in June 2012. A new general, Abdel Fattah al Sisi, is appointed Minister of Defense and Army Chief of Staffs in August 2012. The Muslim Brothers consider him to be “reliable”. His wife wears the veil, and so does his daughter. One of Al Sisi's cousins, Khaled Lufti, had been killed during the clearing out of a mosque in Nasr City. The general pretends his ideals are close to those of the Brotherhood. His CV is also pretty remarkable: he has lead military intelligence, has attended military academies and courses in the United States and in the UK (a detail of great importance when both London and Washington support the new Egyptian leadership), he comes from a family of merchants (and thus represents “the people”). The Muslim Brothers view Al Sisi as the right man to rid themselves of Mubarak and, together with him, of General Mohamed Hussein Tantawi, until then Army Chief of Staffs and which Morsi places into retirement.

The new Egyptian president is so sure of himself and of the loyalty of the Armed Forces that he begins dedicating all of his efforts to the islamization of Egyptian society. He has no second thoughts and is not interested in dialogue. This is the beginning of his decline as the secularists perceive Morsi's actions as the final blow to the nascent democracy several Egyptians aspired for. The Christians, 10% of the population, oppose the Brotherhood. The economy does not improve and the people's expectations for a better future are progressively frustrated. Corruption is neither fought nor eradicated. There is simply a change in the names of the beneficiaries while the population is still marginalized.

Riding a growing popular discontent, the “reliable” Al Sisi carries out a coup d'état on July 3, 2013. Those who believed in a radical change in Egypt's political landscape, on a one-way ticket to democracy, will have to think twice.

A “new” beginning

Suddenly, after two years, the Egyptian Arab Spring is back to square one. The military has regained the reins of power that they held since 1952 and that they had temporarily been forced to let go to their long time enemies: the Muslim Brothers. The leadership of the Brotherhood is immediately arrested, their organization banned, several Islamist militants are sentenced to death. Mubarak is let loose. On August 14, 2013, a month after the coup, the regime crushes the opposition, the use of force is not restrained.

International protests stigmatize the systematic violations of human rights, the abuses of power. But Al Sisi goes ahead defiantly, obtaining the financial support and the backing of Saudi Arabia. The United States also protest. They had inopportunately expressed their support for the Muslim Brothers and are embarrassed by the new regime change. They have probably realized they had made a mistake.

On January 14, 2014 Mohamed Morsi is imprisoned and a new ad interim president is named to replace him, the president of the Constitutional Court Adly Mansour. A new Constitution is written and a referendum is set to approve it. The presidential elections in June 2014, despite their low attendance (44% of registered voters turn up), offer Al Sisi the legitimacy he was looking for (he obtains 93% of votes).

The abuses and the crimes committed by the Egyptian military are soon set aside as new crisis spring in the region: the conflict between Hamas and Israel, the civil war in Syria, ISIS' advance in Iraq, Libya's collapse... The ongoing conflicts redefine the scenarios and the alliances in the Middle East. Apart from Saudi support, Cairo gets closer to Tel Aviv. This results in a breaking of the ties with Hamas, the destruction of the tunnels leading to the Gaza Strip and the closing of the Rafah border pass. On the other hand, Turkey and Qatar continue to support the Muslim Brotherhood despite their fall into disgrace.

Western diplomats and public opinion are impressed by the way the Egyptian military has restored order. Al Sisi is ensuring the stability in one of the most populous countries of the Middle East. He's doing so without respecting human rights and abusing his power? Who cares. The casualties of the restoration – over one thousand victims during the days of the coup – the thousands of extrajudicial arrests, the tortures and the abuses perpetrated by the special forces and the mock military trials are all soon forgotten. The reports by Human Rights Watch and Amnesty International are thrown in the bin.

Al Sisi turns into a man for all seasons: negotiator, interventionist, guarantor of Western interests.

From pariah to kingmaker

There are several arrows in the Egyptian bow. The first one is the fight against Islamic terrorism. The Egyptians are on the “right” side of the war against the nascent caliphates in

Iraq, Syria, Yemen, Nigeria and Mali. Egypt has even granted, for the first time, Israel the possibility of using its drones to attack Islamist groups in the Sinai.

The second one is his role as negotiator during the 2014 summer war between Hamas and Israel. Cairo is left to replace the ailing United States, whose influence on the matter has almost vanished. Egypt has a strong leverage over Hamas, which depends on the Egyptians goodwill for its survival. This could allow for Cairo to play a central role in future negotiations: both to de-militarize the Gaza Strip and to find a compromise between Hamas and the Palestinian National Authority.

Egypt is also playing a role in Libyan affairs. The country is on the verge of disintegration and the Cyrenaica, a region bordering with Egypt, is ruled by Islamic militias and Ansar al Sharia; both groups are supported by the Muslim Brotherhood. On the night of August 18, 2014 unidentified fighter jets carry out an attack against Islamist targets in Tripoli. The same happens a few days later. Libyan General Khalifa Haftar does not have airplanes capable of carrying out night attacks. Without affecting its neighbor's sovereignty and despite the official denials, Egyptian fighters have intervened in Libya. The attacks took the United States by surprise, as they had not been warned beforehand and regardless of their open support to Haftar and the secular militias opposing the Islamists. Haftar ruling over Libya with Al Sisi's support could form an important axis in the struggle against terrorism in sub-Saharan Africa and the Arabic Peninsula.

Abdel Fattah al Sisi has by now become one of the most revered and important kingmakers in the Middle East. He was capable of staying in the shadows while the power of the military was in decline, he went along with the Muslim Brothers during their rise pretending to be one of them, gained their trust and struck them while they felt invincible. The only person that had fully understood the personality of Al Sisi was Hosni Mubarak who labeled him as "cunning as a snake". And just like the reptile, the General waited in the shadows for the right time to bite his prey.