

Iraq's Development Road Project Amid Political Instability, Economic and Security Challenges

Eman Esam Ahmed Shaikh Abdulla ¹, Dr. Abdul Muein Abadi ², Prof Dr. Sity Daud ³

¹ PhD Student, Political Science Program, Faculty of Social Sciences and Humanities, The National University of Malaysia (UKM), Bangi, Selangor, Malaysia

² Lecturer, Political Science Program, Faculty of Social Sciences and Humanities, The National University of Malaysia (UKM), Bangi, Selangor, Malaysia

³ Professor, Centre for History, Politics and International Affairs, Faculty of Social Sciences and Humanities, The National University of Malaysia (UKM), Bangi, Selangor, Malaysia

Abstract: Iraq has been involved in battles and wars for years and has become an arena for both regional ambitions and conflicts. The current study aims to investigate Iraq's internal challenges and their implications for the development road project, which seeks to transform the country into a transit zone for trade between Asia and Europe. For this purpose, descriptive-analytical approaches based on secondary sources were employed to examine the impact of these challenges on the project. In addition, this study utilized Patron-Client Politics theory to analyze how political instability, security and economic challenges, and widespread corruption affect the project's progress and implementation.

The findings provide evidence that rivalry among political elites over resources and power, which undermines the decision-making process regarding the project, the spread of corruption, Iraq's dependency on oil, and the control of armed militias have significantly hindered the project. Moreover, the study highlights the influence of the armed groups such as; the Popular Mobilization Forces, together with Iraq's heavy reliance on oil revenues, remain critical obstacles to achieving stability. Further research might explore the positions of regional actors such as Türkiye, the GCC countries, and Iran, and their role in influencing the long-term success and sustainability of the development road project.

Keywords: Iraq, development road project, political instability, corruption, armed militias

1. Introduction

Iraq continues to face persistent political, security, and economic challenges that hinder its progress and its capacity to implement economic projects. The political situation in Iraq has remained unstable post-2003, as the political system in Iraq has been changed to the Muhasasa system. The Muhasasa system was established by Iraqi opposition politicians in exile in the early 1990s with the objective of ensuring that Shias, Kurds, and Sunnis were represented in the government. Under this system, political posts were allocated based on census information of these groups (Al-Aloosy, 2022). After the invasion of the country led by the United States in 2003, this system became the template that the Iraqi Governing Council used as seven political parties implemented the scheme in dividing government ministries. The Iraqi Constitution enacted in 2005 banned sectarianism and did not allocate government posts based on ethnicity despite the Muhasasa system providing for an unofficial agreement among political actors. The United States-led coalition designed the constitution, which created a parliamentary democracy with federal governance that secured religious and ethnic minorities (Hussein, 2025).

The purpose of implementing such a system was to ensure a division among ministries based on the political and demographic power of Iraq's prominent ethno-sectarian groups for maintaining political harmony, the system tends to promote corruption because a ministry allocated to a certain political party becomes its private property,

which can be used for their own gain instead of national interest. It is an obvious case of corruption whereby contracts are provided to businessmen of the political party controlling the ministry and they raise their costs and share the benefits with the political party (Al-Aloosy, 2022). On the other hand, the US, Iran, and other regional players have increased their power in Iraqi politics through the support of various political factions and their leaders. There are several problems associated with the political development of Iraq that come not only from within but also from foreign countries and foreign players. Forming its own political system has become extremely hard for Iraq due to external interference (Hussein, 2025).

Moreover, the implementation of this new system in Iraq post-2003 created an opportunity for the emergence of armed groups, which caused security chaos because of the proliferation of weapons. The government failed to restrict these militias who were accused of kidnappings and assassinations. In addition, sectarian militias became one of the reasons for the unrest experienced in the middle and late 2000s, which not only complicated the U.S. presence in the region but also deepened Iraq's fault lines and set the stage for the rise of ISIS in the next decade. The Mahdi Army in post-2003 Iraq illustrates how easily such organizations could take root. Later, the war against ISIS united the people of Iraq under a common goal and gave a new beginning to the militias. The call by Grand Ayatollah Ali al-Sistani for Iraqis to protect their country in the aftermath of the capture of Mosul in 2014 led to the emergence of the Popular Mobilization Forces (PMF), which transformed loosely aligned militias into well-organized forces with troops and weaponry (Abdulwahhab, 2026).

The PMF is a massive organization with approximately 60 to 70 brigades and an estimated 230,000 members, including multiple factions that are officially incorporated into the PMF structure, and are paid, funded, and recognized by the government but retain their own command structures and external support networks, particularly from Iran. The fact that these groups are aligned with Iran introduces a competing set of loyalties that complicates their role within the Iraqi state. While their participation in attacks against US forces and other targets since 2023 as part of a broader Iran-led regional axis has created a situation in which the Iraqi government is at once host to and, indirectly, a party to actions it does not fully control. This result is inaction which enables these factions to set the terms of Iraq's external relations and internal security and posture, gradually eroding its sovereignty, both internally as the state's monopoly on the use of force is compromised and externally as Iraq's foreign policy becomes entangled with the agendas of non-state actors beholden to Iran (Salih, 2026).

Economically, Iraq is considered as the second largest oil producer within the Organization of the Petroleum Exporting Countries (OPEC). According to the official data in 2025, the country's oil income represented about 89 percent of the total of the national income, which means that non-oil income made up merely 11 percent. Such an extreme dependence on the export of oil has made the state's economy weak in the sense that the prices of oil in the international market can make a significant dent in revenues if they fall. On the other hand, the country's attempt to open up to different sources of income through diversification has not reflected any significant decrease of the country's dependence on oil revenues. This set of weak institutions, corruption, huge financial burdens and total reliance on oil revenue has raised deep concerns about the country's economy and its potential for economic development in the future. These factors especially have been the reason for the inability of the country to attract foreign investments and for economic expansion. Moreover, the spread of corruption and the lack of transparency are still the primary causes for the economic recession. As a result, most of the local enterprises have gone out of business, or foreigners are concerned about investing in the state even with the availability of cheap raw materials because of the presence of corruption and the absence of a conducive environment (Mohammed, 2026).

Therefore, to give Iraq an ability to play an active role in both regional and international trade exchange and to reposition the state at the heart of the international trade, as well as to reduce dependence on oil, and improve economic relations while boosting Iraq's geopolitical impact (Al-Obaidi, 2023; Alsabah & Abdulmunem, 2023), the Iraqi government in May 2023 organized and hosted the "Development Road Conference" with participation from Arab and Gulf states. Former Prime Minister Mohamed Shia Al-Sudani declared that the project would cost approximately 17 billion US dollars. Its key function would be to act as a railway corridor connecting the Arabian Gulf with the Turkish border through Al-Faw port, facilitating transport of goods between East and West. Concurrently, the Al-Faw port project in Al-Basra city is under construction. Once completed, the two corridors

will create a route for transporting goods from the port through several Iraqi governorates to Mersin in Turkey and onward to Europe (Alssaa, 2024). This is clearly depicted in figure 1.



Figure 1: Development Road Project map. Source (Alaca & Karaalp, 2023)

The intention of the Iraqi government and the officials in proposing and adopting the development road project is to enhance the infrastructure of Iraq, in other words, the project is not limited to establishing highways and railways, because industrial and residential cities and service facilities will be established too (Calabrese, 2024). This will create various job opportunities related to the project and thereby decrease the unemployment among the youth, which is an economic goal that the Iraqi government seeks. There is also another economic goal which is that the project will be a further source of non-oil income for the economy, therefore it will help reduce Iraq's dependence on oil and the domestic economy will be in recovery and the production will increase in Iraq and in the region (Al-Obaidi, 2023). It will be more efficient for Iraq to transport its resources to Europe through the port. This will enhance Iraq's economic relations and regional cooperation, and will increase the opportunities to attract investments too (Gu & Li & Huang, 2024).

Moving from the economic level to the geopolitical level. Iraq has a unique geographical location as it is located in the northwest of the Arabian Gulf, specifically in the center of the Middle East, between the GCC states and Europe. Thus, its location makes it a significant center and an important connection link between the East and West (Alsabah & Abdulmunem, 2023). Therefore, the development road project will improve Iraq's position as a hub in the regional transportation network. This will enhance Iraq's geopolitical impact and its position as it becomes an important point for trade between Asia and Europe, therefore Iraq's will restore its influence in the region, and will regain its previous role in the regional arena.

Theoretically, the theory of patron-client politics serves as the foundation of this research. According to Scott (1972) patron-client politics helps to understand the power relations, especially local-level power in Southeast Asian countries. Patrons, mostly politicians or tribal leaders, provide clients with jobs, protection, or access to government services etc., as a reward for their loyalty and support. Scott (1972) also emphasized that informal ties, and not official ones, are usually the real power source. Patronage overlapping networks of political parties, tribal leaders and military factions have been shaping Iraq's politics since 2003 when Saddam Hussein was overthrown. These parallel systems of government have through allocating state resources e.g. contracts, employment openings and security positions, helped the networks to sustain political loyalty. That backs up Scott's view that it is the informal links that are most instrumental to hold political authority in Iraq where the formal systems are weak.

Despite the growing interest in the project, limited research has theoretically examined Iraq's internal challenges through Patron-Client Politics theory. Therefore, the purpose of this research paper is to shed light on the internal challenges of the development road project in Iraq and examine how these challenges affect the project's progress and implementation. Addressing this research gap permits a deeper understanding of the influence of political instability, security issues, and economic challenges on the project. Accordingly, this research addresses the following question: How do political instability, security, and economic challenges affect the progress and implementation of the development road project in Iraq?

2. Objectives

The objective of this research paper is to examine how Iraq's internal challenges including political instability, security issues, and economic dependence on oil, in addition to the widespread of corruption in the state's government institutions affect the progress and implementation of the development road project. Through utilizing the Patron-Client Politics theory, the research aims to analyze the influence of political parties' rivalry, the armed militias control, and weak institutions on Iraq's ability to transform into a regional trade hub, and constrain its ability to attract investment and ensure the project sustainability.

3. Methods

This research paper adopts a qualitative research design to examine the political, security, and economic challenges affecting the implementation of Iraq's development road project. A descriptive approach is employed to explore the origins, and strategic significance of the project for Iraq, while an analytical approach is utilized to assess the nature of the challenges facing the project and their implications for its successful implementation. To achieve the objectives of the research, thematic analysis was applied to identify, analyze, and interpret recurring patterns within qualitative data related to political instability, the presence of armed militias, security concerns, and economic constraints. Thematic analysis was selected because it provides a flexible and systematic framework for examining complex socio-political phenomena and generating an in-depth understanding of the underlying factors influencing project development (Nowell, Norris, White, & Moules, 2017).

This research also relies exclusively on secondary data sources, including articles, research papers, and journals. These sources cover Iraq's political and security environment in the post-2003 period, the emergence of the development road project, and the contemporary challenges affecting its implementation. The data was collected through a full review of relevant literature and documentary sources and subsequently analyzed using thematic analysis to identify the principal political, security, and economic obstacles facing the project. To increase the reliability of the results, sources were chosen based on some requirements. Firstly, there was an emphasis on using sources with a high level of analytical work that are analytical and provide an objective point of view.

Moreover, sources that were used in the research were written no earlier than five years ago to be able to apply the most recent information in the research. Regarding the temporal scope, Iraq has been selected as the study location, as it is the project's host country, where this country faces several political, security, and economic challenges which obstruct the project progress. The study covers the period from the post-2003 political situation in Iraq up to the announcement and current development of the development road project. More specifically, it covers the period between 2010 and 2028, as in 2010 the foundation stone for Al-Faw port was laid, and in 2028 the first phase of the project is expected to be concluded, and when Al-Faw port will become operational.

4. Theoretical approach

Patron Client-Politics and Political Change in Southeast Asia

Scott (1972) in his journal titled "Patron-Client Politics and Political Change in Southeast Asia" argued that Patron-Client Politics helps in understanding how power works in Southeast Asia especially in the local communities. This relationship between patrons and clients is like a trade, patrons who are usually politicians or tribe leaders provide clients who are individuals with less power with resources such as: protection, jobs or access to government services by utilizing their influences. In return clients provide patrons with their loyalty, work and support in elections. In addition, Scott (1972) stated that in Southeast Asian countries real power does not come

from governments or official authorities but from personal connections. This means that elected government positions are often controlled by highly influential leaders because they provide assistance to the people. This pattern of thinking helps explain why certain things repeat themselves in Southeast Asia, for instance how local leaders are able to encourage people to vote for specific candidates, or why specific groups of people consistently support the same politicians (Scott, 1972).

As for Iraq, since Iraq's new era began through the removal of Saddam Hussein's regime in 2003, its politics have been mainly the work of a complex set of power-sharing networks connecting political parties, powerful tribal families, and militia groups. These patrons, client networks, many of which, in fact, become alternate governments, have been distributing state resources such as public job appointments, contracts, and positions in security forces in return for loyalty and political support. It is a pattern very similar to a model of Scott (1972) called a weak state with strong informal ties; in this case, a weak Iraqi state has enabled networks of informal relationships to take over central political authority.

Patron, client relationships have at least several downsides. One of the biggest problems that stem from such relationships is the fragmentation of governance. It may not be easy to get government agencies cooperating with one another at the national level while each political party only cares about its own network. Moreover, it has been reported by Hasan (2024) the rival political parties are likely to fight each other over control of construction projects, transport routes, and important ports, and this, among others, can result in inconsistent policies. For example, this was what happened in the case of the development road project in Calabrese (2024). Scott (1972) also suggests, as patron, client networks try to gain resources so that they can expand their influences, the process often results in the breakdown of projects characterized by conflicts, delays, and inefficiencies.

Moreover, the second challenge in Iraq is the spread of corruption, where the resources are distributed based on loyalty rather than competence. This is because the Iraqi political parties who control the country, rely on state resources to maintain their networks (Jiyad, 2023). Patronage systems encourage loyalty, this is consistent with Scott's (1972) finding that patron-client relationships frequently obfuscate the distinction between private and public interests, rendering corruption systemic rather than incidental. Furthermore, the fragmentation of security in Iraq is a third crucial issue, several actors, such as the Popular Mobilization Forces (PMF) and other militias working within their own frameworks of patronage. Despite their formal integration into the state, these groups often maintain their own external loyalties. This establishes a system where coercive power is not a centralized state authority but rather it is decentralized and linked to personal or factional networks. Also, the fragmentation of security authority poses risks to the project's route's protection and foreign investment (Injaz, 2025). Investors may perceive higher risks due to the presence of armed actors, as well as the exclusion of the Kurdish region from the project plan, which aligns with Scott's (1972) argument that in patron-client systems, the lack of institutional predictability increases uncertainty in economic activities related to the development road project.

5. Results and Discussion

5.1 Power vacuum and political instability

5.1.1 Results

The findings reveal that after the US invasion of Iraq post-2003 and the toppling of the Saddam Hussein regime, the country plunged into an era of instability marked by violence, insecurity, and lack of proper structures. In particular, the disbanding of the Iraqi military and reconstitution of the state's governing systems played a significant role in creating a vacuum within the country's governance structure. Additionally, Iraq was left with huge debt amounts surpassing its annual GDP (Britannica, n.d). As per Domalain (2022), the removal of several skilled individuals added to the state's inability to function. The findings have further revealed that the Iraqi Constitution adopted in 2005 created a government which was federal, parliamentary, representative, and democratic (Britannica, n.d). Although there were no formal political posts given based on sectarian affiliation, informal practices ensured that important political roles would be occupied by representatives of the major ethno-sectarian groups in Iraq. The Prime Minister post went to the Shiites, Presidency role to the Kurds, and the Parliament Speaker position to Sunnis.

Further evidence suggests that politics in Iraq since 2003 have been characterized by the strong rivalry between political elites over parliamentary coalitions and political majorities. The competition has been associated with access to state resources, employment, and political power. Moreover, research indicates that subsequent Iraqi governments have encountered difficulties in their fight against corruption, poor governance, and lack of institutional reform capabilities (Nahi, 2023; Salem, 2021). Another important finding demonstrates that political rivalry in Iraq affects major projects. For instance, political controversies have occurred regarding the project implementation plan, feasibility study, and contracting procedures (Al-Shammari, 2023; Hasan, 2024). The construction of Al-Faw Port, which is part of the Development Road Project, has been affected by political rivalry, particularly by disagreements on choosing a contractor company (e.g. Chinese vs. Korean firms) (Al-Ziyadi, 2023).

In conclusion, the results indicate that there are still existing conflicts between the central government based in Baghdad and the Kurdistan Regional Government (KRG). The conflicts include those arising out of oil exportation, management of natural resources, budget allocations, and areas of dispute (Palani, 2023). With respect to the Development Road Project, the Kurdish leaders are concerned about their exclusion from the process of planning the road and its intended route, especially since the region is strategically located (Hasan, 2024; Rudaw, 2025).

5.1.2 Discussion

From these results, it can be said that the political instability experienced by post-2003 Iraq is not just a transition period but an inherent characteristic of its political structure. While a formal democratic constitution was created after 2003, it is evident that the governance of the country remains largely influenced by informal practices involving political bargaining and competition for state resources among political elites. Understood using the patron-client politics theory by Scott (1972), these aspects reveal that the power of patronage and clientelist groups outweigh formal state powers. There is clearly a process of coalition formation in which politics and governance seem to have little relevance. They are more concerned about resource allocations in order to maintain political alliances, thus supporting the concept made by Scott on how political power can actually exist in informal social arrangements.

These findings regarding the development road project and Al-Faw Port provide further evidence on how infrastructure development is woven into these patronage relationships. The competition for contracts, delay in implementation, and conflicts arising from foreign contractors show that large-scale projects such as infrastructure development are both non-political and political because elites engage in them to establish themselves politically. This supports Scott's (1972) assertion that patron-client relationships are often used to use public goods as political tools.

Furthermore, it is important to emphasize that the issue regarding the relationship between Baghdad and Erbil indicates how political fragmentation within Iraq still impacts the country's unity and policy coordination. The lack of participation of the Kurdistan Regional Government in critical conversations about the Development Road Project indicates problems of inclusiveness and coordination between different levels of governance within Iraq. It should be stated that in theory, this problem may be explained in the context of the functioning of patron-client relations within the regional level of politics.

In general, it is possible to conclude that political instability in Iraq exists due to patronage-based governance mechanisms that negatively influence national policymaking and the development of national strategies like the Development Road Project.

5.2 Security challenges

5.2.1 Results

It emerges from the findings that the security situation in Iraq after 2003 was characterized by the lack of a central military authority and the emergence of insurgent organizations. After the fall of the Iraqi army, the insecurity provided room for the emergence of extremist organizations, with Al-Qaeda in Iraq being one of the most notable

among others that became ISIS in time. The organization increased in its size due to the regional insecurity caused by the Arab Spring, resulting in various military attacks across both Iraq and Syria (Auerbach, 2018).

According to the findings, ISIS took control of a number of territories in Iraq in 2014, creating serious security challenges and posing threats to the territorial integrity of the state. Religious leaders declared a fatwa calling on mobilization to fight the terrorists, which was responsible for the emergence of PMF as the auxiliary military body to work together with the Iraqi forces in tackling the insecurity. Through the efforts made by the forces, the organization suffered territorial defeats in 2017, allowing the liberation of the captured territories.

Other evidence suggests that while formally part of Iraq's governmental system, armed groups like the PMF have enjoyed varying degrees of autonomy from the central government. There remain armed groups that continue to function autonomously through their own command and political affiliations. There are also reports of the existence of some armed groups that operate independently from government authority through acts of attacks on foreign military bases, armed clashes, and there are accusations of human rights abuses including kidnappings and assassinations (Fazil & Tartir, 2024). The results further show that armed groups have become influential players when it comes to strategic economic infrastructure such as ports in southern Iraq. As per reports by security sources, there are some Iraqi ports controlled by political-affiliated armed groups, who coordinate in tandem with networks associated with political figures (Yaqeen News, 2024). Armed groups have been competing amongst themselves for resources and economic control.

With regard to the development road project, results show that threats are not limited to important parts of the infrastructure, such as Al-Faw Port. Information about the death of a Korean project manager working with Daewoo Engineering and Construction caused suspicion about threats and coercion being made against foreign firms working on the contract. According to some sources, coercion by armed groups was an aspect of the project environment that had influenced its delayed progress (Rawabet Center, 2020).

5.2.2 Discussion

According to these results, the security structure of Iraq could be described as a fragmentation of power rather than a complete consolidation of state authority. Even though ISIS suffered a territorial defeat by 2017, the security environment of Iraq continues to be influenced by the existence of several different security forces operating independently alongside state bodies. From the viewpoint of Patron–Client Politics theory proposed by Scott (1972), the development of armed organizations like the PMF could be seen as an extension of patron-client systems in the sphere of security. Such organizations do not simply represent state security agencies but are rather independent entities existing in the context of certain political and economic structures. The latter point can be explained based on the idea developed by Scott about the decentralization of power in patron-client systems.

Moreover, the existence of both state institutions that provide security and the presence of armed semi-autonomous organizations have created a fragmented security structure. Not only does the fragmented structure undermine the stability of the country but also impacts its ability to implement large development projects such as the development road project. The existence of many armed organizations creates uncertainty for foreign investors as well as project developers, especially in areas such as ports and transport facilities. Furthermore, the influence of armed organizations on the economic infrastructure indicates the involvement of security actors in patronage networks which extend to resource distribution and economic management as well. This view is reinforced by the arguments presented by Scott (1972) that patron-client arrangements tend to merge political power, economic control, and coercion.

These observations about threats, coercion, and reports of violence associated with infrastructural projects reinforce the hazards involved in weak centralized security control. This scenario could result in a lack of foreign investment in the process of planning and executing such projects, especially those of strategic importance, like the Al-Faw port. In general, it can be noted that the security problems in Iraq do not only pertain to insurgency and terrorism but also point to the problem with a fragmented power structure within the country. The Development Road Project itself operates within this framework, where the security policy is defined through the network of armed and political patronage clients, as explained by Scott (1972).

5.3 Financial challenges and spread of corruption

5.3.1 Results

From the results presented above, it is clear that the economy of Iraq depends heavily on oil, with oil proceeds accounting for a huge share of the country's Gross Domestic Product (GDP). Being one of the top oil exporters in OPEC, Iraq produces and exports about 3.999 million barrels a day. However, Iraq is vulnerable to changes in oil prices, which ultimately affect the economic state (Kalel, 2024). Additionally, it is evident from the findings that the capability of Iraq to finance costly development projects like the Development Road Project worth approximately \$17 billion has been affected by volatile oil prices and low fiscal space. In addition, fiscal pressures in the budget of the nation have been growing significantly; the budget rose to \$48 billion in 2023 while the deficit increased from 1.3% of GDP in 2023 to 7.6% of GDP in 2024. The projected government debt level is expected to rise to 48.2% of GDP in 2024 and 54.6% in 2025.

The line chart below shows the effects of the fluctuation in the oil prices on Iraq's economic stability and Iraq's GDP. It illustrates that Iraq's GDP has started fluctuating between 2023 and 2028 according to the International Monetary Fund.

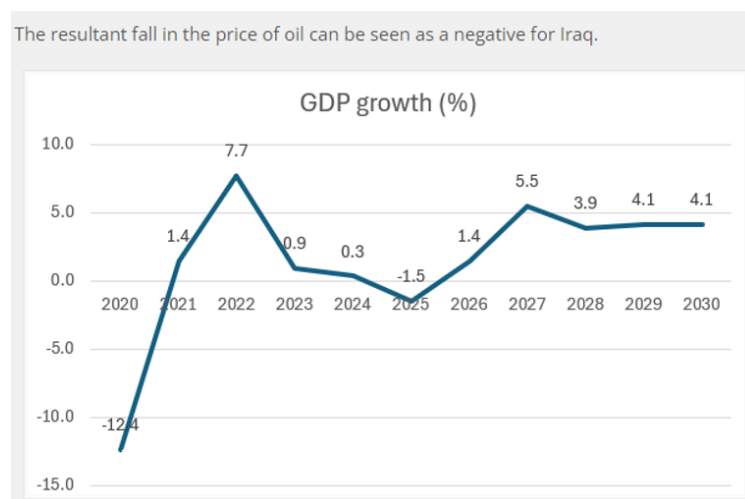


Figure 2: Iraq GDP growth between 2020 and 2030. Source (IMF, 2025)

It has also been found that there exist structural flaws in the Iraqi energy sector, especially considering the dependence on Iranian imports of natural gas in spite of there being ample availability in the country. There is significant flaring of associated gases due to inadequate investment in infrastructure as well as ongoing political instability (Fazil & Tartir, 2023). Further evidence shows that inefficiency in the management of resources in public hands is one of the critical problems in Iraq. Distribution of oil wealth is carried out through mechanisms which are characterized by unfair distribution and lack of investments in productive areas. Poor development of the private sector has increased dependence on public sector employment, resulting in inefficiencies (Hasan, 2024).

As far as the development road project is concerned, evidence suggests that doubts about transparency and feasibility in planning and contracting processes have been expressed. While the Iraqi government entered into agreements with consultancy and engineering companies from other countries, even hiring an Italian company to conduct feasibility studies, there were questions raised about procurement processes and expertise (Hasan, 2024). Furthermore, it should be noted that the model of funding for the development of the project involves both public funds to be used for constructing infrastructure (Al-Faw Port, railways, highways) and private investment in additional facilities such as hotels and commercial centers, yet there are serious doubts regarding the ability of the state to obtain adequate funding. There is reason to believe that corruption is institutionally rooted in Iraqi politics. With the formation of quotas after 2003, many officials occupying state posts received them through networks of

patronage based on political parties (Jiyad, 2023). These connections help politicians interact with businessmen and obtain necessary contracts.

Also, the study's results show that there exist mutual arrangements between political figures and their businesses in contract allocations, money laundering, and resources acquisition. At times, businesses have been known to approach political figures in order to take advantage economically. This has resulted in widespread corruption within governmental bodies, which have become very opaque (Jiyad, 2023).

5.3.2 Discussion

According to the findings, the financial difficulties and corruption in Iraq are more than just matters related to finance, but the results have roots in its politics. The high level of dependence on the oil revenue of the nation makes its finances susceptible to fluctuations in the global markets. Therefore, it limits the capacity of the government to invest in infrastructure such as the Development Road Project for a long period of time. In the context of the Patron–Client Politics theory developed by Scott (1972), the research findings imply that there is a pattern of patronage-based allocation of resources in the case of Iraqi financial governance. It seems that the revenue of the government, jobs, and contracts are accessed through networks of political contacts instead of following institutional mechanisms.

Corruption in Iraq is a systemically integrated element of politics and not just a set of practices that are carried out independently from one another. The system of quotas set up after 2003 for political parties to occupy governmental posts means that government jobs relate to the party to which an official belongs, and the access to state funding is directly dependent on this factor. This is the case when both political and economic elites gain profits by exploiting the rent system in the country. As for the issues surrounding the Development Road Project, there are reasons to believe that in the context of the political environment in the country the implementation of infrastructure projects is also politically charged. Feasibility studies, contract transparency, as well as financing issues may have much more complex implications and raise questions regarding the way the construction of this road is organized.

Moreover, the use of domestic and foreign loans for financing fiscal deficits contributes to the country's increased vulnerability and limits its capacity to ensure consistent funding for critical development projects. In combination with poor monitoring by institutions, this leads to an environment where financial assets can be diverted through informal channels connected with political elites.

In conclusion, the study shows that the financial problems and corruption plaguing Iraq are deeply rooted in the patron-client relations characteristic of Iraqi politics. Under such conditions, economic means serve not only as governance instruments but also as means of sustaining relationships between political elites. Consequently, the Development Road Project will encounter serious difficulties in its implementation.

6. Conclusion and Future Research

In conclusion, this research has examined the internal challenges facing Iraq's development road project and concluded that the ongoing rivalry between the political parties over the power and resources, undermines the decision-making process related to the project which has suspended building Al- Faw port several times. This is in addition to the tensions between the Baghdad and Erbil governments over the project, when the Iraqi authority excluded the Kurds from the project plan, which raised concerns about the ability of the Kurdish elites to prevent the progress of the project. The widespread corruption in the government's institutions, makes the government unable to attract investments due to the lack of an attractive environment, and caused the state institutions to breakdown, and the elites are utilizing the state's resources to fund the bloated public sector. Economically, Iraq remains heavily dependent on oil, making its economy subject to the variations in the prices of oil globally. Therefore, Iraq's capacity to fund the development road project that costs around \$17 billion is severely constrained by the changes in oil prices. Moreover, security remains fragile due to the chaos of uncontrolled weapons and the spread of militias that has become a threat to the sovereignty of the country.

In addition to the armed conflicts between these militias over controlling key ports and the distribution of resources, they are dividing the seaports' funds and kill anyone who attempts to oppose them. That's why the Korean project director was killed after he refused corrupt deals with party-affiliated militias, and the construction of the port was suspended after that. Thus, the findings of this research paper substantiated that the political instability, security, economic challenges and spread of corruption in Iraq significantly hinder the progress of the development road project and also threaten Iraq's long-term stability and security. Furthermore, these findings have been interpreted through the lens of the Patron–Client Politics theory, which emphasizes how power is maintained through personal networks and mutual exchanges rather than formal institutions. This has explained how the Iraqi political elite and armed militias have exploited weak governance to preserve their own influence and obstruct the project, fearing that its success could empower rival patrons. Furthermore, the findings of the research can inform effective policy reform, including governance reforms, disarmament of the militias and anti-corruption strategies. These policies and strategies are essential for better project outcomes and ensure its sustainability. These policies can be added and explained in future research, to examine their impact on the project's success.

Moreover, considering these internal challenges, further research on the topic might explore the stance of other regional players such as Turkey, the GCC member-states, and Iran with respect to the Development Road Project, paying particular attention to the viability and success of the project in the long run. This is especially relevant since this paper mostly concentrates on the challenges posed by the domestic political, economic, and security factors in Iraq, but does not pay much attention to the external geopolitical dynamics involved in the project. By examining the role that external forces play in the development and implementation of the Development Road Project, scholars will be able to offer a holistic analysis of the issue.

References:

- [1] Abdulwahhab, H. (2026) Iraq's Armed Factions and the Logic of Survival. Gulf International Forum
- [2] Alaaeldin, R. (2024) "Iraq's Development Road Project: A Path to Prosperity or Instability?"
- [3] Alaaeldin, R. (2024) "The Popular Mobilization Force Is Turning Iraq into an Iranian Client State."
- [4] Alarabiya. (2020) "Murder or Suicide? New Report on the Death of the Director of the Company Implementing the Faw Port."
- [5] Alaca, M, and Karaalp, H. (2023). Türkiye-Iraq Development Road Project: Enhancing regional connectivity, trade.
- [6] Al-Dabbagh, A. (2025) "Arms Chaos in Iraq: Between Government Attempts at Control and the Influence of Political Parties."
- [7] Al-Aloosy, M. (2022). With Iraq's Quota System, the New Government is More of the Same. Arab Gulf States Institute
- [8] Alsumaria. (2025) "What Factors Led to the Demand to Integrate the Popular Mobilization Forces into the Iraqi Army?"
- [9] Alsabab, Dr. R, and Abdulmunem, Dr. A. (2023) "The Importance of Geographic Iraq Location in Global Data Transit."
- [10] Alscotti, G (2022). "The Chaos of Constitutional System and Political Failure in Iraq."
- [11] Alssaa. (2024) "The Path to Development: A Development Necessity or a Temporary Priority for Iraq?"
- [12] Al-Shammari, Dr.I. (2023) "Iraq's Development Road Faces Political, Financial, Security, Regional Acceptance and Alternative Approaches Challenges."
- [13] Altindal, A. (2024) "Risk and Iraq Reconstruction: Examining the Development Road Megaproject."
- [14] Al-Obaidi, M. (2023) "The Development Road Project in Iraq, Its Pros and Cons."
- [15] Al-Ziyadi, R. (2023) "Developments Steps: Challenges of the Iraq-Turkey Development Road Project."
- [16] Auerbach, M. (2018) "ISIS Jihadist Movement: US Policy: Overview."
- [17] Britannica. (n.d). Iraq War
- [18] Calabrese, Dr. J. (2024) "Iraq's 'Development Road': Rough Terrain Ahead."
- [19] Cafiero, G. (2025) "Geopolitical Dynamics Surrounding Iraq's Ambitious Development Road Project." Arab Center Washington DC.

-
- [20] Domalain, B. (2022) "Iraq: Between a Fragile State and the Quest for Stability".
- [21] Fazil, S and Tartir, Dr. A. (2023) "Iraq in 2023: Challenges and Prospects for Peace and Human Security".
- [22] FutureUAE. (2023) "The Opportunities and Challenges of Iraq's Strategic 'Development Road' Project".
- [23] Gu, S and Yitong L, and Jiacheng H. (2024) "The Importance of the Al-Faw Port and the Iraqi Development Road Project in the Iraqi-Turkish Cooperation – MEPEI." Middle East Political and Economic Institute.
- [24] Hasan, H. (2024) "Iraq's Development Road: Geopolitics, Rentierism, and Border Connectivity." Malcolm H. Kerr Carnegie Middle East Center.
- [25] Hussein, K. (2025) Iraq's Political System: Examining the Structure and the Roadblocks to Reform.
- [26] Injaz Company. (2025) "Development Road Project in Iraq".
- [27] Jiyad, S. (2023) "The Mechanisms of Corruption in Iraq." LSE Middle East Centre Blog.
- [28] Kalel, S. (2024) "Outlook for the Iraqi Economy: Challenges and Opportunities Until 2025 and Beyond."
- [29] Lessware, J. (2025) "Can Iraq's Development Road Project Become Its Gateway to Prosperity?"
- [30] Mousa, R. (2021) "An Iranian Attempt to Seize the Port of Al-Faw and Pay Millions in Bribes."
- [31] Ministry of Transportation. (n.d.). Iraq development portal. Republic of Iraq.
- [32] Mohammed, D. (2026). Economic Crisis Deepens as Iraq Struggles with Corruption and Overreliance on Oil.
- [33] Nahi, S. (2023) "Iraqi Parties Nine Decades of Political Conflict."
- [34] Nowell, L and Norris, J and White, D,] and Moules, N. (2017) "Thematic Analysis: striving to meet the trustworthiness criteria".
- [35] Palani, K. (2023) "Erbil-Baghdad Relations: Twenty Years since the Regime Change."
- [36] Rudaw. (2025) "Kurdish Minister Slams Iraq for Excluding Kurdistan from Strategic Project."
- [37] Salem, A. (2021) "Iraqi Political Parties: From the Reign of Ideology to the Rule of Chaos." The Washington Institute.
- [38] Salih, M. (2026). Militias and Iraq's Role in a Multifaceted Regional War. Foreign Policy Research Institute.
- [39] Scott, J. (1972) "Patron-Client Politics and Political Change in Southeast Asia."
- [40] Shokri, Dr. U. (2024) "Geopolitics and Challenges in Iraq's Quest for Regional Connectivity." Gulf International Forum.
- [41] Shafaq News. (2024). "An American institute diagnoses internal and external challenges facing the Iraqi Development Road project".
- [42] Yaqeen News. (2024). "Parties and militias use Iraqi ports a source of funding for their activities"