

## [CFR Backgrounders](#)

---

### The Islamic State

---

Author: [Zachary Laub](#), Senior Copy Editor/Writer

Updated: August 10, 2016

The self-proclaimed Islamic State is a militant Sunni movement that has conquered territory in western Iraq, eastern Syria, and Libya, from which it has tried to establish the [caliphate](#), claiming exclusive political and theological authority over the world's Muslims. Its state-building project, however, has been characterized more by extreme violence than institution building. Widely publicized battlefield successes in 2014 attracted thousands of foreign recruits, while insurgent groups and terrorists acting in its name carried out attacks ranging from the United States to South Asia.

The group's momentum in Iraq and Syria withered in 2016 as local forces, backed by a U.S.-led coalition, ousted Islamic State fighters from much of the territory they controlled. But major cities, including Mosul and Raqqa, remain in ISIS hands. In both Iraq and Syria there are few signs of the [political progress](#) that, analysts say, would likely be needed to sustain military gains. Meanwhile, across the region, and as far away as Europe and the United States, followers of the Islamic State have often eluded counterterrorism agencies, raising the possibility that the group will continue to motivate attacks even if it's pushed out of Iraq and Syria.

#### What are the Islamic State's origins?

The group traces its lineage to the aftermath of the U.S. invasion of Iraq in 2003, when the Jordanian militant Abu Musab al-Zarqawi aligned his militant group, Jama'at al-Tawhid w'al-Jihad, with al-Qaeda, making it al-Qaeda in Iraq (AQI).

Zarqawi's organization [took aim at U.S. forces \(PDF\)](#), their international allies, and local collaborators. It sought to draw the United States into a sectarian civil war by attacking Shias and their holy sites to provoke them to retaliate against Sunni civilians.

Zarqawi was killed in a U.S. air strike in 2006. U.S.-backed [Awakening councils](#), or Sons of Iraq, further weakened AQI as Sunni tribesmen reconciled with Prime Minister Nouri al-Maliki's government. Zarqawi's successors rebranded AQI as the Islamic State of Iraq, and later, the Islamic State of Iraq and al-Sham (ISIS). The name refers to a territory that roughly corresponds with the Levant, or eastern Mediterranean, reflecting the group's broadened ambitions with the onset of the 2011 uprising in Syria.

The Islamic State's leader, the self-proclaimed caliph Abu Bakr al-Baghdadi, spent time in [U.S.-run prisons](#) in Iraq. Cells organized within them, along with [remnants](#) of former Iraqi President Saddam Hussein's ousted Arab-nationalist Ba'ath party, make up some of the Islamic State's ranks. Excluded from the Iraqi state since occupying U.S. authorities instituted de-Ba'athification in 2003, they see collaboration with the Islamic State as a way back to power.

## How has the Islamic State expanded?

The group has capitalized on Sunni disenfranchisement in both Iraq and Syria. In Iraq, the Sunni minority was sidelined from national politics after 2003, first by the U.S.-led occupation leadership and then by politicians from Iraq's Shia majority. Prime Minister Maliki cemented his power as U.S. forces withdrew from Iraq in 2010 by [excluding Sunni political rivals](#) and providing Shias disproportionate benefits. The Awakening councils effectively came to an end after he reneged on his pledge to integrate many of their militiamen into the national security forces and [arrested](#) some of their leaders. In 2013, the security forces put down [broad-based protests](#) calling for better governance, contributing to the Sunni community's sense of persecution.

Maliki also purged the officer corps of potential rivals, which, combined with desertion and corruption, contributed to the [Iraqi military's collapse](#) as Islamic State militants overran Mosul, Iraq's second-largest city, in June 2014.

In Syria, the [civil war](#) that emerged from a broad-based uprising against President Bashar al-Assad in 2011, which pitted the ruling minority Alawis, a heterodox Shia sect, against the Sunni majority, gave the group new opportunities to expand. Its early battlefield successes attracted militant Sunnis from across the region to join a jihad against the regime. As extremists came to dominate territory in Syria's north and east, Assad claimed it validated his argument that only his government could mount an effective campaign against "terrorists"—a term he has applied to opposition figures of all stripes.

The northern Syrian city of Raqqa is often cited as the Islamic State's [de facto capital](#). There, the group has established some new institutions (e.g., judicial, police, economic) and coopted others (e.g., education, health, and infrastructure) to provide residents a modicum of services and consolidate its control over the population.

## What is the Islamic State's relationship with al-Qaeda?

The group became an al-Qaeda franchise by 2004, but has since broken with the organization founded by Osama bin Laden and become its rival. Their split reflects strategic and ideological differences. Al-Qaeda focused on attacking the United States and its Western allies, whom it held responsible for bolstering Arab regimes it considered apostate, like those in Saudi Arabia and Egypt, rather than capturing territory and establishing a state. Bin Laden, like Baghdadi, envisaged the [establishment of the caliphate](#), but he considered it a goal to be left to future generations.

In 2005, bin Laden deputy Ayman al-Zawahiri [castigated](#) AQI's Zarqawi for indiscriminately attacking civilians, particularly Shias. Zawahiri believed that such violence would alienate Sunnis from their project. That was indeed the case, as many Sunnis allied with the government during the Awakening movement.

A more thorough rupture came after the start of Syria's uprising. Zawahiri, who succeeded bin Laden as al-Qaeda's chief, privately ruled that the emergent Syrian al-Qaeda affiliate, [Jabhat al-Nusra](#), remain independent from Baghdadi's ISI. Baghdadi [publicly rebuffed](#) the ruling.

Nusra, which [claimed to have cut its ties](#) with al-Qaeda in August 2016, is composed mostly of Syrian members and is enmeshed among opposition forces; the Islamic State, by contrast, is primarily composed of foreigners, analysts say.

## How is the Islamic State financed?

Oil extraction reportedly constituted the Islamic State's largest [source of income](#). The group [sold](#) crude oil pumped from Iraqi and Syrian wells to local truckers and middlemen, netting an estimated \$1 million to \$3 million a day. By selling well below market price, traders were incentivized to take on the risk of such black-market deals.

The Islamic State is believed to extort taxes in territories under its control, and Christians and other religious minorities who have not fled face an [additional tax](#). [Protection rackets](#) bring in revenue while building the allegiance of some tribesmen. [Trafficking in antiquities](#) also contributes to the Islamic State's coffers.

[Ransom payments](#) provided the Islamic State upwards of \$20 million in 2014, including large sums for kidnapped European journalists and other captives, according to the U.S. Treasury. The United States maintains a no-concessions policy, [at odds](#) with its European counterparts.

U.S.-led forces have targeted the group's revenue streams: In a [rare raid on Syrian territory](#) in May 2015, U.S. Special Operations Forces killed an Islamic State official believed to have managed the group's oil and gas operations, and U.S. air strikes targeted oil infrastructure, including [middlemen's trucks](#). With its finances strained, the group in 2016 [reportedly slashed](#) its members' wages and cut social services, which, the [U.S. government says](#), is a source of diminishing morale.

### **Does the Islamic State pose a threat beyond Iraq and Syria?**

The Islamic State's claim to be a caliphate has raised concerns that its ambitions are not bound by the borders of Iraq and Syria. Insurgent groups in [Afghanistan](#), [Bangladesh](#), [Egypt](#), [Indonesia](#), [Nigeria](#), [Pakistan](#), the [Philippines](#), [Saudi Arabia](#), and [Yemen](#) have sworn allegiance to Baghdadi. In 2015, the group [seized territory](#) in Libya that spanned more than 150 miles of Mediterranean coastline between Tripoli and Benghazi.

The conflicts in Syria and Iraq have attracted [foreign fighters](#) by the thousands. Middle Eastern and Western intelligence agencies have raised concern that their citizens who have joined the fighting in Iraq and Syria will return to their home countries to carry out attacks. U.S. Director of National Intelligence James Clapper [estimated](#) in February 2015 that more than thirteen thousand foreign fighters joined Sunni Arab antigovernment extremist groups, including the Islamic State, in Syria, and that more than 3,400 of more than twenty thousand foreign Sunni militants hailed from Western countries. ([Estimates](#) of the group's total forces have ranged from around thirty thousand to more than a hundred thousand; U.S. special envoy Brett McGurk said in June 2016 congressional [testimony](#) that the group comprised some eighteen to twenty-two thousand fighters, down from a high of thirty-three thousand in 2014.)

Even more worrisome to Western intelligence is the Islamic State's [call on its followers worldwide](#) to carry out attacks in Europe and the United States. Following an attack on an LGBT nightclub in Florida in June 2016, FBI Director James Comey [remarked](#) on the scale of the counterterrorism challenge: "We are looking for needles in a nationwide haystack, but we are also called up to figure out which pieces of hay might someday become needles."

Some analysts say the Islamic State hopes such attacks will draw Western countries into a protracted military conflict, perhaps to fulfill an [apocalyptic prophecy](#). Two of the suicide bombers in the November 2015 attacks in Paris [smuggled themselves](#) into Europe through Greece, disguised among refugees. This has helped fuel the [anti-migrant backlash](#) across Europe.

Turkey shares a [five-hundred-mile border with Syria](#), through which foreign fighters have entered and exited the conflict, and a [U.S.-backed campaign](#) to retake the last stretch of border territory occupied by the Islamic State is underway. It too has been exposed to the conflict as major attacks in Ankara and Istanbul were attributed to the Islamic State.

### **What is the U.S.-led coalition doing?**

President Barack Obama's administration has assembled a [coalition](#) of some sixty countries to “[degrade and ultimately defeat](#)” the Islamic State. Privately, it has expressed frustration that many of these countries, particularly Sunni Arab states, have [contributed little](#) more than rhetorical support. As of late July 2016, the coalition has carried out more than 14,093 air strikes, 77 percent of them by U.S. forces, in Iraq and Syria, the Pentagon said.

The administration has cited the post-9/11 [Authorization for the Use of Military Force](#) and 2002 Iraq war resolution as the domestic legal justification for this open-ended conflict. Some legal scholars are dubious, however, particularly as U.S. military operations have expanded from Iraq to Syria and Libya.

In Iraq, the United States has deployed more than three thousand uniformed personnel, built up counterterrorism units of the Iraqi army, and armed the Kurdistan Regional Government's paramilitary, the Peshmerga, in a bid to wrest the Islamic State from major cities and strategic points. Ramadi fell in December 2015 and Fallujah in June 2016, and in August 2016 Iraqi forces were gearing up to take Mosul, Iraq's second-largest city. But with much of the Iraqi army still in disarray, [Shia militias](#) known as Popular Mobilization Forces have done much of the fighting, raising concerns that Sunni residents of cities that have been liberated from the Islamic State will find, in its place, forces at least as hostile to them. Rights groups allege that these militias have [evicted, disappeared, and killed](#) residents of Sunni and mixed neighborhoods.

In Syria, meanwhile, the Pentagon began a three-year program in early 2015 to train and equip [five thousand](#) “[appropriately vetted](#) elements of the Syrian opposition” a year to attack Islamic State forces—but not the Assad regime and its allies. But the Obama administration abandoned the \$500 million program in October 2015 after it was revealed to have yielded just “four or five” fighters in Syria. In its place, the White House said it would adopt a looser approach, screening just commanders rather than individual fighters.

### **What dynamics are at work in Syria?**

Regional geopolitics have complicated U.S. efforts in Iraq and Syria. The YPG, a Syrian Kurdish militia, has proven to be one of the forces most effective at rolling back the Islamic State, at least within [areas claimed by Kurds](#). But Turkey, which fears the establishment of an autonomous Kurdish entity in territory contiguous with its own Kurdish-majority regions, says the YPG is an extension of the Kurdistan Workers' Party (PKK), which the United States, EU, and Turkey all consider a terrorist organization.

The formation of a joint Arab-Kurdish force, the Syria Democratic Forces (SDF), gained President Recep Tayyip Erdogan's backing for operations to retake Manbij, the last pocket of ISIS-controlled territory on the Syria-Turkey border, which has served as a transit point for ISIS to move people and goods on to Raqqa. The United States has armed the SDF and embedded special operations forces with it.

Russia launched air strikes in Syria in late 2015. Though it claimed to be targeting extremist groups like the Islamic State and al-Qaeda, it has largely targeted Syrian opposition forces, helping Assad recapture lost

territory as international negotiations were underway. Iran remains committed to the Assad regime's survival, while the Gulf Arab states are more interested in containing Iran than fighting the Islamic State.

The U.S. objective is a negotiated transition that would see Assad gone, while maintaining the structure of the state and Syria's territorial integrity, but the diplomatic process has deadlocked, and the civil war, which has enabled the Islamic State to carve out territory, shows no sign of abating. In Iraq as well, military gains have not been matched by political progress. Maliki's successor, Haider al-Abadi, assumed office in September 2014, [pledging to practice a more inclusive brand of politics](#), but his government has been wracked by protests over widespread corruption; and in many Sunni-majority areas, Shia militias are the most visible face of the government.

## Additional Resources

Cole Bunzel examines the [Islamic State's ideology](#) in a Brookings Institution paper.

The UN Human Rights Council's [Commission of Inquiry on Syria](#) reports on developments in areas inaccessible to most Western journalists.

Peter Harling, of the International Crisis Group, and the *Economist's* Sarah Birke argue that a strategy centered on air strikes may, perversely, [bolster the very conditions that gave rise to the Islamic State](#).

Counterterrorism strategies that beat back al-Qaeda make [a poor model for defeating the Islamic State](#), Audrey Kurth Cronin writes in *Foreign Affairs*.

The Brookings Institution's Daniel L. Byman and Jeremy Shapiro [assess the threat](#) of foreign fighters attacking the United States and Europe.

Andrew F. March and Mara Revkin [examine the legal strategy](#) behind the Islamic State's state-building project in *Foreign Affairs*.

## More on this topic from CFR

### [Next Steps for U.S. Foreign Policy on Syria and Iraq](#)

Author:

[Elliott Abrams](#)

, Senior Fellow for Middle Eastern Studies

### [Iraqi President Fuad Masum on ISIS and Iraq's Challenges](#)

Speaker: Fuad Masum, President, Republic of Iraq

Presider: Michael R. Gordon, National Security Correspondent, *New York Times*

### [Transcript: Foreign Affairs Media Call on Iraq and ISIS](#)

Speakers: Steven Simon, Senior Fellow, The Middle East Institute, and Barak Mendelsohn, Associate Professor, Political Science Department, Haverford College

Presider:

[Gideon Rose](#)

, Editor, Peter G. Peterson Chair, *Foreign Affairs Magazine*

View more from [Iraq](#), [Terrorism](#)  
[Back to backgrounders home](#)