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**From Non-State to Proto-State: How the Islamic State Turned its Concept into Capabilities**

Florence Gaub<sup>1</sup>  
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Until the emergence of the so-called Islamic State (IS), jihadism led an asymmetric life: using improvised explosive devices and drive-by shootings, funnelling money through illegal channels and hiding from government forces. This guerrilla existence stood in stark contrast with its grand vision: to establish a state on the territories inhabited mainly by Muslims, and govern according to its own interpretation of Sharia law. What stood between the reality and the vision was the lack of capabilities needed to first achieve territorial conquest and subsequently governance. In that sense, IS faced the traditional dilemma of all non-state actors: breaking into the monopoly of states requires certain state-like features in the first place. For non-state actors to mobilise the strategic resources necessary and then to translate them into effective military capabilities is only the first (and difficult enough) step; they then have to be ready to hold, and govern the conquered territory when they normally have no governance experience. The formidable challenges they face in this process mean that they normally never achieve either – with the exception of IS, which turned out to be the first non-state actor successfully to turn its concept of statehood into matching capabilities. How did it do that?

**The laws of gravity**

It all began with a strategic readjustment: although all jihadist groups aim at the establishment of an Islamic state, there is substantial disagreement on how to achieve this. Where IS was different from its jihadi mother organisation Al-Qaeda was in its interpretation of the strategic centre of gravity on the way to its objective. Al-Qaeda, for instance, was convinced that the ‘far enemy’ (the United States) was the main obstacle on the way to the long-term goal. They would have to be destabilised and weakened to the point where they would withdraw entirely from Muslim lands, and only then would the time be right to conquer and govern said territories.

This would certainly take a significant amount of time (Osama bin Laden was convinced that he would not witness the establishment of a caliphate in his lifetime), but it was the way to go. In fact, in a letter to his Yemeni outlet manager, Nasir al-Wuhayshi, bin Laden warned of controlling territory too soon in the process. ‘Even though we were able to militarily and economically exhaust and weaken our greatest enemy before and after the eleventh, the enemy continues to possess the ability to topple any state we establish.’ In addition, governance was still beyond reach in his opinion. ‘In reference to your statement, “If you want Sana’a, today is the day,” we want Sana’a to establish an Islamic State, but first, we want to make sure that we have the *capability* to have control of it.’ Simply put: ‘We are in the preparation stage.’<sup>2</sup>

<sup>1</sup> Dr. Florence Gaub is Deputy Director of the European Union’s Institute for Security Studies, Paris. © 2018 Changing Character of War Centre. All rights reserved. Material in this publication is copyrighted under UK law. Individual authors reserve all rights to their work and material should not be reproduced without their prior permission.

<sup>2</sup> Office of National Intelligence, ‘Letter to Abu Basir’, undated, available at <https://www.dni.gov/files/documents/ubl2016/english/Letter%20to%20Abu%20Basir.pdf>

But Al-Qaeda in Iraq, the first incarnation of IS, did not share this vision. For the group then under Abu Musab al-Zarqawi, not the United States but the ‘near enemy’, i.e. the regimes in the region, were the centre of gravity in the pursuit of its goal.

This apparently small difference in strategic assessment triggered an important change in the trajectory towards the ultimate vision of an Islamic state: if the enemy was local rather than distant, and if it was less capable than the world’s only superpower, this meant the possibility of an Islamic state was now within immediate reach – provided IS was capable to generate the necessary resources, and later translate these into capabilities.

### **From vision to resources**

There are, of course, no capabilities without resources. In contrast to established states, non-state actors struggle in this regard: whether in terms of finances, manpower or equipment, they quite literally start from scratch. It is for this reason that most non-state actors will not aim at replacing the state altogether, but to destabilise it sufficiently to force it to the negotiation table and make concessions there. Where some actors start out with a state ambition in mind, such as Hezbollah originally did in Lebanon, the operational realities often lead to the insight that the resources and capabilities necessary to conquer and govern a certain territory is beyond reach.

Nevertheless, IS embarked on this trajectory in 2006 by changing its name from Al-Qaeda in Iraq to Islamic State in Iraq (ISI), expressing its intentions in no uncertain terms. At the beginning, it focused its capability efforts however not on the component of territorial conquest, but on governance. This had the advantage that, at least in theory, it could prepare the necessary procedures, divisions of labour, and of ruling without significant resources. IS established a cabinet of ten “ministers” with portfolios such as security, war, Sharia matters, and public relations, but also health, agriculture and fishery. Perhaps most importantly, it also included oil and prisoners’ affairs – two fields which would subsequently become crucial in its spectacular resources, and therefore capabilities. It also launched a call for volunteers to join and established a Sharia council.<sup>3</sup>

With this resource-centric approach, it managed to run an organised system of ransoms, extortion, and oil smuggling generating funds of between \$70-200 million per year, seize small (and disconnected) portions of territory in Northern Iraq, and establish localised governance structures. While still far from its success of 2014, the organisation had implemented certain changes that geared it away from a purely asymmetric entity and moved it progressively to the governance entity it aimed to become. Where it was still lagging behind was the capacity to conquer and hold territory, where it continued to operate like a classical insurgent group, using asymmetric means - small arms fire, mortars and rocket-propelled grenades, improvised explosive devices, suicide bombers, vehicle-borne improvised explosive devices, and suicide vehicle-borne improvised explosive devices – on a large scale (probably more than 1,000 per year). While this operational approach managed to inflict severe damage on the Iraqi and coalition forces, it did not destabilise the state itself to the point of collapse, and certainly did not create the provisions for even negotiations. In military terms, ISI was far away from the territorial dimension it sought to achieve.

As the gap between statehood ambition and reality was too glaring, ISI was accused of being a ‘paper state’ or an ‘internet state’. While it attempted to explain this away by calling it a ‘caliphate of the minds’, it failed to convince other insurgent groups or followers more generally.<sup>4</sup>

But this was to change in 2010.

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<sup>3</sup> SITE, ‘Islamic State of Iraq Announces Establishment of the Cabinet of its First Islamic Administration in Video Issued Through al-Furqan Foundation’, 19 April 2007, <https://web.archive.org/web/20070928061225/http://www.siteinstitute.org/bin/articles.cgi?ID=publications274907&Category=publications&Subcategory=0>

<sup>4</sup> Cole Bunzel, ‘From Paper State to Caliphate: The Ideology of the Islamic State’, Brookings Center for Middle East Policy, Analysis Paper No.19, March 2015, available at <https://www.brookings.edu/wp-content/uploads/2016/06/The-ideology-of-the-Islamic-State.pdf>

That year, two dynamics converged: Abu Bakr al-Baghdadi became the organisation's new leader, and the multinational coalition withdrew from Iraq. While the latter provided the strategic breathing space, it was the former that triggered the most important changes in capability terms. Al-Baghdadi took several steps that eventually managed to match the organisation's statehood ambition with first the necessary resources and then military capability.

In a first step, the acquisition of the necessary resources was identified as a strategic priority: while ISI was thriving financially, it had been hit badly in terms of manpower by the offensive of the coalition and its Iraqi counterparts in the 'surge' years 2006 – 2008, and it had very little equipment suitable for territorial warfare. This change in mind-set was certainly the result of al-Baghdadi's rapprochement with former military officers expelled from the Iraqi army after the invasion of 2003. Shunned by his predecessor due to their Baathist (and therefore inherently anti-Islamist) credentials, they were now integrated into ISI's leadership structure, and soon controlled the military component of operations. Al-Baghdadi's "governors" in Iraq and Syria, the head of his military council, and commanders of units now all had conventional military experiences gathered during the war with Iran – a war fought primarily with infantry forces. This knowledge of ground warfare was of use to ISI.<sup>5</sup>

The manpower issue was addressed in 'Operation Breaking the Walls', a synchronised campaign designed to free imprisoned ISI fighters. Over the course of one year, it broke successfully into eight prisons, culminating into the Abu Ghraib prison break of July 2013. The campaign was spread out over several provinces in Iraq, proving ISI's capacity to act across a larger territory, using mortars, car bombs and small arms to execute comparatively complex attacks. What is more, after the first part of the campaign (which included four attacks against the Baghdad Counterterrorism Directorate; a police headquarters in Diyala; the Taji Tasfirat prison, and the Tikrit Tasfirat prison) ISI paused in order to absorb the first 100 veteran fighters it had freed, suggesting organisational diligence. Two months later, ISI resumed its campaign and attacked on four more occasions, freeing most notably 500 fighters from Abu Ghraib.<sup>6</sup> Up to 1,000 veteran jihadists were able to return to ISI ranks as part of this campaign – perhaps a modest number compared to its later swelling, but with a profound impact on the organisation's operational capability given their experience. In a way, this constituted the core of its 'officer' ranks. It is worth noting that the end of the campaign did not spell the end of prison breaks, which it continued to be in use up until 2017 to recover lost staff.

At the end of this campaign, the organisation had expanded its activities into Syria and hence announced a change of name to Islamic State in Iraq and Syria, ISIS. This expansion had implications for both manpower and equipment acquisition: the civil war in Syria, particularly the control of border posts with Turkey, facilitated the recruitment of volunteers from abroad in unprecedented ways. ISIS had relied on foreign fighters even in its early incarnations as ISI, but it was now the possibility to physically transport around 15,000 fighters from abroad into its territorial pockets that boosted its manpower spectacularly. By summer 2014, the CIA estimated that ISIS had between 20,000 and 31,500 troops at its disposal – reaching conventional military force numbers.<sup>7</sup> These numbers would continue to swell following the June announcement of a caliphate (the 'Islamic state') which was flanked by a call for recruits. At this point, IS's spending had been redirected overwhelmingly towards military operations: two thirds of its budget went to war fighting – nearly half of this (43.6 per cent) towards salaries, a fifth (19.8 per cent) towards expenditures for bases. Only a fraction of its total \$5,587,000 spent in 2015 on "defence" went to media operations, some

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<sup>5</sup> The New York Times, 'Military Skill and Terrorist Technique Fuel Success of ISIS', 27 August 2014, available at <https://www.nytimes.com/2014/08/28/world/middleeast/army-know-how-seen-as-factor-in-isis-successes.html>; Ronald E. Bergquist, 'The role of air power in the Iran – Iraq War', Air University Press, Alabama, 1988, available at <http://www.dtic.mil/dtic/tr/fulltext/u2/a263552.pdf>

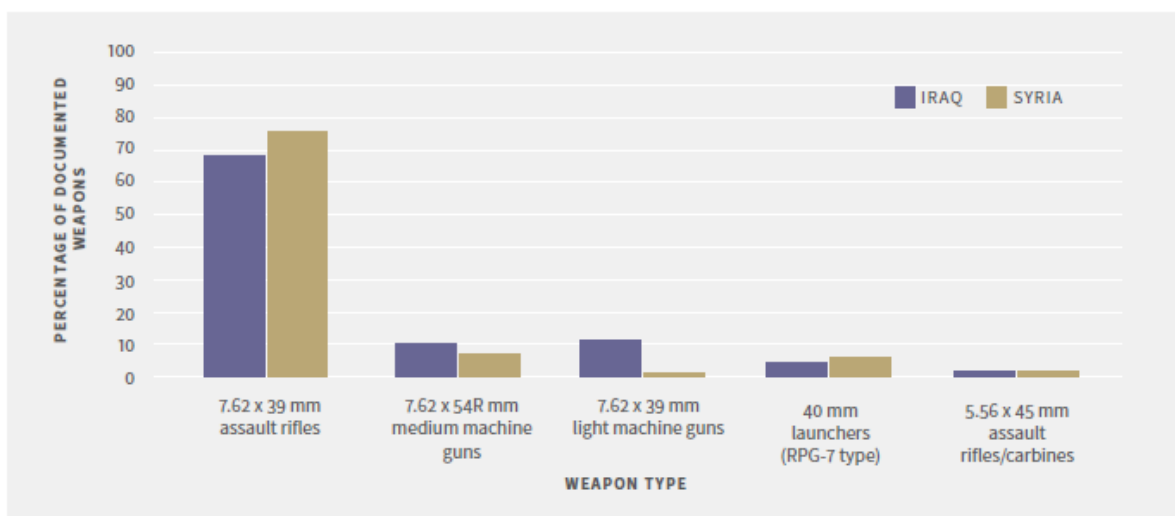
<sup>6</sup> Jessica D. Lewis, 'Al-Qaeda in Iraq Resurgent: The Breaking the Walls Campaign, Part I', Middle East Security Report 14, September 2013, available at [http://www.understandingwar.org/sites/default/files/AQI-Resurgent-10Sept\\_0.pdf](http://www.understandingwar.org/sites/default/files/AQI-Resurgent-10Sept_0.pdf)

<sup>7</sup> CNN, 'ISIS can 'muster' between 20,000 and 31,500 fighters, CIA says', 12 September 2014, <https://edition.cnn.com/2014/09/11/world/meast/isis-syria-iraq/index.html>

\$155,000.<sup>8</sup> In comparison, the most expensive war the United States ever fought, World War II, swallowed a third of its GDP, highlighting the disproportional cost – and therefore difficulty – of “start-up” states.<sup>9</sup>

In addition to manpower increases, ISIS moved to acquire conventional weaponry – mainly by targeting government forces in both Iraq and Syria from January 2014 onwards. This is supported by evidence from recovered ISIS weapons used in Iraq, showing that their vast majority originated in China, followed by former Warsaw pact EU member states Hungary and Romania (in contrast to media reports, only 2 per cent of IS weapons originated in the United States). ISIS’s weapons arsenal used in Syria originated mainly in Russia.<sup>10</sup> By the end of the summer of 2014, the United Nations Security Council sanctions panel estimated that ISIS had captured ‘vehicles, weapons and ammunition sufficient to arm and equip more than three Iraqi conventional army divisions [40,000 to 50,000 soldiers]’ – including more than 40 Humvees and several tanks.<sup>11</sup>

**Chart 1**  
**Top five common weapon types documented in Iraq and Syria**



Source: Conflict Armament Research, ‘Weapons of the Islamic State: a three-year investigation in Iraq and Syria’, December 2017, p.13.

### From having to using

Of course, the art of war is not a simple arithmetic of manpower and equipment. It is the capacity to combine these into a force capable of effective operations which proves military capability. In the world of states, this is determined by the strategic vision, unity of purpose between military and civilian leaders, the larger operational environment allowing the force to learn, emulate and analyse other forces, the nature of doctrine, training and organisation within a force, and, perhaps crucially, the capacity for innovation which allows for adaptation to a changing environment.<sup>12</sup> In the world of non-state actors, this is different – but not overwhelmingly so.

<sup>8</sup> Aymenn Jawad al-Tamimi, ‘The Archivist: Unseen Islamic State Financial Accounts for Deir az-Zor Province’, 5 October 2015, Jihadology.net, available at <http://jihadology.net/2015/10/05/the-archivist-unseen-islamic-state-financial-accounts-for-deir-az-zor-province/>

<sup>9</sup> Stephen Daggett, ‘Costs of Major U.S. Wars’, Congressional Research Service, 29 June 2010, <https://fas.org/sfp/crs/natsec/RS22926.pdf>

<sup>10</sup> Conflict Armament Research, ‘Weapons of the Islamic State: a three-year investigation in Iraq and Syria’, December 2017; Amnesty International, ‘Taking Stock: The Arming of Islamic State’, November 2015, [https://www.es.amnesty.org/uploads/media/Taking\\_Stock\\_The\\_arming\\_of\\_IS.pdf.pdf](https://www.es.amnesty.org/uploads/media/Taking_Stock_The_arming_of_IS.pdf.pdf)

<sup>11</sup> United Nations Security Council, ‘Letter dated 13 November 2014’ para. 39, [http://www.un.org/en/ga/search/view\\_doc.asp?symbol=S/2014/815](http://www.un.org/en/ga/search/view_doc.asp?symbol=S/2014/815)

<sup>12</sup> Ashley J. Tellis, Janice Bially, Christopher Layne, Melissa McPherson, ‘Measuring National Power in the Postindustrial Age’, RAND Corporation, Santa Monica 2012, p.144.

Four elements allowed IS to translate its resources to effective capabilities. First, it made ideological concessions for resource purposes; second, it made a concerted (rather than piece-meal) effort to acquire weapons and finances; third, it creatively put non-conventional methods to conventional use; and fourth it learned from its adversaries and other non-state actors in the region.

The first ingredient, its capacity to let go of certain ideological convictions, was perhaps the most important one. It was the ability to accept former Baathist officers into its leadership circles, and integrate their military know-how despite ideological differences which gave IS an important injection of not just expertise, but also strategic thinking. Although not quite the same as civil-military relations in the world of states, it nevertheless comes close to the agreement necessary between the civilian and military decision-making circles to wage war successfully. For IS, the main obstacle in this had been the ideological conviction that the former Baath party members, while strategically sharing a goal of toppling the post-2003 state of Iraq, were ideologically polluted. Overcoming this created unity of purpose within IS.

IS equally displayed a preference for operational usefulness over ideological matters more generally in recruitment. In contrast to Al-Qaeda, for instance, IS was willing to accept recruits with comparatively little religious experience – 70 per cent of its foreign recruits stated only ‘basic’ knowledge of Islam.<sup>13</sup> Despite this porous commitment to ideology, IS managed to seize the motivation of its recruits and turn it into a formidable example of cohesion and high levels of morale – another skill in the process of creative adaptation.

IS’s capacity to make ideological concessions – a rare feature for non-state actors – created an important opening on the road to capabilities. This was, of course, supported by a strategic approach to fundraising and weapons acquisition. Between 2006 and 2009, its Ministry of Oil raised \$2 billion just by smuggling oil; but oil was not the only ingredient in IS’s financial campaign. The theft of vehicles, bank robberies, protection rackets and kidnapping for ransom played equally important roles.<sup>14</sup> More than anything, IS’s financial department resembled a regular criminal network designed for the maximisation of income. Similarly, it stole weapons first from the Iraqi and later also the Syrian military – while it is true that some were left behind by the forces, IS also broke into warehouses or bribed officials in charge.

On the battlefield, IS managed to merge these strategic ideas and operational realities into a unique type of warfare. Although its Baathist officers had, of course, conventional training, IS did not operate conventionally. Instead, it used non-conventional means in a conventional way. This capacity to blend asymmetric and conventional warfare in operational terms became visible in the early stages of its transformation into IS when its 2013 attacks were not merely a series of explosions, but a coordinated campaign. Although it continued to use asymmetric weapons such as vehicle-borne improvised explosive devices, they were now increasingly lethal – pointing towards improved construction and execution. In addition, the maintenance of a high attack volume demonstrated that IS capacity to plan, operate and sustain multiple car bomb cycles was growing throughout this period towards more and more sophisticated operational design.

Other such examples are the use of improvised explosive devices as mines. In areas IS wanted to make difficult to access, these devices would be scattered in large numbers just as a regular armed force would do. In contrast to conventional forces, however, it would not attempt to prevent the enemy’s demining process for instance by using direct or indirect fire. Instead, IS deploys a comparatively large amount of devices gaining comparatively little tactical advantage, and concentrates its manpower on small-arms and crew-served weapons to fight a numerically larger opponent.

Similarly, IS continued to use vehicles equipped with explosives – but now in a manner comparable to precision-guided cruise missiles – ‘they provide IS with the ability to (somewhat) accurately target enemy

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<sup>13</sup> Independent, ‘Leaked Isis documents reveal recruits have poor grasp of Islamic faith’, 16 August 2016, <https://www.independent.co.uk/news/world/middle-east/isis-documents-leak-recruits-islam-sharia-religion-faith-syria-iraq-a7193086.html>; Independent, ‘Isis: Islam is 'not strongest factor' behind foreign fighters joining extremist groups in Syria and Iraq – report’, 16 November 2016, <https://www.independent.co.uk/news/world/europe/isis-foreign-fighters-british-european-western-dying-radicalised-islam-not-strongest-factor-cultural-a7421711.html>

<sup>14</sup> Patrick B. Johnston et al, ‘Foundations of the Islamic State: Management, Money, and Terror in Iraq, 2005–2010’, RAND Corp., Santa Monica, 2016, [https://www.rand.org/pubs/research\\_reports/RR1192.html](https://www.rand.org/pubs/research_reports/RR1192.html)

positions with high explosives, using an expendable human as their targeting hardware instead of sophisticated silicon chips'.<sup>15</sup> Commercial drones were transformed into intelligence-gathering devices – later on also as very improvised aerial explosives. The suicide vest, originally worn solely by fighters deployed on a suicide mission, became the standard outfit for between 40 and 60 per cent of its fighters. The operational advantage of this is that suicide missions can be triggered anywhere on the battlefield, vests can be thrown as grenades, and even deceased fighters can turn into an improvised explosive device.

While IS also used chemical weapons, it never managed to deploy them in a way that ultimately harmed its enemies: it lacked the capacity to coordinate it appropriately with its manoeuvring elements. Even its command and control structure, while following regular military procedures, used asymmetric communication means such as WhatsApp – which allowed for a very high battle rhythm.

Lastly, IS proved to be a keen learner from its operational surroundings. The Iraqi security forces, for instance, while superior in numbers and equipment, had an important disadvantage when it came to morale; IS targeted this further during Operation Soldiers Harvest, but it was mainly the relationship with Iraq's decision-makers which had hollowed out the forces. By 2014, when IS took Mosul with 2,000 men, morale and cohesion was so low that more than 10,000 soldiers and policemen simply fled.<sup>16</sup> IS had projected fear to unprecedented levels, and knew just how to communicate this to the Iraqi army.

IS also learned from and emulated other non-state actors in the region: as Hamas had, it made largescale use of tunnels to duck enemy attention, and turned commercial drones into aerial bombing devices. Its use of improvised explosive devices akin to mines was a method previously employed by the Taliban in Afghanistan.<sup>17</sup> As Hezbollah did in the 1983 barrack bombing, it used trucks like cruise missiles.

Taken together, it was these capabilities that paved the way to the 2014 declaration of the caliphate, the fall of Mosul and Raqqa and a territory (at least in terms of surface) the size of the United Kingdom. And this was not merely an operational success: around 30,000 individuals joined IS from abroad, turning it also into a strategic success. At least for a moment.

### **Operational, but not strategic: Lessons learned from IS**

Ultimately, Osama bin Laden proved to be right: the moment to declare the caliphate was chosen too soon; the 'far enemy', the United States, remained a decisive factor in its defeat – but assisted by the 'near enemy', the Iraqi security forces. What bin Laden had judged accurately was that IS was not capable, yet, to withstand the pressure of such forces. To make matters worse for IS, bin Laden was also convinced that a spectacular defeat of the caliphate would discredit it to the point of no return. While IS therefore made a crucial strategic decision on the centre of gravity in 2006 which paved the way to Raqqa and Mosul, it was the same decision which led to its demise.

IS's true talent was therefore not strategic, but an operational one. In the process of translating the vision of an Islamic State into a reality, IS was extremely skilled at making the necessary concessions, creatively use its means, innovate technologically, build cohesion and morale amongst its staff. It was this flexible, adaptable and creative approach which allowed it to move from non-state actor to proto-state to previously unknown levels. While IS might be defeated on the battlefield, its approach is certain to survive in the hands of other non-state actors.

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<sup>15</sup> Matthew F. Cancian, 'Tactics, Techniques, and Procedures of the Islamic State: Lessons for U.S. Forces', *Military Review*, March – April 2017.

<sup>16</sup> Florence Gaub, 'An unhappy marriage: civil-military relations in Iraq', Carnegie Beirut, 13 January 2016, <http://carnegieendowment.org/2016/01/13/unhappy-marriage-civil-military-relations-in-post-saddam-iraq-pub-61955>

<sup>17</sup> Barak Barfi, 'The Military Doctrine of the Islamic State and the Limits of Ba'athist Influence', CTC Sentinel 9, no. 2 (February 2016): 18, <https://www.ctc.usma.edu/v2/wp-content/uploads/2016/02/CTC-SENTINEL-Vol9Iss27.pdf>; Center for the Study of the Drone, 'A Brief History of Hamas and Hezbollah's Drones', 14 July 2014, <http://dronecenter.bard.edu/hezbollah-hamas-drones/>