

RESEARCH ARTICLE

The political economy of property rights in monarchical Iraq: the quest for land reform 1944–1958

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Abstract

This article explores the challenges of redefining property rights for land, with application to monarchical Iraq from 1944 to 1958. We apply two processes in the analysis of economic institutions to study history: a puzzle-solving method at the micro level, with broader interest in the role of institutions in development and economic growth at the macro level. Thus, we explore the interaction between demanders and suppliers of land reform in the political market, focusing on the parliamentary influence of big landholders as an interest group. We conclude that despite increasing demand for land reform, politicians were able to supply quantitative change only, consisting of the allocation of newly arable land to landless cultivators, rather than the redistribution of existing assets or qualitative change. We analyse these findings in relation to our concern for the role of institutions in development. Our discussion uncovers key insights into Iraq's political economy and its institutions.

Keywords: New Institutional Economics; land reform; Iraq; Middle East; property rights; interest group theory; institutions; rural development and land concentration

1. Introduction

This article revisits the issue of land reform in Iraq, from a fresh, hitherto unexplored, theoretical perspective of institutional economics, notably the New Institutional Economics (NIE) literature. Langlois (2017) posits that the use of economic institutions to analyze history contains two related processes: a 'puzzle-solving' approach at the micro-level, associated with the NIE approach, alongside a more global concern with the role of institutions in (hindering or promoting) economic growth. Following Langlois, we seek to explain why the outcome of land reform in Iraq in the period 1944 to 1958 was quantitative as opposed to qualitative. Here we build on Eggertsson's (2005) discussion of quantitative *versus* qualitative institutional policy to distinguish between different types of land reform *vis-à-vis* Iraq. Eggertsson (2005: 142) describes quantitative policy as "marginal adjustments of one policy or another, holding approximately constant the underlying distribution of power and wealth," while qualitative policy likely involves fundamental social change. Applying these to Iraq, we define quantitative land reform as the distribution of unused or newly arable state lands (*miri sirf*) to *fallahin*.¹ And we view qualitative reform as the redistribution or reallocation of existing privately held (albeit nominally state-owned *miri tapu* and *miri lazma*) lands by big landowners to landless cultivators.² The latter, in other words, would bring about abrupt changes in the distribution of power and

¹The terms *fallah* (plural *fallahin*), peasant and cultivator, are used interchangeably to refer to farmers with little or no land of their own, who sharecrop or otherwise work on someone else's land or tribal land.

²Owen (1991: 171) defines as *miri tapu* land "where ultimate ownership was retained by the state but with usufruct rights acquired by a holder as well as right to sell, mortgage or bequeath"; *miri lazma* was "held under almost the same conditions as

wealth in society at large. It was recognized inside and outside government that the social costs of existing agrarian relations were high, in terms of inequality in land holdings and rural poverty (see IBRD, 1952). Even so, only limited quantitative reform occurred, as we shall see.

Who controls agricultural lands and how they are utilized have important implications for equity and economic growth (see Banerjee, 2000, on land reform), as reflected in NIE's emphasis on clearly defined (and enforced) property rights (Boudreaux, 2005).³ Property rights are humanly constructed institutional arrangements that regulate the use of scarce resources and human action (Barzel, 1997), and are a key interest of the NIE literature (Libecap, 1989; Eggertsson, 2005). The NIE does not represent a standardized body of knowledge. Nabli and Nugent (1989) observe that the NIE field is diverse, and Furubotn and Richter (2005) note that it has undergone rapid expansion. Still, Nabli and Nugent (1989) discern two main emphases in the NIE literature: transaction and information costs as well as collective action approaches. In the first, the literature has sought to explain how changes in technology, and hence costs, promote the formation of specific property rights arrangements. A main concern of the second, collective action, approach is "to explain the likelihood of success or failure of a given set of self-interested individuals in undertaking actions that may benefit them collectively" (Nabli and Nugent, 1989: 14).

The early NIE literature on property rights (for example Anderson and Hill, 1975; Demsetz, 1967; Umbetck, 1981) explored how property rights come about in response to changes in context, e.g. changes in technology, population or preferences. Similarly, Pejovich (1990: 4) argues that "Historical evidence shows that institutional changes have been both endogenous [e.g. demographic change, technological progress and the opening of new markets] and exogenous to the system [ideologies, interest groups' pressure and the role of bureaucrats]." Ideologies, pressure from interest groups and the actions of bureaucrats delineate the choice set for decision-making politicians, constraining the path of change.

Research about how these variables interact to modify property rights institutions is still needed. North (1995) has argued that knowledge of the interaction between political and economic markets is lacking. Opper (2008) has emphasized that much of the research has focused on cases in North America or other developed countries, which highlights the need for NIE research to extend its analysis to developing countries.⁴

Thus, we analyze land reform in Iraq in the period 1944 to 1958. In March 1944, the regent, Prince 'Abd al-Ilah,⁵ announced the intention of distributing land to landless peasants, part of his vision for Iraq following the Second World War⁶ while the July 14 'revolution' of 1958 overthrew the monarchy. To be sure, the period was characterized by instability, including urban rioting and unrest in 1948 over the extension of the 1930 Anglo-Iraqi agreement, the creation of Israel (which Iraq fought) in 1948, reverberations from the July 1952 revolution in Egypt and urban unrest over the Suez crisis of 1956 – all representing important political shocks; there were two dozen changes in cabinets in this period.⁷ Even so, we posit that there was sizable institutional continuity. Thus, despite political unrest and frequent changes in government, institutional arrangements (rules, norms, and their enforcement) were undergoing marginal adjustments over time as opposed to radical change, i.e. continuous rather than discontinuous institutional change (as often during conquest or revolution) (North, 1990).

miri tapu but government retained the right to veto its transfer, particularly if this involved tribal land passing outside the tribe"; finally, *miri sirf* was "land over which state retained legal ownership and actual possession."

³On the distinction between (and implications of) legal rights and physical possession of property, see Hodgson (2015).

⁴This geographical centeredness has since somewhat ebbed. Hamilton-Hart (2017) thus explores how different legal structures in Southeast Asia have shaped the demands for property rights adjustments in diverse ways.

⁵Three kings and one regent reigned during the monarchy, 1921–1958: King Faisal I, August 17, 1921 – Sep 8, 1933, King Ghazi, Sep 8, 1933 – April 4, 1939; the regent, Prince Abd al-Ilah, April 4, 1939 – May, 23 1953; and King Faisal II, May 23, 1935 – July 14 1958.

⁶This statement was followed by the first cabinet of al-Pachachi (June 3–August 28, 1944) and the second cabinet of al-Pachachi (August 29, 1944–January 29, 1946), when the Dujaila land reform bill was proposed.

⁷We are grateful to an anonymous reviewer for pointing out the apparent discrepancy between these events and our assumed institutional continuity.

This article thus attempts to understand why land reform, when it did occur, took a more quantitative than qualitative form, despite rising demand for reform from emerging social groups and political opposition in urban areas. We place this outcome in the larger context of development and growth. We use collective action theory (Olsen, 1965, 1982), the interest group theory of property rights (Eggertsson, 1990), and an analytical framework provided by Libecap (1989) to analyze land reform in the Iraqi political market. Following Alston (1996), the political market is thought to consist of individuals or groups who demand reform, along with the suppliers of reform, represented by various groups, parties or government entities. Institutional change results “from the confrontation between coalitions of agents promoting new rules and others favoring the status quo” (Brousseau *et al.*, 2011: 11).

The influence of big landholders in politics in this period has been discussed elsewhere (see al-Nasrawi, 1994; Bagley, 1957; Salter, 1955). This article studies how this interest group interacted with suppliers of land reform in government, and how this interaction informed specific outcomes in legislation. Following Owen (1991: 155), we view the state “as a necessary condition for creation of ‘a national political’ field which constitutes the primary area for political competition between various organization, classes and groups.” The state is central to our analysis.

The rest of the paper is organized as follows: section 2 presents the theoretical background and analytical framework used. Section 3 offers a limited historical review of property rights arrangements in Iraq. Section 4 discusses the interaction of demanders and suppliers of land reform in the political arena. The last section provides concluding remarks.

2. Theoretical background and analytical framework

North *et al.* (2009: 117–118) define an interest group as “a pool of [common] interests that can independently affect the political process,” and manipulate it for its own advantage, for example by capturing rents and policy benefits (196). Mancur Olsen (described in Harden, 1982; Lin and Nugent, 1995; Nabli and Nugent, 1989) further distinguishes between two types of interest groups. The first is “encompassing/special interests,” a relatively heterogeneous group that is large in proportion to society and difficult to organize; the second is the “narrow/special interest group,” comparatively small in size, more homogeneous with narrower and more specific objectives, and so easier to organize. Libecap (1989) notes that larger, more homogeneous and wealthier interest groups have better success in property rights allocation. But increased group size beyond a point raises the costs of organization and undermines effectiveness. In sum, group homogeneity enhances property rights allocations.

Eggertsson (1990) also argues that group size is inversely related to its influence on elected representatives. This appears counter-intuitive, but members of small, cohesive groups often enjoy an advantage in obtaining information unavailable at large; small numbers also imply high average payoffs from allocations. And for smaller groups, the expected gains are often higher than the costs of organization and gathering information. In contrast, members of large groups often face higher costs of organization: free-riding issues tend to magnify and average payoffs decline with group size. Following Olsen (1965, 1982), Nabli and Nugent (1989) argue that smaller group size, commonality of social class and birthplace, and length of time that the interest group has been in existence tend to facilitate cohesion and constrain free riding. These are key insights when discussing big landholders as an interest group in Iraq.

Eggertsson (1990) hypothesizes a link between property rights and the role of interest groups. He is critical of what he calls the naïve theory of property rights (see, for example, Demsetz, 1967), which posits that restrictions to open access (common) property appear so long as the benefits to the community from restricting access, i.e. internalizing a positive externality, exceed the costs. While recognizing the importance of these demand-side factors, Eggertsson (1990) considers it vital to study the supply side, or the interaction of various interest groups to influence the political process. Eggertsson (1990) calls this theory “the interest-group theory of property rights.” Although Eggertsson’s theory draws heavily on the pioneering work of Olsen (1965, 1982) concerning interest groups, Olsen focuses

exclusively on the demand side (as represented by individuals or interest groups). Because politicians are able to affect the basic rules of the game (Mitchell and Munger, 1991), they are in a unique position to supply the demands of groups seeking benefits from state allocations (Eggertsson, 2005). We focus on interest groups concerned with putting forward particular demands related to property rights institutions, and how the groups pursued their agendas.

Relatedly, we incorporate Libecap's (1989) discussion of three categories of interest group into our analysis. The first group is *private claimants*, who act as an interest group seeking to appropriate decision-making authority or to earn rents from the use or ownership of assets. The second group is *politicians*, elected members of the legislative body as well as members of the executive or those seeking office, who have the authority to direct the state to define and enforce certain property rights arrangements.⁸ The third group is *bureaucrats*, which comprises civil servants charged with implementing policies adopted by the state, including defining, enforcing and regulating property rights. *Private claimants* (or interest groups) are seen as *demanders* for either institutional change or the status quo, while both the politicians in office and bureaucrats are the *suppliers*.

Concerning Pejovich's (1990) distinction, noted earlier, between endogenous and exogenous factors, it is difficult in practice to distinguish between endogenous and exogenous change. Thus, our approach is to study the basis of political power of the demanders, namely major landholders and urban-based legislators in parliament, and to discuss the available options to political actors, the suppliers of reform. Brousseau *et al.* (2011) distinguish *ex-ante* political constraints, which can prevent or hamper the reform, from *ex-post*, which seek to reverse the reform after implementation: our analysis will deal with the *ex-ante* political constraints rather than *ex-post*.

In addition to the micro-level analysis, we consider wider issues of the efficiency of institutions *vis-à-vis* the extent to which they promote economic development, as explained in Langlois (2017). Individuals are assumed to be maximizing, but there is no guarantee that resulting institutions are capable of generating economic growth. Indeed, Eggertsson (2005) and North (1987) argue that it is not always in the interest of rulers to promote efficient institutions, which North (1990) defines as producing growth. North (1981: 22) proposes a simple test of whether property rights institutions generate sustained economic growth, namely whether output grows faster than population – a notion that we utilize later.

3. Land rights in Iraq: social and economic conditions

According to Marion Farouk-Sluglett and Peter Sluglett (1983), agriculture in Iraq experienced steady decline from roughly the 10th to the late 19th centuries, starting with the Abbasids and continuing until the late Ottoman period. Campopiano (2012) links the neglect of irrigation networks in southern and central Iraq to the fall of the Sasanian Empire, while Ali (1955) and Baali (1966) link the decline to the fall of the Abbasid state in the 13th century. Nomadism (camel rearing) and pastoralism (sheep rearing) gradually replaced agricultural cultivation, as conflict between various tribes and the Ottoman and Persian Empires contributed to the decline in agriculture (Farouk-Sluglett and Sluglett, 1983). This coincided with the migration from the Arabian Peninsula of tribes that confederated for the purposes of defense. The result is that by the mid-19th century, the Ottoman state, which ruled Iraq until 1917, had control of the urban centers and nearby countryside only, leaving most agricultural land under the control of tribes that often alternated between settled agriculture, nomadism and pastoralism. The tribes practiced such activities on these lands so long as they could defend the area against other encroaching tribes, as warrior sheikhs depended on their tribesmen for warfare.

Iraq witnessed growing integration into the world economy in the late 19th century, as innovation in riverine and sea transport reduced the costs of conducting trade. There was a rapid rise in the value

⁸We do not consider judges. However, under this category, Libecap does list *judges*, who often enjoy life tenure in office, and are less vulnerable to pressure from lobbying than politicians. Due to the nature of the constraints they face (interpretation of the law), we argue that judges are closely related to the third group, namely *bureaucrats*, and should be treated within this category.

of seaborne trade from Basra port: exports, mainly of dates, wheat, wool, and barley, rose from an annual average of £0.94 million to £2.7 million from 1880–1884 to 1910–1913, while imports increased from £0.79 million to £3.17 million, with textiles the largest item (Owen, 1981). Exports of these crops remained key foreign exchange sources until their eclipse by oil in the 1950s. But the rise in trade in the late 1800s transformed a largely subsistence economy to one based on the export of agricultural goods (Hasan, 1970).

In 1869, as part of the Ottoman reform and modernization (*Tanzimat*) movement, the Ottoman state began to implement the Land Code of 1858 in Iraq, intending to extend central government control to facilitate tax collection and expand state authority to the countryside (Farouk-Sluglett and Sluglett, 1983; Yousif, 2012). The law introduced new forms of land ownership, including *miri tapu*, as the Ottoman state considered lands under the control of the tribes to be state, or *miri*, land. Provided that they proved continued use of the land for a specified period of time, individual cultivators could register the land in their names and subsequently donate, sell, or bequeath the asset as *miri tapu* (Yousif, 2012). And *miri tapu* land reverted to the state only under extraordinary circumstances, e.g. non-use of the land or the lack of inheritors (Farouk-Sluglett and Sluglett, 1983). The law's rationale was that hardworking peasant cultivators would agree to pay tax directly to the central government in exchange for security of tenure on land. This reflected prevailing conditions in Anatolia and the Balkans, where individual cultivators farmed their land. In Iraq, the law was in conflict with tribal customs, where land was controlled by the tribe as a whole with tribes competing for control of lands (Farouk-Sluglett and Sluglett, 2008). For a variety of reasons, including fears that registration was a prelude to conscription, individual cultivators were reluctant to register lands in their names; tribal sheikhs and urban entrepreneurs came forward to register lands under theirs instead. This gradually changed the nature of tribal relations, to where sheikhs came to see their tribesmen "more as a source of profit than efficient fighter" (Farouk-Sluglett and Sluglett, 1983: 495). Still, sheikhs had to marshal their tribesmen against incursions of other tribes and the Ottoman state, leaving tribal sheikhs in a precarious position. Thus, changes in technology, *vis-à-vis* innovations in transport, along with an altered institutional environment, provided the opportunity to establish new organizational dynamics within the tribe.⁹

In terms of its goals, the Ottoman land law mostly failed. Farouk-Sluglett and Sluglett (1983: 495) explain that: "Far from creating a class of yeoman taxpayers, the government gradually discovered that it had lost its powers of control and accountability over large tracts of valuable land." Yet the state had little *de facto* control over these lands and it did not possess the means to force *tapu* holders to pay tax, negating the revenue-generating intent of the law. The commissions set up by the law to facilitate land grants faced obstacles in carrying out their work, including inefficient and corrupt civil servants, a shortage of trained staff and the absence of cadastral surveys of land (see Ali, 1955; Owen, 1981). The Ottoman state suspended carrying out the law in 1881, fearing it had surrendered too much prime agricultural land (Yousif, 2012). By 1914, only a fraction of *miri* land had been assigned as *miri tapu*, which set the stage for conflict between the state and claimants clamoring for control of land (Farouk-Sluglett and Sluglett, 1983).

The insecure position of sheikhs was relieved during British military occupation and later the League of Nations mandate, 1916–1932 (see Batatu, 1978; Dodge, 2003; Sluglett, 2007). British fiscal constraints at the end of the First World War, and the need to economize on the use of British and Indian troops in favor of locals, partly explain the British bias toward tribal sheikhs, seen as indispensable for rural security (Batatu, 1978). The British viewed Iraq's rural areas as pure, undisturbed, and personified in sheikh and tribe (whose interest were one) – and as a political counterweight to the

⁹Haj (1994) disagrees with the view that exogenous economic and political shocks brought about the rise of sheikhs and, later, Iraq's grossly unequal agrarian relations. She argues that tribal sheikhs ably exploited existing tribal social arrangements – already stratified and differentiated rather than the egalitarian – to take advantage of rising global trade and Ottoman reforms to establish claims to land and gain economic and political ascendancy. Shocks provided the opportunity, but did not cause, the ascendancy of the sheikhs.

corrupt, edgy, and anti-British cities (see Dodge, 2003). In reality there was substantial disagreement within British officialdom that reflected contrasting approaches to Iraqi society. Dodge (2003) explores the “economic-rational” versus the “traditional” views of tribalism among British officials in Iraq; the former stressed the need to empower tribesman over sheikhs to achieve progress, while the latter saw the tribal sheikh’s position as the natural outcome of timeless history, to be protected against encroaching capitalism and modernity.

The latter position prevailed in the end and the British elevated the position of tribal sheikhs, with critical implications for Iraq’s political economy, specifically the evolution of land rights. According to Batau (1978), tribal sheikhs and the agricultural sector they dominated, at their largest in terms of output and employment during the 1920s, were lightly and undependably taxed during the occupation and mandate. Owen (1991) notes that Iraqi Ministry of Finance officials consistently complained in the 1930s about the under-taxing of agriculture, arguing that this placed political considerations above revenue generation.¹⁰

Moreover, the British introduced to Iraq a dual legal structure in 1916, confirmed by royal decree in 1924, whereby urban areas retained existing Ottoman laws while rural areas were governed by the Tribal Criminal and Civil Dispute Regulation (TCCDR), with sheikhs given sizable latitude in settling disputes among rural (seen as tribal) populations.¹¹ In fact, British occupation and later mandate represents a period of “discontinuous institutional change,” as elaborated by North (1990), *vis-à-vis* an occupying power implementing often radical changes to laws and rules. The British occupation and subsequent mandate was characterized by high expenditure on security and public administration, 70% of the total in 1921 to 1930, with the result that little was left to spend on human or physical capital formation (Owen, 2004). Despite this, the state remained relatively weak and, even though most land was technically *miri sirf* (state) land, it was unable to prevent tribal sheikhs from encroaching on it or on land controlled by other tribes; nor was the state able always to collect payment for its use. The Iraqi government appointed British land expert Ernest Dowson to study the land issue and put forward specific recommendations, with a view to reducing conflict and uncertainty over land claims. Dowson’s 1931 report argued for the provision of long-term (ten-year) tenancies to land, and for the allocation of land to those who could make the best use of it (Sassoon, 1987). These found expression in two laws: law no. 50 of 1932, amended later by law no. 29 of 1938, established Land Settlement Committees to survey agricultural land and *lazma* law no. 51 of 1932 created a new type of land tenure registration, similar to *tapu*, for people who could show productive land use in the last 15 years (Sassoon, 1987).¹² “Both laws are excellent examples of the rule-making, category-creating activities of the state,” and ways to conceptualize the workings of the state in the Middle East, according to Owen (1991: 161).

Despite their intention to settle property rights, the laws resulted in the consolidation of power and land ownership of sheikhs. Land Settlement Committee members were often inexperienced or corrupt (Ali, 1955). And very limited proof that a crop had been grown was expected to prove productive land use, which tribal sheikhs, politicians, high-level state officials and merchants, exploited to their advantage. Thus, large parcels of land passed into sheikhly hands (Owen, 1991), as Sassoon (1987: 162) explains:

[because of] the policy of consolidating the sheikhs’ power, the unwritten alliance between the sheikhs and the politicians, and the fact that tribal leaders were entering into partnership with politicians and urban merchants to develop their land.

¹⁰See Rasheed (1962) for details concerning Iraq’s taxation.

¹¹Dodge (2003) provides an excellent summary of the debates about TCCDR in and outside Iraqi bureaucracy.

¹²The resolution of land issues was viewed as vital for the new state of Iraq, as shown in a memorandum King Faisal I sent to close associates on March 15, 1932 (al-Hasani, 1982: 291):

The solution of the land problem will bind the population to the land, and this has important implications for the Sheiks and their influence. There is no need to elaborate its advantages and it should be implemented as fast as possible. The Sheiks and Aghas should not feel that the government’s intention is to wipe them out; rather as far as circumstances permit, the government should reassure them about their livelihood and well-being.

The amity between tribal sheikh and urban politician during the monarchy evolved slowly over time. Sheikhs initially represented a denial of the ideal of a unified polity (Batatu, 1978). Gradually, there was to some extent a convergence of interests (see Pool (1980) and Owen (1991) for an exploration of this theme). By the 1952–1953 agricultural census, a high degree of land concentration was evident. As al-Nasrawi (1994) reports, 13 proprietors owned between 50,000 and 100,000 donums, 21 owned between 100,000 and 200,000 donums and two owned more than a million donums each, this out of a total area of 14.5 million donums of agricultural land where the census was conducted. Likewise Eppel (2004: 98) reports that “1 percent of landowners held more than 50 percent of arable land, compared to 73 percent of *fellahin* who owned only 6 percent of the land.” According to Batatu (1978), tribal sheikhs in 1958 had rights over 2.8 million donums or 51% of the lands held by large landholding families (owning at least 30,000 donums), with merchants, the royal family and other *Sadah*¹³ controlling the remainder. If one includes tribal *Sadah* in the category of tribal sheikhs, the percentage rises to 69.

Along with the concentration in landholdings, there was an increase in cultivated land, but little change in farming methods, and hence stagnant or declining labor and land productivities. Although agricultural output and land data are lacking or incomplete, what are available indicate that agricultural output rose in the period of mandate and monarchy, as Table 1 shows for barley and wheat. However, this was due to more land being cultivated with the extension of irrigation, not higher land productivity. Cultivable land area (planted or cultivated plus fallow land) increased from roughly 37 million donums in 1930 to 48 million in 1952–1953 (Sassoon, 1987). But average soil productivity for wheat and barley declined gradually, from 225 kilograms per donum in 1919–1923 to 187 in 1934–1938 and 143 in 1953–1958 (Batatu, 1978).¹⁴ Over the longer period, the 1860s to the 1950s, Hasan (1970: 366) estimates an annual growth rate of 1.2 per cent per year in agricultural output and a 1.9% rise in Iraq’s population, even as the cultivated land area increased from less than 100,000 donums in the 1860s, to 1.6 million in 1913, to 16 million in the 1950s, or a doubling every five years from 1913 to 1958. This is broadly consistent with our own calculations of Iraq’s non-urban (rural plus nomadic) population growth rate of 1.5% per annum from 1867 to 1957 and of 1.8% for the total population, using estimates of population for 1867 provided by Hasan (1958: 344) and the Iraqi census of 1957 (Yousif, 2012: 40).¹⁵ Because of declining land productivity, agricultural output did not keep up with either the agricultural or total population – implying, following North (1981), inefficient property relations. These figures are also consistent with Mahdi’s (2002) conclusion that almost all of Iraq’s rise in agricultural output in the first half of the 20th century was the result of expanded inputs rather than productivity. The upshot was stagnant peasant incomes, estimated by the IBRD (1952) to be ID 20 (or £20) per annum in 1951 for a typical peasant household – a near-subsistence income level, meaning that incomes could not have risen much (if at all) from below this level. Increasing inputs of land and labor raise output but they do not raise living standards; innovations in production, making things with fewer inputs, is what that ultimately drives development and what existing institutions evidently could not provide.

Accordingly, politicians and the public were acutely aware of pervasive rural poverty and inequity in landholdings. Bashkin (2009) reviews lively public discussions of Iraq’s agrarian relations by intellectuals, officials and ministers during the monarchy. Politicians (see Baban, 1999; Kenna, 1966) argued for the reform of these relations. Warriner (1948: 116) notes: “In Iraq, unlike other countries of the Middle East, the reform of land tenure is the subject of genuine political discussion.” In fact, there was considerable variation in reform schemes proposed, as reflected in the Land Department’s proposals, studied later. Why land reform took the specific form it did is discussed next.

¹³Persons who claim descent from the Prophet Mohammad.

¹⁴Detailed exploration of the reasons for the decline are beyond the scope of this article. See Batatu (1978: 147–153) and Mahdi (2002).

¹⁵Estimates of nomadic and rural populations are used as they are primarily engaged in agricultural output.

Table 1. Production of wheat and barley in Iraq^a

Year	Wheat (1,000 metric tons)	Barley
1934–38	478	575
1946–50	373	703
1952–55	653	761
1956–58	883	917
1948/49–1957/1958	696	942

^aThe major agricultural output comprises wheat, barely, rice, dates, cotton and fruits.
Sources: Batatu (1978); El-Joumayle (2017); Fernea (1969).

4. Institutional reform: demanders *versus* suppliers

In March 1944 the regent, Prince ‘Abd al-Ilah, proposed that the state distribute land in parcels to peasants rather than to “influential persons on various pretexts” (Sassoon, 1987:172). Premier Hamdi al-Pachachi’s government put this into action in 1945 with the Dujaila Land Development Law, which distributed state lands to *fellahin* (Elliot, 1996). The central element of the law awarded landless cultivators 100 donums of land rent-free for ten years, after which the land was registered in their names (Burns, 1951). During the parliamentary discussion of the bill, al-Pachachi stated that he anticipated opposition from big landholders, highlighting that, while there had been previous attempts to distribute smallholdings in areas of al-Haweja and Abu Ghuraib, the proposed law aimed to avert the allocated lands ending up as parts of large landlords’ estates (Minutes of the Chamber of Deputies, 1944).¹⁶ The law was later expanded in 1951, during Nuri al-Said’s premiership (September 15, 1950–July 10, 1952) with the *Miri Sirf* Land Development Law, which extended the allocation of land to new areas (Adams, 1963; Bagley, 1957). The resulting land distribution projects are summarized in Table 2.

The enactment of land redistribution laws in this period reinforces the point made by Sassoon (1987) that – despite frequent change in governments – institutional policy under the monarchy was marked by some continuity, with current cabinets building on the work of the previous.¹⁷ Thus Elliot (1996: 166–167) concludes:

The most striking aspects of Iraq’s post-war monarchy was the political transformation that took place after Rashid Ali’s coup and the British reoccupation [in 1941], when the regime achieved a level of internal cohesion and peaceful competition in marked contrast with both the preceding period of independence and contemporary conditions in the Egyptian monarchy ... the whole tenor of Iraq’s politics strikingly more constitutional and less violent than before the Second World War.

The reform scenario

With the *Lazma* Law of 1932, *lazma* and *tapu* holdings rose from 9 to 21 million donums between 1943 and 1953 (Warriner, 1962). These laws “strengthened the powers of landlords in virtually all spheres” (Tripp, 2000: 70), contributing to the inequality evinced in the 1952/3 agricultural census. As Warriner (1962: 150) notes:

¹⁶The Iraqi parliament under the constitutional monarchy (1921–1958) consisted of an elected Chamber of Deputies and a king-appointed Senate; legislation had to pass both houses and be signed by the king, premier and responsible ministers. Owen (1991) refers to the Senate’s rejection in 1954 of a draft law that passed the chamber and aimed to allow the state to recover the cost of drainage projects of the Development Board. The influence of landholders was thus not limited to the Chamber of Deputies but extended to the Senate.

¹⁷For the period 1921–1958, there were 59 cabinets (al-Qazzaz, 1971), on average staying in office less than a year (Elliot, 1996). And, for the period, 1944–1958 (June 3, 1944–July 14, 1958), there were 25 cabinets: six of them were under the premiership of Nuri al-Said.

Table 2. *Miri sirf* land distribution projects in operation, 1957

Name	Date opened	Project size (donums) ^a	Units distributed (households)	Size of unit (donums)	Settlers' occupations and ethnicity
Dujaila	1945	250,000	1,540	100–200	Mainly Arab cultivators and retired urbanites of unknown ethnic origin
Hawija	1950	37,650	462	70	Arab and Kurdish cultivators
Shahrazoor	1951	32,500	380	70	Kurdish cultivators
Latifiya	1952	25,000	442	50	Arab cultivators and retired urbanites (about 40% of unknown ethnic origin)
Makhmoor	1953	7,200	100	68.66	Kurdish cultivators
Sinjar	1956	1,000,000	935	150–300	Yazidis cultivators and Arab nomads
Mussayib	195	303,000	431	66	Arab cultivators
Total		1,655,350	4,290		

Note: ^aA donum equals 0.62 acres or 0.25 hectares.
Source: Adams (1963).

From 1945 onwards successive Iraqi Governments have stated that their aim is to encourage small ownership by distributing state land to cultivators. During the same period settlement of title has proceeded steadily in the opposite direction.

At the same time, irrigation projects of the Development Board, set up in 1950 to invest Iraq's oil income, was bringing in more land belonging to the state under cultivation. As a result, 62% of arable land by 1957 was still formally *miri sirf*, with *lazma* and *tapu* land together making up only about 30% (Qubain, 1958). More land availability in principle enabled allotments to cultivators without dispossessing landholding sheikhs. The distribution of land would benefit the new owners directly and peasant farmers elsewhere indirectly as those working their own land would reduce labor supply elsewhere (Warriner, 1948), raising the bargaining power of peasants *vis-à-vis* landholders over time and building pressure to modify the contractual arrangements in favor of cultivators at the expense of sheikhs (Balogh and Hassan, 1958; Qubain, 1958). But this scenario assumed that there would be few political or economic obstacles to the process (see Franzen, 2009; Iversen, 1954).

The demanders: landowning tribal sheikhs versus effendis

In analyzing the demanders or private claimants, one ought to highlight the political differences between the urban and rural areas. Grassmuck (1960) posits that the differences between city and country became sharper after the Second World War as cities became areas of radical political movements and often experienced unrest, while the countryside continued to be the site of paternalism. New political actors, mainly *effendi* (educated urbanites), students, workers and professionals emerged in the cities, in part due to the spread of education, centered in urban areas.¹⁸ Intellectuals and professionals gravitated toward *effendi* parties, such as the National Democratic and Independence parties, as

¹⁸In the country as a whole the number of secondary school students increased from 229 in 1920–1921 to roughly 14,000 in 1940–1941 and reached 74,000 in 1958–1959 (Batatu, 1978).

well as the outlawed Communist party, which attracted large numbers of students and workers.¹⁹ These urban-based parties relied almost entirely on urban voters, and were critical of existing rural policies, notably, the concentration of landholding, the status of cultivators, and the TCCDR (Elliot, 1996),²⁰ often demanding progressive policies including qualitative land reforms. In contrast, landholders who dominated the countryside and were influential in national politics were alarmed by any hint of qualitative reform, fearing it would undermine their economic and political position: in the words of a high-ranking British diplomat, the idea of land reform “horrified” the tribal chiefs (Louis, 1991: 36). The tribal chiefs advocated the status quo instead, and opposed almost every progressive social proposal in parliament (Yousif, 2012). A problem for progressives was that their electoral base, while increasing, was still comparatively small: the urban population is estimated to have increased from 25% (or 808,000) of the total 3,289,000 in 1930 (the remaining 75% was rural and nomadic), to 38% (or 1,864,000) in 1947 to 41% (or 2,584,000) in 1957 (El-Joumayle, 2017).

Table 3 contains data about the representation of large landholders in the Chamber of Deputies (no comparable data are available for the Senate). As can be seen, the proportion of deputies who were tribal sheikhs or aghas (tribal chiefs in the Kurdish areas) was substantial and averaged between 32 and 38% of the total in the 1940s and 1950s, higher than their representation in the 1920s and 1930s (with the exception of the 1924 Constitutional Assembly).²¹ This occurred in the context of proportionally rising urban and declining rural populations, which the sheikhs formally represented. The Chamber of Deputies thus became a venue for advocacy of the conservative positions of big landholders, who sought to generate support for their land claims (Jwaideh, 1984). Tribal chiefs, as an interest group, did not have their own political party but ran for elections within organized parties or as independents, on occasion endorsing specific candidates.²² But tribal representatives were more influential and effective in the Chamber than emergent, urban-based parties that were electorally weak relative to the powerful landholders of tribal chiefs, who still dominated rural politics (Warriner, 1948, 1962).²³

To reiterate, interest group influence increases with comparative wealth, social class homogeneity, smaller group size, length of time that the interest group has existed (hence its ties to those in power) and ability to mobilize votes for its demands (Eggertsson, 1990; Libecap, 1989; Nabl and Nugent, 1989). The interest group for large landholders was comparatively homogeneous and fairly small, representing in parliament Iraq’s large rural population, whose interests over land rights ran counter to their own. Thus, a bloc of tribal deputies headed by Sheikh Hasan al-Suhail was formed in 1945 to respond to the land reform proposals, membership being restricted to tribal chiefs as *effendis* were barred from joining (Elliot, 1996). This bloc actively undermined attempts at qualitative reform, opposed the imposition of land tax and encouraged flood control projects (pursued later by the Development Board) to bring more land under cultivation, thus benefiting the large landholders. The bloc agreed to the Dujaila Land Development only after receiving word that there would be no qualitative reform and that the tribal chiefs themselves would receive land from the measure (Tripp, 2000). The desire of bureaucrats and politicians to reform property rights meant facing the electoral strength of big landholders (Gabbay, 1978); attempting qualitative reform would provoke a

¹⁹For an exploration of the role of ideology in institutional change, see Tan (2005).

²⁰For many urban Iraqis, sheikhs and tribal life were a symbol of backwardness. The sheikhs were regarded as wealthy, powerful remnants of British occupation. According to Fernea (1991), this was often a distorted image of the sheikh, who sometimes lived a modest life and was an important rural coordinator and administrator.

²¹The proportion of sheikhs in ministerial posts was smaller, at 6% of all posts in the period 1947 to 1958, but still higher than in 1932 to 1941 when the sheikhs held no positions (Sassoon, 1987).

²²The electoral process in the tribal areas was mostly the outcome of a compromise between the local government and tribal sheikhs (Baban, 1999; Kenna, 1966). Until 1952, the members of the Chamber of Deputies were elected by indirect election instead of direct. The process consisted of two stages, whereby the members of the chamber were elected by electors rather than directly by the citizens, giving the government and the palace some choice in the membership of the body.

²³As noted by an anonymous reviewer, a main reason behind this enhanced sheikhly representation is the British reoccupation of Iraq in 1941 and the British desire to balance nationalist and radical urban centers against patriarchal rural areas. Exploration of these is however beyond the scope of this article.

Table 3. Representation of sheikhs and aghas in Chamber of Deputies in selected years^a

Year	No. of sheikh and agha deputies ^b (1)	Total no. of deputies (2)	1:2
The Ottoman Parliament (Majlis al-Mabuthan) in 1914	1	34 ^c	2.9
The Constitutional Assembly of 1924	34	99	34.3
<i>Pre-Second World War</i>			
1925	17	88 ^d	19.4
1928	13	88	14.8
1930	14	88	15.9
1933	18	88	20.5
1937	21	111	18.9
<i>During and post-Second World War</i>			
1943	37	116	31.9
1947	45	135	33.3
1948	46	135	34.1
1953	49	135	36.3
1954 (June)	49	135	36.3
1954 (September)	51	135	37.8
1958	52	145	35.9

Sources: al-Qazzaz (1971); Batatu (1978); Elliot (1996); Pool (1980).

^aDuring the monarchical period, 16 Chambers of Deputies were elected (al-Qazzaz, 1971).

^bPool (1980: 341) listed some prominent tribal sheikhs in the twelfth Chamber of Deputies and the Constituent Assembly: Khayyun al-'Ubayd, tribal leader of the 'Abudah tribe and deputy in eight assemblies; Farhud al-Mughashghash' Abdallah Yassin, "one of the largest landowners in Iraq by the 1950s and representative for Kut in all but one of Iraq's assemblies; Manshad al-Hubayb, six times deputy until succeeded by his son Muhammad al-Manshad."

^cThis was the number of Iraqi deputies in the Ottoman Parliament.

^dElliot (1996) highlights that while the number of deputies remained constant at 88 until 1935, the number of seats was revised thereafter. Likewise, he stressed that there is a slight difference in the reported numbers from one scholar to another.

confrontation between the state and the sheikhs (Balogh and Hasan, 1958; Elliot, 1996). How politicians sought to resolve this dilemma is discussed next.

The suppliers: bureaucrats and politicians

Although we assume that all political actors (whether individual or part of a group) are motivated by the desire to maintain power (Eggertsson, 1990), we posit that the actions of politicians are not always narrow or immediately self-serving. While day-to-day actions may be motivated by immediate benefit, most actions in politics (as in life) are driven less by expectations of equivalent and calculable short-term gain than by long-term normative and emotional commitments to others (Eggertsson, 1996; North, 1981). With this in mind, we assess the suppliers of reform. What was the role of bureaucrats? Who were the main political actors? And, what constraints did they face?

While bureaucrats do not establish property rights, they are instrumental in defining, proposing, and enforcing such rights. Bureaucrats in the Land Department, the state authority charged with the grant of rights over state lands, developed a number of reform proposals during the premiership of Salih Jabr (March 29, 1947–January 27, 1948), including retaining the status quo. Warriner (1948) summarizes these:

- (1) Division of *Miri Sirf* lands into two.
First, land slated to be developed with canalization by the government, such as Abu Ghraib and the greater Iskandaria Scheme: title to land to be granted to cultivators by a special committee as *tapu* land with plots not to exceed 100 donums; committee decisions would be subject to Council of Ministers approval.
Second, lands not slated for development with canalization by the government: to be divided into plots not exceeding 10,000 donum for sale by auction to private investors.
- (2) The state to take back control of non-cultivated *tapu* lands, applying the same standards for non-cultivation as *lazma* lands (a lower standard than *tapu*).
- (3) The distribution of state lands to minor *sheikhs* as opposed to big *Sheikhs*, as minor sheikhs were more involved in organizing cultivation and irrigation.
- (4) The establishment of Dujaila-type colonization schemes on new state land (*Miri Sirf*), distributed in small plots to landless peasants.

All these proposals restricted large landowners, with (2) and (to a great extent) (3) representing proposals for qualitative change likely to fundamentally affect the existing power and wealth relations. Proposal (4) was the path of least resistance for politicians under prevailing political structures, being least unacceptable to powerful large landholders (Warriner, 1948). Based on 4, the *Miri Sirf* Land Development Law of 1951 was enacted during Nuri al-Said's premiership, expanding the Dujaila Land Development Law of 1945.

It is pertinent at this point to examine the paths to land reform taken by two prominent politicians: Nuri al-Said and Mohammed Fadhil al-Jamali. al-Said was a senior and central figure in Iraqi politics, enjoying great influence in the last decade of the monarchy. Between 1921 and 1958 he served 14 times as premier and 47 as a minister, developing a wide range of political clients and a support base (al-Arabi, 2005). He was conservative and the most influential political figure in the Iraqi elite from the older political generation. By contrast, the US-educated al-Jamali represented a new generation of liberal reform-minded politicians who championed internal reform to counter political radicalism (Baban, 1999; Louis, 1991).

From September 17, 1953 to April 29, 1954, al-Jamali was premier, after his nomination by newly crowned King Faisal II. While al-Jamali attracted a new generation of politicians in cabinet, the government itself did not have a parliamentary majority, and required the support of al-Said's political base in the Chamber of Deputies (al-Urzi, 1982; Elliot, 1996; Eppel, 1999).²⁴ The reform plan outlined by al-Jamali's cabinet included the reintroduction of land tax, the distribution of *Miri Sirf* land to peasants and the reorganization of government and social affairs (see Eppel, 1999). However, al-Jamali's relatively moderate reform efforts in land redistribution and tax, put forward by Finance Minister Abdul Kareem al-Urzi, ran into serious difficulties when the tribal deputies publicly opposed them.²⁵ Large landholders mobilized inside the Chamber and elsewhere to resist the government's proposals, forcing al-Said to withdraw his support from the proposal.

al-Said was not unthinkingly opposed to land reform, as we shall see. But he sought to avoid the instability that might result from the opposition of large landholders, many of whom were his political supporters and whose interests he carefully considered. al-Jamali (1964: 176, 188) described him as "a great disciple of King Faisal I and a great admirer of British methods ... [and] in social legislation and land reform he was very conservative and slow." In 1954 British politician Selwyn Lloyd agreed, viewing al-Said as a conservative and an advocate for the interests of the big landholders (Elliot, 1996). While aware of the land problems of rural Iraq and that its tribal structure was in decay (Louis, 1991), al-Said's first impulse was to maintain social and political stability, seeing the tribal system as critical for sustaining

²⁴ al-Said headed the Constitutional Union Party, founded in 1949, and composed of rural and urban conservatives who remained loyal to al-Said as long as he remained influential (Longrigg, 1953). *Sheikhs* and *Aghas* constituted about 25% of the party's managing committee (Batatu, 1978).

²⁵ Abdul Kareem al-Urzi notes in his memoir that Prince 'Abd al-Ilah told his close associates that the tribal chiefs would strongly resist a bill regarding *lazma* land that was then under consideration. So in his opinion there was no public interest in provoking the tribal chiefs at that time. See al-Urzi (1982).

rural order (Fernea, 1991); abrupt dissolution of the system threatened a power vacuum and disorder in rural areas, where most people lived, a void that existing state administrative capacity was thought unable to fill. British Ambassador Wright summed up al-Said's concern: "To be over-hasty in undermining tribal structure and traditions before there was something adequate to put in their place would only lead to chaos" (quoted in Louis, 1991: 46). This calculus was sustained despite the knowledge by Iraq's elites of the plight of cultivators and the shortcomings of prevailing rural relations, as attested by attempts at agrarian reform in, chronologically, the al-Pachachi, al-Said, Jabr, al-Jamali, al-Said, and Baban cabinets.

Interestingly, this period coincided with rising oil income. In 1952, Iraq signed new agreements that quadrupled per barrel revenue (Yousif, 2012), swelling oil revenues from £2 million in 1948 to £79.9 million in 1958 (Franzen, 2009) and making oil income the largest source of government revenue in the early 1950s. Oil revenues are seen to make the state less dependent on society, and less reliant on domestic groupings for revenue and taxation (Beblawi and Luciani, 1987). More detailed research is needed to study the effects of rising oil income in this period on, among other things, the regime's reliance on powerful tribal sheikhs. A main question is whether or not rising oil income – and the boon in investment funds and economic development that it promised – worked, paradoxically, to underline the value of continuity and stability, and if higher oil revenues dampened the perceived economic imperative for qualitative land reform. Ultimately, Elliot (1996: 212) explains that al-Said:

considered it foolish to undermine the existing bases of the regime in the hope of winning the approval of *fellahin* and *effendis*, arguing that government would be better to maintain [its political] bases and extend its support in other ways.

If so, al-Said was not alone in his assessment. Ahmed Muktar Baban, Iraq's last prime minister under the monarchy, reports in his memoirs that Prince 'Abd al-Ilah, who had advocated agrarian reform in 1944, made the following in reply to a land reform bill proposal from Finance Minister Nadim al-Pachachi in 1958: "The people of cities are huff on us, do you want the tribes to be huffed too. Please leave this issue now" (Baban, 1999: 124).

While placating his electoral base, al-Said, according to US Ambassador Gallman (1964), attempted to address some of the demands of the political opposition and emerging *effendi* group for land reform, adopting some of al-Jamali's proposals that he had earlier opposed (al-Jamali, 1969). Thus, al-Said embraced allocating *miri sirf* land to cultivators while allowing large landowners to retain their holdings, reasoning that this, along with Muslim inheritance laws that divided assets widely within the family, would gradually work to equalize landholdings.²⁶ In the end, al-Said's alignment with the tribal chiefs and wealthy landholders and his fear of political instability led him to oppose any qualitative reform that redistributed existing landholdings (Louis, 1991). This is consistent with Eggertsson's (2005) view that elected politicians generally prefer quantitative over qualitative policy change, embracing marginal change that keeps the underlying power distribution and wealth mostly unchanged. A powerful politician like al-Said could act independently to partially adjust the rules of the game, but he was still constrained by them. Politicians have an incentive to respond to constituents' lobbying to change formal rules, but "also have their own objectives and face other political and constitutional constraints" (Kingston and Caballero, 2009: 157).

5. Concluding remarks

Returning to the discussion in the beginning, at the micro level, this article shows how the powerful interest group of landholding tribal chiefs exercised their political influence under successive

²⁶A factor that tends to contribute to the reduction of inequality in land holdings over time, but not in the case of the landless, is inheritance – able to affect land distribution within 50 years, according to Kenna (1966). In law, all children – not only the oldest son – and widows were required to receive bequests, with few exceptions allowed. This effect is likely to be magnified by the practice of polygamy, which increases the number of eligible wives and children and leads to land fragmentation (Posner, 1980), although the practice was in decline in Iraq in this period.

governments from 1944 to 1958, shaping reform in a quantitative rather than qualitative direction and preserving existing economic relations, or what British civil servant Lord Salter (1955: 54–55) called “the line of least resistance.” Alston and Mueller (2005: 581) note that: “The protection of existing property rights is easier than changing property rights.” This is especially relevant when it is difficult to compensate those “who are in a position to veto changes in property rights.” One reason for the difficulty is the collective action problem. The losers of the status quo, the *fellahin*, had few powerful advocates, faced high private costs to organize and were formally represented by potent tribal chiefs whose economic interests opposed theirs, while progressive *effendi* representatives lacked enough power in parliament. Moreover, we show that, as Eggerston (1990) notes, demand-side analysis alone is insufficient to explain changes in property rights: despite the perceived poverty and inefficiency associated with the land tenure system (see Bashkin, 2009; IBRD, 1952), reform was limited and quantitative, because the supply of reform was initially blocked and later shaped by politically powerful landholders.

In terms of its effects on rural incomes and economic growth, the various schemes realized only limited success: there was no perceptible increase in agricultural growth and, overall, only minimal improvement in rural incomes. True, farmers who received land experienced higher incomes and reduced poverty (Adams, 1963; IBRD, 1952), as the reform intended. But there is no evidence of a permanent rise in agricultural productivity among land recipients: the incomes of recipient farmers rose from increased access to land and because they did not share their output with big landholders, not from improved methods of cultivation. Yields rose initially, but later declined as soil salinity increased. With the state’s limited provision of drainage, long-term declines in yields from salinity were not reversed (IBRD, 1952). And the pace of distribution was slow: after 13 years of land distribution under the various schemes, only 20,000 families had received land by 1958, with another 5,000 set to receive land in the following decade (al-Nasrawi, 1994: 27). Assuming an average family size of eight,²⁷ this translated to 160,000 persons or only 4% of the rural population,²⁸ most of whom were landless or had little land. That is, only a small portion of the rural population, the land recipients, experienced rising incomes from these schemes.

Even so, while quantitative land reform under the monarchy did not apparently promote economic growth, it is unclear that qualitative reform alone would have done so. When qualitative land reform was enacted after the overthrow of the monarchy in 1958, it too was impeded initially by limited state capacity, the slow pace of land distribution and poor provision of extension services: raising agricultural productivity required costly investments in land reclamation, modern drainage systems and extension services, as well as better state capacity (Mahdi, 2002). Granting land ownership has provided strong incentives to invest or innovate in other contexts (see Banerjee, 2000), but has been unable to reverse long-term declines in land quality in monarchical Iraq or immediately after.²⁹

Three further points come out of this paper and are noteworthy. First, our analysis points out the constraints that politicians, including senior ministers and the regent, faced in carrying out their agendas. Relatedly, second, we show how the monarchical state was not monolithic but diverse, with bureaucrats and politicians competing over antagonistic visions of development. Our analysis disputes the contention, expressed by al-Qazzaz (1971:267) and popular at the time, that “the parliament was a tool in the hands of the cabinet and it was dissolved whenever the cabinet considered it appropriate.” Third, the interplay of rising oil revenues, limited agricultural revenue, and the monarchy’s reliance on tribal sheikhs in the period merit closer study in future. Far from encouraging the nostalgia that has recently often accompanied discussion of Iraq’s monarchical period, our research reveals a complicated and contentious political economy and, more generally, explains how it is not always possible to enact popular or beneficial measures.

²⁷This is a rough estimate of average rural household size (IBRD, 1952: 132).

²⁸Based on 1957 Census figures quoted in Yousif (2012: 40).

²⁹An interesting issue that is beyond the scope of this article is how (or whether) Iraq’s monarchical political economy, dominated by powerful sheikhs and modest state capacity, could (or would) have financed or executed such investments

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