

THE NEED TO INTERSECTIONALIZE THE ANTI-WAR AND ANTI-ECONOMIC-GLOBALIZATION MOVEMENT

SUBTITLE: IRAQ: ECONOMIC GLOBALIZATION IN THE EXTREME.

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Iraq within the WTO, FTAA, etc

Globalization: the movement against ‘globalization,’ as it is presented in the media, is a movement rejecting what is being bundled along with trade and so-called globalization – against the set of transformative political policies that every country in the world has been told they must accept in order to make themselves hospitable to investment. This isn’t about trade – it is about using trade to enforce the McGovernment recipe, as Naomi Klein accurately calls, this happy meal of economic changes that is pushed by the WTO, WB, FTAA and others.

The core tenets of the World Trade Organization are “deregulation, privatization, ‘openness’ (to foreign investment, to imports), unrestricted movement of capital, and lower taxes.”¹

The core tenets of the World Bank’s structural adjustment policy include “the removal of restrictions on foreign investment, the abolition of public subsidies and labor rights, reduced state spending, deregulation, lower tariffs, tighter credit, the encouragement of export-oriented industries, lower marginal tax rates, currency devaluation, and the sale of major public enterprises.”

The Free Trade Agreement of the America’s (FTAA) takes it all a step further. “It would virtually eliminate barriers to foreign investment, strengthen investor rights (and gut consumer rights), eliminate tariffs, ban capital controls, and establish secret trade courts in which multinational corporations would be able to sue governments over health, labor, or environmental laws that could be shown to impede profits. The FTAA would actually go beyond NAFTA, with mandatory requirements that national markets be opened to foreign corporations not only for basic services such as banking and insurance but also for public services such as health, education, and water.”

And beyond the FTAA even is Iraq ... In the first summer of the US occupation of Iraq, Paul Bremer has pushed through more wrenching changes than the IMF has managed to enact over 3 decades in Latin America.

The US has imposed – unilaterally, and with no consultation with Iraqis (not even consultation with the US appointed puppets, a.k.a., the Iraq Governing Council) – severe economic transformations, including: deregulation, elimination of tariffs, a flat tax of 15% (with loop-holes big enough for US corporations allegedly working on reconstruction, such as Halliburton and Bechtel, to drive right through), removal of public subsidies, removal of any laws that differentiate between Iraqis and foreigners (and thus banning capital controls), a push for the sale of public enterprises and industries. And, further, the US has allowed all foreigners to purchase 100% of any Iraqi economic sector (except oil, which the US already has tabs on), and then removing 100% of the profits ‘without delay’! And it goes further. The banking industry has been opened to privatization. One US-appointed so-called Iraqi minister has openly stated that he is talking with a British firm about privatizing Iraqi water. State employees – who comprise the majority of employees – are still banned from forming labor unions.

In other words – the US government, with the aid of the US military (and the 20,000 private soldiers/mercenaries) are imposing an FTAA-like structure on Iraq. There is no need for secret courts, however, since the courts are the guns and bombs of the US military. (Note: we do not know the details of the FTAA agreement; the details have not been disclosed to the people most affected by them.)

The economic restructuring, that Paul Bremer was doing quite openly, is enforced literally on the blood of Iraqis (tens of thousands) and on the blood of 1,000 US soldiers.

As Arundhati Roy has stated, “Empire has a range of calling cards. It uses different weapons to break open different markets. You know the check book and the cruise missile.”

¹ William Finnegan’s *The Economics of Empire*”

And in Iraq – it is clear: we see the marriage of economic colonization and military occupation.

Details on impacts of economic changes imposed on Iraq

Two months before the invasion of Iraq began, USAID began drafting a work order, to be handed out to a private company, to oversee Iraq's 'transition to a sustainable market-driven economic system.' The winning company (KPMG offshoot Bearing Point) will take "appropriate advantage of the unique opportunity for rapid progress in this area presented by the current configuration of political circumstances."

The teams of KPMG accountants, investment bankers, think-tank lifers, and Young Republicans that populate the Green Zone have much in common with the IMF missions that rearrange the economies of developing countries from the presidential suites of Sheraton hotels the world over. Except for one rather significant difference: in Iraq they were not negotiating with the government to accept their 'structural adjustments' in exchange for a loan; they were the government.

What was imposed? If we just examine one of the many illegal orders imposed by Bremer, we can see the dramatic impact imposed on Iraq.

September 21, 2003: "Acknowledging the [U.S.-appointed] Governing Council's desire to bring out significant change to the Iraqi economic system," [although in late October 2003, the 25 members of Iraq's GC as well as the 25 interim ministers decided unanimously that they would not participate in the privatization of Iraq's state-owned companies or of its publicly owned infrastructure], Bremer allowed new, unrestricted, 100% foreign ownership of all "economic sectors in Iraq," except oil, and allowed 100% removal of their profits out of Iraq "without delay." Bremer Order #39, enacted on September 19, 2003, has five key elements: (1) Privatization of state-owned enterprises; (2) 100% foreign ownership of businesses in all sectors except oil and mineral extraction, banks and insurance companies (the latter two are addressed in a separate order); (3) "national treatment" of foreign firms; (4) unrestricted, tax-free remittance of all funds associated with the investment, including, but not limited to, profits; and (5) 40 year ownership licenses which have the option of being renewed. (Order 39, Foreign Investment) This is the most daring measure for swift liberalization of foreign capital inflow taken by a developing country – illegally imposed on it by an occupying power.

As revealed by the 2004 budget drawn by the occupying authority, privatization of public enterprises will be finalized by 2005.

If the oil industry is privatized before a reduction in the high dependence on oil revenue, then the only difference that Iraq will face is a change in the key player in its political economy: the foreign "devil" companies will replace the Iraqi "devil" governments. This is the worst scenario for Iraq. [with no economic stability, there can be no political stability. And whoever is imposed on Iraq will therefore have to maintain an iron hand [as desired by Thomas Friedman] – and conduct repressive actions.

Unless the so-called Iraqi Government makes radical changes of economic strategy and policies, there will come a time when economic problems, and poverty in particular, will cause an explosion. The so-called Iraqi government in this 'post-transfer of sovereignty phase' in Iraq has no authority, no ability to change laws imposed on Iraq illegally by Paul Bremer, to cancel any of the contracts, or to pass laws that will have influence in Iraq post-2005.

The economic model that has been imposed on Iraq, one that is based on shock-therapy-on-steroids, will have quite severe consequences. As Joseph E. Stiglitz, a Nobel laureate in economics, has written:

"When the Berlin Wall fell, the countries of Eastern Europe and the former Soviet Union began transitions to a market economy, with heated debates over how this should be accomplished. One choice was shock therapy - quick privatization of state-owned assets and abrupt liberalization of trade, prices, and capital flows - while the other was gradual market liberalization to allow for the rule of law to be established at the same time. Today, there is a broad consensus that shock therapy, at least at the level of microeconomic reforms, failed, and that countries (Hungary, Poland, and Slovenia) that took the gradualist approach to privatization and the reconstruction of institutional infrastructure managed their transitions far better than those that tried to leapfrog into a laissez-faire economy. Shock-therapy countries saw incomes plunge and poverty soar.

Social indicators, such as life expectancy, mirrored the dismal GDP numbers. More than a decade after the beginning of the transition, many postcommunist countries have not even returned to pre-transition income levels. Worse, the prognosis for establishing a stable democracy and the rule of law in most shock-therapy countries looks bleak. This record suggests that one should think twice before trying shock therapy again. But the Bush administration, backed by a few handpicked Iraqis, is pushing Iraq towards an even more radical form of shock therapy than was pursued in the former Soviet world. Indeed, shock therapy's advocates argue that its failures were due not to excessive speed - too much shock and not enough therapy - but to insufficient shock. So Iraqis better prepare for an even more brutal dose.²

What is happening... ?

In Iraq, we not only have the marriage of economic colonization and military occupation, but also an undeniable example of the failure of the neocon economic model. Recently, the Financial Times has declared Iraq “the most dangerous place in the world in which to do business.” It’s quite an accomplishment: in trying to design the best place in the world to do business, the neocons have managed to create the worst, the most eloquent indictment yet of guiding logic behind deregulated free markets.

As Arundhati Roy has stated, “Many of the foot struggles in [struggles against neocolonial occupations] will find, like those who fought apartheid in South Africa, that once they overcome overt occupation, they will be left with another battle on their hands – a battle against covert economic colonialism.” Iraq today is facing both together: a brutal neocolonial occupation, and a covert economic colonialism.

Iraq: an open marriage of economic globalization and militarization. Therefore, there needs to be an open marriage of anti-economic globalization fronts and anti-war fronts

So, what to do? We need to state quite clearly: end both the economic and military occupations of Iraq. Enough. Truly, enough.

... And the response?

As stated by Naomi Klein, “During the battles against NAFTA, there emerged the first signs of a coalition between organized labor, environmentalists, farmers, and consumer groups within the countries concerned. Only a few years later, the fight against globalization has morphed into a struggle against corporatization and, for some, against capitalism itself. It has become a fight for democracy. ... The real news out of Seattle is that organizers around the world are beginning to see their local and national struggles through a global lens.”

What is further needed is that this global lens through which we see economic globalization recognize the open marriage (an old one, but one that has grown more and more visible) between economic colonization and military occupation, and, thus, unite forces – from education to organizing – between the anti-economic-globalization movements and the anti-war movements.

In the US – these movements are only beginning to network together; dating, one could say.

On May 9, 2003 – eight days after Bush landed on the aircraft carrier under a banner that said ‘mission accomplished,’ Bush proposed the ‘establishment of a US-Middle East free trade area within a decade.’ Thus Bush himself made it clear: Iraq is tied not only to the Middle East – and thus to Palestine – Iraq is also tied to economic globalization. Thus: Iraq, Palestine, and another Free Trade Agreement have become openly linked by the Bush administration. As difficult as it is from an organizer’s perspective – those issues need to be linked by the movements for justice themselves.

²Iraq's Next Shock Will be Shock Therapy. by Joseph Stiglitz, [ZNet](#). March 17th, 2004

Let us write about Iraq within this scope – and not limit Iraq to discussions of military occupation. On a broader level, this means it is necessary to reject ahistorical presentations and narrow discussions.

What are we calling for?

- Deeper and more responsive democracies, locally, nationally, and internationally.
- Freeing people instead of freeing capital.
- Enforcing the human rights that make self-determination possible, such as the right to form independent trade unions. Economic rights and democratic rights are inseparable. So, there are long-delayed promises of economic equity that need to be fulfilled: land reform and reparations for slavery, for example.
- Ending apartheid in all its forms: racial apartheid, class based apartheid, and ethnic based apartheid. And working on a collaboration between these movements.

And, throughout, let us find strength and energy in the recognition that, as Howard Zinn has told us, we, we are the guardians of this system.

Let us not succumb to ‘practical’ dreams. It is only dreams that are viewed as unrealistic that are worth the energy. So, let us fill our hearts with hope and energy, and look back upon world history and realize -- it has only been those unrealistic dreams that have brought us closer towards a humane way of life.