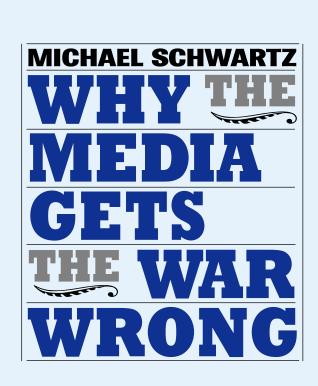
# CHAEL SCHWAR

INTRODUCTION BY TOM ENGELHARDT



ColdType

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### INTRODUCTION

### TOM ENGELHARDT

o a question from CBS's Bob Schieffer on Face the Nation — had his "over-optimistic" statements led Americans "to be more skeptical in this country about whether we ought to be in Iraq?" — Vice President Dick ("in the last throes") Cheney replied:

"No. I think it has less to do with the statements we've made, which I think were basically accurate and reflect reality, than it does with the fact that there's a constant sort of perception, if you will, that's created because what's newsworthy is the car bomb in Baghdad. It's not all the work that went on that day in 15 other provinces in terms of making progress towards rebuilding Iraq."

This was Cheney's version of an ongoing litany of not-enough-good-news complaints from officials of the Bush administration who are already preparing their (media) stab-in-the-back/we-lost-the-war-at-home arguments to cover their Iraqi disaster. ("A few violent people can always grab headlines and can always kill innocent people" was the way Condoleezza Rice put it on Meet the Press Sunday.) Missing, they regularly claim, are those quiet, behind-the-scenes stories of what's really happening in Iraqi life. They imagine such missing "good news" reports as those the U.S. Central Command regularly sends out in its weekly electronic newsletter with headlines like "Darkhorse Marines Deliver Wheelchair to Iraqi Girl" and "Bridge Reopens over Euphrates River."

In a sense, many Iraqis might go part way down this path with them. It's just that most of them would undoubtedly define the nature of those quiet stories about real life a bit differently than the Vice President and Secretary of State do. Last December, in an ABC poll (taken in conjunction with the BBC) which reflected a degree of

hopefulness about the elections soon to take place and the possibility of a better future, only 46% of Iraqis felt the country was better off than under Saddam Hussein (and those figures are guaranteed to be even lower today), while two-thirds opposed the very presence of U.S. troops in the country. When it came to "conditions in the village/neighborhood where you live," they were asked to "rate" a number of topics "using very good, quite good, quite bad or very bad?"

On the following topics, the "total bad" tally (combining "quite bad" and "very bad") went like this:

Availability of jobs 58%

Supply of electricity 54%

Availability of clean water 42%

Availability of basic things you need for your household 39%

Security situation: 38%

When asked to order their priorities for the next year, Iraqis ranked "the security situation" at the top of their list – think: Cheney's car bombs – but the other high percentage "bads" reflected a daily reality that the administration doesn't even bother to acknowledge. Unlike spectacular acts of suicidal violence, assassinations, bombings, roadside explosions, American raids, insurgent attacks on police stations, or mutilation murders, this daily reality really doesn't get the headlines or much notice most of the time in anything we read or see either. Yes, there are the odd newspaper stories on the lack of electricity in Baghdad or the near collapse of the Iraqi oil industry, but mostly subjects like lack of potable water, lack of fuel, and certainly lack of jobs are, at best, on the news backburner – and our understanding of the situation there suffers for that.

Among those quiet, behind-the-scenes stories of daily life that could be found on the political Web but rarely in the mainstream media were the draconian privatization plans the Bush administration imposed on Iraq after Baghdad fell. And yet, Michael Schwartz argues, if you don't understand what these plans did to the daily economic lives of most Iraqis, as our regular news just about never does, there is simply no way fully to grasp the dismal failure of the Bush administration in that country.

## WHY THE MEDIA GETS THE WAR WRONG

MICHAEL SCHWARTZ

he media loves anniversaries, the grimmer the better. On the third anniversary of the invasion of Iraq, our newspapers and TV news were filled to the brim with retrospectives on the origins of the Iraq war, reassessments of how it was conducted by the Bush administration, and reconsiderations of the current quagmire-cum-civil-war in that country.

An amazing aspect of this sort of heavy coverage of events past is the degree of consensus that quickly develops among all mainstream outlets on certain fundamental (and fundamentally controversial) issues. For example, the question of "what went wrong" in Iraq is now almost universally answered as follows:

The invasion was initially successful, but the plan for the peace was faulty. Bush administration officials misestimated the amount of resistance they would find in the wake of Baghdad's fall. Donald Rumsfeld and his civilian officials in the Pentagon ignored military warnings and did not deploy sufficient soldiers to handle this initial resistance. As a result, the occupation was unable to quell the rebellion when it was small. This first blunder allowed what was at best a modest insurgency to grow to formidable proportions, at which point occupation officials committed a second disastrous blunder, dismantling the Iraqi army which otherwise could have been deployed to smash the rebellion.

Bottom line: General Eric Shinseki was right. If the U.S. had deployed the several hundred thousand troops that he insisted were needed to lock down the country

(instead of hustling him into retirement), then the war would have been short and sweet, and the U.S. would now be well on its way both to victory and withdrawal.

This, I think, is a fair summary of the thinking on Iraq currently dominant in the mainstream media and, because it ignores the fundamental cause of the war-after-the-war – the American attempt to neo-liberalize Iraq – it is also profoundly wrong.

### A hurricane of privatization

he claim that the war has an economic foundation may sound strange in the context of American media coverage, because it is so unfamiliar. So let me begin by agreeing with two key points in the currently fashionable media analysis: The initial attack on Saddam Hussein's regime was a success and there was a moment – just after the fall of Baghdad – when the Bush administration might have avoided triggering a formidable armed resistance. The war and protocivil war of the present moment were not the inevitable result of the invasion, but of Bush administration actions taken afterwards.

We do not remember much of this now, but just after Saddam was toppled the American victors announced that a sweeping reform of Iraqi society would take place. The only part of this still much mentioned today – the now widely regretted dismantling of the Iraqi military – was but one aspect of a far larger effort to dismantle the entire Baathist state apparatus, most notably the government-owned factories and other enterprises that constituted just about 40% of the Iraqi economy. This process of dismantling included attempts, still ongoing, to remove various food, product, and fuel subsidies that guaranteed low-income Iraqis basic staples, even when they had no gainful employment.

Without going into the tortured details (forcefully described at the time by Naomi Klein in an indispensable Harpers article), this neo-liberal "shock treatment" was adapted from programs undertaken by the International Monetary Fund (IMF) and the World Bank all around the globe in the 1990s, including those that immiserated Russia after the USSR collapsed and that helped to bankrupt Argentina. Because the privatizers of the Bush administration were, however, in control of a largely prostrate and conquered country, the Iraqi reforms were enacted more swiftly and in a far more draconian manner than anywhere else on the planet. Within six months, for example, the American occupation government, the Coalition Provisional Authority (CPA), had promulgated all manner of laws designed to privatize everything in Iraq

except established oil reserves. (New oil discoveries, however, were to be privatized.) All restrictions were also taken off foreign corporations intent on buying full control of Iraqi enterprises; nor were demands to be made of those companies to reinvest any of their profits in Iraq.

At the same time, state-owned enterprises were to be demobilized and sidelined. They were to be prevented from participating either in repairing facilities damaged during the invasion (or degraded by the decade of sanctions that preceded it) or in any of the initially ambitious reconstruction projects the U.S. commissioned. This policy was so strict that even state-owned enterprises with specific expertise in Iraqi electrical, sanitation, and water purification systems — not to speak of Iraq's massive cement industry — were forbidden from obtaining subcontracts from the multinational corporations placed in charge of rejuvenating the country's infrastructure.

The elimination of all protections for local commerce quickly threw the market wide open to large multinational marketing companies. This resulted in an immediate surge of sales to the Iraqi middle class of previously unobtainable goods like air conditioners, cell phones, and all manner of electronic devices. Though few remember this today, many American journalists reported the influx of such goods as an early sign of coming prosperity – and of how successful an economy could begin to be once freed from the oppressive binds of state control and state ownership.

As it happened, though, this surge did not last into the winter of 2003-4. The problem, it turned out, was that the CPA-induced economic "opening" to multinational competition administered a series of death blows to locally based enterprises. First of all, shops selling any item that could be imported by foreign companies found themselves in the unenviable position of competing with lower-priced goods that the multinationals could either provide at such prices or afford to sell at a loss to capture the market (i.e., run the local competition out of business). So a depression swept through small business in Iraq, leaving neighborhoods without their normal complement of shops and without the income that they plowed back into communities.

Second, the demobilization of the army and the sidelining of state enterprises resulted in an almost immediate unemployment crisis. Even though many state enterprises continued to pay employees (for doing nothing) and the Coalition

Provisional Authority belatedly decided to pay Saddam's former soldiers (also for doing nothing), this money did not regularly reach the targeted groups. The fragmentary administration set up by the occupation was monumentally inefficient at delivering any services, including paychecks, and significant sums were evidently simply gobbled up by increasingly corrupt remnants of the Baathist administrative apparatus. As a result, millions of unemployed workers and soldiers, lacking the money to feed their families, also lacked the money to support local merchants.

These depressed neighborhoods became incubators for ferocious criminal gangs, who sought to redress their own economic hardship by looting public buildings and private dwellings of anything that might yield a return on the black (or export) market. Looting, which began with the fall of the government, became a permanent feature of Iraqi urban life once the occupation dismantled the Iraqi police force. As time passed without the establishment of effective law enforcement, criminality became organized and systematic, targeting professionals and shopkeepers who had substantial assets or retained incomes; while kidnapping for ransom became a regular fact of life for prosperous Iraqis.

As this crisis deepened, multinational corporations found they had sold just about all the appliances the market could bear and were no longer making sufficient profits to continue their marketing efforts in much of Iraq. So they simply withdrew from now-unprofitable local markets, leaving communities already sprinkled with the empty shops of bankrupt local merchants bereft of needed products and services. Those who still had incomes found it increasingly difficult to obtain needed resources. A reverse multiplier effect began to take hold as Iraqis who remained prosperous were forced to shop, work, or live outside their former communities, only depleting and depressing them further. Unemployment rates quickly exceeded 25% in many communities, and today — as this process reaches its third anniversary — nationwide unemployment estimates range from a depression-level 30% to a staggering 60%, depending on the source you consult.

### A response of savage repression

his economic debacle affected different parts of the country with differing degrees of severity. Containing a large proportion of the government apparatus and the commerce of the country, Baghdad, the capital, was hit with catastrophic force. Previously favored Sunni cities outside Baghdad, where the

largest proportion of state enterprises were located, were similarly devastated. In addition, it was from these communities that the bulk of demobilized government employees had been drawn.

The Shia cities in the South were strongly affected, but not as profoundly as the "Sunni Triangle." After 12 years of post-Gulf-War-I autonomy under the Anglo-American "no-fly zone," the Kurds were largely shielded from the economic destruction. In effect, their isolation from the Iraqi economy now insulated them as well from the neo-liberal depression wrought by the U.S occupation.

Naturally, then, the discontent was most ferocious in Sunni areas, substantial in Shia areas, and relatively mild in the Kurdish ones. By the fall of 2003, as anger mounted, so did the protests, with the largest and most insistent coming from Sunni cities and the Sunni areas of Baghdad. These protests were made more pronounced by the residual loyalty many Sunnis held for the Saddam regime and their greater sense of violation from the invasion.

At first, many of the protests were peaceful, focusing either on local economic issues, or on general conditions that were worsening, not improving, after months of occupation. Typically, people demanded services and jobs from the CPA. It is now lost to history, but the run-up to the ferocious first battle of Falluja in April, 2004 – triggered by the mutilation of four private security contractors – actually began a full year earlier when American troops fired on a peaceful protest organized around a host of local issues, killing 13 Iraqi civilians. It was exactly this sort of ferocious reaction to peaceful protest that made the U.S. military such a factor in the stoking of what would become an ongoing rebellion.

In fact, in 2003, the occupation response to protests was forceful, almost gleeful, repression. Top officials of the CPA and the U.S. military command considered these demonstrations, peaceful or not, the most tangible signs of ongoing Baathist attempts to facilitate a future return to power. They therefore applied the occupation's iron heel on the theory that forceful suppression would soon defeat or demoralize any "dead-enders" intent on restoring the old regime. Protests were met with arrests, beatings, and – in any circumstances deemed dangerous to U.S. troops – overwhelming, often lethal military force. Home invasions of people suspected of anti-occupation attitudes or activities became commonplace, resulting in thousands of arrests and numerous firefights. Detention and torture in Abu Ghraib and other American-controlled prisons were just one facet of this larger strategy, fueled by

official pressure – once a low-level rebellion boiled up – to get quick information for further harsh, repressive strikes. In general, the Iraqi population came to understand that dissent of whatever sort would be met by savage repression.

This policy might have worked if, as Bush administration officials regularly claimed, the resistance had indeed been nothing but remnants of the Saddam regime, thirsting for a return to power. It might even have worked – or at least worked somewhat better – if the growing resistance had rested only on the anger people felt about the occupation of their homeland by an alien army. In these circumstances, protestors might have decided to bide their time in the face of overwhelming demonstrations of force.

It was, however, an unworkable policy in the face of a deepening disaster caused by the CPA's own economic nostrums which, by generating new problems, kept recruiting new protestors (and deepening the anger of existing rebels). In this context, the CPA's heavy-handed responses were like oil to the flames. The rearguard of a deposed regime was a tiny part of their problem when protest and rebellion were fundamentally being fueled by a rapidly growing economic depression endangering the livelihoods of a majority of the Iraqi population.

In such circumstances, each act of repression added the provocation of brutality, false arrest, torture, and murder to the economic crimes that triggered the protests to begin with. And each act of repression convinced more Iraqis that peaceful protest would not work; that, if they were going to save their lives and those of their families, a more aggressive, belligerent approach would be necessary.

### **Ignoring eternal verities**

n this context, the American policy of repression backfired royally, stoking an ever angrier, more violent, more widespread, better supported resistance. Eventually, in both Sunni and Shia areas, major uprisings occurred and, in the Sunni cities, these developed into more-or-less continuous warfare that, by November, 2005, resulted in about 700 small-scale military engagements per week.

Could the U.S. have suppressed even this economically driven rebellion, had it flooded the country with American troops (as General Shinseki recommended) and kept Saddam's army more or less intact, using it — as Saddam had — to suppress growing discontent? Perhaps, but as long as American administrators were intent on privatizing the country, this too might have backfired. As a start, the American Army

was not trained or prepared to act as the sort of local police force that might have contained protests generated by economic discontent. Even Shinseki's estimates rested on the existence of a viable Iraqi military to maintain law and order. Yet, retaining an army after overthrowing a government and rearranging its economic foundations is quite a different feat from retaining one after a coup-d'état that changes little except the leadership. CPA officials rightly feared major resistance from all the forces that served, and were served by, the old system, including the military, which in the Iraqi case benefited from government-controlled enterprises as much as any other part of the establishment.

Certainly, an alien army entered Iraq, destroyed that country's sovereignty, and stoked nationalist resentments. But major media outlets in this country have lost track of the fact that what also entered Iraq was an American administration wedded at home and abroad to a fierce, unbending, and alien set of economic ideas. By focusing attention only on the lack of U.S. (and Iraqi) military power brought to bear in the early days after the fall of Baghdad, they ignore some of the deeper reasons why many Iraqis were willing to confront a formidable military machine with only small arms and their own wits. They ignore — and cause the American public to ignore — the fact that there was little resistance just after the fall of Baghdad and that it expanded as the economy declined and repression set in. They ignore the eternal verity that the willingness to fight and die is regularly animated by the conviction that otherwise things will only get worse.

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