

Preface

This is an attempt to write the book that I wish I had read before getting off the plane in Iraq in 2005. By that time, I had read or at least scanned several hundred books, journal articles, and research studies on the post-1955 political economy of Iraq. What I was not able to find was a single recent work that attempted to provide an integrated study of the entire political economy. The books by Lord Salter (1955), Abbas Alnasrawi (1994; 2002), Kamil Mahdi (2000; 2002), and unpublished studies by the World Bank and the International Monetary Fund were excellent and generously repaid a close reading. But these and the other similar works were either outdated or included only some of the key sectors and challenges facing post-2003 Iraq. What I needed was a recent work written, not for my colleagues at the University, but for the intelligent layman and women that I worked with for a total of 25 months in Iraq. I needed a work that attempted – in an integrated fashion – to describe, analyze, and make policy recommendations for almost the entire political economy of Iraq. The reader must judge whether I was successful.

My thinking on the most important challenges facing Iraq has evolved significantly. If I had been asked just before the Air Force transport made its nighttime “corkscrew landing” into Baghdad International Airport in May 2005 then I would have said that increasing oil exports and restoring agriculture production were the most important economic challenges facing the country. However, when I left Iraq for the last time in June 2009 as a business class passenger on a daylight flight in a comfortable commercial jet airliner, I was convinced that, as important as the petroleum and agricultural sectors are, the greatest barriers to accelerating Iraqi economic development are corruption and regulatory hostility towards private business. As a result, I consider Chapter 4 (Corruption) and Chapter 10 (Entrepreneurship) to provide the most value added.

The arrangement of the book is as follows. Chapters 2 and 3 provide overviews of Iraq’s real growth, unemployment, and inflation followed by discussions of health, poverty, education, and gender issues. Chapters 4 through 6 are devoted to the three dominant characteristics of the political economy of Iraq: corruption, political instability, and petroleum. Chapters 7 through 12 each focus on a sector of the Iraq economy:

agriculture; financial intermediation; state-owned enterprises; entrepreneurship; infrastructure and essential services; and international trade and finance. Chapter 13 discusses fiscal, monetary, and exchange rate policy. The last chapter (Chapter 14) tries to isolate the major trends that will determine the characteristics of Iraq in 2025. This chapter ends with seven policy recommendations.

Several disparate groups have shaped my thinking. Most importantly, I am indebted to the military, diplomatic, consultant men and women with whom I shared 70 hour work weeks in Iraq for 25 months in 2005–2006 and 2008–2009. During the same period, the Iraqi businessmen, academics, and government officials that I had the opportunity to converse with provided valuable insights and their patience was gratefully appreciated. I am also grateful to those friends and acquaintances that work in academics or for the government who provided valuable comments on earlier drafts of parts of this book. Finally, the Lehigh University undergraduates who enrolled in my “Political Economy of Iraq” course were a tremendous help in organizing the material for optimal presentation.

If I tried to list all the names of those that provided useful insights into the political economy of Iraq then I would greatly exceed the publisher’s word limit and probably accidentally leave someone out. However, I am especially indebted to Karen Puschus, Wendy Polhemus, Kat Woolford, Paul Savello, June Reed, Brian Moore, Andrew Gough, Kevin Darnell, Glenn Goddard, Larry Milam, Terry Kelly, Samee Desai, Frank Mulcahy, Ian Furgerson, Tony Meyer, Chris Canniff, Tim Kane, Scott Chando, John Holmes, Jeffrey Butcher, Pat Carroll, Frederick Alegre, Karl Schwartz, Miriam Lutz, Tony Daza, Martin Sierra, Seung-gu Weon, Sam Korab, Janet Rudasil-Allen, Sandy MacMurtrie, Ali Bachani, Tim Fawcett, Tim Curran, Susan Maybaumwisniewski, Jeff Peterson, Robert Looney, Joe Banavige, Keith Crane, Mercedes Fitchett, Andrew Wallen, Anderson Warner, Nancy Blacker, Kim Faithfull, Terry Kelly, General Paul Lefebvre, and many others.

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A note on spelling. There is no standard transliteration of Arabic into English. Even Government of Iraq publications will use different spellings of the same Arabic word, sometimes in the same document. For example, the province and city in Northern Iraq can be rendered as Arbil, Arbīl, Erbil, Irbil, and so on. For the names of geographic locations – provinces, cities, rivers, and so on – I have tried to consistently use the spelling of the National Geographic Society. This usage is primarily a matter of convenience since I have made constant use of their maps.