

US occupation authority tramples on Iraqi workers' rights

Alex Lefebvre

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The legal and economic position of workers in Iraq gives the lie to the Bush administration's avowed democratic intentions in the occupied country. Few reports on the subject have appeared in the establishment media. However, what information has filtered through demonstrates that the American government has no intention of protecting the democratic rights of the working population.

Journalist David Bacon, who traveled to Iraq in late October, has written several articles on the state of labor relations in Iraq, detailing the anti-democratic methods of the US occupying authority, the Coalition Provisional Authority (CPA), in dealing with public sector workers, who constitute the majority of the Iraqi workforce. On October 30 he gave an interview at *democracynow.org*, and on November 9 the *Los Angeles Times* published an article by Bacon titled "An Anti-Labor Line in the Sand." He maintains a list of some of his articles on a web site, *dbacon.igc.org*.

According to documents available on the CPA's web site, the CPA last September imposed a wage scale on public sector workers: \$60 per month for most workers, \$120 for a small section of skilled workers, \$180 for administrators and managers, and \$400 for high officials.

The monthly \$60 payment is roughly equivalent to the salary level for most government workers during the last years of Saddam Hussein's regime, when UN-imposed sanctions were devastating the country's economy. However, the CPA has eliminated profit-sharing and subsidies—notably for food and housing—that the Hussein regime granted its employees.

As a result, public sector workers in Iraq find it increasingly impossible to make ends meet. In an article published on November 9 in the *Los Angeles Times*, Bacon wrote: "At the Al Daura refinery on the outskirts of Baghdad—one of three such huge installations in Iraq—the plant manager knows workers can't live on their salaries, which average \$60 per month, so to keep them working he gives them oil, which their children hawk daily outside the plant."

The CPA refuses to grant Iraqi workers collective bargaining rights, in violation of the statutes of the UN's International Labor Organization (ILO), to which the US is a signatory.

In discussions with Iraqi workers, Bacon discovered that the CPA continues to enforce a 1987 law passed under Saddam Hussein that bars public sector workers from organizing unions or engaging in collective bargaining. In an interview published on

democracynow.org, Bacon said: "We met with the assistant minister of labor, Dr. Nouri Bashad, and his British minder, a woman named Leslie Findley, and asked them point blank, first of all, if the Coalition was going to continue enforcing the 1987 law. They refused to answer that question."

Bacon told *democracynow.org* that CPA chief Paul Bremer has declared strikes to be illegal, branding strikers the enemies of US soldiers. In June 2003, when Bremer cancelled scheduled municipal elections, he issued a list of "prohibited activities," for the most part targeting the Iraqi media.

According to Bacon, "Item B under prohibited activities is encouraging anybody to organize any kind of strike or disruption in a factory or any kind of economically important enterprise. And the punishment for this is being arrested by the occupation authority and being treated as a prisoner of war."

US forces have detained union activists engaged in peaceful demonstrations, including Qasim Hadi and 54 other members of the Union of the Unemployed, who staged a sit-in in early August to protest US treatment of the unemployed and the activities of US corporations in Iraq.

Despite a current unemployment rate of 70 to 75 percent, CPA authorities have not set up any system of unemployment benefits. Bacon told his interviewer on *democracynow.org*, "[Assistant Minister of Labor] Bashad went on a long explanation of the new unemployment benefit system he intended to set up and concluded by saying, unfortunately, we can't find any country that's willing to fund it. That includes the United States."

Nor are Iraqi workers the only laborers facing difficult conditions in US-controlled Iraq. Poorly paid foreign workers brought in from throughout the region have become essential to running the US administration, despite Iraq's gigantic unemployment rate. When asked by the British daily *Financial Times* about the importation of low-wage foreign workers, Colonel Damon Walsh, the head of US procurement in Iraq, said: "We don't want to overlook Iraqis, but we want to protect ourselves. From a force protection standpoint, Iraqis are more vulnerable to a bad guy influence."

An anonymous Pakistani manager for the Tamimi company, a subcontractor for Halliburton subsidiary Kellogg, Brown and Root, put it more bluntly: "Iraqis are a security threat. We cannot depend on them."

Some 1,800 Pakistani, Indian, Bangladeshi, and Nepalese workers receive \$3 per day from the Tamimi Company, which

organizes 180,000 meals daily for US forces in the region. These workers are given leave only once every two years. Tamimi hires “a few dozen” Iraqis for cleaning.

The low wages, poor working conditions and anti-union regulations enforced by the US occupation forces reflect the general policies of the Bush administration and its corporate backers in the US and throughout the world. An organization of labor activists opposed to the invasion of Iraq, USLAW (US Labor Against the War) published an investigation showing that the 18 main American corporations receiving US government contracts in Iraq were either non-union companies or largely non-union companies with a history of opposition to unionization.

The Bush administration’s anti-democratic treatment of workers and unions in Iraq flows from the essential character of the invasion and occupation of the country. The economic policies of the CPA are in line with an overall plan to eradicate all vestiges of state control and open the country and its oil resources to unrestrained exploitation by US-based corporations. In so far as American companies plan to hire Iraqi workers, they want a labor market that is stripped of any genuine labor rights or protections, so that they can subject the work force to brutal levels of exploitation.

The Bush administration’s ultimate program for Iraq’s economy is to break up and sell off Iraq’s assets to international investors, in the style of the “shock therapy” that virtually destroyed the economy of the former USSR and facilitated the theft of industrial and financial assets.

Such considerations underlay the decision of the victorious US forces, after the fall of the Saddam Hussein regime, to allow looters to plunder government facilities, including museums holding cultural and historical treasures dating back thousands of years. Once in control of the country, the occupying forces ordered mass layoffs, most notably in the army. They cancelled all tariffs protecting Iraqi industry on June 8, and severely slashed subsidies to state-owned enterprises. Finally, the CPA passed its Order 39 on September 21, sanctioning 100 percent foreign ownership of Iraqi companies and the repatriation of all profits earned by those companies to investors abroad.

These policies have had a devastating effect on the Iraqi economy, reflected in the first instance in the country’s staggering unemployment rate. Other indices give further evidence of the economic disaster produced by the US invasion and occupation.

On October 10, the BBC reported on estimates provided by the World Bank, which concluded that the Iraqi economy will have shrunk by 22 percent by the end of this year. Average yearly income per capita will have fallen from \$3,600 in 1980 to \$770-\$1,020 in 2001 to \$450-\$610 in 2003. The German foreign ministry’s web site, in an economic analysis of Iraq, indicates that a mere 12 percent of the country’s industrial capacity is currently being utilized.

Mark Malloch Brown, administrator of the UN Development Program, told the Associated Press on November 4 that 60 percent of Iraq’s population depends on UN food shipments. This echoed a June 2003 report by Quest Economics Database, cited in an August 28 *Washington Post* article, according to which “the majority of Iraqis are ... jobless, penniless and dependent on UN

food handouts.”

These food “handouts” were, in fact, paid for by sales of Iraqi oil through the UN oil-for-food program, which has now come under CPA control. The *Post* added that Iraqis often sell some of their food rations to get money for other necessities, like medicine.

The Bush administration’s longer-term plan to sell Iraqi assets to foreign investors through privatization has run into serious difficulty. One problem is that such sales violate the 1907 Hague Convention on the laws of war, since they are illegal under the Iraqi constitution, which US occupying forces are legally obliged to obey whenever possible. More significantly, the inability of US forces to put down armed Iraqi resistance has discouraged potential investors.

An article published in the *Boston Globe*, detailing tactical objections to Bush’s plans by more liberal-leaning establishment economists such as former World Bank chief Joseph Stiglitz and the architect of Poland’s post-Stalinist “shock therapy,” Jeffrey Sachs, made it clear these plans could be realized only through plunder. It said: “Given the violence and the uncertain legality of the sales of state enterprises, the only way foreign investors will be enticed to enter Iraq is to be allowed to purchase assets for far less than they are worth, economists say.”

The economists with whom the *Globe* spoke ultimately emitted pious hopes that “Iraqization” might make privatization more palatable to the Iraqi working masses. The *Globe* wrote: “Experts argue instead for a gradual economic transition that would preserve some subsidies and delay privatization until a sovereign Iraqi government takes office.”

However, even if US forces were able to set up an Iraqi puppet regime, it would encounter mass hostility to such projects. Not only would they involve selling off Iraqi state property to foreign investors, but they would involve the mass impoverishment of large sections of the population. When David Bacon spoke to the Al Daura refinery’s manager, he told Bacon that with privatization, “I’ll have to fire 1,500 [of the refinery’s 3,000] workers. In America, when a company lays people off, there’s unemployment insurance, and they won’t die from hunger. If I dismiss employees now, I’m killing them and their families.”

In this context, the CPA views any organization that could mobilize workers in opposition to the Bush administration’s goals with hostility and fear. As Bacon told his interviewer on *democracynow.org*, “workers are motivated to form these unions, both by the fact that they’re unhappy over their economic situation in the wake of the Occupation, but also because they’re very concerned about these plans for privatizations that are being announced almost daily in the newspapers in Iraq.”



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