

21/04/2003

Reconstruction or privatisation?

PRIME Minister Datuk Seri Dr Mahathir Mohamad is right in saying that the United States and Britain have a duty to restore Iraq's economy since they destroyed it through their invasion.

The United Nations should participate fully in the political reconstruction of Iraq, ensuring a swift transition to an Iraqi interim government which serves the interests of its people and not the interests of the invaders. The UN too must ensure the fulfilment of the American and British commitment - in terms of money - to restore Iraq's economy and rebuild its physical infrastructure and public amenities.

The cost of the physical reconstruction of Iraq has been estimated at more than US\$100 billion (RM380 billion). At the rate America is dishing out the contracts to its companies, the mantra is: To the victor the spoils. USAid has been awarded four contracts worth US\$82 million, and now Bechtel Corp has been granted a contract that could reach US\$680 million to repair the power, water and sewage systems, roads and a seaport.

Considering that the US Congress' US\$80 billion supplementary budget includes US\$5 billion for reconstruction, there's good reason for American companies to cheer and Wall Street to be buoyed by what their boosters call the "war dividend".

What we find repulsive is that America seems to have missed the point. Construction contracts - particularly those using Iraq's oil money - should be designed to build up and compensate Iraq, not fatten carpetbaggers' bank accounts on the damage and destruction wrought by war. The bidding for contracts has been slanted towards firms with White House connections, in a winner-takes-all grab that is more in keeping with Third World cronyism than American idealism. US and other international companies (if ever the US allows any to come in) participating in its rebuilding should renounce all the profits gained from this humanitarian exercise.

It would appear that the reconstruction is nothing more than a privatisation of Iraq's commercial sectors and public services. You have to give President George W. Bush credit for this innovative but illicit way of spreading free trade: Seize the new markets on the battlefields of pre-emptive wars and bomb before you force free trade on your own terms upon this "liberated" country.

In the words of the European Union's Commissioner for External Relations, Chris Patten, it is "exceptionally maladroit" for the US to keep all the fat contracts for itself.

The question is: Shouldn't the US and Britain engage in reconstruction without an iota of profit in mind? Or was the war on Iraq all about the money?