

Impact of the Occupation on the Iraqi People and Economy



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1. Destruction of the State and the Physical Infrastructure

- The Anglo-American war against Iraq overthrew its political and institutional regime and led to the occupation. Nearly all the state and its basic institutions as well as the civil installations belonging to the Iraqi community were destroyed.
The infrastructure facilities which have been destroyed included power transmission lines, communication systems, potable water and sewage treating plants, medical and education centers, irrigation plants, high ways, bridges, factories, government buildings, ware houses, university labs and scientific research centers, the basic services in industry and agriculture, in short: all things necessary for the efficient performance of the government and the society as a whole.
- Tremendous and horrible losses of the very valuable monuments, museums and manuscripts that narrate the Iraqi history.
- Looting, Sabotage and steeling operations in Bagdad were taking place on the eye of the occupation forces, in many cases with their help and participation. Many ministries and departments have been destroyed and burnt after being emptied from their official archives, documents and papers.

2. Wasting and Stealing Iraqi Funds and Oil Revenues

Huge funds have been stolen or wasted by the occupation authorities and their agents and co-workers. Here some examples:

- Decision of the US administration to get hold of all Iraqi assets and funds all over the world which totaled 13 billions dollar.
- Confiscation of Iraqi funds in the USA (3 billions Dollar).
- Enforced transfer of funds from the Iraqi UBS account (Swiss bank) to the Americans.
- The occupation authorities got hold of the accumulated oil-for-food program funds (till March 2003 about 21 billion dollar).
- In the first occupation weeks the American troops got hold and collected in special government buildings in Baghdad about 6 billion Dollar as well as 4 billions from the Central Bank and other Iraqi banks.
- Colletion of 2 billion Dollar from Iraqi funds in Arab and other foreign banks (emergency national reserves).

Now the big wonder or question: where did all these funds go?

Instead of setting an account in the Iraqi Central Bank for depositing these funds as well as the oil export funds, the occupation authorities set the account ("Development Fund for Iraq") in the American Central Bank, New York Branch, where all financial operations are being done in top secrecy.

There were many reports from national and international institutions about the wasting of the money of the *Development Fund for Iraq*. In many cases, the fate of the funds concerned was a confusing mystery. Here only three examples: The *UN Financial Monitoring Agency* criticized the way of spending more than 11 billion Dollar of the Iraqi oil funds: "The money was a subject of swindling and embezzling". The British organization "Christian Aid" reported that Paul Bremer (the American ruler of Iraq) had stolen 4 billion Dollar, and in another report the organization wondered about the destiny of 20 billion Dollar. The *International Advisory and Monitoring Board* showed that the handling of the Iraqi funds represents a case of absolute corruption and presented many examples.

After the fall of Baghdad and the loss of law and security the oil industry was out of control, and the industry management could not prevent any illegal actions against the oil facilities. The mafia (criminal gangs) which came with the occupation forces found it easy for crude oil and products smuggling operations, and the occupation forces did not take any actions to stop these operations. Crude oil and oil products were smuggled to Iran and the Gulf states as well as to Turkey, Syria and Jordan.

Since March, 2003 the occupation authorities and their agents are responsible for the whole oil sector. Here many questions arise:

- Why are oil exporting and contracting jobs done in such a secret way and according to an abnormal practice not controlled by any usual or ordinary procedures?
- How are the oil revenues transferred and for whom?
- Why are the oil revenues held by the Americans?
- Why has no portion of the funds been used to rehabilitate the oil industry and raise its production capacity to its previous rate of 3.5 million barrel/day?

3. The Centrality of Iraq's Oil for US Strategic Interests: The War was about Oil

When critics have called the Iraq War a case of "blood for oil", George W. Bush's defenders have dismissed them as "conspiracy theorists". But later, many senior Bush administration officials, including former chief of staff Lawrence Wilkerson and the Governor of the Federal Reserve Bank Greenspan, admitted frankly that the war was about oil.

Wilkerson said: "We had a discussion in the State Department's Office of Policy Planning about actually mounting an operation to take the oilfields of the Middle East, internationalize them, put them under some sort of U.N. trusteeship and administer the revenues and the oil accordingly. That is how serious we thought about it." The Centrality of Iraq's oil in Wilkerson's blunt comments contrasted with three years of assurances from the Bush

administration that the war had almost nothing to do with oil. Iraq sits atop one of the world's largest known oil reserves at a time when international competition is intensifying to secure reliable oil supplies.

Bush's first National Security Council (NSC) meeting just days into his presidency included a discussion of invading Iraq. Former Treasury Secretary Paul O'Neill said even at that early date, the message from Bush was "find a way to do this". Oil and Iraq were soon mixing in the administration's thinking about energy and politics. On February 3, 2001 – only two weeks after Bush took office – an NSC document instructed NSC officials to cooperate with Cheney's Energy Task Force because it was "melding" two previously unrelated areas of policy: "the review of operational policies towards rogue states" and "actions regarding the capture of new and existing oil and gas fields." There was a linkage between ousting "unreliable" leaders like Saddam Husain and securing oil reserves for the USA. In other words, the Cheney task force appears to have had a military component to "capture" oil fields in "rogue states" (For more on the NSC document, see *The New Yorker*, Feb. 16, 2004).

Documents were being prepared by the Defense Intelligence Agency (Defense Secretary Donald Rumsfeld's intelligence arm), mapping Iraq's oil fields and exploring areas and listing companies that might be interested in leveraging the precious asset. Beyond giving US firms access to Iraq's oil, the Bush administration recognized how the oil could help include both allies and rivals to back broader US policies.

While the Iraqi people struggle to define their future amid political chaos and violence, the fate of their most valuable economic asset, oil, is being decided behind closed doors. An oil policy with origins in the US State Department has been adopted by some Iraqi politicians with enormous potential cost. This policy allocates the majority of Iraq's oil fields – accounting for at least 64% of the country's oil reserves – for development by foreign oil companies.

Iraqis face the dire prospect of losing hundreds of billions of Dollars of the wealth of their country if this American-inspired plan to hand over development of its oil reserves to US and British multinationals comes into force. The new Iraqi constitution opened the way for greater foreign investment. Negotiations with oil companies are already under way before the passage of the federal Petroleum Law.

The use of production sharing agreements (PSAs) was proposed by the US State Department before the invasion and adopted by the Coalition Provisional

Authority (CPA). The governments in Baghdad and Arbil (installed by the occupation authorities) were and are fast-tracking the process.

We have seen that, under the influence of the US and the UK, powerful politicians and technocrats in the Iraqi Oil Ministry are pushing to hand all of Iraq's undeveloped fields to multinational oil companies, to be developed under production sharing agreements. Such agreements have been signed by the government of the Kurdistan region in Arbil with a number of foreign companies. Iraq would lose enormous amount of revenue. The terms of the contracts would be agreed while the Iraqi state is very weak and still under occupation, but be fixed for 25 – 40 years.

PSAs would deny Iraq the ability to regulate or plan its oil industry, leaving foreign companies operations immune from future legislation. They would shift decisions on any disputes out of Iraq into international arbitration courts, where the Iraqi constitution, body law and national interest are simply not relevant.

The constitution (its basic concept has been written under American influence) also suggests a decentralization of authority over oil contracts, from the national level to Iraq's regions. If implemented, the regions would have weaker bargaining power than a national government, leading to poorer terms for Iraq in any deal with oil companies.

Iraq has a range of less damaging and expensive options for generating investment in its oil sector. These include:

- Financing through government budgets (as is currently the case),
- Using future oil flows as collateral to borrow money,
- Using international oil companies through shorter-term, less restrictive and less lucrative contracts than PSAs.

4. Transforming the Economy in Line with US Interests and Prescriptions

Despite the proclaimed “transfer of sovereignty” to Iraq, the country continues to be occupied by US troops and has severely limited political and economic independence. The government in Baghdad does not have the authority to reverse the nearly 100 orders by CPA head Paul Bremer that, among other things, allow for the privatization of Iraq’s state-owned enterprises and prohibit preferences for domestic firms in reconstruction.

The US and the international financial institutions are trying to transform the Iraqi economy on the ideological basis of neo-liberalism.

The occupation authorities imposed on the Iraqi people their own economic Modell. Weeks into the occupation, they began to transform the economy according to their own interests. No warning, no transition and no consultation with the affected population. Recipes meant for developed stable countries are proposed for Iraq’s fractured economy.

- On May 25, 2003 the American ruler stated Iraq is “open to business”. He repeated in December 2003, “The key message on Iraq since we got here is Iraq is now open for free trade”. With the removal of regulations, tariffs, taxes, and domestic protection (June 7, 2003) small domestic industries collapsed.
- Iraqi farmers are also being jolted by the elimination of most agricultural subsidies. Tigris and Euphrates river waters are contaminated and unsafe. It is definitely not good for human consumption. Empowering bio-pirates, agribusiness predators, is another crime, the result of (Paul) Bremer’s Order 81 (April 26, 2004) – “Amendments to the Patents, Industrial, Undisclosed Information, Integrated Circuits and Plant Variety Law.” It crippled traditional farming by protecting developer rights of new and imported plant varieties (GMO seeds), forcing farmers to plant them, prohibiting traditional seed saving, and instituting Technology User Agreements, requiring annual royalties to foreign companies like Monsanto.
- Also other orders by Bremer sent shockwaves through Iraq and raised the alarm of breaking international law. *The Foreign Direct Investment Law* (Order 39 of September 21, 2003) allowed unrestricted, 100%

foreign ownership of all economic sectors, except oil, and allowed 100% transfer of their profits out of Iraq.

- President Bush had appointed his friend Thomas Foley director of private sector development in Iraq. Foley drafted (January 2004) a privatization plan for the 194 Iraqi state-owned enterprises. This antagonized Iraqis. Selling off state-owned factories would lead to thousands of layoffs, which could prompt labor unrest in a country where 60% of the population is already unemployed. The Occupiers were worried that selling off the state-owned factories and thus directly increasing unemployment would fuel the resistance to the occupation. Privatization will continue, though. As with the privatization plans, Order 39 encourages and facilitates the more lucrative foreign investors to compete against the weak Iraqi capital. Iraq needs investment that will add to its productive capacity of goods and services, and not one that will replace local ownership with foreign ownership.
- Bremer suspended income and property taxes for the year for all who can be tied to the occupation and their contracting allies.
- The foundations of the economy have been changed also through the new *Iraq Banking Law* (Order 40, on September 24, 2003) which permits foreign banks. Foreign banks may also purchase up to 50% of an Iraqi Bank. Thus immense control has been opened up for foreign capital into Iraqi economy – by determining credits, loans, and influencing finances. In 2003 the CPA created first the *Trade Bank of Iraq* which is operated by foreigners. These developments marked a qualitative change in a financial system, where foreign banks haven't operated since a policy of nationalization in the 1960s.
- Outlawing of all assemblies, marches and protests for worker's rights without permission of the occupation authorities.
- The successive Iraqi governments have failed to produce an integrated long-term economic program. This is invariably blamed on violence, insecurity and Saddam-era economics. Their piecemeal economic policies, however, are not effective because of the political and sectarian infestation of most ministries concerned with reconstruction, manned by incompetent executives. The lack of a consensual national vision (strategy and policies) explains why the

acute problems of the economy persist. All ministries are characterized by the lack of mechanisms, the lack of the experience and capacity to spend funds which exist in Iraqi hands. Why couldn't for example the oil minister in 2006 spend the \$ 3.5 bn in his capital investment budget? Only some 6% was actually spent. The answer is not only corruption, politics and insecurity, but also the lack of mechanisms and experience. In the sectarian context, professionals have been pushed aside or removed through "de-baathification".

- The oil policy must be an integral part of the country's strategic economic policy. Instead thanks to the ill-thought measures and mismanaged projects by successive post-2003 governments and the disappearance of massive amounts of cash from the *Development Fund of Iraq* managed by the US, priority has been given to a petroleum law – and not, for example the reviving of the *Iraqi National Oil Company* – in isolation from economic policy.
- There is a dynamic inter-relationship between poor economic performance, unemployment, poverty, malnutrition, social degradation and the continuing violence and lack of security, which is enhancing the shadow economy and giving rise to new forms of organised crime.
- Economic failure has encouraged weak politicians, incompetent officials and corrupted elements to rely more on foreign loans and financial assistance.
- Planning, in one form or another, has been before the occupation a feature of the Iraqi economy. But today it is met with abhorrence on ideological grounds although post-conflict conditions require planning, at least in the form of indicative planning, at the macro-economic level and not command and control from the top. Government and parliament are failing to monitor the performance of the economy. The political parties are no better in this regard. In the much talked about transformation of the economy away from the putative domination of the public sector, the facilitating role of the state in development is forgotten. The dynamics of economic development require accumulation and the creation of an economic surplus. To achieve that, individuals must have the freedom and capacity to interact – to be able to exercise their basic human rights and enjoy their entitlement to health, learning, peace and security and

protection of their personal and property rights. To date, the Iraqi state, weakened by 13 years of a comprehensive UN sanctions regime and its almost complete destruction by the US invasion and occupation can hardly deliver the social goods expected from a modern state.

5. Destruction of the Human Resources

5.1 Iraqi Deaths and Injuries

In the greatest leak in the history of the US military, *Wikileaks* was publishing in October 2010 the huge number of 391,832 classified documents on the Iraq war on the Internet. These field reports from soldiers from a Pentagon database cast a new light on the war. Taken together, they represent a kind of diary of the Iraq war between 2004 and 2009. They do not tell the whole story, but expose additional dimensions to the war. They paint a picture of an asymmetrical war, one in which a superpower equipped with state-of-the-art weaponry stands in the battlefield against individual fighting units. President Bush declared on May 1, 2003 that “major combat operations in Iraq have ended. The field reports show that his statement proved to be untrue for years to come. Until today, Baghdad for example is like a concentration camp, hundreds of watching and killing towers, thousands of checkpoints, etc. American troops are fighting against resistance groups and bombard also civilian areas. The occupiers applied the policy of divide and rule. The reports express the extent of the horror of the war more clearly. They show also what can happen to a society at war – how it gradually slips to the point of self-destruction and the verge of breakdown.

According to US official figures, 3,884 US soldiers died between 2004 and 2009, an additional 224 soldiers from allied nations, well over 8,000 members of the Iraqi security forces (figures for 2004 are missing) and 92,003 civilians. Together this makes more than 104,111 deaths, a figure that approximates the number of victims reported dead in the *Wikileaks`* documents, namely 109,032. The effects of these casualties on the standing of the US in the world have been devastating.

One month before the beginning of the invasion, Bush had blustered that the overthrow of Saddam Husain and “a new regime in Iraq would serve as a dramatic and inspiring example of freedom for other nations in the region.” But

the military that withdrew after seven years of war was a demoralized force that had long since ceased to believe in the noble goals of the campaign. *Wikileaks*' documents faithfully reflects this change. In the roughly 400,000 documents, the word "democracy" appears only eight times. The "improvised explosive devices" which instilled fear in the hearts of American soldiers, however, are mentioned 146,895 times.

Casualty figures in the Iraq war have been hotly disputed.

Iraq Body Count, a private British-based group that has tracked the number of Iraqi civilians killed since the war began, said it had analysed the information and found 15,000 previously unreported deaths, which would raise its total from as many as 107,389 civilians to more than 122,000 civilians. It said most of the newly disclosed casualties included targeted assassinations, drive-by shootings, torture, executions and checkpoint killings.

Al-Jazeera, one of several news organisations provided advance access to the *Wikileaks* trove, reported the documents show 285,000 recorded casualties, including at least 109,000 deaths. Of those who died 66,000, nearly two-thirds of the total, were civilians.

The *Iraqi government* has issued a tally claiming at least 85,694 deaths of civilians and security officials killed between January 2004 and October 31, 2008.

According to the documents of the *Iraqi Resistance* the casualties amounted to more than 1,2 million deaths, including 169,000 members of the formerly ruling Baath Party. Plus 3 million injuries with very bad medical treatment. Furthermore there are about 800,000 widows and more than 5 million orphans.

5.2 Effects of Depleted Uranium (DU)

The health impacts of the use of depleted uranium weaponry in Iraq are alarming. The Pentagon estimates that US and British forces used 1,100 to 2,200 tons of weaponry made from the toxic and radioactive metal during the March 2003 bombing campaign. Many scientists blame the far smaller amount of DU weapons used in the 1991 war on Iraq for illnesses among soldiers, as well as a sevenfold increase in child birth defects in Basra in southern Iraq.

Iraq's Minister of Environment admitted in July 23, 2007 in Cairo that "at least 350 sites in Iraq are contaminated with DU". She added that the nation is facing a tremendous number of cancer cases and called for the international community to help cope with this problem.

5.3 Disappearances, Assassinations, Illegal Detentions

- At least 210 lawyers and judges have been killed since the 2003 invasion, in addition to dozens injured in attacks against them.
- At least 15,000 Iraqis disappeared during the first four years of the US occupation.
- More than 437 Iraqi academics have been murdered since the invasion.
- An estimated 45,000 untried detainees are currently being held by the Iraqi authorities. Most are housed in overcrowded and unsanitary facilities controlled by the Ministries of Justice, Interior and Defense. Depending on the source, the number of detainees varies from 45,000 to some 400,000. Tens of thousands of families don't know the fate of a loved one arbitrarily arrested. Even the number of detention facilities is unknown. There are many secret prisons. Human rights organisations are denied access to official detention centers by US Command. The Red Cross has reported that intelligence officers of the US occupation themselves estimate that 70 – 90% of the detainees are arrested "by mistake". The majority is taken in sweeping and arbitrary mass arrest campaigns. They are held incommunicado, without charges, without visits from families or access to lawyers, for indefinite period. Year after year, alarming reports have been published by leading human rights organisations, inside and outside Iraq, pointing to random arrests, unlawful detentions, summary executions, abuses, rape and torture of prisoners, both at the hands of occupation forces and their local armed gangs. One of the last developments is the news (February 2010) that the Presidential Council of Iraq has ratified the death sentences of some 900 detainees, including 17 women. None of the condemned had a fair trial. The Iraqi judicial system has been deemed corrupt, fundamentally dysfunctional and plagued with sectarianism by responsible international agencies. Hundreds of lawyers have been assassinated since 2003. The Association of Iraqi Lawyers has publicly declared that it cannot reach the detainees. In a bid to eliminate its political opponents, further terrorise the Iraqi people, ostensibly into submission, and to be casted

the “tough leader” the US pretends it is currently seeking for Iraq, premier Nouri Al-Maliki has pledged to carry out these executions ahead of parliamentary elections scheduled in March 2010.

- As of February 2010, US forces – who turned over thousands of their prisoners to Iraqi authorities – were still holding 5,800 people.
- As of 2007, Baghdad had earned the title “Kidnapping Capital of the World”.

5.4 Massive Deterioration of the Situation of Women

An Oxfam-designed survey of Iraqi women aged 21 to 65 was carried out by Iraqi NGO Al-Amal in 2008; (“In Her Own Words”, an Oxfam-designed, Iraqi Al-Amal Association-instigated survey, March 2009). It paints a grim picture and calls the situation for women a “silent emergency”. It also calls for the implementation of new methods of protecting women “as the security situation shifts from widespread violence to more targeted attacks, to which women are particularly vulnerable.”

- 33% of women surveyed had received no humanitarian assistance since 2003.
- 76% of widows said they did not receive a pension from the government.
- 52% of respondents were unemployed.
- 55% had been subjected to violence since 2003: 25.4% as victims of random street violence, 22% domestic abuse, 14% violence inflicted by militias, 10% targeted abuse or abduction, 9% sexual abuse and 8% violence inflicted by the occupation forces.
- 40% reported that they could not access healthcare without the threat of insecurity.
- 30% said they could not move freely in their area (to visit market and so on) without risking their safety.

5.5 Suffering of the Children

- Iraq’s child mortality has increased by a staggering 150% since 1990, when draconian UN sanctions were first imposed. During the embargo, which lasted until May 2003 and prevented the rebuilding of water and sanitation infrastructure by banning chlorine and spare parts, the leading cause of death for children under five was waterborne illness. An estimated 500,000 children died in the first 5 years of the embargo.

- Post-invasion, Iraqi children continue to suffer. Some 122,000 underfives died in 2005. More than half of these deaths were among newborn babies in the first month of life.
- In 2008 only 50% of primary school-age children were attending class, down from 80% in 2005. Approximately 1,500 children were known to be held in detention facilities.
- In 2007 there were 5 million Iraqi orphans, according to official government statistics.
- Child malnutrition rates have risen from 19% before the US-led invasion in 2003 to 28% in 2007.

5.6 Refugees and Displaced Persons

- A report by the NGO Refugees International urges the US to intervene in the humanitarian crisis facing thousands of Iraqi displaced by war because it “bears special responsibility” for their situation.
- 33% - or 500,000 people – of the 1.5 million internally displaced people forced from their homes in 2006 and 2007 live as squatters in slum areas.
- 50,000 Iraqi refugees have been forced into prostitution.
- According to Refugee International, the US accepted fewer than 800 Iraqi refugees from 2003 until 2007. By comparison, Sweden has taken in 18,000 and Australia almost 6,000. By 2006 Jordan had admitted 750,000 Iraqi, and Syria around 1.5 million.
- Displacement is largely a result of sectarian cleansing in mixed neighbourhoods. Sunnis have fled Basra, while Shi`as were driven out of areas north of Baghdad such as Samarra and Baquba. The US “surge” did not create peace, but rather cemented sectarian segregation. In the majority Sunni village of Abu Jabour, south of Baghdad, where US forces dropped 45,000 kg of explosives in 10 days in January 2008 as part of the “surge”, survivors were left to dig through the rubble with their bare hands.

- In Northern Iraq, thousands of ethnic Kurds forced out 100,000 Iraqi Arabs.
- Sunni Arabs have driven out at least 70,000 Kurds from Mosul's western half. Assyrians and Turkmen villages have formed their own militias to defend themselves from both Arab Islamists and Kurdish Nationalists groups.

These were examples of the very negative social effects of the policy of “divide and rule” applied by the occupation authorities. The Iraqi society has been systematically fragmented.

5.7 Supplies for Basic Needs

- 8 million Iraqis require immediate emergency aid, with nearly half of the population living in absolute poverty.
- 4 million people lack food and are in dire need of humanitarian assistance.
- Only 60% of the 4 million people who depend on food assistance have access to rations from the *Public Distribution System (PDS)*, down from 96% in 2004. The PDS, set up by Saddam Husain in 1995 as part of the UN's Oil-for Food-Program, covered until 2003 the whole population, it was just and sufficient to satisfy the basic needs. At least 80% of Iraqis benefited from the PDS (operated by the Ministry of Trade) during the rule of Saddam Husain. But after the invasion and occupation, it has been hit by insecurity, poor management, corruption and a lack of political will. The effectiveness and efficiency of the system have declined significantly. Those supply convoys that do reach their destination often carry only limited amounts of the PDS basket, with key items missing. The Iraqi government is not transferring the PDS cards for political reasons. Iraqi and US forces should increase security for the PDS supply road convoys and for the PDS warehouses, fight corruption, and establish a temporary PDS card system so that the displaced can receive their rations without any implications for their permanent residence or their voting status.

6. Summary and Conclusions

Since the invasion and occupation, the situation in Iraq is characterized by:

1. political and legal chaos,
2. Public and individual insecurity,
3. Weidely spread corruption and criminality,
4. Lack of such essential goods as electricity, water and fuel,
5. very high unemployment.
6. Increasing national patriotic military and political resistance against the occupying powers and their local agents.

The real reconstruction urgently needed by the people is not possible without termination of the occupation.

The political situation of the people is continuously deteriorating. The Iraqis have never cherished illusions about alleged democratisation by the occupation power. During the whole mankind history, democracy and human rights did not play any role in the policies of hegemonial powers. This war of aggression is itself the biggest violation of human rights. The USA and the United Kingdom (UK) are always working for their own strategic and economic interests (maintaining Israel`s superiority through destruction of Iraq as regional power, dominating the Iraqi strategic position through military presence and the arab oil reserves, striving for predominance in “*Eurasia*” in the big game of nations, creating a condominium together with Israel on the Middle East, ect.); they keep the Iraqi people in tutelage and subjugation.

Therevore it is not suprising that the occupying forces and their helpers kill joualists, suppress demonstrations and intensify the fight against the resistance. Numerous cities and municipal districts have been kontinuously blocked off and bombarded. This repressive policy may for a short while have diminished the number of attacks of the resistance, but in the long run it provoked the contrary.

One important element of the bad political situation created by the occopation autorites is the institutionalization of confessionalism, ethnizism and tribalism that fragmented the society and blocked any reform attempt and embodied dangers of civil war and partition of the country. This process has been described by American and Israeli strategists as “*retraditionalization*” of the Iraqi society and its political system.

All elections have been manipulated. They were neither fair nor free. All governments in Baghdad have been in reality installed by the occupation authorities (window dressing). They did not reflect the results of the elections, but the power distribution in line with confessionalism and ethnism. The real power in the country remained in the hands of the occupation forces and the militias. The groups which have been brought to power through the occupation forces had only one denominator: opposition to the regime of Saddam Husain. Apart from that, they pursue personal and particular interests, not national interests. Therefore, they were not able to extract and negotiate a common programme for a coalition government. So it is not surprising that (for example) since the elections of March 7, 2010 until now (8 months) they negotiate about the formation of a coalition government, without result. In the last analysis, the “*political process*” initiated by the the occupation power, failed.

Real and effective political reform does not mean shifting up and down the power between the same parties participating in the present political process. Real political reform must aim at creating a completely new political and economic order that is based on the equality of all citizens, and forbids the establishment of confessionalist, ethnist and racist parties.

The Political and *Social Situation* of the Iraqi people became increasingly unbearable. It can be summarized as follows:

- By its geopolitical position and its rich resources, the stability of Iraq is not only in the interest of its people, but also of its neighbours and the world.
- The US project of division in and of Iraq has failed. In number and by culture and by interest, the Iraqi people overwhelmingly reject the US occupation. By terror it created the largest refugee crisis in the world today, displacing a fifth of the population (4.5 million refugees outside Iraq, and 2.5 million refugees inside the country according to official statistics for 2008).
- The sectarian political process of the occupation created chaos, a failed state characterized by the complete collapse of all public services, and systematic violations of all aspects of human rights, including the right to life. It cannot be reformed.
- There are 126 security companies, managed by foreign secret services (statement of the Ministry of Interior).

- There are 45 Television Channels, financed by foreign secret services.
- There are 4 Information Technology Companies with the value of 12 billion Dollar for each case. They are owned by leading Iraqi politicians.
- There are 43 Milias belonging to political parties and registered with the Ministry of Interior.
- There are 550 political parties and groupings (statement of the Commission for Elections).
- Iraq became the third worst country in the world regarding financial and administrative corruption (statement of international organization).
- About 2.5 million deaths haven registered until end 2008 by the Ministry of Health.
- The humanitarian tragedy particularly affects women and children, exposed to all forms of violence and exploitations. According to the official statistics (2008) of the Ministries of Women and Planning in Baghdad there are 1 million widows and 4 million orphans.
- Out of 4 marriages, 3 are divorced.
- There are 34,000 prisoners in the prisons of the occupation forces and in the prisons of the government, plus 800.000 missing (official figures for 2008)
- The AIDS cases increased from only 114 in 2002 (before the invasion) to 76,000 in 2008.
- 40% of the population live in absolute poverty (statement of the Ministry of Human Rights in Baghdad for 2008).
- Alarming deterioration of the whole education system. Increasing illiteracy (in contrast to that, Iraq in 1977, had received a prize from the UNESCO for complete elimination of Illiteracy). Furthermore forging of ten thousands of certificates for many politicians, officers and government employees.

Conclusions

- The occupation and its apparatus is the perpetrator of violence. Security can only be achieved by the unconditional withdrawal of all foreign occupation forces and their security companies.
- Only a state of equal citizens after the departure of all foreign forces can ensure peace, stability and democracy for Iraq and its people.
- A sovereign Iraq would not only refuse to surrender its main source of wealth – oil – to foreign companies, but is entitled to claim reparations for all losses endured since 2003.
- The Iraqi resistance in all its expression is the only force capable, both objectively and legitimately, to secure a path towards peace, stability, wellbeing and democracy in Iraq. The resistance is the only legitimate representative of the Iraqi people. Western representative inquiries confirm that at least 82% of the Iraqis politically support the resistance.
- Rejection of the US occupation and all that derived from it must become an official position of all governments in the world. The occupation of Iraq is intolerable. As the occupation enters its eighth year, the time is now to set a different agenda. Here, the UN and its suborganisations bear a special responsibility. For too long time, the UN has been abused and instrumentalized by the US to weaken Iraq and prepare it for the invasion which has been planned many years before September 11, 2001 (See Woodward, *Plan of Attack*). The UN also bears guilt for the illegitimate and cruel “*Sanctions*” which lasted for 13 years and killed more than 1 million Iraqis, including 500,000 children.