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TRANSCRIPT

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Conversation

# Economic Development Can Help Curb Violence in Iraq, Expert Says

In a series on U.S. strategy in Iraq, Eric Davis, a professor of Middle East politics at Rutgers University, discusses how investing in economic development projects can help curb the violence in the war-torn country.



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JIM LEHRER: Now, another of our conversations about what the U.S. can or should do next in Iraq. We've heard already about ending the occupation, decentralizing Iraq, and training Iraqi security forces. Tonight, it's an economic idea. And Ray Suarez is in charge.

RAY SUAREZ: And for that, we're joined by Eric Davis, professor of Middle East politics at Rutgers University and author of "Memories of State: Politics, History and Collective Identity in Modern Iraq." This summer, he was part of a group of academics who advised President Bush at the White House about Iraq.

And, Professor Davis, when you spoke to the president, did you give him your view that what's often portrayed as a security challenge, as a military challenge, is really an economic one?

ERIC DAVIS, Professor, Rutgers University: Absolutely. I made the argument that, without turning the Iraqi economy around, we can't expect the decline in political violence nor can we expect to move towards political stability in Iraq.

RAY SUAREZ: And hasn't that jobs-economy approach long been part of the stated policy of the Bush administration in prosecuting the Iraq war, that American troops were to clear areas, hold them, and use that time to rebuild them?

ERIC DAVIS: Well, unfortunately, it may have been the stated policy of the Bush administration, but little has been done on the ground. And the key problem is unemployment.

We have an unemployment in Iraq estimated between 40 percent and possibly 60 percent. If you also realize that 61 percent of the Iraqi population is under 25 and there's been almost no new job creation since 2003, it doesn't take very much arithmetic to realize who are the most susceptible to recruitment to insurgent groups and sectarian death squads.

RAY SUAREZ: Well, are you willing to elide those two points, to say here that that, those dire numbers that you just stated, drive the security problem?

ERIC DAVIS: Well, I think that, unfortunately, much of what is described in the media as sectarian violence is really a cover for criminal activity and for promoting the political interests of what I call sectarian entrepreneurs. These are people who are pushing a political agenda, trying to obtain more power, but who also have deep economic interests in the current struggle that's under way in Iraq.

## Starting over in Iraq

RAY SUAREZ: OK. So here we are, it's fall 2006. How would you change from here forward what's been done up until now?

ERIC DAVIS: Well, I think, when we go back to the 1930s, we remember that we had similar problems during the Great Depression. President Roosevelt wisely chose to develop the Works Progress Administration and the Civilian Conservation Corps.

We also know that, after World War II, Secretary George Marshall implemented the Marshall Plan. And it took 10 years, but it worked to bring Germany back to democratic stability.

So I don't think that this concept is particularly difficult to understand; I think the real issue is finding the funds,



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RAY SUAREZ: Except in Iraq, wouldn't you, Professor, be starting from a very different square one, starting in a terribly degraded environment with just a recent past of widespread death, terrible violence, a bitterness at American forces inside the country?

ERIC DAVIS: Well, some of my ideas were stimulated by some of my conversation with military officers who have served in Iraq. There is a program called the Commander's Emergency Response Program, or CERP, which was based upon funds seized from the former Baathist regime.

And oftentimes, these military officers -- usually middle-range military officers -- would take funds to areas characterized by political violence and put people to work. And, lo and behold, the level of violence would drop precipitously. People would get involved in cleaning up garbage, sewage, paving roads, building clinics, painting schools, and also often showed a lot of gratitude towards the American troops who were giving them daily work.

Needless to say, at the end of the day when they were exhausted, they were not in any shape to go out and fight American forces.

## Stability

RAY SUAREZ: Well, what stopped that from being a self-sustaining virtuous cycle? You describe the desirable outcome there, that people who might otherwise be part of the insurgency were instead building schools and painting homes and so on. What happened?

ERIC DAVIS: Well, first of all, this is a very sporadic program. It was used in an area, and then it ceased. The Marshall Plan, if we think about that program or even the New Deal policies, these were long-sustained, thought-out efforts.

It's not enough to go into a neighborhood and just pay somebody to do some work for a while and then withdraw. As a matter of fact, if you look at the interviews with Iraqis in the recent effort of American and Iraqi troops to suppress sectarian violence in Iraq, all the Iraqis would say, "Yes, we have peace now, but unless we're able to turn the economy around, once the American and Iraqi troops leave, the sectarian violence is going to return all over again." And, lo and behold, that's exactly what happened.

And the argument to...

RAY SUAREZ: To a large degree -- oh, sorry, go ahead. Finish your point.

ERIC DAVIS: No, the argument that I'm trying to make is that our neighbors -- or allies, rather, the neighbors of Iraq in particular -- Saudi Arabia, Kuwait, and the other Arab gulf oil-producing states, are awash in oil revenues because of the recent rise in oil prices. They don't want to see a failed state in Iraq; they don't want to see an extension of Iranian influence into southern Iraq; they don't want to see violence in Iraq spill over across their borders.

So when we talk about the funding for this economic reconstruction program that I'm suggesting, I think one thing we could do would be to put pressure on our allies in their own self-interest and also on our recent new friend in the Middle East, the Arab oil-producer Libya, and perhaps even some other Muslim states such as Turkey, Malaysia, and Indonesia, to contribute to this fund, which would then come with an international face and could begin to provide, first, jobs for Iraqis, temporary jobs.

And once you create stability in certain areas, then attempt to develop labor-intensive, longer-term self-sustaining economic employment, such as food processing plants, bakeries. And we could think of a whole variety of projects.

## Luring away from militias

RAY SUAREZ: Well, if we accept your point that widespread unemployment and economic insecurities fueled the insurgency, let's talk about those young fellows who are riding on the back of open-bed trucks with automatic weapons in their hands. There are people who have had terrifying and exciting times in Iraq for a 19 or 18 year old.

Would a job in a bakery, would a job fixing potholes or painting schools be enough to lure them off the back of that



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truck and, in some cases, money that they get from these shady forces inside their own country?

ERIC DAVIS: Well, my own interviews with Iraqi colleagues indicate that the overwhelming majority of those recruited to death squads in urban areas, for example, are rural to urban migrants. Yes, as you mentioned, they get some salary, they get a rifle, they get a uniform, they get the idea of belonging, protection from a group.

But, for example, let's take the Mahdi Army of Muqtada al-Sadr. People in that organization only get sporadic incomes. It's also very dangerous. You might be fighting another militia, such as the Badr organization, or worse the American army or the Iraqi army. So the idea that this type of employment, as it were, in militias is something that can be self-sustaining over a long period of time is not something that really, I think, most militia members realize is going to be the be-all of their entire future.

## Smaller economic projects

RAY SUAREZ: In your proposals, you warn away from big-scale mega-projects in favor of concentrating on small things: local businesses and local improvement projects. How long would it take for those small things to sort of build up to the kind of level where people can really see that day-to-day life is improving? And does the country have that kind of time?

ERIC DAVIS: Well, let me give you an example. There is a palm frond industry in Iraq, which literally goes back to ancient Mesopotamia, in which temporary housing is made out of palm branches. And these houses, which are made out of palm branches and then propped up by sticks, are used to sell Coke, protect people from the sun on highways and from harvest during the heat of the day.

And many Iraqis who have been displaced from their homes have gone to the Iraqi suburb of [al-Kathimiya] and have purchased these homes. They're very cheap. They're places in which people can live until hopefully they can return to their homes. And, lo and behold, without any intervention by the United States government, the Iraqi government, the International Monetary Fund, the artisans who made these palm frond homes have not been able to find enough young Iraqis to engage in the 24/7 activity that they're required to do in order to meet demand.

This is a perfect example of a labor-intensive industry which is literally, in the last few months -- unfortunately in a very bad context, that of people losing their homes -- but it's put hundreds of young Iraqis to work. And there is no shortage of jobs and no shortage of people to take these jobs.

RAY SUAREZ: Professor Davis, thanks a lot for joining us.

ERIC DAVIS: You're very welcome.

JIM LEHRER: Tomorrow, we will speak with military historian Frederick Kagan. He advocates sending more U.S. troops to Iraq.

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