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The Leveling Spirit: Violence and Inequality in Postwar Iraq

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Abstract

The Iraq War (2003–2011) constitutes by some estimates one of the deadliest and most destructive conflicts of the 21st century (Hagopian et al., 2013). In addition to the disputed figures of excess violent civilian casualties—generally ranging from 180,000 to 210,000 deaths—the war has created one of the major refugee crises of modern times, with 1 in 25 Iraqis estimated to have been displaced from their homes by the 2003 invasion (Costs of War, 2021). While much of this violence has been wrought by American and Iraqi coalition troops, violence against civilians has also been perpetuated by insurgent groups and paramilitary units like the Mahdi Army, and terrorist organizations like al-Qaeda (FSI/CISAC, 2017; Avram, 2013). This violence was potentially coterminous with a mounting degree of inequality in the country, occasioned by the radical economic reform undertaken by the occupation and the destruction of infrastructure. This study examines the potential relationship between inequality and violence against civilians in Iraq after the 2003 invasion. I hypothesized that increased inequality (possibly as a consequence of neoliberal policy-making by the Coalition Provisional Authority) resulted in greater violence owing to insurgents' sense of *relative deprivation*, which counsels comparison between one's own class or income position and those of a comparator group.

No commensurable and broadly available measure of GDP in Iraq during the wartime period (2003–2014) exists, either derived from Iraqi government or international reporting. As a consequence of this deficit, the study attempts to proxy inequality in the country during this period on grounds of luxury demand, income sources and sectoral breakdown of GDP. It finds some correlation between chosen measures of luxury demand and anti-occupation violence against civilian persons for the duration of the war, as well as for some time after (2003–2014). Additional evidence is supplied by an increase in non-labour income when compared to labour income in total GDP for the same period. A 20% increase in services over the same period is observed, further strengthening the conclusions outlined in the hypothesis. Justifications for these conclusions, in addition to any implications drawable from them, are outlined in a separate portion of the study. Finally, methodological challenges are outlined and areas for further research are discussed.

Chapter I: Introduction and Research Question

In his 2017 work *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century*, Stanford historian Walter Scheidel proposes that, throughout human history, "mass violence and catastrophe [have been] the only forces that can seriously decrease inequality," (Scheidel, 2017). According to Scheidel, the "four levelers" of mass-mobilization warfare, deadly pandemics, transformative revolutions and state failure have been responsible for the vast majority of wealth and income equalization at a global level throughout history. These specific levelers have dwarfed in their downward impact on inequality any reform program, social security or insurance, or modernization approach pursued by a national government. Through mechanisms such as increased taxation burdens resulting from raising of regular troops, large-scale death of laborers and consequent constriction of the labor market, and broad-based, indiscriminate destruction of property, this violence tends to substantially reduce large inequalities by reducing all to a common misery.

Of course, Scheidel's thesis has consequently perturbed economists across the ideological and intellectual spectrum, proposing not only a causal link but a *sole causal link* between violent shocks and substantially decreased inequality. In his view, this relationship precludes other formal redistributionist paradigms, which, per Scheidel, fail to comprehensively address the problem. Yet while he treats this topic according to one causal arrow – from violence to equality – Scheidel also leaves open the possibility of exploring the reverse direction; "[i]f my exclusive focus on one causal arrow, from shocks to inequality, encourages further engagement with the reverse, so much the better," (Scheidel, 2017). In other words, he suggests that others engage with the causal effects – if any – of *inequality* on *violence*. This latter possibility will be the subject of the foregoing case study on the Republic of Iraq.

The above argument implies a useful framework to examine the recent economic history of Iraq. From its founding through the current state of the country, the country has been a constant victim of extreme violence as well as vast economic inequality. The state has experienced many of the typical growing pains of a postcolonial state—a decolonial revolution, violent shifts in economic arrangement, fragile and protean governance—but has also been unique in having been singled out repeatedly by the international community for disapprobation, sanctions and, eventually, the overthrow of a sovereign government by a US-led coalition invasion in 2003. It is also a singularly violent country, menaced by terrorist organizations such as al-Qaeda as well as paramilitary groups like the Baghdad-based Mahdi Army and Jaysh al-Mujahideen—not to mention droves of former regime loyalists (FRLs). These organizations each have independent claims to governance in Iraq, based on a variety of social, religious and political justifications. Of particular note, however, are their putative aspirations to social justice and the liberation of the Iraqi underclass.

Essential to understanding this component of these groups' appeal to target recruitment demographics are two interrelated concepts - Marxian conflict approaches to terrorism and the notion of the "social bandit". The former theory, in sum, suggests that "conventional terrorist acts [...] are typically motivated by ideological beliefs that are supported by the actions of those who feel oppressed and unfairly disadvantaged" (Lee, Choi, Shandler and Kayser, 2021). This theory relies substantially on a subsidiary notion of *relative deprivation*, whereby "persons may feel deprived of some desirable thing *relative* to their own past, another person, persons, group, ideal, or some other social category," (Walker and Pettigrew, 1984). Intergroup comparisons on the basis of pre- and postwar conditions of life, especially relative to those Iraqis and foreign investors who benefited immensely from American economic and political reform, would certainly mobilize support for groups claiming to undermine American political-economic domination in the region. The incidental expense of civilian lives can then be overlooked or excused on these grounds.

Such a concept has significant explanatory power for the nature of terrorist attacks in Iraq. Cryptology analyst Malcolm Nance (2014) elaborates how insurgents in Iraq seemed to strike “with near impunity, and like a detached ball of mercury, [] spread out at the slightest pressure and were swallowed back into the community.” Fighters’ seeming integration into the communities of Iraq during the insurgency consistently frustrated American military strategy after the initial invasion; the frequency of insurgent attacks, and their invisibility in the face of an acquiescent or overtly supportive populace, precluded effective retaliation. It would be impossible for insurgents to pursue this strategy without a ready-made and unambiguously favorable disposition within its surrounding community. American planners encountered a similar morass in the depths of the Vietnam War. Backing a regime which routinely engaged in repression of religious minorities, vast restrictions on political liberty and regular breaches of physical integrity, the United States found South Vietnam constantly bedeviled by a surreptitious Viet Cong insurgency. Contemporary scholars found that areas where “Viet Cong activity [was] especially virulent,” overlapped strongly with population centers of religious minorities oppressed under the Diem regime. “Support for or toleration of Viet Cong activity,” by these populations “provided one of the few means of protest available” against a government which routinely violated their rights (Zasloff, 1963).

Related to the concept of native support for insurgent attacks is the notion of the “social bandit,” first illustrated by Hobsbawm (1959) in his *Primitive Rebels*. Hobsbawm in this work explains that criminal enterprise involving wealth redistribution or other egalitarian aims “is rather a primitive form of organized social protest, perhaps the most primitive we know," (Hobsbawm, 1959). He later expanded (1969) on this idea, describing social banditry as essentially constituted by "peasant outlaws whom the lord and state regard as criminals, but who remain within peasant society, and are considered by their people as heroes, as champions, avengers, fighters for justice, perhaps even leaders of liberation, and in any case men to be admired, helped and supported," (Hobsbawm, 1969). Though then describing a historical trend of banditry in the tradition of Robin Hood and Janošik, Hobsbawm's idea can be applied with equal force to public sentiment regarding many of the terrorist and paramilitary organizations then existing throughout the Middle East. As in the days of Hobsbawm's social bandits, the past two decades of Iraqi history have been characterized by a grotesquely uneven distribution of wealth and income; gains from development, especially oil revenues from a rebuilt oil and natural gas sector, have not resulted in improved living conditions for the vast majority of the Iraqi population. Social unrest has frequently followed this sense of unfulfilled promise, with Iraqis flooding into the streets to protest extensive unemployment, "financial mismanagement, bureaucratic inefficiency and corruption" (Kullab, 2019). Combine these factors with growing rates of violence, including two internecine civil wars since the beginning of the 21st century (2006–2008, 2013–2017), and we have sufficient grounds to ask *if a correlation may exist between violence and inequality in postwar Iraq*. Though not suggesting that such paramilitary organizations are actually involved in fomenting redistributive mechanisms within the state itself, these organizations are assuming a kind of *moral* superiority on principle of driving out an invading force which has generated significant inequality, destruction of infrastructure and broad-based economic hardship.

Given this set of facts, we may indeed take up Scheidel's "reverse" causal arrow and hypothesize that *the violence which succeeded the Iraq War expressed a class antagonism of inequality and relative deprivation*. While Scheidel's conception of violence is of a far more massive and devastating scale than could be wrought by the relatively small bands of anti-occupation forces existing in Iraq during the war, motivation for violence at these levels could easily accumulate into a cataclysmic leveling as a consequence of more widespread, generalized inequality. This lends a rather captivating dialectical oscillation to Scheidel's original thesis; inequality generates conflict in response, which—once achieving a sufficiently severe level of intensity—eliminates that inequality. But it is this same leveling which provides conditions for stability and inequality to once again proceed. I intend to utilize Scheidel's important theoretical contributions described above to posit a direct, endogenous[1] relationship between violence and economic inequality, in which each historically presages the other.

To the author's knowledge, this hypothesis (particularly with respect to Iraq) has received no extensive treatment in existing literature. This likely at least partially owes to the limitations of existing data; no conclusive set of Gini coefficient information, income quintiles or other inferrable statistics currently exist which would authorize confident study of the question. An association between the two variables would provide sufficient grounds for performing causality tests, in the hopes of determining if a causal relationship can be demonstrated from the data.

Determination of causality from any observed *association*, however, will be a decidedly difficult endeavor. Economists lack many of the essential tools which enable the natural sciences to make these more precise determinations; Robinson (1977) famously noted that social scientists "cannot make use of controlled experiments to settle their differences," instead relying

[1]"Endogenous" in this context refers to a relationship between variables in which each is explained as a function of the model, and not caused by some factor external to the model's predictions.

on “appeal[s] to historical evidence” to substantiate their claims. Even this historical evidence is prejudiced by a “wide variety of uncontrolled factors” that “are obviously relevant” to the variation of social phenomena like violence and economic inequality (Hoover, 2016). In the case of Iraq, a vast number of factors—from religious and ethnolinguistic schisms to external influences from neighboring states—intervene to complicate the picture of Iraqi violence and its relationship with inequality. Nevertheless, this project will endeavor to utilize a reasonably objective criteria of causality; collected information on inequality and various measures of violence (specifically suicide attacks, gunfire, and explosive attacks by anti-occupation forces) will be subjected to “instrumental variable” (IV) testing, which will help determine whether one variable consistently augurs the movement and location of another. The IV is a carefully chosen *third* variable which, per the author’s discretion, induces change on an explanatory but not responding variable; any correlation between it and the respondent would thus only be explainable through the medium of the explanatory variable. It should be noted that the well respected economists Acemoglu, Johnson and Robinson (2001) (hereafter AJR) famously utilized this method in their seminal article “The Colonial Origins of Comparative Development.” The authors correlated institutional development with economic growth by using the IV of settler mortality due to diseases like yellow fever and malaria during the colonial period. This variable, they argue, would exercise no independent effect on economic growth except through European settlement and consequent development of strong private property and legal regimes. Worse (or, conversely, better) disease environments would hamper (or, conversely, encourage) European settlement; and in turn, weak or nonexistent (or, conversely, stronger) private property protections in colonial governance; and in turn, lower (higher) economic growth in the postcolonial period. In the case of our study, the substitute variable in question will be demand for luxury goods. "Luxury goods" as a proxy will be defined in more detail in Chapter IV, sections III and IV.

Note that this rather careful definition does not suggest that a strong IV causality result will "prove" *actual* causality of one variable on another. Given the immense scope of the studied phenomenon, it is always possible—indeed quite likely—that some variable with explanatory impact will be excluded from the study's analysis. Additionally, the IV in question is ultimately at the author's discretion and cannot be mathematically determined as sufficiently "unrelated" to the responding variable. It should be noted that such a criticism was leveled at "Colonial Origins" by Albouy (2012), who notes that AJR's instrumental variable of settler mortality draws from soldier and citizen mortality rolls alike. This observation introduces the possibility of *war* and *conflict* as exercising effects on both economic growth and settler mortality, making it an *omitted* rather than *instrumental* variable. Consequently, this "constant conjunction" of these two variables must be supplemented by ultimately anecdotal evidence—statements from members of extremist organizations, analyses of macroeconomic foundations for such grievance, and ideological fundamentals of these organizations, will be essential to arguing persuasively for or against a certain causal interpretation.

The consequences of such a hypothesis, if true, would be significant both theoretically and politically. Scheidel has done much to establish a strong correlation between massive violence and appreciable reductions in overall social inequality. Indeed, Scheidel concludes - rather grimly - that violence is the *only* means by which such reductions in inequality can be effected. Consequently if inequality itself bred increasingly intense violence, then a fully endogenous theory of inequality could be mapped out, oscillating inversely with the level of violence observed in a given society. Though such a sweeping conclusion should not, and will not, be extrapolated from a singular case study, this work can provide some evidence in support of a larger body of literature exploring this causal arrow. Also significant, from historical, economic and political perspectives, is the question of terror and inequality specifically in Iraq. Were it to be discovered (e.g.) that a causal relationship can be drawn from the inequality of postwar Iraq to the terrorist campaigns of suicide bombers and rise of organized terrorist cells like ISIS, current historical understandings of the course of the war would have to be radically reconsidered.

Even more importantly, this finding could raise fundamental questions about the scope of concern for American "nation-building" policy as well as several core tenets of neoclassical economic thought. After the 2003 invasion, the Bush administration saw the failed state of Iraq as a chance to "more fully integrate the country into the global capitalist system" through the establishment of a neoliberal market-friendly government; the results of this experiment thus have direct bearing on the theory which informed the administration's statecraft (Baker, 2014). Indeed, the presumption was that the creation of capitalist institutions would in and of themselves bring about democracy. For a variety of reasons (including a mounting insurgency that hampered enthusiasm for participation in the democratic process) the aspirations of American planners for Iraq did not pan out; instead, the country has fallen into cyclic violence and systemic poverty (defined by the UN as a "lack of basic capacity to participate effectively in society" owing to lack of amenities like food, land, clothing, credit, as well as broader disenfranchisement through powerless and exclusion (ECOSOC, 1998)). As late as 2007—four years into the invasion—it was reported by the UN that one-third of Iraqis supply this definition of poverty, with 5 percent in "extreme poverty" defined as living on less than $1.25 USD per day

(United Nations, 2007). This failure is a fundamental transgression on the promises of the American mission, and forces us to re-evaluate its consequences in hindsight.

In light of these and other unanswered questions, this thesis intends to examine the phenomenon outlined and analyze any consequences of a hypothetical confirmation or contravention of the research question. I will explore this topic in the following order—

Chapter II will examine the modern history of Iraq since the creation of the British mandate in the beginning of the 1920s. As we will see, the history of this country has been coloured by a variety of interesting class dynamics based on shifting social and economic allegiances, themselves often influenced by religious and imperial undercurrents. We will conclude with this history a few years into the invasion and occupation of Iraq, roughly the middle of the period analyzed in later chapters for a relationship.

Chapter III will outline the relevant literature on considerations of terrorist violence and income and wealth inequality. The literature, the reader will note, is far from settled on the relationship between these variables. Some authors consider them only tangentially related, while others – most notably Thomas Piketty – posit a direct and unambiguous relationship between them. While this thesis does not profess to settle this particularly acrimonious debate, the author believes it does lend some qualified support to a middle course of "moderate" correlation.

Chapter IV constitutes the examination of variables such as luxury demand, labour and non-labour income, and service-sector growth in estimating the degree of inequality in Iraq during the invasion and subsequent civil unrest. It also provides information on correlations between some of these variables and anti-occupation violence against civilians. This will hopefully provide the reader with some notion of a possible relationship pending further research.

Chapter V will examine some of the implications of this relationship, using the relevant literature on development, choice and economic freedom in the Third World and beyond. It will additionally evaluate some broad conclusions about the American economic restructuring effort, and contemplate whether this restructuring could have more effectively avoided the violence which would ultimately retaliate against it as a political project.

Finally, Chapter VI will provide the reader with final takeaways, examining some of the methodological limitations of this particular study as well as fruitful areas of further research. It will provide the author's thoughts on the data collected and analyzed in Chapter IV, and why its ultimately indeterminate conclusion does not necessarily mean that nothing of value has been learned. Indeed, the very uncertainty of this conclusion is a direct reflection of the complexity and worthiness of the research question; its ultimate answer, however, will have to be postponed to some future study which avails itself of a comprehensive set of data.

Chapter II: Modern History of Iraq

Before analyzing the economic situation of the postwar Iraqi economy, it will be germane to provide a brief overview of its economic and political history. This will allow the reader to place the 2003 invasion and its aftermath into the proper context—the last in a long line of tribulations of a developing economy, albeit, one which had been at least moderately successful in establishing an edifice of modernization. At the time of the invasion, the Iraqi economy was still highly dependent on oil resources. During the 2000–2001 period the country produced an average of 2.5 million barrels of oil per day, which represented a significant portion of its state revenue; as a consequence of the UN's Oil-for-Food Programme, instituted in 1995 to allow the Iraqi government to trade this oil on world markets for humanitarian goods, around "72 per cent of the oil revenue funds were allocated to the humanitarian program in Iraq" (Portela and Nair, 2021; Office of the Iraq Programme Oil-for-Food, 2003).

Though the land itself has been host to a number of civilizations since the beginning of recorded history, the existence of an independent polity known as "Iraq" dates back only to the end of the First World War (Marr and al-Marashi, 2018). Beleaguered by internal conflict and militarily decimated by advancing Allied forces, a moribund Ottoman Empire agreed to occupation of its far-reaching holdings across the Middle East and southern Europe. These included the Ottoman provinces (*vilayet*) of Mosul, Baghdad, and Basra, coveted, respectively, for their oil deposits, well-irrigated soil, and sea-lane access via the Persian Gulf (Gelvin, 2011). The conclusion of peace in Europe demonstrated this cupidity. European powers at the 1919 Paris Peace Conference vied for colonial holdings in the Middle East, while American representatives—dissatisfied with imperial preference programs that granted lower export rates to colonial constituents—vigorously opposed further expansion (Gelvin, 2011). "Mandates" represented a balancing of these two interests, granting temporary colonial status to newly-formed Middle Eastern states while the "tutelage" of these new states in the intricacies of self-rule would be "entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility" (Covenant of the League of Nations, 1924). These mandates were granted mainly to Britain and France, with Britain receiving the mandate to govern the former Ottoman territories of Basra, Baghdad and Mosul. These would be combined into the "State of Iraq" in a thrust of economic expediency, combining the favorable attributes of each into one contiguous territory.

In creating this new state, Britain would essentially ignore existing political and cultural variation within the borders of these former Ottoman *vilayet*. Instead the new state fused together a disparate passel of ethnolinguistic groups with few prior cultural or historical ties. After a major revolt against direct British rule in 1920, the territory was placed under the formal authority of Faisal bin al-Husayn bin Ali al-Hashemi, son of Grand Emir and Sharif of Mecca Hussein bin Ali – in part as compensation for their crucial role in the Great Arab Revolt that had helped Britain secure victory against the Ottoman Empire in the First World War. An adherent of a then-incipient pan-Arabism, Faisal "appeal[ed] to the ethnic sentiments of the Arab-speaking population, both Sunni and Shiite," in order to "encourage the overcoming of the deep historical cleavage between Sunnism and Shiism in Iraq," and "foster a common loyalty among the Arabic-speaking population," (Masalha, 1991).

Faisal and his descendants would rule Iraq for the next four decades, leading a conservative aristocracy characterized by Eppel as "the flagship of the alliance with the west." Even as the nations surrounding it (notably Egypt and other nearby Arab states) developed incipient movements of revolutionary nationalism, Iraq itself maintained a posture of "conservative and anti-revolutionary reaction and submission vis-à-vis Britain" (Eppel, 1999). Nevertheless, growing discontent with the monarchy's governance was creating an at least perceived threat to the Hashemites and their aristocratic allies. Attempts were made throughout the mid-1950s to reform the country's horrifically unequal socioeconomic conditions, but these were largely unable to generate sufficient support for the royal government (Bagley, 1959).

And as decolonization swept the globe in the wake of the Second World War, European-friendly governments in the developing world were increasingly toppled by force. On July 14, 1958, the British-backed Hashemite monarchy was overthrown in a military coup led by Cols. Abdel Qarim Kassem and Abdul Salam Arif. This government would not last long; it was shortly followed by yet another military coup on 8–10 February 1963, which brought to power the Iraqi Ba'ath Party through the murder of Kassem (Wolfe-Hunnicutt, 2015). A pan-Arab socialist party founded in Damascus in 1947, the Ba'ath party—named for the Arabic word for "resurrection"—advocated the unification of the greater Arab world into a single state under socialist and noninterventionist principles (Edwards, 2008). It gained greater ascendancy after the Ramadan Revolution in Iraq and a March 1963 coup in Syria. The Ba'ath Party would maintain a monopoly on power in Iraq until the 2003 invasion, and holds absolute authority in Syria even today.

Inequality and wealth concentration figures for Iraq in this period have been supplied by Issa (1978), who charts changes in the distribution of income for the 1954–71 period. Issa periodizes the data into three trends: a 1954–61 period marked by a stable decline in inequality, followed by a pronounced increase during 1961–68 before returning to decline from 1968 onwards to 1971. He explains these fluctuations in distribution of income as a function of the use of oil:

> With government control of the huge oil revenues, it is the government decisions on the way that this income is spent that largely determine the overall distribution and what proportion of this income will be at the disposal of the lower income groups. (Issa, 1978).

In other words, the extent to which oil was utilized as a form of *social security*—and its rewards distributed for general social benefit—was a significant determining factor in the degree of inequality over the entire period. This would become a theme throughout the rest of Iraq's history, particularly during the decade-long sanctions regime (1991–2003) which devastated the once-modernizing Iraqi economy. However the deregulatory shift would actually have its origins in the Iran-Iraq War (1980–1988), which began as a result of Hussein's own personal sense of status threat as a secular regional leader.

After the 1979 Iranian Revolution brought about an Islamic fundamentalist regime hostile to Western and secular influences in the Middle East, the region entered a new era of unrest and bloodshed. The revolution was proximately caused by a series of economic troubles from oil shocks, ill-timed economic programming and fiscal contractions, but soon expanded into an indictment of decades of human rights abuses by the American-backed Shah of Iran, Reza Pahlavi. Into this critique rolled still more grievances about Western imperialism, broad-based social injustice and a dizzyingly rapid, callous modernization process brought about by the Western-educated shah. Islamic cleric and academic Ruhollah Khomeini, who had been banished from Iran since 1964 for voicing opposition to the shah's "White Revolution" reform program, harnessed this discontent. From exile in Najaf, Iraq, Khomeini advocated a program based on traditional Shia Islamic values like social justice and strict adherence to Qur'anic and Hadithic doctrine. He would return to Iran in 1979 as a figurehead of revolt against the Shah, appointing a competing prime minister to the post-Shah (Bakhtiar) provisional government and gathering momentum as an insurgent leader. A 1979 referendum sealed the fate of the Shapur Bakhtiar government, with 97% of eligible voters electing to establish an "Islamic republic" in the country (Jaynes, 1979). The theocracy to be established would effect a revival of Shi'a Islamic fervor, one that explicitly rejected western imperialism and modernization as contrary to proper observance of Islam. Channeling both general postcolonial suspicion against the West and specific instances of Western interference in Iran's political system—notably the 1953 overthrow of Prime Minister Mohammed Mosaddegh by the CIA—Khomeini created a beachhead of resistance to Western influence in the Middle East.

However Khomeini's division of the world into "the oppressor and arrogant powers [...] and the oppressed and downtrodden nations" did not categorically follow the First-Third world distinction generally adopted by postcolonial movements. Khomeini included in the category of "arrogant powers" many leaders of Third World nations, "secondary oppressors" and stooges of the West, which enabled his critique of the shah (Hunter, 1988). To Saddam Hussein, the secular, socialist, and Sunni leader of a Shia-majority Middle Eastern nation, these principles were fundamentally threatening. In an attempt to thwart Iranian exportation of revolution to neighboring countries, Hussein invaded Iran in September 1980.

In pursuit of war against Iran an increasing strain on the Iraqi economy required ambitious economic policy changes by the ruling Ba'ath Party. Central to this new policy was, broadly, support of a budding private sector to complement a largely state-run economy of oil, petrochemicals and primary outputs. Alnasrawi (1992) describes the main features of this plan, which included "(1) selling state land, farms, [and] factories to the private sector; (2) encouraging private enterprise; and (3) deregulation of the labour market by abolishing labour law." Naturally the new economic policy wrought serious changes on Iraqi inequality; "the income redistribution effect of privatization as a result of the elimination of subsidies to enterprises which produced or distributed essential consumer goods at low cost to consumers with low or fixed income," functionally reduced the disposable income of lower classes while reducing the tax burden of wealthier households (Alnasrawi, 1992).

Coventry Polytechnic economist Kamran Mofid (1990) describes the consequences of the conflict in rather stark terms: "[t]he [Iran-Iraq War] ranks in terms of scale and destruction and its consequent economic impact as one of the most devastating conflicts of modern times [...]" (Mofid, 1990). Destroying oil prices and remuneration from world sales, the conflict severely decreased Iraqi oil exports from over 150 million tonnes in 1979 to only 50 million by 1985, a 60+% decrease. In fact, the Iran-Iraq War was sufficiently devastating to the Iraqi economy for Alnasrawi (1994) to title his chapter on the conflict "The Iran-Iraq War and the Demise of Development." He sets the total value of economic loss at $452.6 billion, including $91.4 billion in potential GNP losses, $197.7 billion in losses to oil revenue and production, $7.8 billion in foreign exchange reserve losses, along with an additional $80 billion in potential losses to foreign exchange reserves "resulting from high military spending" (Alnasrawi, 1994: 100). Combine these internal effects with a general economic stagnation in industrialized countries, and the complete destruction of the Iraqi economy during this period becomes a natural attendant of such influences. GDP per capita during the war period tells a strikingly similar story to other macroeconomic figures. In 1980, the year the war began, each Iraqi could claim $3,850 of total GDP; eight years later, that figure was $77 *lower* than 1980 figures. The overall result of these shocks was "suboptimum utilization of available productive capacity on the one hand and decline in production and investment performance in other economic sectors on the other," likely persistently increasing inequality (Seyed Ali, 1990).

Despite these cataclysmic losses to Iraqi economic development, signs of a recovery in the late 1980s were palpable. GDP per capita (in 2009 USD) in 1989 was $2,688, an 8.7% increase from the previous year (1988) and 12% increase from 1986, the height of the war (World Resources Institute, 2009). Growing revenues in oil and natural gas once again provided the Iraqi state with an engine for growth. At the same time, however, the price and capacity limits of oil production stymied development plans by the Hussein regime. As a founding member of the Organization of Petroleum-Exporting Countries (OPEC) contrived in Baghdad in 1960, Iraq found its oil revenues subject to the whims of ten other member states—all with varying populations, fiscal needs, and excess capacities which would generally converge at the desire to maintain low long-term prices. Saudi Arabia in particular was given to this notion and, producing nearly one-fifth of OPEC's total production, had outsize sway in the decision-making of the body as a whole (Fathallah, 2016). Yet with its severely damaged infrastructure and reliance on oil exports for government revenue, Iraq found this posture untenable; restrictions on global supply and consequent price increases would be necessary for the ambitious recovery effort necessitated by the 1980–1988 conflict.

The economic crisis which succeeded the conflict continued through the end of the 1980s and into 1990, as oil revenues continued to trickle in at levels insufficient for a meaningful reconstruction program. Since Iraq lacked a substantive tax base apart from oil revenues, and had undertaken a significant liberalization process that further restricted state intervention's capacities to alleviate economic hardship, other paths not involving use of oil revenues proved largely insufficient (Chaudhry, 1991). Additionally, Iraq's mounting international debt during this time reflected a vehement opposition by the Hussein regime to renegotiating debt terms with international financial institutions, likely fearing a requirement of "structural adjustment" or other conditions of institutional change as a prerequisite for relief (Jiyad, 2001).

Asserting a historical argument of Iraqi sovereignty over Kuwait, the Iraqi government advanced a claim that Kuwait was once a constituent of the Ottoman *vilayet* of Basra; Iraq had long advanced this claim under the successive governments of the monarchy and al-Karim Qassim, but was not particularly vocal on this point from the mid-1960s until 1990 (Stork and Lesch, 1990). A more likely motivation was Kuwait's production of oil "far in excess of its OPEC output quota" (Renner and Aarts, 1991). This overproduction had a depressive effect on the global price of oil, significantly reducing the Iraqi state's ability to derive revenue and engage in reconstruction. According to Stork and Lesch, "every US$1 drop in the price of a barrel of oil caused a US$1 billion drop in Iraq's annual revenues[,] triggering an acute financial crisis in Baghdad". An invasion of Kuwait would conceivably allow the Hussein regime to cut back on production in the state, driving up prices and reducing supply in such a way as to bring enormous state profits to Iraq. Thus at the beginning of August 1990, Iraq began its invasion of Kuwait partially on the accusation that it was engaging in "slant drilling" across the Kuwaiti border into Iraq (Stork and Lesch, 1990; Hayes, 1990). Favorably to Hussein, the invasion and occupation resulted in a precipitous rise in the global price of oil. At the end of July 1990, the global price of oil sat at $21 per barrel; by October, that price had more than doubled to around $46 per barrel. This was a consequence of explicit policy by Iraqi occupiers, who effectively refused to exploit Kuwaiti oil production during the entire period of occupation (Taylor, 1993; Syal, 2021).

The international community reacted to this violation of sovereignty in remarkable unity. Resolution 660 of the Security Council, passed only a few hours after the invasion began, condemned in unambiguous terms the invasion and demanded immediate withdrawal by Iraqi troops (UN Security Council, 1990a). Subsequent resolutions implemented comprehensive sanctions (661) and a naval blockade (665) on Iraq by the international community, in a further attempt to economically pressure Iraq to yield. Finally, in January 1991, an international coalition led by the United States under George H. W. Bush began an extended aerial bombardment campaign that lasted for over a month. This was followed in February by a direct ground campaign to expel Iraqi armed forces from Kuwait. This ground campaign proved massively successful and resulted in a rapid withdrawal of Iraqi forces from the country. Coalition forces, however, continued to pursue Iraqi troops well into Iraq; evidence suggests the active attack of retreating troops who posed little threat to the advancing army. One of the most notable instances of this was along Highway 80 in Basra, where an estimated 800–1,000 individuals were slaughtered by coalition air bombings in what is popularly referred to as the "highway of death" incident (Conetta, 2003). Bombings continued to wreak havoc on Iraqi buildings and civilian institutions, many of which were not justified by military necessity or proportionality (Alnasrawi, 1994). This widespread destruction of Iraqi infrastructure, an evidently *intentional strategy* on part of American forces (Gellman, 1991), eliminated or rendered otherwise inoperable much of the basic services provided to Iraqi citizens. Operation of water sanitation, electricity and telecommunications facilities, as well as hospitals, roads and bridges throughout the country were adversely affected by the campaign. Thus a March 1991 UN mission to Iraq:

> [N]othing we had seen or read had quite prepared us for the particular form of devastation which has now befallen the country. The recent conflict has wrought near-apocalyptic results upon the economic infrastructure of what had been, until January 1991, a rather highly urbanized and mechanized society [...] Iraq has, fo some time to come, been relegated to a *pre-industrial age, but with all the disabilities of post-industrial dependency on an intensive use of energy and*

> *technology* [...] I, together with all my colleagues, am convinced that there needs to be a major mobilization and movement of resources to deal with aspects of this deep crisis in the fields of agriculture and food, water, sanitation and health. (Perez de Cuellar, 1991, emphasis my own).

As American planners and strategists had long realized, this destruction would give further effect to a comprehensive sanctions regime designed to foment rebellion in Iraq and topple Hussein. Just prior to the bombardment of Iraq in the First Gulf War, the United States Security Council in August 1990 passed Resolution 661, requiring UN member states "not [to] make available to the Government of Iraq, or to any commercial, industrial or public utility undertaking in Iraq or Kuwait, any funds or any other financial or economic resources and [to] prevent their nationals and any persons within their territories from [...] making available to that Government [...] any such funds or resources," with the exception of some minor food and medical imports (UN Security Council, 1990b). Augmented by the wholesale destruction wrought by coalition forces during the Gulf War, these sanctions would precipitate a violent decline in Iraqi living standards over the succeeding decade. From nearly $10,356.90 per head in 1990, reflective of a reasonably prosperous middle-income country, per capita GDP fell by 2003 to $854.83 (World Bank, 2020b). In other words, the comprehensive sanctions and conditions within Iraq wiped out in excess of 90% of its GDP per capita in just over a decade. The harm inflicted on Iraqi civilians during this period was considered so grave that it fundamentally altered the practice of UN sanctions thereafter; since 1990 the vast majority of sanctions organized by this entity have been targeted rather than comprehensive, limiting their impact to national leadership rather than civilian and/or humanitarian targets (Giumelli, 2015). Despite these drawbacks, sanctions would continue throughout the decade under three successive presidents. Though the UN Oil-for-Food Programme (introduced in 1996) offered some relief to average Iraqis through the exchange of oil resources for humanitarian relief, suffering was nevertheless acute.

Meanwhile, the attacks on the Twin Towers and Pentagon in September 2001 brought renewed attention to the Hussein regime, with the American government alleging felicity between Iraq and the terrorist organization al-Qaeda. This would later evolve into a more general concern with Iraq's supposed possession of "weapons of mass destruction" (WMD), which the Bush administration argued enabled Hussein to arm terrorist groups in the Middle East with incomparable destructive potential. Though successive United Nations inspections found little to no evidence of Iraqi possession of WMD—Iraq was required to dismantle its program after the conclusion of the Gulf War—the Bush administration famously asserted that they "[didn't] want the smoking gun to be a mushroom cloud" (Cleminson, 2011; Blitzer, 2003). Over the next two years the US government would lobby institutions like the United Nations and European Union in favor of military confrontation with Iraq. It based its claims on a notion of *preventative self-defense*, noting that Iraq's development of such weapons would lead at some remote future point to security threats to the United States (Kumar, 2014). In contrast to the near-unanimity of the Gulf War, however, the international community was decidedly less convinced of Iraqi wrongdoing and the Bush administration's justification for war. When the United States began its effectively unilateral invasion of Iraq in March 2003, it did so without the assent or planning aid of international allies. This war would be a fundamentally *American* project, centered around what were then the dominant American economic (neoliberal) and political (neoconservative) values.

The fall of Saddam Hussein in 2003 opened a new chapter in Iraq's economic as well as political history. Shortly before the deployment of troops to invade, President Bush issued

National Security Presidential Directive (NSPD) 24, "which gave the Department of Defense lead responsibility for postwar Iraq and directed it to form a new office to take charge of planning and subsequent implementation of the nonmilitary tasks involved" (Dobbins et al., 2009: 3). The first iteration of this phase was the Office of Reconstruction and Humanitarian Assistance (ORHA), an agency tasked with rebuilding moribund Iraqi infrastructure and "averting a humanitarian disaster," resulting from state failure. Under the command of Army Lieutenant Colonel Jay Garner, the ORHA intended to "sell Iraqi oil to raise [state] revenue, use lower-level Ba'athists to sustain government functions, and utilize between 200,000 and 300,000 former members of the Iraqi army top helping postwar reconstruction" (Dobbins et al., 2009: 4–7). As the ORHA dissolved and was replaced by the CPA, with Garner as its first chief executive, continuity of his plan was anticipated. However his successor, Lewis Paul Bremer III, had decidedly more ambitious plans for the Middle Eastern state. "A free economy and a free people go hand in hand," he noted at a conference in Baghdad shortly after the occupation officially began in May 2003. "History tells us that substantial and broadly held resources protected by private property, private rights, are the best protection of a free people" (Quoted in Dorning, 2003). Bremer's speech marks a departure from the exceedingly limited scope of the ORHA, proclaiming a US role not only in the deposition of the Saddam Hussein government but in the radical reconstruction of Iraqi society from the ground-up. Bremer was one of a slate of political figures, mountingly influential at the time, who felt the Iraqi occupation was an opportunity to craft a US-friendly republic and "beachhead to promote American influence and values in the region" (Dorning, 2003). Consistent with this purpose, Bremer's CPA "sidelined career diplomats rebuilding Iraq and replaced them with a team ideologically driven towards creating a "free" and integrated market economy and a transnationalized state" (Baker, 2014).

The CPA then undertook an enormous effort to fundamentally reconstitute the economic basis of the Iraqi state. In addition to the law which would outline the establishment of a new system of governance (the Transitional Administrative Law), Bremer and the CPA instituted 12 regulations and 100 orders in its year of leadership. It continued to significantly influence the direction of the state even thereafter, playing a central role in the creation of the 2005 Iraqi Constitution and quite literally appointing the leadership of the Iraqi Governing Council (IGC), the body ostensibly representing the diverse interests of Iraq's population. All notable decisions of the IGC required CPA imprimatur for implementation. Even "[t]he most publicized act of the IGC," the election of interim prime minister Iyad Allawi, "included extensive discussion with the CPA," with Bremer receiving advance review privileges of the candidate prior to his election (Baker, 2014; Allen and Wright, 2004).

The economic expenses incurred in the course of Iraqi reconstruction were enormous. Though to an extent the inevitable consequence of rebuilding a national economy from scratch, costs incurred during the course of reconstruction vastly exceeded many of the most auspicious estimates in the national security establishment. The initial invasion was backed by an initial commitment of only $2.4 billion dollars allocated by Congress for Iraqi reconstruction; this value was quickly determined inadequate to the mounting costs of rebuilding electric systems, providing for the basic needs of civilians, and reconstituting the country's flagging defense force. President George Bush would return to Congress with a request for an additional $20 billion before the end of the year; by ten years after the initial invasion, costs had exceeded an astonishing $60 billion (CBS News, 2013). According to a 2005 report by the Office of the Special Inspector General for Iraq Reconstruction (SIGIR), an independent government agency providing oversight of the Iraqi reconstruction effort, the Coalition Provisional Authority itself “lost track” of nearly $9 billion in funds allocated for development (CNN, 2005). This included the potential employment of “thousands of “ghost employees” found “on an unnamed ministry’s payroll,” for which no verification of employment was traceable (CNN, 2005).

A major factor driving up the costs of reconstruction was untrammeled extravagance on part of officials in Iraq and the United States, often supposedly justified in terms of “security interests.” One *Atlantic* article tells of a “key bridge carrying 15 oil and gas pipelines in northern Iraq” destroyed by US warplanes during the 2003 invasion. Though the pipeline could have been successfully rebuilt for a modest $5 million, American officials in Washington and Baghdad “decided for security reasons to bury the pipelines beneath [the Tigris River], at an estimated cost more than five times greater,” (Smith, 2013). Such tales of vast overspending are commonplace, as are instances of outright graft and fraud by international companies tasked with “rebuilding” the country. Scores of no-bid contracts for the highly-privatized rebuilding efforts were awarded, often without significant deliberation or planning on part of the contractors. Frequently the sites specified in contracts for rebuilding were “in the middle of lakes or riverbeds,” one site “already occupied by a mosque” and one “actually not in Iraq; it was in Iran,” (Northam, 2007). Thus in 2013 CBS reported that “much of” the $60 billion allocated by the United States to rebuild the Iraqi economy was “wasted,” adding that “[m]ost of the [reconstruction] work was done in piecemeal fashion, as no single government agency had responsibility for all of the money spent,” (CBS News, 2013). Millions were spent on half-finished projects by noncompetitive and inefficient private efforts, whose profit incentives were often at cross purposes with the construction of long-lasting or reliable civilian infrastructure. The waste was such that in 2014 a team of inspectors, led by former special inspector general Stuart Bowen, discovered what they allege was over $1 billion in reconstruction funds sitting unused in a Lebanese bunker (Carroll, 2014).

A number of reflections on the successes and failures of CPA economic policy attest that reconstruction economic failures owed largely to "security concerns" and inability to establish stability amid mounting terrorist violence. According to the United States Institute of Peace (Henderson, 2005), policy failures "often coincided with security headaches, lack of powerful coalition patrons, funding delays, and weak Iraqi implementation capacity." This narrative has been contested by scholars of Iraqi economic history such as Alnasrawi (1992), who argue that American and international devastation of the Iraqi economy through attrition, sanctions and deliberate targeting of civilian infrastructure directly disadvantaged American policy in rebuilding Iraq after the war. Another perspective suggests that the so-called "shock therapy" approach of economic liberalization pursued by the Bush administration created a volatile and uncertain situation in the country, leading to mass economic dislocation and consequent violence.

More recent history has suggested that this trend of vast inequality has not improved since the end of the occupation. In collaboration with the Government of Iraq, the World Bank in 2014 released a report on Iraqi economic inequality and welfare for the 2007–2012 period. "The Unfulfilled Promise of Oil and Growth" (2014) is about as optimistic as its title would suggest. Though GDP "grew at a cumulative rate of over 40 percent," per capita real consumption, "the basis for measuring poverty, grew at a rate of around 1.75 percent per year, or in cumulative terms, by only 9 percent over the five year period." It concluded that "high rates of GDP growth did not translate into commensurate consumption growth, and the latter was also unevenly distributed across the population and across the regions of Iraq." These disappointing figures reflect an unequal return on the rewards of GDP growth; since wealthier households spend proportionately less of their household income on consumption than poorer ones, a decoupling of growth and consumption is natural. Despite this, the World Bank report records a mean annual per capita consumption increase of 1.95% for the highest income quintile during the 2007-2012 period. Compare this with a mere 0.69% increase in mean per capita consumption for the lowest quintile during the same period, just a little over a third the increase of the highest quintile (The World Bank, undated). Amid this divergence of consumptive capacity between higher and lower economic strata of Iraqi society, welfare rolls for the poorest quintile of the Iraqi population declined by around 4%, and the proportion of Iraqis living below half the median income increased by around 2%—an increase of 900,000 people (Arab Development Portal).[2]

In 2019, the World Inequality Database estimated that the bottom 50% of Iraqi citizens contributed a mere 12.6% of pre-tax national income, while the top 10% took up over half (52.2%) (World Inequality Database, 2019). These measures are not substantially different net of government transfers; though the public distribution system (PDS), the country's major social safety net, remains "the only universal non-contributory social transfer system in the world," reliance on imported inputs and "unsustainable fiscal burden" severely limits its capacity to alleviate the real impacts of inequality (Krishnan, Olivieri and Ramadan, 2018). Government revenues are accounted for overwhelmingly by revenues from oil sales, with a 2021 IMF estimate placing the degree of external and fiscal proceeds from oil revenues at 90% (International Monetary Fund, 2021).

In essence, we may conclude that Iraq remains a developing state at this point in its history. Dependence on raw materials exports like oil still define its national economy, while capacity to effectively provide for the economic needs of its citizenry remain mostly out of

[2]Total population value represents the author's own calculation. Populations for 2006 (27.45 million) and 2012 (31.89 million) derived from World Bank information, while percentages of population below 50 percent of median income from Arab Development Portal. (31.89 * .08) - (27.45 * .06) = 0.9042, or 904,200 persons.

reach. The Iraq War (2003–2011) provided substantial conditions for this current situation. As the author will argue in the remainder of this thesis, it also occasioned the rise of anti-occupation terrorist activity through the implementation of policies that increased insecurity and income inequality.

In sum, the history of modern Iraq demonstrates a remarkable consistency with the author's stated thesis on the causes of violence and inequality—inequality begets violence, which "levels" that inequality, which provides conditions for inequality to once again rise. As we will observe in future chapters, this thesis can also be applied to the case of Iraq after the 2003 American invasion and its aftermath. But before we can proceed further with our investigation, it may be prudent to examine some of the relevant literature which hypothesizes the precise *nature* of the violence-inequality connection, if any exists.

Chapter III: Literature Review

In the preceding chapter, we established that Iraq's history demonstrates how violent shocks may be both a consequence of inequality and its ultimate "leveler"—reducing that inequality to a baseline where stability and rising inequality may again proceed. Now we must turn to the literature on terrorist violence, and discuss the perspective of leading scholars on the relationship between economic variables like inequality and terrorism.

What are the causes of terrorist and nonstate violence? This question has been furiously contested in the literature since the dawn of modern political science—especially since terrorism in particular became a meaningful threat to the nation-state model of international sovereignty and the process of economic, social and political globalization. The conversation has broadened since the early 1990s, with a number of international events prompting greater international interest and attention to the problem of terrorism—the collapse of the Soviet Union, the first Gulf War and the rise of nonstate groups like al Qaeda, whose attacks on the World Trade Center in 2001 remain the single deadliest terrorist action in human history (Wade, 2011). In a rapidly globalizing world, terrorism has also proved both a consequence of and major impediment to the integration of regional economic, social and cultural networks. At the same time, globalization has increased the ease with which terrorist networks can communicate and coordinate activities, while providing precisely the kinds of dislocations which so often form the bedrock of rebel grievances. Though these acts cannot be understood to have a singular source or motivation, these factors would be associated with lower or higher levels of nonstate violence where observed. Lutz and Lutz (2015) observe that over the past quarter-century, the general pattern has been that "[c]ountries that have become more integrated into the global system may eventually be able to increase their stability, but countries undergoing the process of integration or facing the shocks that come with globalization may be likely to suffer greater disruptions or problems," (Lutz and Lutz, 2015).

At the outset it may be useful to define for the purposes of this thesis what "terrorist" violence means. In its barest sense, terrorism may be understood as the use of *violence as a policy tool*, a means to achieve some ideological or political goal desirable to the perpetrator, generally directed against innocent civilians "in order to influence the actions or policies of some other, e.g. a government" (Saunders, 2008). The political and economic implications of this definition will be immediately apparent to the reader—violence has, of course, been utilized to achieve desirable political and social ends for the vast majority of recorded history (Scheidel, 2017). What is necessarily unique about terrorism is its focus on *fomenting terror*; generally the audience of an attack is not the victim-group itself but the broader society in which these victims are situated, with view that the observers will either demand concessions from relevant authorities or remain sufficiently frightened not to oppose further action. It is generally violence or suffering directed intentionally against noncombatants who support—or do not express sufficient opposition to—the enemy belligerent, with view to creating a spectacle of fear and inducing anxiety in the remaining members of that non-combatant group.

The author will not attempt to carve a new path in the definitional struggle over the term. For now it will suffice to define terrorism according to three criteria common to a number of definitions reviewed in the course of this research (Saunders, 2008; Teichman, 1989; Schmid, 2011). Pursuant to these definitions, terrorism is:

a. An act of violence against a civilian population, carried out;
b. By a nonstate actor;

c. In pursuit of a political aim, such as a change in policy, government, or administration.

Certainly material causes of rebellion have been the subject of much political attention in recent times. In a world increasingly defined by both outrageous inequality and sporadic nonstate violence, political figures on both sides of the political divide have been quick to connect the two by ascribing economic motivations to terrorist violence. “We fight against poverty,” President George W. Bush noted in a 2002 address at an international economic aid conference, for instance, “because hope is an answer to terror,” (Easterly, 2016). Citing poverty as a fundamental threat to international peace and stability, former US Vice President Al Gore similarly warned in a speech to the Council on Foreign Relations that “We may well put down terror in its present manifestations. But if we do not attend to the larger fundamentals as well, then the ground is fertile and has been seeded for the next generation of those born to hate us, who will hold these things up before the world's poor and dispossessed, and say that all these things are in our image, and rekindle the war we are now hoping to snuff out,” (Quoted in Hirschkorn, 2002). And just days after the September 11th attacks brought down the World Trade Center, a young state senator from Illinois named Barack Obama observed in the Sept. 19, 2001 issue of *Hyde Park Herald*:

> The essence of this tragedy, it seems to me, derives from a fundamental absence of empathy on the part of the attackers: an inability to imagine, or connect with, the humanity and suffering of others. Such a failure of empathy, such numbness to the pain of a child or the desperation of a parent, is not innate; nor, history tells us, is it unique to a particular culture, religion, or ethnicity [...] Most often, though, it grows out of a climate of poverty and ignorance, helplessness and despair [...] [W]e will have to devote far more attention to the monumental task of raising the hopes and prospects of embittered children across the globe—children not just in

> the Middle East, but also in Africa, Asia, Latin America, Eastern Europe and within our own shores. (Quoted in Strick, 2014).

Obama would maintain this notion of a connection between economic grievance and terrorism throughout his tenure as president, though evincing some skepticism late in his second term about the theory: "we do have to address the grievances that terrorists exploit, including economic grievances. Poverty alone does not cause a person to become a terrorist, [...] There are millions of people -- billions of people -- in the world who live in abject poverty and are focused on what they can do to build up their own lives, and never embrace violent ideologies," (Office of the Press Secretary, 2015). Often these calls for greater economic justice are essentially vague and aspirational, or tied to a more modest international development agenda pursued by that particular organization. Nevertheless, the consistency across administration and party lines on this issue suggests that its invocation is not purely partisan.

Indeed, in addition to the thundering of politicians, material causes have long been considered in the formal academic literature as a motivator to nonstate violence. In analysis of the causes of civil war, a schism between two schools of theory has largely defined this speculation—known as the "greed versus grievance" debate. "Greed" posits violent conflict as a result of individuals looking to improve their political, economic or social situation from the *status quo ante*; these individuals participate because they have reason to believe engaging in violence as a sufficiently low risk, and high enough reward, to justify action. "Grievance," meanwhile, suggests that insurgency is a consequence of "atypically severe" social or economic injustices arising from "high inequality, a lack of political rights, or ethnic and religious divisions in society," (Collier and Hoffler, 2004). Though both can be clearly be seen as somewhat overlapping and interdependent, these two theories have often been posited as essentially competing baseline theories. In most literature, however, both are seen to play *some* role in the decision making of terrorists; the primary debate is over *primacy* rather than *presence*.

One highly-influential model, first proposed by economists Paul Collier and Anke Hoeffler (2004), strongly favors the "greed category"; it argues that "opportunities for predation [...] cause conflict, and the grievances this generates induce diasporas to finance further conflict." The so-called "Collier-Hoeffler model" presents "civil war and rebellion in terms of both motive and opportunity, but focuses on opportunity as the determining factor of rebellion," since the latter offers "the common conditions sufficient for profit-seeking, or not-for-profit, rebel organizations to exist" (Collier, Hoeffler and Sambanis, 2005). However, like all influential models the Collier-Hoeffler thesis has received comprehensive critique. One representative compilation of these critiques has been offered by Nathan (2005), who argues that Collier and Hoeffler's famous study is "filled with empirical, methodological and theoretical problems that lead to unreliable results and unjustified conclusions." Particularly, Nathan finds that the authors' assumptions about natural resource-rich countries being at higher risk of rebellion and extortion is "not based on evidence," but is instead "an inference drawn from a correlation between the onset of civil war and the ratio of primary commodity exports to Gross Domestic Product" (Nathan, 2005). He is especially critical of their committed attention to the greed-grievance dichotomy, arguing that a dynamic blending of these motives is the only one consistent with the realities of human nature. The mixed motivations of rebels or paramilitary organizations cannot be adequately quantified as "determined" by *either* greed or grievance.

To a certain extent internalizing this critique, one of the most comprehensive studies to date in the field was undertaken by Krieger and Meierrieks (2015), utilizing national-level data from nearly 80 countries over ten years (2002–2012) to examine potential distributional antecedents of terrorist activity. Charting Gini coefficients against both the logged *terrorism score*—available at nation-level from the Global Terrorism Database—and a *terrorism index*—the "logged sum of terrorist incidents and terrorism victims (i.e., the number of individuals injured or killed in a terrorist incidents)," [sic]—the authors ran a series of OLS regressions to determine a possible correlation between the two variables. This was followed by use of an instrumental variable (IV) approach which instrumentalized ratios between "the (logged) share of arable land suitable for wheat to the share of land suitable for sugarcane." Advocated by Easterly (2007), this approach is predicated on the argument that "agricultural endowments [...] that favor the production of sugarcane have historically contributed to inequality, e.g., due to the use of slave or low-wage labor by (small) plantation elites," while those that "favor wheat have been associated with a more equal income distribution" (Krieger and Meierreiks, 2015).

It is through this novel channel that the authors find that "higher levels of income inequality are associated with higher levels of terrorist activity," concluding that "finding that more inequality leads to more terrorism suggests that grievances due to an unequal distribution of wealth indeed induce terrorism." These results, they note, could lend support to either the "greed" or "grievance" hypotheses of conflict. On the one hand, "relative deprivation" theory might suggest that social vexation and bitterness at income inequality would concentrate existing ethnolinguistic, religious, or racial differences, increasing tensions as a result. Conversely, "inequality may also exacerbate institutional and socioeconomic conditions (such as poor socio-economic development) that are by themselves potentially conducive to terrorism" (Krieger and Meierreiks, 2015). The authors suggest that increased public spending on social services, along with the creation of solid economic institutions such as banking systems, private property and competitive markets, can reduce incidence of terrorism in these societies. However they make no claims that such policies would decisively eliminate terrorist activity, only that they may reduce its incidence and rapport among the general population by attending to underlying grievances about economic opportunity, distribution and possession.

Renowned economist and historian Thomas Piketty has, in recent times (2015), made significant attempts to locate support for Islamic fundamentalist terror organizations like the Islamic State of Iraq and the Levant (ISIL) in the Middle East's enduring troubles with income inequality. Noting that "the Middle East's political and social system has been made fragile by the high concentration of oil wealth into a few countries with relatively little population," Piketty explains that, even within those tiny portions of the population, "a small slice of people controls most of the wealth [...] These economic conditions, he says, have *become justifications for jihadists, along with the casualties of a series of wars in the region perpetuated by Western powers*," (Tankersley, 2015, emphasis my own). Piketty offers similar conclusions to Krieger and Meierreiks, advocating a more rigorous commitment to just international economic development and a greater popular share of the benefits of economic growth. He argues that Western countries exercising influence in the region should commit oil-rich countries like Saudi Arabia to using oil revenues for social spending, on the understanding that a more fulfilling life would increase the opportunity cost of terrorism while decreasing its value in achieveing greater government concessions.

Inequality can especially be a source of terrorist resentment if it results in broader social exclusion. Even in states with comprehensive welfare systems like Belgium, a gap between employment attainment of foreign and native-born citizens has been associated with higher levels of recruitment to the Islamic State of Iraq and the Levant (ISIL). These "social exclusion" theories certainly fall more on the "grievance" side of the debate, linking terrorist recruits to "low labour market participation and lack of educational achievements among immigrant populations" hindered by state policy and discrimination (Verwimp, 2016). Though Belgium is able to keep its poverty levels relatively low, the segmentation of the labor market contravenes those advancements by disproportionately favoring Belgian nationals in employment considerations. This offers another perspective in support of *inequality* rather than absolute *poverty* as a condition motivating terror.

Piazza (2006) offers perhaps the most convincing counterargument for the effects of economic variables on terrorist activity throughout the world. Utilizing multiple-regression analyses on a 96-country dataset over a period of sixteen years (1986–2002), Piazza tested incidence of terrorism against "poverty, malnutrition, inequality, unemployment, inflation, and poor economic growth" in each of the countries in the dataset. The author ultimately found that "contrary to popular opinion, no significant relationship between any of the measures of economic development and terrorism can be determined" from available data. More convincing in Piazza's view is so-called "social cleavage theory," which posits variables like ethnolinguistic, religious and cultural fragmentation as sources of terrorist violence; this would be far more consistent with the "grievance" side of the debate than "greed," suggesting cost-benefit analyses as not especially central to the decisionmaking of terrorist groups.

Much of this literature provides important perspective on motivations to terrorism. But if inequality really *is* a principal motivator to terrorist violence, why should its incidence fall so heavily on countries in the Middle East such as Iraq? One cause often speculated upon as a major source of inequality in the Middle East has been the phenomenon of "petrodollar" recycling. Since the development of OPEC and the consequent increased levels of resource autonomy among major petroleum-exporting states, revenues from global oil sales have resulted in inflows of capital greater than can possibly be efficiently invested in the national economies of those states. The accumulation of oil revenues is thus disbursed abroad in three principal ways, as identified by Deborah Gerner: "1) spent for imported goods and services, 2) invested directly or indirectly in foreign financial or physical assets, [or] 3) given away as part of an economic assistance program" (Gerner, 1985). But a number of OECD countries "seek to balance their dependence on OPEC oil and regain petro-dollars" through another method, namely "increasing the sale of arms to oil-producing countries." Since revenue from oil sales provides massive and irregular amounts of capital without a substantial attendant infrastructure of technological or industrial progress, Arab states have the purchasing power to import weapons but lack a sufficiently developed high-tech sector as possessed in OECD countries. Moreover "[a]rms sales [...] tend to be a relatively unobtrusive issue for most voters. And, while it is a competitive business, the number of suppliers is relatively small and there is no shortage of demands for weapons. Thus, it seems to provide a relatively expedient and politically safe way to redress current or anticipated trade imbalance," (Gerner, 1985). This has two major consequences. First, it generates a huge amount of revenue for the owners of oil assets, often the personal property of a dictator or royal family (as in Saudi Arabia) or a national-level government entity (as in Iraq). Such profit massively increases inequality by enriching a small minority of asset owners at the expense of the vast majority of citizens. Secondly, it has the potential to increase violence by enabling a regime to maintain its power by the use of increasingly technologically-advanced force. Political and economic hierarchies thus become both more pronounced and more entrenched over time, threatening to create social disorder even as it promises swift and lasting punishment for doing so.

These effects are not merely theoretical; in the past thirty years the consequences of such behavior have foiled even the best-laid plans of the international community. When the United Nations imposed comprehensive sanctions against Iraq, for instance, capacity for a small elite class to benefit from oil sales continued unabated. The UN Oil-for-Food Programme, instituted in the wake of the post-Gulf War sanctions regime against Iraq as a means to provide emergency medical, food, and shelter supplies to Iraqi citizens, enabled the Iraqi government to trade nearly $53 billion USD oil on the world market. The OIP program was intended to minimize the disruption to oil markets as a result of the sanctions while reducing their effects on ordinary Iraqi citizens; the Saddam government was allowed to use its revenues to purchase only a narrow range of goods for humanitarian relief purposes (Steele, 2003). Operating from late 1996 until 2003, the program proved somewhat successful but met with a number of administrative roadblocks—not the least of which included official corruption, bribery and contract sales based on personal profit to the Iraqi regime. A 2005 report by the United Nations found that, of the 4,500 companies participating in the UN Oil-for-Food Programme, almost half had rendered "kickbacks and illegal surcharges to win lucrative contracts, and allow[ed] Saddam Hussein to pocket $1.8 billion at the expense of Iraqis suffering under UN economic sanctions" (Otterman, 2005). "All could agree," per the report,

> that *Saddam Hussein had exploited the international community's goodwill towards the people of Iraq to obtain billions of dollars for his personal use for the purpose of strengthening his authoritarian grip on his own people*. It was also clear that corruption both within and outside the United Nations system allowed Hussein to achieve many of his illicit goals. There were bribes, kickbacks and lax oversight from the Secretariat with some Member States turning a blind eye to the corruption. (United Nations, 2005, emphasis my own).

One edifying work by Hamilton (2003) provides a novel interpretation of existing data, concluding that “the face that the [postwar political] settlement has accommodated more groups than its repressive predecessor has not resulted in more inclusive, long-term oriented and programmatic decision-making” since “the inclusion of more (elite) groups reflects the fact that more actors can now generate violence if they are not placated with state-generated rents” (Hamilton, 2020). The economist actually recommends the insulation of the Iraqi government from these social and political pressures, suggesting that this remove will provide more favorable conditions for policy creation conducive to long-term economic growth and private sector investment.

Scheidel’s work

Economist-historian Walter Scheidel has much to say about the relationship between violence and inequality, though positing a relationship in the opposite direction. Scheidel argues in his 2017 work *The Great Leveler* that, since the beginning of the Stone Age, meaningful and enduring improvements in human material equality have been inaugurated only by what he terms the “Four Horsemen” of leveling—mass-mobilization warfare, revolution, state failure, and major pandemics. These episodes of violence produce both direct and pressures on the level of inequality in a given society, such as through the destruction of property regimes or elimination of population surpluses in the labor market, as well as indirect mechanisms such as higher taxation resulting from mass mobilization of armies (Scheidel, 2017). In the absence of these “Four Horsemen,” Scheidel continues, global inequality has steadily and inexorably risen; no national redistributive policy, charity program, or “long swing” of capitalist enterprise has ever precipitated lasting and significant decreases in inequality on the scale contemplated by Scheidel.

If we are to accept Scheidel's premises as accurate—and the data presented from the past 20,000 years is reasonably compelling—it would offer some important implications about how we address inequality in the modern world. Grim as it is, one interpretation may suggest that inequality is the necessary attendant of peace and security; opting for one implies the other. Scheidel himself notes that the conditions enabling the apocalyptic "levelers" of yesteryear (he names in particular the Black Death and the two World Wars) are "gone for now, and unlikely to return any time soon." Such a prospect significantly reduces chances of leveling pressures, condemning all of human society to an unstoppable, long-term trend of increasing inequality. "All of us who prize greater economic equality," Scheidel warns, "would do well to remember that with the rarest of exceptions, it was only ever brought forth in sorrow. Be careful what you wish for" (Mason, 2017; Scheidel, 2017).

When combined with our existing understanding of the sources of terrorist violence, however, this thesis proves still more illuminating. If levels of inequality in a given society precipitate violent reaction based on class antagonisms, and that same violent reaction can radically level the economic "playing field," a fully endogenous theory of inequality can be posited based on levels of violence. Violence would increase in response to rises in inequality, and that same violence would produce a "leveling" effect on the distribution of income, leading to a reduction in violence, and hence a new increase in inequality. Not only would this imply the relative impotence of supposed "reform" and "redistributive" projects undertaken by national governments, but would have special bearing on the United States's planning in Iraq throughout the war and rebuilding. Since the invasion in 2003, President Bush was rather explicit in his dedication to economic reform in Iraq, then a centrally-planned economy fueled primarily by oil rents. Restrictions on foreign direct investment (FDI), repatriation of profits, and ownership of state-owned enterprises, prohibitive tariffs on imported goods, and relatively high corporate tax rates, in the view of American planners like Paul Bremer, compounded the disincentives to industry that the security situation in Iraq already provided.

Aiming to create a paragon of free market virtue in a region of the world decidedly hostile to American influence, the United States "embarked on a radical and comprehensive project to reconstruct Iraq's political and economic system along neo-liberal lines" (Docena, 2007). This program of "shock therapy" iterated the experience of former Soviet states like Russia in the early 1990s; Bush and his advisors felt that "free markets, increased globalization, and reduced government interference in the marketplace—the basic neoliberal economic agenda—[were] the ticket to rapid Iraqi economic recovery and prosperity" (Looney, 2004).

Reform efforts, however, were both unevenly distributed and politically compromised, resulting in an incoherent application of free market principles to a national economy. Many of the most radical reforms undertaken by the Coalition Provisional Authority were opposed vehemently by a cross-section of the Iraqi population, putting at direct odds the American planners' twin goals of comprehensive economic restructuring and establishment of democracy in Iraq. The Iraqi people were, in other words, simultaneously granted greater control over a government whose power was increasingly abstracted into the hands of private contractors, foreign oil companies and international financial institutions (Mahdi, 2007).

Additionally, many of the demands placed on reform aimed at setting certain macroeconomic goals for the Iraqi economy without comprehensive outlines for achieving those particular goals. As a result, planners to a large extent improvised in reforming the economy towards these ends. Thus "competitive markets and equity considerations come as secondary objectives to that of strengthening property rights, and these secondary objectives are not pursued beyond the changes that widen the scope for private capital" (Mahdi, 2007). The outcome of these broad policy ordinations was, as the succeeding chapter will suggest, an increase in anti-occupation terrorist violence. This ultimately proved to the detriment of growth in Iraq.

Chapter IV: Are Violence and Inequality Related?

I. Violence in Iraq

As discussed in Chapter II, Iraq has suffered a number of conflicts in the recent past that have generated incredible violence within its borders. For the purpose of brevity, we will limit ourselves to the beginning of the Iran-Iraq War (1980–1988). The curious reader may consult Chapter II for a more authoritative history of violence and inequality in Iraq's past.

The Iran-Iraq War proved one of the most devastating conflicts in the modern history of warfare; its total death toll has been variously estimated at between 500,000 and over two million dead, including nearly 100,000 civilian noncombatants (Black, 2010). It also destroyed the quality of life for the average Iraq, which until the early 1980s was steadily increasing. By the end of the war Iraq was in a state of severe desperation as a result of destruction from the war. For these and other reasons, Iraq pursued a vicious invasion of Kuwait that resulted in an overwhelming American military response. The Gulf War "led to the destruction of Iraq's infrastructure and the crippling of its economy," fomenting sectarian violence that lasted nearly up until the 2003 invasion. After Iraq's defeat in Kuwait, uprisings began in fourteen of Iraq's eighteen provinces; these uprisings were often led by social groups such as Shi'ites as well as the Kurdish minority in the north, both of whom felt marginalized during the preceding two decades of Ba'athist rule (Alnasrawi, 1992: 335; Cline, 2000). Uprisings at first proved massively successful, with rebel forces extending territorial control over a majority of Iraqi land and population centers in less than a month of belligerency (March–April 1991). However, a variety of internal disagreements between the diverse rebel groups, in addition to inaction on part of the United States and other Western leaders—who were expected to provide aid and military support to the uprisings after President Bush "publicly encouraged the revolt"—led to its rather rapid destruction by Ba'ath forces (Goldstein, 1992; Arango, 2011).

The harsh crackdown that succeeded the 1991 uprisings was not the end of sectarian violence in Iraq; indeed, owing to the increasing "brittleness of the Iraqi national identity" in the wake of these divisions, the 1990s saw some of the fiercest internecine struggle in the nation's history (Dawisha, 1999). Part of this derived from the fact that the Saddam government—including the leader himself—was populated primarily by influential Sunni Muslims, a minority in largely Shi'a Iraq. Since the Islamic Revolution of 1979 brought Shi'a cleric Ruhollah Khomeini to power, fears of "exportation" of the model dominated the Hussein government's calculations and was a proximate cause of the Iran-Iraq War (1980–1988). Consequently, a longstanding paranoia over sectarian threats to Ba'ath rulership only added virulence to the government suppressions which followed. In one particularly astonishing example, the Saddam government intentionally drained the Mesopotamian Marshes in the Shi'a-populated south, forcing out the so-called "Marsh Arabs" and leading to both "forced resettlement" and a "brutal counterinsurgency campaign," (Human Rights Watch, 2003). Meanwhile, organizations like al-Qaeda were gaining significant ground in conflict-torn countries such as Iraq and Pakistan, all while mounting increasingly complex, violent attacks throughout the world. The 1998 bombing of the American embassies in Nairobi and Dar es Salaam epitomize this growth during the 1990s, killing 224 people including diplomatic personnel and civilians (Schaefer, 2003).

The 2003 invasion of Iraq occurred amid (and ostensibly because of) this growing threat of transnational terrorism, a major node of which was based in the Middle East and Central Asia. Al-Qaeda, who orchestrated the September 11 attacks against the World Trade Center in 2001, and other Islamic fundamentalist groups engaged in terrorist activity as a means of resistance against American and broadly Western presence in the region. A central argument justifying this violent resistance was a Manichean notion of a struggle between Islam and *jahiliyya* (religious ignorance, analogous to the Christian notion of "barbarism" or "primitiveness"), a dichotomy articulated by the ideological forerunner of Salafi jihadism Sayyid Qutb. Such dichotomies encouraged the radical and unambiguous commitment to one or another side of a conflict, removing any space for triangulation between the excesses of American and terrorist violence. Consequently, though roundly condemned by political and religious leadership throughout the Middle East, the September 11 attacks ignited greater enthusiasm and membership in terrorist organizations throughout the Middle East. Still remaining small in absolute terms, these organizations were able to mount more frequent attacks against their respective governments as a consequence of this windfall. The 2003 invasion redoubled this enthusiasm. Many insurgent fighters saw opposition to American occupation as a religious and political duty. In July 2005, current al Qaeda leader Ayman al-Zawahiri penned a letter to leading operative Abu Musab al-Zarqawi outlining al Qaeda's strategic plan for operations in the country. The fourfold program aimed first at "the expulsion of US forces from Iraq," succeeded by the creation of "an Islamic authority or amirate [...] in order to fill the void stemming from the departure of the Americans, immediately upon their exit and before un-Islamic forces attempt to fill this void" (Congressional Record, 2005).

But resistance to the invasion and military occupation of Iraq was by no means limited to terrorist threats. Post-invasion Iraq saw the proliferation of paramilitary groups such as the Mahdi Army and its successor group *Sarayat al-Salaam* (Peace Companies); Saddam loyalist organizations such as the Fedayeen Saddam; and less-organized guerrilla groups of former Iraqi military personnel, Ba'ath loyalists and citizen-soldiers. These groups were capable of mounting sporadic offensives against the American occupation in Baghdad, as well as of defending territories such as Mosul and Fallujah from American and coalition forces.

Despite the Iraqi government's and its backers' best attempts to reduce the incidence of violence across Iraq and ensure stable grounds for elections, violence continued to flare throughout 2005, and in 2006 erupted into a full-scale civil war. The First Iraqi Civil War (2006–2008) is broadly considered to have begun in February 2006, when the al-Askari Shrine in Samarra—one of Shi'a Islam's most revered religious sites—was bombed in a terrorist attack by operatives from al Qaeda in Iraq (AQI). From the date of the bombing (22 February) until the end of the month, *The Guardian* reported, "[a]s many as 1,300 people" were estimated to have been killed in violent sectarian clashes catalyzed by the destruction of the mosque (Staff and agencies, 2006). Thereafter the nation broke out into full-scale "civil conflict," a condition of precarity and violence which would last until roughly May of 2008 and displace nearly 4 million Iraqis (UNHCR, 2008). Violence would reach a nadir around 2010 as the final combat troops in Iraq departed for Kuwait. However in 2011, a new insurgency against the new Iraqi government began; civilian deaths from anti-occupation violence would begin to creep up once more, reaching a high in 2014. Though data from after this point is more conflicted on final numbers of civilian deaths, the ascendancy of the terrorist Islamic State of Iraq and the Levant (ISIL) suggests a vast increase in the scope of insurgent violence.

Collectively, this narrative paints a picture of a society suffering from significant violent shocks against its civilian population by terrorists and paramilitary organizations. The violence is of such a scale and gravity that the author feels justified in taking up Scheidel's reverse causal arrow and questioning whether inequality in Iraq was in any sense an *aggravating factor* in promoting anti-occupation violence against civilians. Before this question can be effectively answered, however, we must introduce the measures of civilian death through which this hypothesis will be tested.

The table below (Table I) contains information on all lethal attacks by anti-occupation forces on civilians, broken down by year. To fit our definition of “terrorist violence,” these attacks needed to have resulted in at least one civilian death; purely military attacks by anti-occupation forces have been excluded from the sample, as are lethal attacks on civilians by Iraqi security forces or American troops. The data in question has been collected from the Iraq Body Count (IBC) project, a private effort to record civilian deaths in Iraq which has been “widely considered as the most reliable database of Iraqi civilian deaths,” currently available (Steele, 2010).

Table I: Incidence of all violent attacks by anti-occupation forces, 2003–2014

Year	Incidence of lethal attacks against civilians by all anti-occupation forces	Percent change from prior year
2003	107	
2004	563	426.17
2005	968	71.94
2006	1,110	14.67
2007	1,066	-3.96
2008	835	-21.67
2009	400	-52.10
2010	311	-22.25
2011	391	25.72
2012	533	36.32
2013	665	24.77

2014	886	33.23
Source: Iraq Body Count Project		

II. Inequality in Iraq

In any country, inequality is a difficult measure to reliably report, compare, or even identify. As opposed to other measures like poverty or GDP per capita, which can be pegged to a reasonable universal standard of sub- or supra-acceptability, each inequality measure is necessarily relative to the society for which measurement is being taken. Vast income inequality in a given country, for instance, does not necessarily imply consumption habits or capacities that are consistent between classes across national boundaries. A member of the top 1% of income distribution in a low-income country, for instance, may enjoy a quality of life comparable to a member of the middle class in a high-income country. These are not absolute categories and are generally more useful for determining intra- than international dynamics. Thus the concern of inequality research is not necessarily income or consumption habits *per se*; rather, it is particularly the concentration of income into the hands of a small number of individuals in a given nation, at the expense of the remainder of the population and net of all transfers.

One quite elegant and widely used measure for determining the rough degree of inequality in a society is the so-called "Gini coefficient." This measure compares a theoretical distribution of "perfect equality" against the real distribution of wealth observed in that group or society. A 0 is understood to connote *perfect equality*—each quintile holding exactly the same amount of wealth as every other—while a 1 suggests *perfect inequality*—one individual or quintile holding 100% of the wealth, with the remaining constituents holding zero. Obviously, in the real world no large-scale society has ever observed either perfect equality or inequality. The observed range of values for nation-level datasets is much narrower; in 2022 only South Africa exceeded .6 (.63) while Slovenia alone was recorded at sub-.25 levels (.246), placing the general range between those two figures. For this reason, a country earning a Gini coefficient of around .5 should *not* be interpreted as being host to moderate or median levels of inequality; in fact, only a few vastly unequal societies exceed .5 in this measure (World Bank, 2022a).

There is no reliable statistical method for analyzing the degree of inequality in Iraq during the period 2003–2014. Moreover existing estimates for singular years during this period are wildly inconsistent. The World Bank, for instance, estimates the Gini coefficient for Iraq in 2006 at 28.6, rising moderately to about 29.5 in 2012. Such a value would be consistent with some of the lowest levels of inequality in the world—sitting comfortably with countries such as Denmark (28.2) and Malta, and well below countries renowned for their active redistributive public transfer systems, such as Sweden (Roser and Ortiz-Ospina, 2016). Alvaredo, Assouad and Piketty (2018), however, offer values for 2007 in Iraq at nearly .6, which, if true, would rank Iraq with Namibia and South Africa as the most unequal societies in the world (Barr, 2017).

Such an unreasonable disparity of available estimates, along with the apparent nonexistence of a reliable dataset for these years from either Iraqi government, international or nongovernmental sources, led to some consternation in effective response to this question for purposes of this thesis.[3] The difficulty owes in large part to the overthrow of the Iraqi government in March 2003, as well as the protracted difficulties of the effort to establish a new sovereign over the Middle Eastern nation; constant changes in authority, chaotic maintenance and loss of records, as well as inefficiency of the established government apparatus after the

[3]An exhaustive search of the available data, in collaboration with research librarian Carrie Pirmann (thanks Carrie!), yielded no comprehensive data after four months of research. Snapshots and estimate for singular years were available from sources such as Alvarez, Assouad and Piketty (2018) as well as the World Inequality Database (2019), Habib and Shabab (2019), and the UN Development Programme (2004), but no time-series data with commensurable methodologies or sources were publicly available.

initial invasion, relegated collection of data for assessment of these values to secondary (or tertiary) importance in Coalition planning. Focus on Iraqi nation-building was predominantly concerned with security metrics such as various measures of violence, numbers of weapons, and possession of strategic targets rather than civilian institutions.

Table II: Available Gini Indexes for the Republic of Iraq, 2003–2013

Year	Gini Index
2003	.36*
2004	.42*
2005	N/A
2006	N/A
2007	.59†, .29‡
2008	N/A
2009	N/A
2010	N/A
2011	N/A
2012	.30‡
2013	.31§
2014	.33‖

*Source: UN Development Programme (2004)
†Source: Alvarez, Assouad and Piketty (2018)
‡Source: The World Bank (2014)
§Source: BTI Project (2014)
‖Source: Krishnan and Olivieri (2016)

While significant methodological and data problems limit our ability to effectively analyze inequality in Iraq after the war, some intimations do suggest that the situation was not favorable to an equal distribution of wealth. One major undertaking of the economic reform in Iraq, for instance, was the "rationalization" of government expenditures on social programs to improve their "efficiency and fiscal sustainability" (World Bank, 2013). In practical terms this meant reducing the number of individuals on social expenditure rolls to slim down government deficits.

Data collected from the Arab Development Portal (2021) suggests that between 2006 and 2012, the percentage of the total population covered by social insurance programs decreased by nearly 2% – a removal from welfare rolls of nearly 600,000 people – including an over 4% decrease in social protection coverage for the poorest quintile of Iraqis (Arab Development Portal, 2021). Additionally, a concerted effort to "de-Ba'athify" the Iraqi government resulted in the dissolution of the Iraqi armed forces, rendering the country's 400,000 servicemen, with extensive combat experience, without employment or compensation. According to the Iraqi Central Statistical Organization (CSO), this helped push the unemployment rate from a low of 16.8% in the mid-1990s to an average of 25–40% "for the period of January to November 2005[.]" (Bassam, 2007). Assuming each serviceman belonged to an Iraqi household of average size (around six family members), Bassam estimates that the effects of the mobilization rippled across a vast swath of Iraqi society. All told, "the demobilization actually affected the livelihood of 2.4 million people or roughly one-tenth of the population" (Bassam, 2007). A young unemployed Iraqi, then living in an impoverished section of Baghdad, was quoted as follows:

> I haven't been working for the last two weeks. If I stay like this for another week, my family will starve; and if someone comes with $50 and asks me to toss a grenade at the Americans, I'll do it with pleasure. (Bassam, 2007).

This quote makes explicit the nexus between inequality and risk of violence, but is by no means the only motive for violent reprisal against economic policy. Individuals may be directly employed by insurgent movements, but could also simply be acting on a sense of *relative deprivation*: a feeling of lack in relation to another social or economic echelon of society. In the case of Iraq, unemployed or low-wage Iraqis quite possibly felt this sense of relative deprivation in relation to those employed by the CPA or American-backed government, private interests profiting from a newly-privatized oil industry, or owners of assets in companies profiting from the occupation (Black, 2019).

III. Correlation between (I) and (II)?

Generally, information such as income per capita and other measures cannot effectively capture a degree of inequality present in a given society. They provide a good sense only of the total level of wealth possessed by the constituents of a given nation divided by the total population – how much each individual might possess under conditions of *perfect equality* – but not of the relative distribution of that wealth among the nation's population. The GDP per capita of China in 2021, for instance, was estimated by the World Bank at $11,891. This would place its citizenry firmly in the "middle-income" category among the likes of Iran, Costa Rica and the Maldives (World Economic Outlook Database, 2021). However this measure masks vast income inequalities between the rural and urban residents of the country. In reality, only about the top 20% of income earners earned a salary exceeding $11,000 USD in 2019. One speech by Premier Li Keqiang noted that "600 million people, or more than 40% of the country's population, have an income of just 1,000 yuan ($141 [USD])," (Wong, 2020). This should give the reader a sense of the limits of these measures in achieving any clear picture of national-level inequality.

Another measure which offers some utility in intuiting inequality in Iraq is the so-called Inequality-adjusted Human Development Index (IHDI). IHDI effectively "combines a country's average achievements in health, education and income with how those achievements are distributed among country's [sic] population by "discounting" each dimension's average value according to its level of inequality," (UN Development Programme). With available values for 152 of 193 existing countries, the IHDI is a widely-available and robust measure for determining the degree of internal distribution of human development in a given society. Importantly, it acknowledges the extent to which industrialized "high income" countries with significant government investment can nevertheless preside over astonishing levels of inequality.

In 2007, Iraq's HDI was estimated at 0.674 – a value comparable with those of El Salvador (0.673), Tajikistan (0.668) and Guyana (0.682). These are relatively admirable human development values, especially considering Iraq's historical experience under decades of onerous sanctions, not to mention the intentional destruction of civilian infrastructure and a devastating decade-long occupation.When adjusted for inequality, however, (I)HDI was estimated by the UN Development Programme at only 0.541 – a nearly 20% deficit over its original non-adjusted values. This loss of HDI owing to distributional inequities is consistent with those estimated in deeply unequal societies such as Mexico (boasting a Gini of ~.49 in 2007, this country lost 21.3% of its HDI in the adjusted IHDI measure), the Dominican Republic (.489; 21.3%) and Algeria (.527; 20.3%) (UN Development Programme). Taking these comparisons into account, we may conclude that Iraqi citizens in fact lose a significant portion of the nation's average well-being to distributional inequities.

This, naturally, is not enough to conclude a relationship between economic inequality and anti-occupation violence against civilians. It will be necessary to use the information that *is* broadly available as a proxy for this measure. To achieve this purpose, I have elected to choose the instrument of luxury demand for certain goods and services. Instead of looking at raw values, I have additionally chosen to utilize the *year-over-year increases* in these values to associate annual changes in one value to another. This will allow us to identify the extent of association between growth in either factor.

IV. Luxury Goods and Services

Measuring the effects of inequality in Iraq during this period has thus proven tremendously difficult, owing to severe lack of data and incongruity of even the most basic estimates such as Gini coefficients or income quintiles. I have found it necessary throughout this survey to rely more heavily on inference, analogy and other forms of indirect conclusion which admittedly leave something to be methodologically desired. Consequently, what follows will provide less a definite conclusion about an observed phenomenon and more a collection of evidence that suggests the possibility of a conclusion. For that conclusion to achieve rigorous scientific legitimacy, some means of obtaining or recreating the aforementioned data will be necessary by future scholars. I enter into this discussion in more detail in Chapter VI, which discusses the methodological limits and objects of further study for this field.

Though generally difficult to compare consumption habits across national boundaries, one category of demand—that of *luxury goods*—forms a reliable consumption-based indicator of inequality in a given society. The close relationship between these two variables was first formally treated by institutionalist economist Thorstein Veblen in his 1899 work *The Theory of the Leisure Class*. In this treatise, Veblen points out the necessarily social nature of consumption, especially with regard to certain markers of class status known as *luxury or status goods*. Whereas aggregate demand of regular goods is principally based on the use-value and necessity of the product as such, luxuries are valued "not only for their intrinsic quality but also to signal [the owner's] wealth and confirm social status" (Ray and Vatan, 2015). Veblen (2008) locates this aspect of "pecuniary culture," like many of his concepts, in the need for classes to demonstrate their social standing to one another:

> Unproductive consumption of goods is honourable, primarily as a mark of prowess and a perquisite of human dignity; secondarily it becomes substantially

> honourable in itself, especially the consumption of the more desirable things. [...] When the quasi-peaceable stage of industry is reached [...] the general principle, more or less rigorously applied, is that the base, industrious class should consume only what may be necessary to their subsistence. In the nature of things, luxuries and the comforts of life belong to the leisure class (Veblen, 2008).

This so-called "conspicuous consumption" as a concept both appeals to our common experience and has gathered empirical support since first proposed. A 1984 review of existing literature on the subject concluded with some confidence that "status and prestige considerations play a significant part in shopping preferences for products which, although they appear to have a direct utility, serve only as a means of displaying wealth and purchasing power" (Mason, 1984). The secondary or *conspicuous utility* of these goods are primarily a function of their cost, limited quantity or otherwise-enforced exclusivity, which keeps the genuine articles from the hands of lower classes and thus preserves their social value. Consequently it stands to reason that the demand for these objects could only be primarily driven by the increased consumption capacities of a wealthy class within a given society.

Another recent, illuminating paper by Ray and Vatan (2015) has confirmed the literature review first undertaken by Mason, revealing that "[b]oth export values and average firm-product unit values of luxury goods increase with the level of income inequality in the importer country, the target demand audience being those "consumers at the top of the income distribution." This is consistent with Veblen's hypothesis even on the international market, suggesting that imports of luxury goods are crucially a partial function of income inequality. In an exploration of global wine demand between the years 2000 and 2019, Donzé and Katsumata (2021) found "a positive relationship between the unit price of imported wine and the level of income inequality of the importers," suggesting that "conspicuous consumption, as a means of social distinction, is a major driver of the luxury wine market."

In this study, I have chosen three categories of imports as proxies for luxury demand in Iraq during the wartime period. Jewelry and precious stones, recreational boats, and beauty products are all categories of items that generally fall under the category of "luxury items," those products for which there is no essential necessity of consumption in a given period. This can be contrasted with so-called "basic goods," which have relatively high marginal utility at low levels of consumption and are often necessary to purchase to supply essential needs like clothing, food, housing and education. We shall look at each of these three luxury categories in turn, correlating them with anti-occupation violence against civilians during the same period.

A. Jewelry and Precious Stones

Table III: Luxury demand in Iraq proxy 1 – Demand for precious metals, gems and jewelry (excluding imitation jewelry) [ID 14, HS2 ID 1471]

Year	Demand for precious metals, gems and jewelry (excluding imitation jewelry)*	Percent change from prior year
2003	659,572	
2004	12,208,816	1751.02
2005	29,300,214	139.99
2006	10,559,183	-63.96
2007	25,681,605	143.22
2008	29,950,666	16.62
2009	45,776,076	52.84
2010	88,248,642	92.78
2011	175,153,116	98.48

2012	316,560,018	80.73
2013	542,197,272	71.28
2014	2,305,937,596	325.29

Source: Organization for Economic Complexity

**Note: The OEC's dataset separates demand in USD into a variety of categories, one of which is "imitation jewellery". Though falling within the same HS2 identifier in the dataset as other jewellery and precious metals, the author has elected to exclude this from the demand data. Its role as a luxury good comes reasonably under question because of its "imitation" status. All other categories of precious metals, however, have been included.*

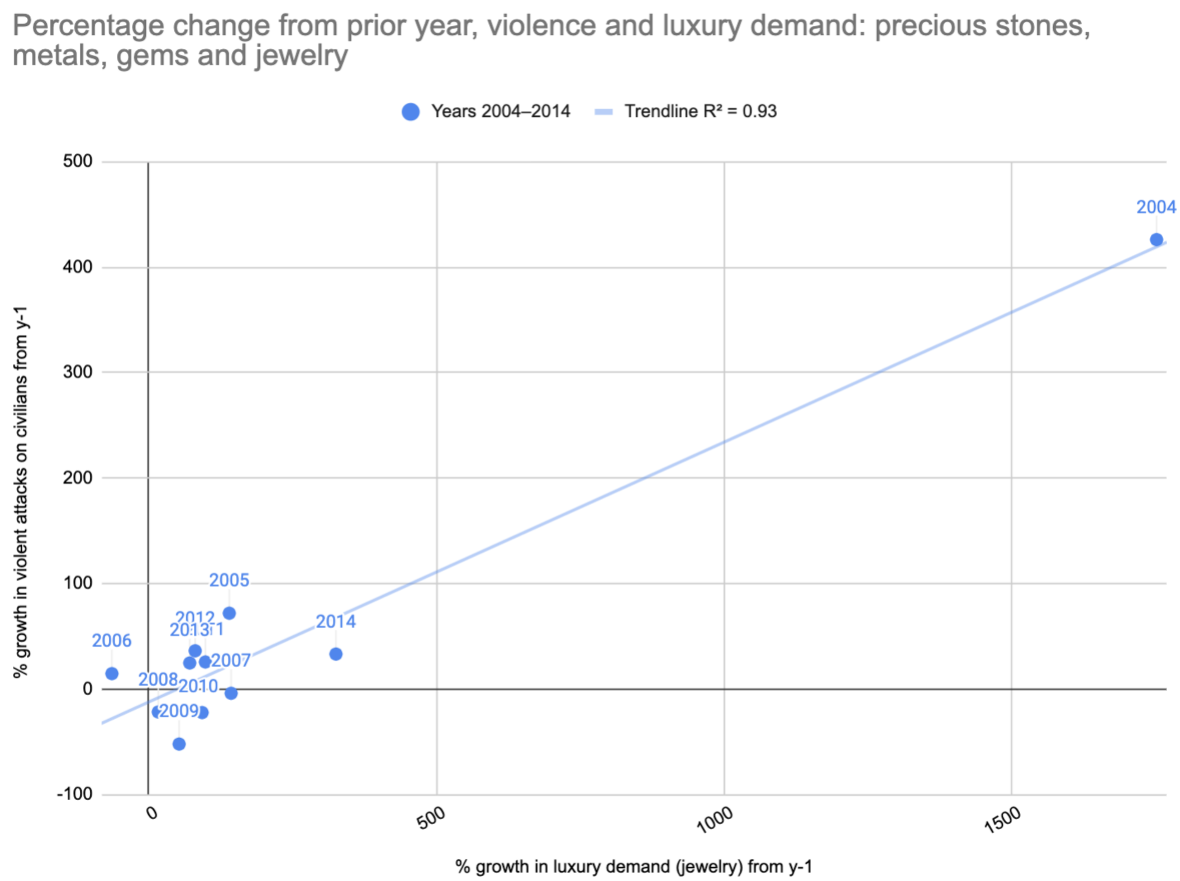

Fig. 1: Percentage change from prior year, violence and luxury demand: precious stones, metals, gems and jewelry (inc. 2004)

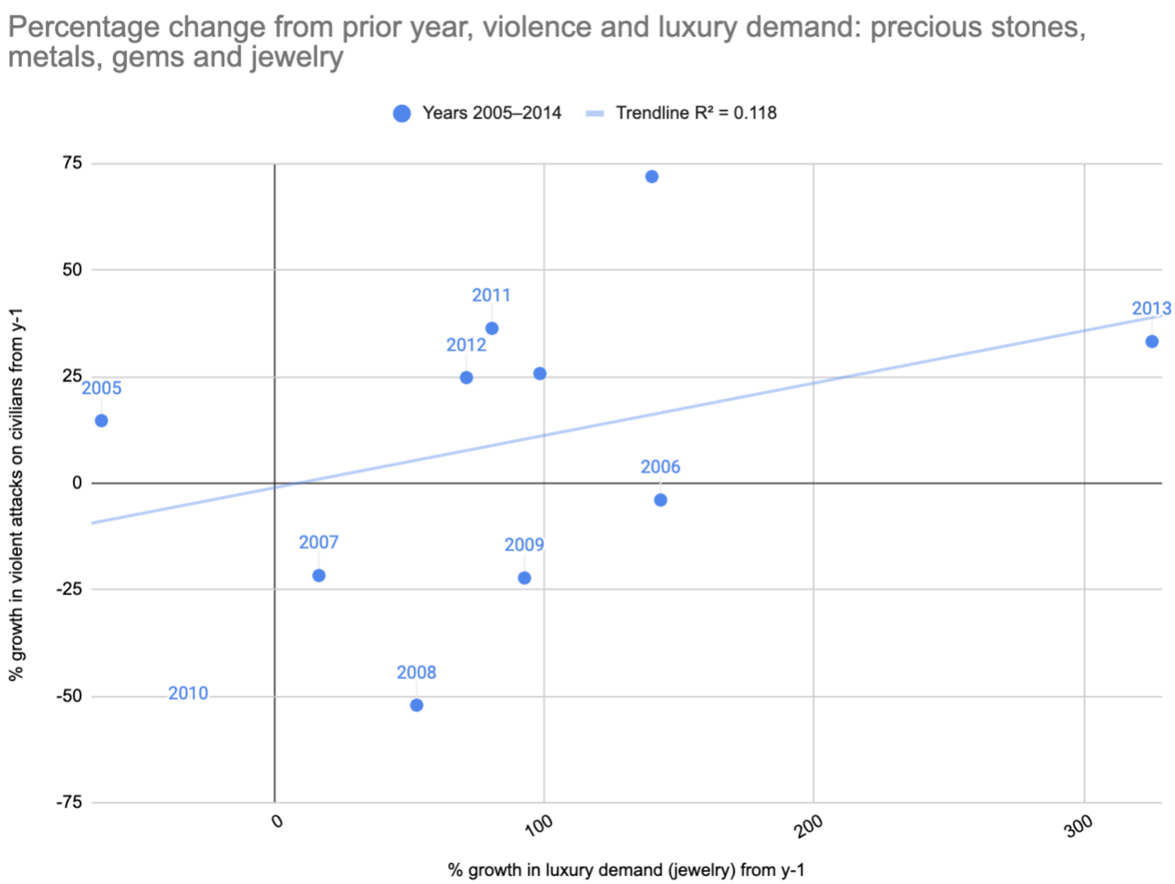

Fig. 2: Percentage change from prior year, violence and luxury demand: precious stones, metals, gems and jewelry (exc. 2004)

The first measure of "conspicuous consumption" utilized in the study were imports of precious stones, metals, gems and jewelry. Perhaps the most commonly-recognized form of luxury good, jewelry offers comparatively low marginal utility "even at low consumption levels," as compared with a basic good, "of which a certain amount is required in every period" (Aït-Sahalia, Parker, and Yogo, 2005).[4]

[4]"The word VALUE," notes Smith (1776), "has two different meanings, and sometimes expresses the utility of some particular object, and sometimes the power of purchasing other goods which the possession of that object conveys. The one may be called "value in use"; the other, "value in exchange." The things which have the greatest value in use frequently have little or no value in exchange; and on the contrary, those which have the greatest value in exchange have frequently little or no value in use,. Nothing is more useful than water: but it will purchase scarce any thing; scarce any thing can be had in exchange for it. A diamond, on the contrary, has scarce any value in use; but a very great quantity of other goods may frequently be had in exchange for it."

The results of the analysis (Fig. 1) were skewed significantly by the year 2004, which featured a significant increase in both anti-occupation violence against civilians (426.17%) and luxury demand for precious stones and metals (1751.02%) from the previous year. The inclusion of this data point begets an r-squared value of 0.93, indicating a high explanatory power of growth in luxury demand on growth in anti-occupation violence against civilians for a given year. This corresponds to a correlation coefficient (r-value) of 0.964, indicating an extremely strong positive relationship between the two variables. However, the exclusion of the data point for 2004 (Fig. 2) reduces both the correlation and its strength significantly. When this year is excluded, the resulting r-squared value is a mere 0.118, corresponding to a correlation coefficient of only 0.343. This indicates a rather weak positive linear relationship between the two variables.

B. Recreational boats

Table IV: Luxury demand in Iraq proxy 2 – Demand for recreational boats (ID 17, HS2 ID 1789, HS4 ID 178903)

Year	Demand for recreational boats (USD)s	Percent change from prior year
2003	368,311	
2004	861,022	133.78
2005	567,382	-34.10
2006	1,560,171	174.98
2007	3,004,477	92.57
2008	2,149,779	-28.45
2009	2,336,083	8.67
2010	741,714	-68.25
2011	1,144,368	54.29
2012	1,943,337	69.82
2013	1,480,732	-23.80

2014	2,370,064	60.06
Source: Organization for Economic Complexity		

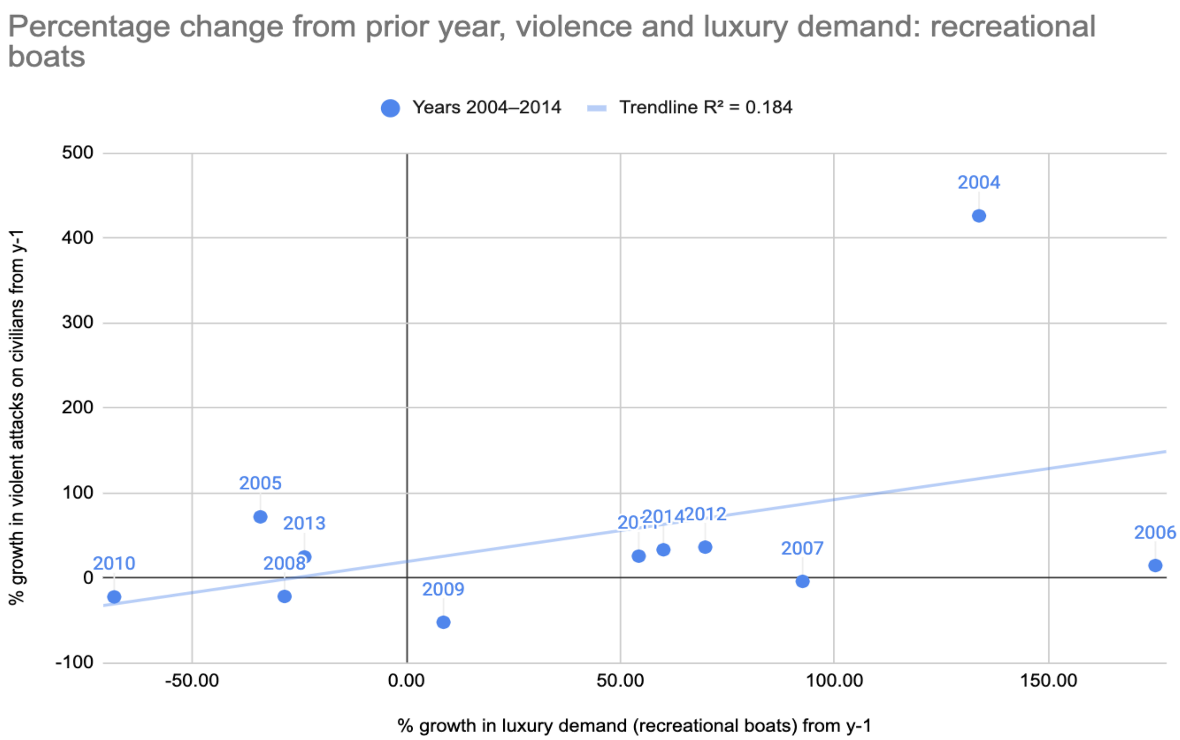

Fig. 3: Percentage change from prior year, violence and luxury demand: precious stones, metals, gems and jewelry

The second measure of conspicuous consumption chosen for this study were imports of works of art, including collectors' items, antiques and sculptures. Like jewelry and unlike basic goods such as bread or productive capital, recreational boats are by definition not necessary to purchase within a given period. As a consequence I have chosen demand for this item as another proxy for luxury, and by extent inequality.

The results of this analysis (Fig. 3) follow a similar pattern to demand for precious stones, gems and metals. The trendline reflects an r-squared value of 0.184, translating to a

Pearson correlation coefficient of 0.429. This suggests a weak-to-moderate positive relationship between the two variables, with significant variance. More striking is the visual correlation (Fig. 4), which records for both variables a meteoric increase which levels off around 2006–07, declining to a postwar nadir in 2010 before again climbing consistently through 2014. This relationship appears to correspond far more closely than the first-order derivatives of demand and violence, and could be the subject of further fruitful study into this topic.

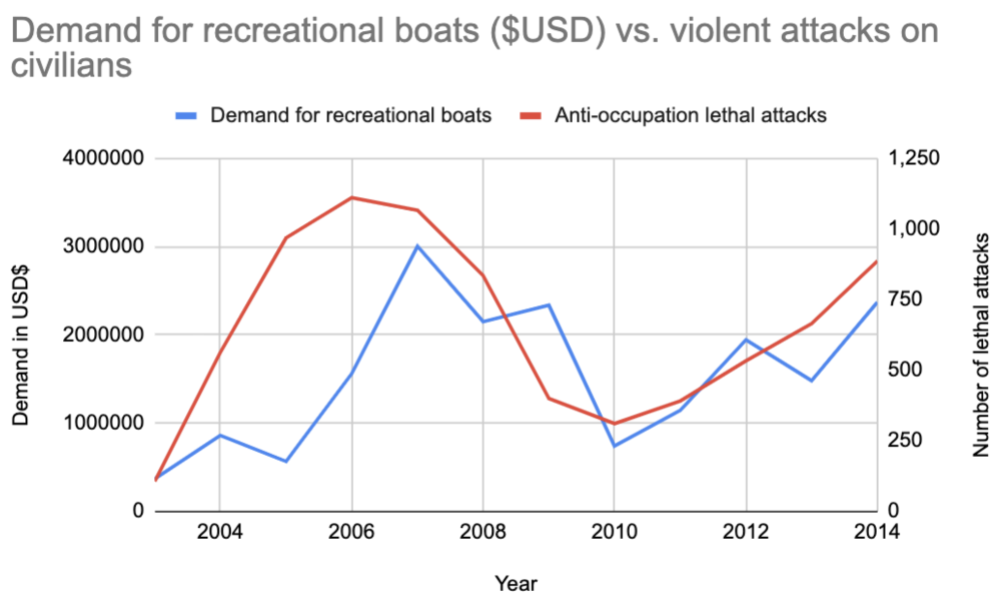

Fig. 4: Demand for recreational boats ($USD) vs. violent attacks on civilians, 2003–2014

C. Beauty products

Table V: Luxury demand in Iraq proxy 3 – Demand for beauty products (ID 6, HS2 ID 633, HS4 ID 63304)

Year	Demand for beauty products	Percent change from prior year
2003	2,561,572	
2004	8,108,273	843.46

2005	14,597,619	216.54
2006	8,159,484	80.03
2007	18,255,932	-44.10
2008	24,602,271	123.74
2009	19,965,945	34.76
2010	21,411,650	-18.85
2011	22,594,300	7.24
2012	26,792,480	5.52
2013	32,842,545	18.58
2014	37,898,174	22.58
Source: Organization for Economic Complexity		

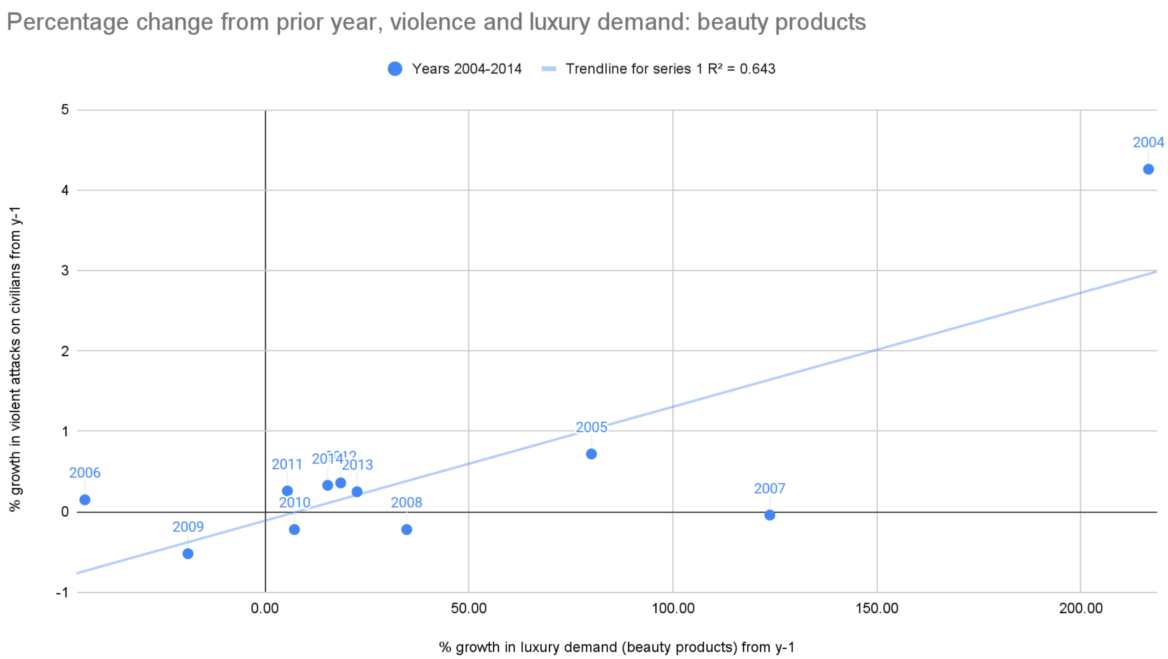

Fig. 5: Percentage change from prior year, violence and luxury demand: beauty products

The third and final relationship tested between luxury demand and violence was beauty products; these fell under the broad economic category of "Essential oils and resinoids; perfumery, cosmetic or toilet preparations," in the OEC dataset. Beauty products, like our other two luxury good proxies, were chosen for their limited marginal utility even at small amounts of demand.

The results of the analysis (Fig. 5) were the strongest correlation of the three, providing reasonably robust support for a positive relationship between anti-occupation violence against civilians and beauty products. The r-squared value was calculated at 0.643, corresponding to a correlation coefficient of 0.802. This suggests a relatively strong positive relationship between demand growth for beauty products and anti-occupation violence against civilians, offering some credibility to the initial hypothesis.

It must be noted at this point that the limitations of the small n-value (10–11 points) largely preclude any statistically significant values from arising in this data. Though the three correlations provide interesting intimations of a deeper connection between variables, the author suggests the careful interpretation of this data in light of such limitations. The intervention of a myriad of other factors, including decades of sanctions, destruction of Iraqi infrastructure, and the rapid alteration of trade policies further counsel caution with respect to any final interpretation. It will be necessary for us to observe other economic variables to arrive at a more confident conclusion of the situation in Iraq during the war. We next turn to the effects of income *sources*, namely whether income for Iraqis is derived from wage labor or other sources such as asset accumulation. This will hopefully provide a more potent picture of income and resource distribution for our interpretation.

It is worth noting at this point that even luxury demand is not a perfect proxy of economic inequality as it relates to terrorist violence. In fact, it may be a proxy for *violence itself*, as terrorist organizations may seek to transfer financial support for attacks through such luxury commodities as boats and precious gems. The Financial Action Task Force (2013) provided a particularly illuminating report several years ago which details the extent to which terrorism is actively financed through trade in diamonds, both through their use as a currency and through the acquisition of diamonds for the purpose of smuggling, money laundering and purchase of weaponry. The same could almost certainly be said for other luxury items such as boats and beauty products, the purchase of which would facilitate untraceable international finance of violent political movements. These flows, consequently, pose a number of distinct problems which connect them problematically with violent attacks on civilians. Nevertheless, since no variable can be completely extricated from its social and economic context, the author stands by the choice of variables included in this study as feasibly strongly connected with wealth inequality within the country of Iraq. Subsequent analysis of variables will further substantiate this assertion.

V. Oil rents and labor income vs. non-labour income

Table VI: Oil rents, labour income, and ratio of rents to labour income

Year	Oil rents, % of GDP	Labour income, % of GDP	Ratio (OR/LI)
2004	64.08	26.6	2.41
2005	63.82	27.9	2.29
2006	61.7	27.8	2.22
2007	52.73	27.9	1.89
2008	52.36	27.5	1.90
2009	36.27	27.6	1.31

2010	42.35	27.3	1.55
2011	50.83	27.1	1.88
2012	48.43	26.7	1.81
2013	45.4	26.8	1.69
2014	45.41	27.1	1.68
Source: Arab Development Portal			

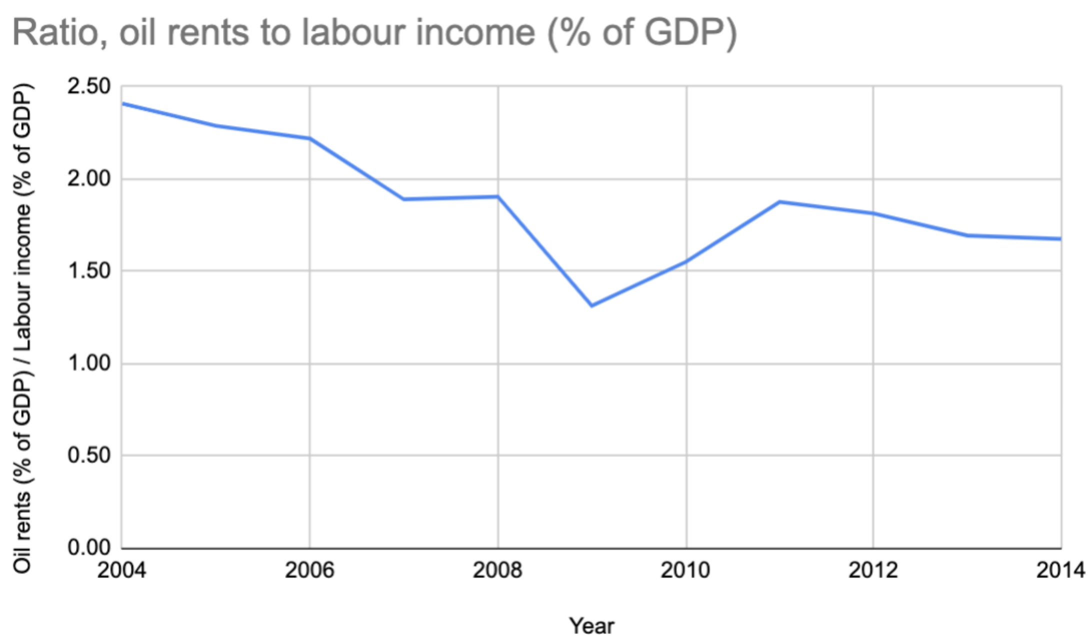

Fig. 6: Ratio of oil rents to labour income, % of GDP

Limiting class analysis strictly to differentials of income and property demand, while offering some insight into class dynamics in a society, also restricts our understanding of what inequality means. Inequality is, in reality, a question of *power* and one's ability to command resources to achieve desires and needs. Access to certain amenities or niceties through higher income is doubtless indicative of an inequality of power in this respect; however, a laborer who incidentally earns more income from their work is not necessarily more able to command resources than a slightly-less-prosperous rentier who need not labor for their living at all, though the former may have a higher absolute income than the latter (Zweig, 2011). An instrument more sensitive to these differentials is *derivative* in nature, concerning itself not with raw numbers but sources of income. This will give us some sense of the role ownership and economic dependence play in determining one's class position. The distinction is particularly important in the case of economic shocks, such as the one wrought by the invasion and economic restructuring of Iraq. Amartya Sen (1983) points out the role of income sources in his *Poverty and Famines*, entreating the reader to imagine two individuals—one a wage-laborer in agriculture, and one a direct owner of agricultural assets. Both may hold the same absolute income, and aside from moral considerations about whether one has or has not "earned" such income, there is no functional difference in their remuneration. However, as Sen points out, these differential "entitlements" may lead "to sharp differences in exchange entitlements in distress situations," (Sen, 1983). In the event of a catastrophic destruction of crops leading to a smaller harvest for that year, a wage-laborer may simply lose their employment altogether. With it, they lose their income stream entirely, and must rely on charity or finding new employment in order to achieve a comparable standard of living to that which they commanded as an employed person. Owners of assets, however, would suffer an altogether different fate. Though they would likely receive significantly lower annual returns in the event of such a shock, passive income would nevertheless provide some manner of *asset-based welfare* to its owner. This would enable them to suffer a far less disastrous change in their standard of living as opposed to the wage-laborer, who would largely lack such a safety net. Even though both have lost some income in an absolute sense, the owner of assets has lost less—and therefore, from the perspective of wage-laborers and others more comprehensively disenfranchised by such economic shocks, actually *gaining ground* relative to their position. Naturally this could result in a sparking of sentiments of relative deprivation. Support for anti-occupation violence could be perceived as reversing the trend of relative benefit afforded to owners of productive assets, avenging those vast numbers of Iraqis rendered unemployable by the CPA's de-Ba'athification process and other economic reform policies.

In the case of Iraq, the most likely candidate for a wealth-accumulating asset that could drive increases in inequality would be oil rents. As the principal export of the Iraqi state, these rents would naturally substantially benefit a small echelon of the ownership class, causing a divergence from those Iraqis who profit principally from their labor. However, as is observable in the above chart (Fig. 6), the ratio of oil rents to labor income as a percentage of GDP actually *declines* during the wartime period of roughly 2003–2014. This paradox would seem to imply a decrease in inequality, as asset ownership of oil grows responsible for a declining role in GDP relative to labor. A more comprehensive look at the data will be necessary to resolve this paradox. As can be seen in Table VI, this decline does not owe to any significant increase in remuneration from labor—labor incomes remain relatively stable over the entire period, with a net 10-year increase of only half a percent. What is truly driving the ratio's decline is a shrinking share of oil rents in national income; from a high of 64.08% of total GDP in 2004, Iraqi oil rents fell to a mere 45.41% by 2014, reflecting a roughly 20% decrease over a ten-year period. At the same time, a roughly consummate increase in the service sector brought value added from services from a low (2002) of 17.72% to a high (2009) of 42.85%, leveling to about 39.97% in 2014 (Arab Development Portal, 2021). The implications of this shift are discussed in more detail in section VI of this chapter. For now, suffice it to say that oil rents are an insufficiently diversified category to alone proxy the wealth accumulation of the Iraqi ownership class. It will be necessary to look instead at *all* nonlabour income from dividends, interest, and capital gains or rents over the course of the war.

Fig. 7: Labour and nonlabour income as composition of total GDP

The preceding chart (Fig. 7) provides a more substantive view of the departure in incomes during the course of the war. The blue and red segments combine to form the country's total GDP for a given year; blue alone constitutes labour income's share of GDP, meaning the portion of final GDP which is earned from remuneration of labour. Red constitutes "non-labour" income (NLI), inclusive problematically of both investment income (the aforementioned dividends, interests and capital gains values) and government transfers such as social security benefits or welfare payments. One may at this point object and note that NLI could grow simply as a factor of larger government transfers, evidence of a pretax measure of inequality being assuaged by effective redistribution schemes. But during this same period a deregulation of the Iraqi welfare system was in full swing, resulting in a nearly three-percent *decrease* in coverage by social protection and labor programs during the 2006–2012 period (Arab Development Portal). This reduction in welfare rolls fell most singularly on the poorest quintile of Iraqis, who saw a decrease in protection by social insurance programs in excess of 4% (Arab Development Portal, 2021). For this to have been a principal or even contributing driver of the divergence between labour income and NLI would be contrary to both reason and existing data.

We may conclude with some confidence that the labouring class, though maintaining a constant share of total GDP during the 2004–2014 period, is increasingly dwarfed by the income received by holders of dividends and other investment (passive) income. This has been observed throughout most G20 countries to be coterminous with mounting income inequality, exercising long-term growth impacts that "can have adverse consequences for the pace and sustainability of economic growth," (ILO, 2015). Consequently, even if oil rents are observed to decline as a proportion of total GDP, the diversification of rentier and financial interests in the Iraqi economy as a result of economic restructuring were likely to have maintained or increased inequality in the wake of the Iraq War.

VI. Services and sectoral composition of GDP

Table VII: Total value added by sector, % of total GDP

Year	Total value added: agriculture, % of GDP	Total value added: industry, % of GDP	Total value added: services, % of GDP
2003	8.32	70.11	21.57
2004	6.9	61.53	31.57
2005	6.85	63.28	29.86
2006	5.8	61.14	33.07

2007	4.91	59.84	35.26
2008	3.81	62.23	33.96
2009	5.22	51.93	42.85
2010	5.13	55.44	39.43
2011	4.54	62.18	33.28
2012	4.1	60.22	35.68
2013	4.75	57.45	37.8
2014	4.91	55.12	39.97
Source: Arab Development Portal			

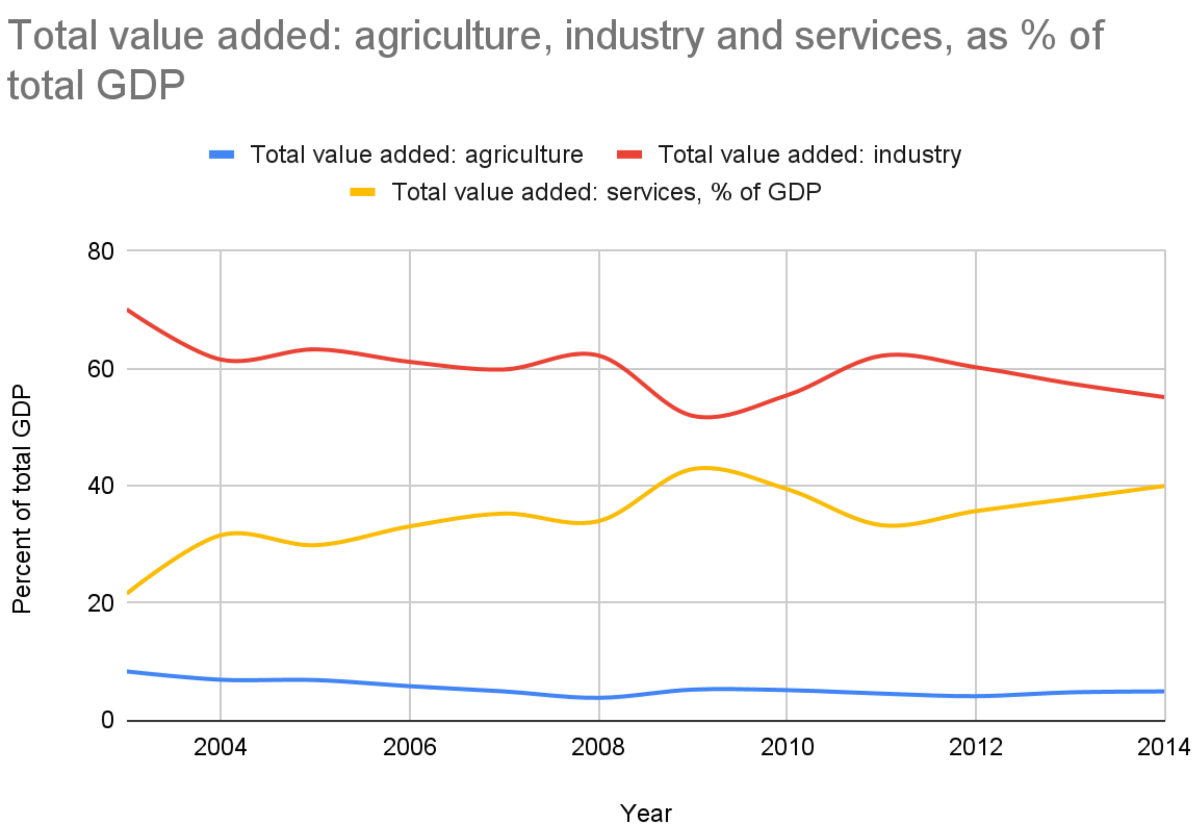

Fig. 8: Total value added: agriculture, industry and services, as % of total GDP

Another means of examining Iraqi inequality by proxy is through scrutiny of the *sectoral* composition of the economy. Structural changes in this aspect of a national economy have long been considered to closely reflect the development of a national economy. Conventional wisdom holds that low-income economies will be generally dominated by an agricultural sector; the development of an industrial base precipitates a growth in the value of industry as a percentage of GDP and employment, which enables the country to transition into a "middle-income" economic status. "High-income" countries are generally distinguished by the predominance of their service sector, followed by a relatively shrinking industrial base—a process known as relative "deindustrialization"—and a consistently minute, but increasingly productive, agricultural sector (Kutscher and Personick, 1986).

Observe the shifts charted in Fig. 8. By 2009, total value added by services within Iraq was responsible for fully 42.85% of Iraq's GDP; this was up from a low of roughly 10.83% in 2000, only a few years prior to the invasion (Arab Development Portal, 2021). Such structural change in the sectoral composition of an economy is generally characteristic of an upper-income developed country; China, for instance, achieved a commensurate composition of services in its economy only in the mid-2000s (~43% in 2007), well after its astonishing reform program had grown per capita GDP by over threefold from 1978 levels (World Bank, 2020a). Iraq, meanwhile, has seen its services sector grow by nearly 20% over a small, ten-year period of economic restructuring by the American occupation.

Giri (2016) examined a 45-country study for the 1991–2010 period, utilizing total value added shares broken down by sector to determine the sector's relationship with income inequality. The author found that "the effect of income inequality on services sector growth is positive and significant for all country groups," including low-, middle- and high-income countries (Giri, 2016). The author takes the methodologically unusual step of separating the effect into two distinct periods, a 1971–1990 and 1990–2010 period, which exhibit completely different results and correlations. This would suggest a positive correlation between the precipitous growth of services and degree of income inequality regardless of the income level of the country as a whole. Giri attributes this effect to the rise of globalization as an economic phenomenon in the 1980s, with a significant portion of service-sector growth derived from outsourced labor—principally services—from industrialized countries.

Roberts (1978) provided important commentary on this trend nearly half a century ago, with particular attention to developing countries of the "Third World". He explained that wealth concentration is often associated with a rise in services in these countries, as wealthy ownership classes can afford consumer durables which in the long-term leave a larger portion of income available for services. This would mean that the rapid growth of service-sector employment and value added would be partially determined by an increase in the wealth concentration of elites in an urbanizing "Third World" economy. Furthering this argument, Evans and Timberlake (1980) explain the growth of the "tertiary" [service] sector as a function of the "penetration" of developing economies "by investments of multinational enterprises based in more developed nations of the West." Their cross-national analysis provides confirmation of this linkage between international capital dependence and inequality, suggesting the growth of both dependence and the service sector in less-developed countries (LDCs) with an increase in inequality over the same period.

In an analysis of the results obtained by Evans and Timberlake, Fiala (1983) provides further context for the relationship between these two variables. Narrowing the definition of service-sector labor to exclude "wholesale and retail trade, transportation, storage, and communication," consistent with the International Standard Industrial Classification (ISIC) definition of services, Fiala nonetheless observes empirical confirmation of the relationship observed by the two authors. However, Fiala reverses the causal linkage hypothesized by these authors in his conclusion, "the finding that inequality has a positive impact on tertiary growth, suggesting that an expansion of the service sector is *more a consequence than a cause of inequality* (Fiala, 1983, emphasis my own). Over the long term, Fiala concludes, the stable growth and predominance of the service sector may result in lasting declines in inequality. While this conclusion appears to undermine the hypothesis proposed by the author, the short-term and meteoric increase in services in Iraq indicates that such structural change in Iraq is neither stable nor independent of foreign capital.

VII. Summary

This chapter aimed to provide evidence for a coexistence of rising inequality and rising anti-occupation violence against civilians during the Iraq War. Through the nexus of luxury demand, it also attempted to provide some connection between the two variables and suggest a potential causal relationship of inequality on violence. Though stringent limitations on available data provide a for now insurmountable roadblock to further study, we can nonetheless depart from our analysis with some indicators that our hypothesis has reasonable grounds for future confirmation. In the next chapter, we shall look at some of the potential implications of a hypothetical confirmation for United States policy, development literature, and the theoretical framework Scheidel proposed in *The Great Leveler*.

Chapter V: Implications

Taken in sum, the results observed in this study provide some empirical evidence for a relationship between economic inequality and violence. With this in mind, we may examine some of the prevailing wisdom for rectifying inequality, in the hopes that it will result in a dampened degree of violence over the long-term.

The literature of economic development is far from silent on the interplay between economic prosperity and social satisfaction. To be sure, absolute poverty is certainly a major generator of discontent throughout the so-called "Third World". Connection between poverty and violence has long been accepted in criminological research, though scholars often disagree about which specific conditions of the situation results in violent behavior (Crutchfield and Wadsworth, 2003). Similarly, inequality has often been posited as a source of violence both in the US and internationally (Muggah and Wahba, 2020). This violence, in turn, tends to hinder possibilities for further growth by dissuading international investment, damaging property and production of existing business, and undermining infrastructure necessary to successful commercial activity (Powers and Choi, 2012). It would appear that countries victim to terrorist violence are caught in a vicious cycle, whereby limited economic opportunity and inequality begets violence, which maintains the conditions of limited opportunity that prevailed in the first place. As Scheidel hypothesizes, this violence may reduce the inequality created by economic conditions in the short-term. It cannot, however, provide a lasting and stable distribution of wealth that offers any long-term answer to the problem of inequality.

Consequently development literature, particularly in areas with high incidence of terrorist violence, should pay particular attention to both the income and ownership distributions of their national populace. Achieving consistent long-term growth requires a level of political and social stability to reassure commercial interests. Monstrous inequality is not only anathema to this stability, but would likely gravely threaten existing economic actors in a country as well as prospective ones. As many of the authors examined in the literature review suggest, a policy which effectively redistributes the social surplus to benefit poorer groups would almost certainly reduce the appeal of terrorist grievances. Maintaining employment guarantees for affected workers, continuity of social insurance and food distribution programs, and expansion of coverage by welfare programs would have been far more consistent with a commitment to Iraqi security, and—crucially—much more in line with the explicitly-stated desires of the Iraqi population.

It has been well-established in the literature on terrorism that respect for physical integrity rights, such as the right to one's personhood and protections against torture or enforced disappearance, plays a meaningful role in reducing political violence in a given society (Walsh and Piazza, 2010). This is a simple connection to understand—nonstate militant groups rebelling against a national government will receive far less support and recruitment opportunities when its opponent carefully protects the human integrity of its population. Conversely, the active violation of these rights "empower[s] terrorists by giving them the opportunity to accuse the [government] of brutality, to downplay the atrocity of the violence they themselves commit, to demonstrate their willingness to stand up to a powerful state, to seek the sympathy of potential supporters, to damage sympathy for the [government] within the international community, and to discourage multinational cooperation in the war on terror," (Walsh and Piazza, 2010). Given these conclusions, we may argue that it is equally possible for these benefits to accrue to terrorist groups opposing the radical economic reconstitution of their state. A state which actively provides for the alimentary needs of its population, guarantees certain conditions of employment and provides reasonable material protections for one's quality of life will not be easily parted with. Indeed, Hussein's establishment of the PDS during the sanctions period in the 1990s was characterized by some critics as "stockpiling popularity with food," as Chandrasekaran put it (Chandrasekaran, 2003). While the notion that social security be provided as an insurance policy against deposition of a regime is rather distasteful to many, the fact remains that it provides for political stability in a manner seldom achievable by other means.

Another significant implication of a possible relationship between violence and economic inequality, then, is the question of *choice and democratic control*. One of the principal goals of the American occupation was the establishment of an Iraqi democracy that balanced the divergent interests of its different ethnic, linguistic, and religious populations. Another well-established goal was the creation of institutions of free market liberalism, which were intended to provide the grounds for robust growth of the Iraqi economy and a decreased dependence on oil rents (Baker, 2014). While it was assumed by American planners that these two goals would coincide and complement one another, the Iraqi experience after 2003 suggests that they operate at cross purposes. Many of the laws implemented by the Coalition Provisional Authority were either concluded without significant participation from Iraqi citizens, or were altered subsequent to their participation to reinforce neoliberal growth wisdom.

One noteworthy example of this was the 2005 Iraqi Constitution, which established the democratic institutions of governance advocated by Western planners. Instituted to revise and update the constitutional regime implemented in 1970, the 2005 Constitution was the consequence of the Transitional Administrative Law (TAL), adopted by the American-appointed Iraqi Governing Council in 2003 after the collapse of the Hussein government. The TAL called for the formation of an elected representative Iraqi government by December 2005, preceded by an interim government and the creation of a permanent constitution with popular assent (CPA, 2004). The transition from dictatorship was intended to help alleviate the tensions which existed between the various tribal, ethnical, national and religious groups grouped together under Iraqi statehood by the British mandate. Democracy, it was supposed, would provide competing interests an outlet to express their preferences, reducing their tendency to resort to violence and improving the responsiveness of government policy.

However the actual preferences of Iraqis were somewhat at odds with the other stated occupational ambition, to create an Iraqi economy predicated on market liberalization and neoliberal economic wisdom. Docena explains the broad-based desire of Iraqi citizens to "build a Scandinavian-type welfare system" in place of the Ba'athist oil-dependent rentier state system, "with Iraq's vast oil wealth to be spent upholding every Iraqi's right to education, health care, housing, and other social services" (Docena, 2005). This was reflected in the first several working drafts of the Constitution, which extolled the importance of "social justice" as a firm basis for building social cohesion and democratic elan. "The underlying theme of the draft," was essentially that "the state would be the collective instrument of the Iraqi people for achieving development" (Zunes, 2019). A state-led development program was not only advocated by the early framers of the 2005 Constitution, but was also consonant with Iraqi public opinion as late as 2004. One poll suggested that nearly 65% of Iraqis preferred an economic approach which guaranteed basic services like healthcare and education. In contrast, barely 6% of the country's population expressed any preference for a "free-market system where private entrepreneurs ha[d] largely unrestricted access to the economy" (Zunes, 2019). Despite this overwhelming preference for an active state-interventionist role in the Iraqi national economy, the final text of the 2005 Constitution lacked several of the drafts' most lofty commitments to social justice. According to

Looney (2005), even a significant emphasis on the *notion* of social justice and economic rights "was missing in later versions" of the Constitution. These versions were created after U.S. ambassador to Iraq Zalmay Khalilzad began "tak[ing] a leading role in negotiations among rival factions," a role which contrasted with earlier U.S. postures of noninterference in the constitutional drafting process (Finer and Fekeiki, 2005). The resulting constitutional text instead emphasized the need for "reform of the Iraqi economy in accordance with modern economic principles," which would provide conditions for "development of the private sector" (Constitute Project, 2021).

Baker alleges that this clash was intentional, and in fact that the political regime of democratic governance in reality "buffered [neoliberal reforms] from divisive political, religious, and cultural struggles that ensued." Only when the neoliberal framework of private property and complete deregulation was fully instituted did "the occupation force turned over the [apparatus of] the state" (Baker, 2014). American support for Iraqi rebellion forces prior to the 2003 invasion betrayed a long-standing commitment to neoliberal reform in Iraq. "Even before combat began," alleges Docena and Gershman, "the United States had assembled Iraqi exile groups who would not only support the invasion but would also defend free-market policies and tolerate the presence of coalition troops." They add parenthetically that the hand-picked members of the Iraqi IGC "subsequently championed the U.S.-preferred agenda on oil, privatization, and the presence of coalition troops," despite strenuous American assertions that Iraqi governance reflected the genuine desires of the Iraqi citizenry (Docena and Gershman, 2005). To the extent that this vision of a neoliberal Iraq was at odds with the popular image of Iraq in the mode of social democracy, it is possible that Iraqis disappointed by the results of reconstruction were driven to take up arms in opposition to its effects.

More concretely, and far more likely, is that insurgents were motivated by a sense of deprivation relative to a) a comparator group such as private contractors, foreign capital investors and allies of the reformed Iraqi government, and/or b) their own position under the Hussein regime and anterior to the neoliberal restructuring of the CPA. Iraq under pressure of sanctions, for instance, developed one of the most comprehensive food security programs in modern history (the "public distribution system," or PDS). Under this program, each of Iraq's 26 million citizens was entitled to "180 pounds of flour, rice, sugar, cooking oil, white beans, chickpeas and tea, and 16 bars of soap" for a total price of 60 cents (Chandrasekaran, 2003). Echoing the opinion of the United Nations, Chandrasekaran described the PDS just over a month before the invasion as "the largest and most efficient food-distribution system of its kind in the world," and conceded it as a major tool maintaining Hussein's popularity in the face of a decade-plus of crushing comprehensive sanctions. "Many Iraqis credit Hussein with keeping them fed under the sanctions," he explains, "which have been cast by his government as an American plot to harm the Iraqi people," (Chandrasekaran, 2003). Not only was the program tremendously popular, but also quite crucial to the livelihoods of at least a majority of the Iraqi people. One October 2003 estimate by the UN and World Bank suggested that "at least 60 percent of Iraqi civilians, or 15.8 million people," depended entirely on this program for their monthly food intake. Another estimate by the World Food Programme put that number at about 80 percent (Hurd, 2003).

The US would go on to brutally mismanage this program in the first several years of the occupation, which consistently resulted in food shortages and an incapacity to meet growing demand. In the wake of the invasion, CPA coordinator Steven Mann assured a UN committee that the rationing system would remain in place through at least June 2004; however by December 2003 no concrete plan even existed for the continuation of the program (Hurd, 2003).

Surely enough, in June of the following year a hearing of the United States General Accounting Office (GAO) revealed that “as of June 2004, food warehouse stocks are low and Iraq has less than a month's supply of essential food items” (GAO, 2004). Though the average Iraqi would grow less dependent on the rationing program over the succeeding decade, disruption to the PDS may have increased material inequality and created a grievance sufficiently grave to move many to action.

At this point it is worth evaluating the effectiveness of the “Washington Consensus”, a set of neoliberal reforms considered integral to Third World development by international financial institutions (IFIs) like the World Bank and IMF. The 1990s appeared to provide tentative confirmation of this doctrine through the collapse of the USSR and ascendancy of neoliberal policy throughout the world. Zunes (2009) alleges that the invasion of Iraq was simply one more step in a global process of “neoliberalization,” describing it as “the military side of the US model of globalization” (Zunes, 2009). This would place it firmly within the American tradition of proselytizing the “Washington Consensus,” which included structural adjustment programs by the IMF and World Bank intended to make economic aid conditional on cutting government spending, liberalizing trade, and other policies conventionally placed under the label of “neoliberal”. But while these adjustment programs could only ever achieve partial victory—deferring to a certain extent to state sovereignty—the occupation presented a completely new opportunity to entirely constitute a State apparatus based on Washington Consensus policy. It is thus the clearest example of an ideal neoliberal state as envisioned by American planners. Policies like 100 percent ownership by private investors of Iraqi assets, establishment of operations by foreign banks in Iraq, slashing of corporate and other taxes, reduction in tariffs, and the privatization of state-owned enterprises were literally implemented in a matter of months. We have already discussed the extent to which the 2005 Constitution limited Iraqis' native capacity to undo these particular reforms (Looney, 2004). Predicted even at the time of their implementation, these reforms proved catastrophic in many ways to Iraqi governance. Corruption within the government ran rampant, leading to "rent-seeking" behavior by private firms; vast security issues created reticence on part of institutional investors; foreign competition with local investors generated Iraqi capital flight; and foreign labour was procured for reconstruction projects rather than that of native Iraqis, leading to systemic unemployment (Looney, 2004). Fitzgerald (2010) attributes this exceptional disappointment to "the failure of the U.S. to phase these policies in overtime and include the local population during the reconstruction process," two facets she considered to have "resulted in the protraction of the conflict" (Fitzgerald, 2010).

The author cited above touches on another important component of the reform process—the "shock therapy" approach of deregulation, pursued in post-Soviet states like Russia, as well as Iraq after the invasion. "Shock therapy" emphasizes the immediate need to pursue liberalizing reforms and to introduce private competition into a national economy, forcing state-owned enterprises to improve efficiency through exposure to competitive pressures. In the example of post-Communist states, the approach frequently resulted not in a groundswell of prosperity, but instead the total dislocation of the national economy and growth in "rent-seeking" behavior by enterprises (Boettke, 1999). In Russia's case, the policy was also responsible for the single-largest peacetime drop in life expectancy in modern history. UNICEF estimates 3 million premature deaths as one of the major outcomes of the economic transition in that country (Dempsey, 2009; Stuckler, King and McKee, 2009).

Nevertheless, American planners pursued a remarkably similar policy of liberalization throughout Iraq—to similarly disastrous consequences. The massive increase in unemployment during the occupation is directly attributable to the CPA's implementation of "shock therapy" policies and "de-Ba'athification" of the armed forces. Many of these unemployed would later appear among the ranks of terrorist groups like al-Qaeda (Byman, 2013). Meanwhile, though the 2005 Constitution specified oil as the collective inheritance of all Iraqis, in actual fact these reserves were increasingly exploited by foreign firms employing non-Iraqi labour (Smith, 2016). The abstraction of oil and gas wealth to foreign enterprises severely abrogated the government's capacity to supply social insurance programs, a problem that persists to this day (Fordham, 2021). Compare this example with a country such as Bolivia, a similarly natural-gas-rich country which utilized its profits from gas and oil sales to attenuate poverty and social inequality, extend basic services like electricity, and expand access to credit for Bolivians. Bolivian president Evo Morales achieved this in part by substantially increasing state ownership of natural gas reserves in the country; from a mere $320 million in oil-related revenues per year prior to his presidency, Morales's renegotiation plan increased state revenues to nearly $780 million per year (Zissis, 2006; Filho and Gonçalves, 2010). The nationalization plan, along with the vast slate of social programs it effectively funded, resulted in a 42% reduction in poverty. From one of the poorest countries in South America in the mid-2000s, Bolivia also became South America's fastest-growing economy, averaging a yearly GDP growth rate of nearly 5% (Beeton, 2019).

Even other countries which pursued "neoliberal" economic reforms have fared significantly better if such reforms were introduced gradually and after careful consideration of their effects. The most famous example of this gradualist approach is the People's Republic of China. Though undertaking a comprehensive economic reform beginning in the late 1970s, China has nevertheless contributed almost three-quarters of the global reduction in poverty since the 1980s (World Bank, 2022b). Over 800 million people have been lifted above the International Poverty Line of $1.90USD per day as defined by the World Bank, and massive developmental projects in rural areas of the country intend to sustain this reduction well into the future. At the same time, the People's Republic is home to significant opportunities for foreign direct investment, free enterprise and integration into the international economy (Weber, 2020). These disparate approaches to development suggest a wide variety of possible paths to economic prosperity, united only by a close and detailed attention to the economic effects of their policies on citizens. Careful attenuation of these effects through gradualism, maintenance of social programs, and steady reduction in poverty and inequality could help eliminate sources of grievance exploitable by terrorist organizations. The observed result is an overall reduction in political violence, itself providing conditions for further growth and development.

Finally, we must return to the proposal outlined by Scheidel in his *Great Leveler*, which proposes mass violence as exercising downward pressure on inequality. Since inequality showed some correlation with violence during the Iraqi conflict—and we observed additional proof that terrorism was motivated by economic intentions related to this inequality—it could certainly be hypothesized as an intention of certain paramilitary organizations. Whether it was successful, however, is basically indeterminate from existing data. If we are to accept the non-labor and service indicators as authoritative, we are left with a conclusion that success in reducing inequality was exceedingly limited. Scheidel himself concedes that "civil war in developing countries tends to render the income distribution more unequal rather than less," though conceding that resource and income disparities are often a precipitating factor in civil conflicts such as in Iraq (Scheidel, 2017). It may also have been the case that the terrorist violence provoked by the occupation was not of a sufficient gravity to cause the shocks usually associated with leveling—high government taxation to mobilize an armed response, vast and indiscriminate destruction of property, death of a large portion of the labouring class driving up wages, and so on. In a larger sense, Scheidel concedes that the violent phenomena so frequently associated with "leveling" over the past several thousand years has grown increasingly rare in the twenty-first century. Population growth and the implementation of a number of mechanisms to maintain international order reduce incidence of international violence. For a violent shock to successfully reduce inequality in a modern society like Iraq, Scheidel notes, it would need to cause mass death on the order of millions of people. Shocks like these, of course, are neither desirable nor especially likely. As a consequence "the four traditional levelers," Scheidel notes of mass-mobilization warfare, transformative revolutions, state failure and deadly pandemics, "are gone for now and unlikely to return any time soon. This casts serious doubt on the feasibility of future leveling," (Scheidel, 2017).

Chapter VI: Conclusions and Further Research

This study initially hypothesized a positive relationship between inequality and anti-occupation violence against civilians in the Republic of Iraq during the 2003–2014 period. It suggested that a sense of *relative deprivation* may have caused greater resentment among those at the bottom of the income and wealth distribution towards those at the top, generally those profiting from dividends, interests and rents after the onset of the invasion. If true, this hypothesis would offer a model which predicts violence to result from inequality which "levels" that same inequality—the former relationship my own contribution, the latter Scheidel's. Subsequent analysis offered affirmation of this hypothesis based on existing information about interpretations of economic variables like luxury goods demand, source of national income, welfare and social insurance protections, and structural accounting of the national economy. A number of possible interpretations for this correlation were offered, including Hobsbawm's notion of "social banditry" and the role of psychological phenomena like deprivation, greed and grievance.

This study was conducted within a number of methodological and data constraints which somewhat limit its reliability. Firstly, there is a dismal lack of reliable and commensurable data on inequality in Iraq. As mentioned in Chapter IV, the traditional methods for evaluating inequality in the country—namely Gini coefficients and/or income quintiles, tax records or ownership statistics—are spotty and divergent. Nearly two decades after the conflict began, economists are still meeting with significant trouble in estimating the degree of inequality in Iraq during the war. The transition between the Saddam government, then the Coalition Provisional Authority, then the Iraqi Congress frustrated basic bureaucratic functions such as data collection, and estimates by international organizations like the World Bank are as sporadic as they are discongruous.

Secondly, the ten-year period of the conflict also restricts the data analysis to a maximum sample size of 10-11 data points; often this *n-value* is even lower owing to the lack of information for certain years, or incommensurability of methodology between one agency (the CPA) and another (the postwar Iraqi or Saddam-era government). All the constraints of data availability at the national level apply with additional force to regional or municipal-level, with many administrative and bureaucratic organizations in areas like Mosul subject to repeated bombardment and destruction by insurgent groups. In order for a more robust and inclusive study to be effectively conducted, researchers would require not only one but *multiple* data sets that would provide a common standard of definition. Statistical significance cannot be achieved at such small n-values, nor can the effects of various other variables be accounted for properly in the resulting correlations. Subsequent analysis on this question should examine such values as they compare to other conflicts in Iraq throughout the 20th century, such as the Iran-Iraq War and the 1995 uprisings against the Hussein regime. These would provide both additional data points and useful comparators for the degree of correlation between variables after 2003.

Though hypothesized at the beginning of this study, there are too many unaccounted-for variables to posit a fully endogenous relationship between incidence of violence and inequality in Iraq. The correlations between the first-order derivatives of luxury demand and anti-occupation violence against civilians (Chapter IV, §A) yielded relatively low r-squared values, suggesting that a significant portion of variance in the dependent variable (violence) cannot be explained purely through economic inequality. Additionally, as was indicated in Chapter IV, the variables chosen have historically correlated to some degree *with* political violence. Reports by organizations such as the Financial Action Task Force as well as studies by leading scholars in the discipline such as Irwin, Choo and Liu (2012) suggest that the use of precious stones for terrorist financing help "integrate funds into the legitimate economic and financial system" of the country. Masking financial support for terrorist activity from abroad under the guise of international trade, acknowledged as a tactic of transnational terrorist movements like al Qaeda and other paramilitary forces, poses a substantial objection to the use of precious stones as a proxy for economic inequality alone. One should interpret these results with extreme caution in light of such complications. However, since the evidence from the luxury demand analysis is remarkably consistent with the other components of the Chapter IV inquiry, there is still reason not to discount its results as irretrievably muddled by intervening variables.

Indeterminacy of cause is also a sensible outcome of studying such a multifaceted conflict as the Iraq War; many insurgent fighters were motivated by a host of religious, political and/or social influences, including loyalty to the Saddam Hussein regime. Other groups considered driving out the largest and most powerful empire in human history a kind of "holy mission," a motivation reflected severally in the mission statements of al Qaeda (Byman, 2015). Still others may have been actively coerced into their roles as insurgent fighters, forced into positions of violent opposition by outright threat of physical, economic or social harm (Gómez et al., 2021). None of these components are directly reducible to economic essentialism; nor should the diversity of experience in motivation to terrorism be simplified as a singular outcome of a singular determinant. To pursue this epistemological track would be to commit what Resnick and Wolff (2006) criticize as "the essentialism of the economist determinist"—a dogged and unyielding dedication to the economic superstructure as the ultimate origin of all human endeavor. Indeed, such thinking is contrary to the very notion and purpose of economics. If we, as scholars, are of the persuasion that the distribution of material goods predetermines all capacity for human agency, we in effect remove any grounds for active use of the discipline towards socially beneficial ends. It is of overriding importance that economics accept some conclusions as indefinite or partial—to limit itself in such a manner as to allow for a diversity of human potential. Accepting indeterminate answers to research questions, though injurious to the empiricist in each of us, is an inevitable attendant of this requirement.

With these limitations in mind, this study does pose a number of quite fascinating additional questions about the causes of violence after the 2003 invasion, as well as some larger evaluations of American policy and peace throughout the Middle East. Future research should endeavor to construct a more reliable and commensurable set of inequality data for Iraq during this period, perhaps one based on some of the indicators provided in this particular study. This would not only prove useful in evaluating the original question, but could likely be correlated with specific institutions or legal codifications promulgated by the Iraqi economic reform. Paul Bremer's decisive reduction of the corporate tax rate from nearly 45% to a modest 15%, for instance, was among the most radical of the regulatory changes pursued by the CPA in the aftermath of the war. It would be germane to investigate whether this policy generated a growth in nonlabour income and consummate increase in inequality, or whether, as the CPA would likely forecast, it would truly generate opportunities for employment and growth within the corporate sector. The author may have his own guesses and assumptions on this question, but lacking requisite data no meaningful conclusion can be effectively pursued. A more concrete and detailed study of which policies resulted in what specific impacts on inequality would do much to improve our current understanding of "shock therapy" economic restructuring, and development literature in general. If future research in this subject area provides confirmation or qualification of the preceding study—perhaps through the independent generation of inequality information for Iraq during the wartime period—a far more authoritative conclusion on the question can be reached.

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