

The Role Played by Funding in the Iraq Insurgency

Aug 1, 2005



Articles & Testimony

Controversy continues to surround the murky role played by financing in Iraq's insurgency since Operation Iraqi Freedom began two years ago. Lieutenant-General John Vines, the Multinational Force commander in Iraq, stated on 21 June 2005: "These insurgents do not have an ideology except violence and power. They have nothing to offer the Iraqi people. And so those who seek to regain power hire people for money to attack the Iraqi security forces, as well as the coalition." Although ethno-nationalist and religious motivation clearly plays an important role in sustaining the struggle in Iraq, Vines touched on an underappreciated dimension of the conflict.

At the outset, it is important to recognise the economic context in which the Iraqi insurgency has unfolded. Although there is plenty of economic activity in Iraq, economic growth has not met public expectations. The country's median monthly household income of USD144 has sharply dropped from a short-lived post-war high of USD255 in 2003. A third of Iraqis canvassed by the April 2005 UN Development Programme (UNDP) Comprehensive Living Conditions Survey self-describe as being among the poor and one sixth of interviewees met all or most of the criteria suggesting that they lived beneath the poverty line.

Baghdad and the central areas of the Sunni Triangle have suffered the most severe economic reversal of fortunes since 2003....

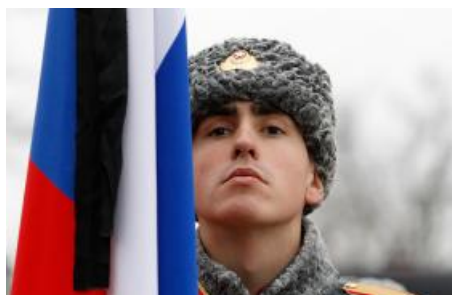
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