The Political Economy of Accounting and the 2003 Iraq War

Hoda Abdul Fattah

University of Wollongong

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The Political Economy of Accounting and the 2003 Iraq War

A thesis submitted in fulfilment of the requirements for the award of the degree

DOCTOR OF PHILOSOPHY

from

UNIVERSITY OF WOLLONGONG

by

Hoda Abdul Fattah

School of Accounting, Economics and Finance
2017
I, Hoda Abdul Fattah, declare that this thesis, submitted in fulfilment of the requirements for the award of Doctor of Philosophy, in the School of Accounting, Economics and Finance, University of Wollongong, is wholly my own work unless otherwise referenced or acknowledged. The document has not been submitted for qualifications at any other academic institution.

Hoda Abdul Fattah

30 March 2017
Abstract

The Political Economy of Accounting and the 2003 Iraq War is concerned with the relationship between accounting technology and the bread and butter question for empires, their exercising of unrestricted power. The preservation of a global hegemonic empire necessitates the maintenance of a polarised existence between the hegemon and the rest of the world. This necessitates the capacity to exercise far-reaching forms of power, and indicates the presence of a plethora of subservient technologies. This thesis is concerned with confirming the scope and extent of the roles of accounting technology within imperial power exertions.

The thesis utilises the case study of the exertion of powers by the United States upon Iraqi space, known as the 2003 Iraq War, as it offers a distinct modern-day illustration of multiple applications of imperial powers. The 2003 Iraq War involved the waging of an illegal and globally unpopular pre-emptive war, as well as an invasion, occupation and attempted radical economic and socio-geopolitical ‘de-territorialisation’ and ‘re-territorialisation’ of Iraq. Accounting’s roles and contributions within the stages of planning, execution and management of this project are of primary focus so as to confirm that accounting can be an enabling force for power: it is embedded in political, economic and cultural complexities the most fundamental dynamics of which revolve around the acquisition and execution of power for the sake of dominant interests.

Whilst mainstream research portrays accounting as a mundane, value-free calculative practice that is ultimately concerned with the science of quantitative efficiency, this thesis applies the critical approach to accounting research to question mainstream assumptions and, instead, to demonstrate the political inherence and interested nature of accounting. More specifically, it utilises Tinker’s (1980) Political Economy of Accounting (PEA) method of investigation because PEA recognises that an interpretation of the economic realm is incomplete in the absence of an understanding of the social and political contexts within which it operates. PEA underscores accounting’s interested nature: that accounting operates within a wider environment of structures and institutions within which economic, social and political forces interact and interplay. Since PEA adopts this conflict model of society, it acknowledges the existence of dominant interests that exert dominant influence so as to realise dominant control over the majority of society. Therefore, PEA concedes that accounting is a
socially contested and constructed technology that can be manipulated so as to exert diverse forms of power; power is at the forefront of PEA’s approach to accounting research. In addition, this thesis examines the historical geography of capitalism (Harvey, 1985, 1998, 2001, 2004, 2005a, 2007a) and its interplay with accounting technologies through space and time so as to provide an understanding of the rich intersections between capitalism, accounting and space. This novel fusion is referred to as the capitalism’s accountings of space concept, and its propositions are utilised as guiding parameters of investigation throughout the thesis. Accordingly, this thesis is a trans-disciplinary mode of investigation that utilises historical interpretations to situate accounting technology within the broader social, economic and political contexts within which it operates in imperial projects.

The findings of this thesis confirm that, far from being a neutral, value-free mechanism for decision-making, the allocation of resources and the realisation of efficiency goals, accounting is a partial language and an interested tool that is appropriated to further the interests of dominant political and economic groups. Accounting was not an objective element within the United States’ power exertions upon Iraqi space; rather it was an essential and subservient instrument. This thesis demonstrates that accounting, accountability, budgeting and auditing mechanisms were used strategically for the benefit of elitist interests that not only opposed the interests of the majority Iraqi population but also, afforded adverse repercussions to the rest of the world. This thesis will display the power relations that the US’s intervention brought into effect, including powers of subjugation and oppression that contributed to and fuelled indigenous resistance, and will also demonstrate accounting’s roles in the dispossession and exploitation of Iraq. Most significantly, knowledge of the applications of accounting within the contexts of socio-ecopolitical polarisation, death, destruction and despair provides the means to illuminate the far-reaching and dire potentials of accounting, thereby facilitating for emancipatory change.
Acknowledgements

“When you get into a tight place, and everything goes against you till it seems as if you couldn’t hold on a minute longer, never give up then, for that’s just the place and time that the tide’ll turn” (Harriet Beecher Stowe)

This is by the Grace of my Lord. Thank You Lord.

I am deeply indebted to my family for all the support, encouragement, understanding and comfort they have ceaselessly provided me. I would especially like to thank my father and mother, whose practical support, endless love, persistent encouragement and priceless prayers were instrumental to my completion of this thesis. You have provided me with light and warmth on the darkest and bitterest of days; I am forever grateful and can never love you enough. To my loving husband and precious four sons – you are my everything. Thank you for being my five knights in shining armour – each of your love, compassion, support, understanding, patience and laughter has been my nourishment. I love you endlessly. Especially to my husband – thank you for your patience and for your withstanding my many falls. Your strength and love were my backbone. I would also like to extend my gratitude to my kind-hearted mother in-law who always supported my ambition and pushed me on, and my late father in-law and great Aunt, who dreamt of this day – I miss you, love you and thank you. To my thoughtful brother and ever-beautiful sister: never once did you stop encouraging and believing in me, I love and thank you. Also, thank you to my brother in-laws for their continual support.

I am also profoundly grateful for the endless support, understanding, guidance, knowledge and expertise of my most admirable supervisors, Professor Warwick Funnell and Dr. George Mickhail. Your overarching wisdom that always saw through the many hurdles, your invaluable expertise, your instrumental friendship and your steadfast belief in my work and abilities were decisive to my reaching this day. I am very privileged to have worked under your guidance and will cherish your role in my life forever.

I would also like to thank my extended family and wonderful friends who have likewise been overwhelmingly supportive and patient. I know that you will know yourself whilst reading this… your presence in my life is a true blessing, thank you.

A very warm appreciation is also extended to members of the School of Accounting, Economics and Finance and to all who I met along this long journey, for their encouragement and support.
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<tr>
<td>9/11</td>
<td>11th September 2001 Terrorist Attacks</td>
</tr>
<tr>
<td>ADF</td>
<td>Arab Development Fund,</td>
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<tr>
<td>AEPI</td>
<td>Army Environmental Policy Institute,</td>
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<td>ARDI</td>
<td>Agriculture Reconstruction and Development Program for Iraq</td>
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<tr>
<td>bpd</td>
<td>Barrels Per Day</td>
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<tr>
<td>BSA</td>
<td>Board of Supreme Audit</td>
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<td>CAS</td>
<td>Capitalism's Accountings of Space</td>
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<tr>
<td>CBI</td>
<td>Central Bank of Iraq</td>
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<tr>
<td>CBO</td>
<td>Congressional Budget Office</td>
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<tr>
<td>CENTCOM</td>
<td>Central Command</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officers</td>
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<tr>
<td>CF</td>
<td>Coalition Forces</td>
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<tr>
<td>CINCs</td>
<td>Commanders-in-chief</td>
</tr>
<tr>
<td>CJCS</td>
<td>Chairman of the Joint Chiefs of Staff</td>
</tr>
<tr>
<td>COW</td>
<td>Coalition of the Willing</td>
</tr>
<tr>
<td>CPA</td>
<td>Coalition Provisional Authority</td>
</tr>
<tr>
<td>CPI</td>
<td>Commission on Public Integrity</td>
</tr>
<tr>
<td>DFI</td>
<td>Development Fund for Iraq</td>
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<tr>
<td>DIA</td>
<td>Defence Intelligence Agency</td>
</tr>
<tr>
<td>DoD OIG</td>
<td>Department of Defense Office of the Inspector General</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>DoD</td>
<td>Department of Defense</td>
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<tr>
<td>DTA</td>
<td>Defense Transformation Act</td>
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<td>DU</td>
<td>Depleted Uranium</td>
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<tr>
<td>EO</td>
<td>Executive Order</td>
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<td>EPCA</td>
<td>Emergency Post Conflict Assistance</td>
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<td>ERW</td>
<td>Explosive Remnants of War</td>
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<td>EU</td>
<td>European Union</td>
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<td>FAO</td>
<td>Food and Agriculture Organization</td>
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<td>FDI</td>
<td>Foreign Direct Investments</td>
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<td>FMO</td>
<td>Facilities Management Office</td>
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<td>FTAA</td>
<td>Free Trade Area of the Americas</td>
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<td>FVA</td>
<td>Fair Value Accounting</td>
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<td>GAO</td>
<td>Government Accountability Office</td>
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<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>HGC</td>
<td>Historical Geography of Capitalism</td>
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<td>IAMB</td>
<td>International Advisory and Monitoring Board,</td>
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<td>IASB</td>
<td>International Accounting Standards Board</td>
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<tr>
<td>IC</td>
<td>Intelligence Community</td>
</tr>
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<td>ICARDA</td>
<td>International Centre for Agricultural Research in Dry Areas</td>
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<td>IED</td>
<td>Improvised Explosive Devices</td>
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<td>IGC</td>
<td>Iraqi Governing Council</td>
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<td>IHL</td>
<td>International Humanitarian Law</td>
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<td>IIG</td>
<td>Iraqi Inspectors General</td>
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<td>IMF</td>
<td>International Monetary Fund</td>
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<td>IOCs</td>
<td>International Oil Companies</td>
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<td>ISIS</td>
<td>Islamic State of Iraq and Syria</td>
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<td>JCS</td>
<td>Joint Chiefs of Staff</td>
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<td>JPG</td>
<td>Joint Programming Guidance</td>
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<td>KRG</td>
<td>Kurdistan Regional Government</td>
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<td>MAI</td>
<td>Multilateral Agreement on Investment</td>
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<td>MEFTA</td>
<td>US-Middle East Free Trade Area</td>
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<td>MI</td>
<td>Military Intelligence</td>
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<td>MIC</td>
<td>Military Industrial Complex</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>MNF</td>
<td>Multinational Force</td>
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<tr>
<td>MoE</td>
<td>Measures of Effectiveness</td>
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<td>MoF</td>
<td>Ministry of Finance</td>
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<td>MoP</td>
<td>Measures of Performance</td>
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<td>MW</td>
<td>Megawatts</td>
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<td>NAFTA</td>
<td>North America Free Trade Agreement</td>
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<td>NGO</td>
<td>Non-Government Organisation</td>
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<tr>
<td>NPRI</td>
<td>The Nuclear Policy Research Institute</td>
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<tr>
<td>NSC</td>
<td>National Security Council</td>
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<tr>
<td>OFF</td>
<td>Oil-for-Food Programme</td>
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<tr>
<td>OIF</td>
<td>Operation Iraqi Freedom</td>
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<tr>
<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries</td>
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<tr>
<td>OSD</td>
<td>Office of the Secretary of Defense</td>
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<td>OSP</td>
<td>Office of Special Plans</td>
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<tr>
<td>PART</td>
<td>Program Assessment Rating Tool</td>
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<tr>
<td>PBB</td>
<td>Performance-Based Budgeting</td>
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<td>PCP</td>
<td>Program Change Proposals</td>
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<td>Political Economy of Accounting</td>
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<td>Private Military Contractors</td>
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<td>PNAC</td>
<td>Project for the New American Century</td>
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<td>PPBES</td>
<td>Planning, Programming, Budgeting and Execution System</td>
</tr>
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<td>PPBS</td>
<td>Planning, Programming and Budgeting System</td>
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<td>PRB</td>
<td>Program Review Board</td>
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<td>PSA</td>
<td>Production-Sharing Agreements</td>
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<td>Plant Variety Protection</td>
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<td>RMA</td>
<td>Revolution in Military Affairs</td>
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<td>ROE</td>
<td>Rules of Engagement</td>
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<tr>
<td>RTI</td>
<td>Research Triangle Institute</td>
</tr>
<tr>
<td>SBA</td>
<td>Stand-By Arrangement</td>
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<tr>
<td>SCIRI</td>
<td>Supreme Council of Islamic Revolution of Iraq</td>
</tr>
<tr>
<td>SECDEF</td>
<td>Secretary of Defense</td>
</tr>
<tr>
<td>SIGIR</td>
<td>Special Inspector General for Iraq Reconstruction</td>
</tr>
<tr>
<td>SLRG</td>
<td>Senior Leaders Review Group</td>
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<tr>
<td>SOE</td>
<td>State-Owned Enterprises</td>
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<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>TAL</td>
<td>Transitional Administrative Law</td>
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<td>TBI</td>
<td>Trade Bank of Iraq</td>
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<td>TNC</td>
<td>Trans-National Corporations</td>
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<td>TPFDL</td>
<td>Time-Phased Force Deployment List</td>
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<td>UK</td>
<td>United Kingdom</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development,</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
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<td>US</td>
<td>United States</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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<tr>
<td>WMD</td>
<td>Weapons of Mass Destruction</td>
</tr>
<tr>
<td>WoT</td>
<td>War on Terror</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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</table>
Chapter One

Introduction
The Bread and Butter Question: The tenacious quest for power

I was in the East End of London yesterday and attended a meeting of the unemployed. I listened to the wild speeches, which were just a cry for "bread," "bread," and on my way home I pondered over the scene and I became more than ever convinced of the importance of imperialism .... My cherished idea is a solution for the social problem, i.e., in order to save the 40 million inhabitants of the United Kingdom from a bloody civil war, we colonial statesmen must acquire new lands for settling the surplus population, to provide new markets for the goods produced in the factories and mines. The Empire, as I have always said, is a bread and butter question. If you want to avoid civil war, you must become imperialists (Cecil Rhodes, 1895, quoted in Robbins, 1999, pp.93–94).

Capitalism’s survival depends on the exercise of power. Within a limited world, capitalism’s compulsion for limitless capital accumulation can be realised only at the expense of others. Contrary to Adam Smith’s benevolent narrative of original accumulation, which claimed that capital was “silently and gradually accumulated by the private frugality and good conduct of individuals, by their universal, continual and uninterrupted effort to better their own condition” (Smith, 1998, p.208), the historical trajectory of capitalism through space and time is grounded in a polarising process that utilises power to propel its progression through the regression of others (Arrighi, 1994; Braudel, 1977; Chomsky, 1999a; Chomsky & Herman, 1979a, 1979b, Harvey, 1975, 1981, 1985, 1998, 2001, 2003, 2004, 2005a, 2005b, 2007a, 2007b; Marx, 1973; Muzio, 2007; Weber, 1978; Wood, 2003). Rather than being a process of peaceful, linear development through Smith’s ‘original accumulations’ narrative, instead, capitalism’s advancement has historically been contingent on acts of ‘primitive accumulation’ and ‘accumulation by dispossession’ that have expropriated, subjugated, oppressed and exploited the masses for the benefit of the minority elite (Harvey, 2004, 2007a, 2007b; Marx, 1973; Perelman, 2000; Plumwood, 1993). Accordingly, the exercise of power is a bread and butter question for capitalism; capitalism’s survival is not only dependent on the power to further accumulate capital at the expense of others, but also the power to justify and legitimise this furtherance so as to minimise acts of resistance and the prospects of emancipatory change based on alternate justice-centred theories of political economy.
Mirroring this correlation between capitalism and power is the transition that occurred within capitalism at the beginning of the fifteenth century. The propelling of European states towards territorial conquest, so as to subjugate more space to capital’s accumulation processes and to gradually form a global capitalist economy, did not transpire until scattered capitalist powers concentrated and created a fusion between dominant state and capital powers. Indeed, the historical trajectory of capitalism has been shaped by the leadership of hegemonic power and business blocs, which have utilised their superior powers in the quest to destroy all barriers to the accumulation process, to ‘annihilate space by time’, through accelerated geographical expansion and socio-eco-geopolitical restructurings (Arrighi, 1994; Braudel, 1977; Brenner, 1997, 1998, 1999; Harvey, 1975, 2001, 2003, 2004, 2005a, 2005b, 2007a, 2007b; Marx, 1973; Weber, 1978). Capitalist hegemony has historically been passed from Venice and Genoa, to the Dutch, followed by the British and, since the end of World War II, to the United States (US). Each shift in hegemony has brought with it a shift in the regime of capital accumulation, which the hegemon imposes so as to reconfigure the socio-economic and geopolitical ordering of the capitalist world in a way that satisfies its multi-dimensional interests (Arrighi, 1994). Accordingly, the exercising of power is also a bread and butter question for capitalism’s hegemonic power guardian. A hegemon’s capacity to differentially employ power in relation to others is not only essential to its imposition of the regime that realises its fused interests with capitalism, but is also crucial to its ability to legitimise and justify this regime, including its polarising effects, in order to sustain it and the hegemon’s continued benefiting as leader of the global capital economy.

*The Political Economy of Accounting and the 2003 Iraq War* is concerned with the relationship between accounting technology and the bread and butter question for empires, their exercising of ‘untrammeled power’ (Connelly, 2006). This thesis confirms the scope and extent of roles of accounting within imperial exertions of power. In so doing, it also demonstrates accounting’s multi-dimensional potentials that can range from encouraging the proliferation of peace and its contributing to destruction. In order to achieve these objectives, this thesis utilises the case study of the exertion of powers by the US upon Iraqi space, known as the 2003 Iraq War or Operation Iraqi Freedom (OIF). It examines the principal eco-political motivations that underlay *why
this supreme power performance was undertaken and demonstrates how these eco-
political motivations and their objectives were executed through the exploitation of
power. In answering both questions, accounting’s role and contributions within the
stages of planning, execution and management of OIF are of primary focus so as to
confirm “how accounting systems operate in their social, political and economic context …” (Cooper & Sherer, 1984, p.207). This thesis demonstrates how accounting when
harnessed as a source of power can be an enabling force for power and is embedded in
political, economic and cultural complexities, the most fundamental dynamics of which
revolve around the acquisition and execution of power for the sake of dominant
interests.

The rise of British hegemony brought about a development in capitalism’s spatial
expansion: rather than imperial exercises of power being merely directed towards the
realisation of imperial rule or commercial supremacy, emphasis was placed on spaces’
production of value. Accordingly, British imperialism necessitated the dispersion of its
domestic economy’s ideological imperatives regarding value-creation so as to capture
more space, and power within its orbit (Wood, 2003). US President Woodrow Wilson
identified with this ideal, which he believed obligated the hegemon to employ all forms
of power to ‘batter down’ the doors of ‘unwilling nations’ and, once realised, to keep
them opened (Chomsky, 1990). When hegemony was passed to the US, it advanced
this model by pursing what has been termed ‘Open Door Imperialism’: the US sought to
batter down closed spaces to its interests, and keep them open, by utilising both its
diplomatic and military powers. This approach came to form the basis of its foreign
policy strategy of controlling without owning (Bacevich, 2002; Dorrien, 2004;
Gallagher & Robinson, 1953; Kramer & Michalowski, 2005; Perkins, 1984; Robinson,
1984; Williams, 1959). Accordingly, US imperialism has engendered an exhaustive
pursuit of power exertions: non-coercive influence has been progressed through its
dominance over techno and social-scientific knowledge, its global cultural and
ideological reach and its economic power. This influence has been essentially
supplemented by indispensible forms of coercive power, most notably through its
unprecedented military might, which empowers it with the threat of military action or
inaction, but also through coercive non-military techniques, such as the employment of
economic sanctions and political penetrative powers that can foment socio-political
(un)rest and (dis)unity that either diminish or reinforce state regimes (Ahmad, 2004; Chomsky, 1999a, 1999b, 2001, 2002, 2003, 2008; Chomsky & Herman, 1979a, 1979b; Harvey, 2007a; Knorr, 1973).

Most importantly, by possessing the capacity to exercise a wide variety of coercive and non-coercive forms of influence, the US has been able to garner the power of partial visibility: its imperial role and actions are customarily undertaken within the realm of plausible deniability, thereby diminishing its accountability whilst also conjuring popular support, and earning it the title of being an ‘Empire in denial’ (Chandler, 2006; Ferguson, 2004; Harvey, 2003, 2004; Stoler, 2006). Expressions of power by the US form its imperial footprints upon space and in time: these are evident not only by means of both its covert and overt coercive interventions throughout the world, such as in Indonesia, Vietnam, Iran, Chile and Cuba (Chomsky, 1991, 1992, 1993, 1999a, 1999b, 2004, 2008; Falk, 1995; Chomsky & Herman, 1979a, 1979b), but also through interventions by its global network of institutions and development agencies, such as NATO, the World Bank, USAID and the International Monetary Fund (IMF), which, through its leadership, represent varied expressions of its global power. This global network acts to promote, impose, enforce and maintain US global order and has “profoundly engaged in shaping the structure of political, social, economic and cultural life in many states …” (Orford, 2003, p.17). Meanwhile, the more than 737 global military bases of the US and its numerous ‘black site’ global secret prisons, including the notoriously explicit Guantanamo Bay facility, represent its modern imperial colonies that function to police and discipline into compliance the global populace (Johnson, 2006; Blum, 1995).

Since the 1970s, US imperialism has been expressed through its dissemination of the neoliberal eco-political regime, which seeks to transform space into that of pure competition: to maximise entrepreneurial freedom of accumulation so as to maximise spaces’ production of value. It is a regime that developed out of the neoclassical approach to the political economy, which defines the economic realm as comprising private actors who employ rational choice in pursuit of self-interest maximisation and the efficient management of resources, and defines the political realm as the use of
public power for the realisation of the same causes (Caporaso & Levine, 1992). Accordingly, it not only propagates utmost freedoms to the market, and minimal interventions from the state, but has also profoundly exaggerated the fusion between dominant power and dominant capital groups. Whilst the results from neoliberalism’s approach to re-engineering global capital accumulation have been skewed towards the interest of restoring class power to the richest strata, nevertheless it has rationalised this freed market onslaught on all space by promoting individual emancipation through market emancipation. Using such emancipatory rhetoric, the US justifies and legitimises its imperial transgressions upon spaces and their inhabitants; echoing colonial stereotypes, acts of subjugation, oppression, dispossession and exploitation are instead narrated as being acts of benevolence, heroism and sacrifice that transfer knowledge, liberty, democracy and prosperity to troubled ‘Others’ (Boot, 2001, 2002, 2003, 2004; Ferguson, 2003b; Ignatieff, 2002, 2003a, 2003b; Morgan, 2003).

Neoliberalism’s ‘market fundamentalism’ has brought about novel means, ‘disaster capitalism’ and the imposition of ‘economic shock therapy’, to efficiently conquer space through rapidity in action (Klein, 2007; Stiglitz, 2002, 2004). Crises that cause collective societal trauma and humanitarian strife, such as natural disasters, political coup d’états and wars, are perceived as opportunities for the rapid imposition of radical neoliberal configurations. This is because crises-born collective trauma facilitate swift impositions of radical neoliberal change in the absence of meaningful resistance, whilst also generating societal psychological reactions that facilitate adjustment and acceptance (Friedman, 1982; Klein, 2007). Whilst the US’s application of this methodology required exertions of power so as to rapidly conquer space in various countries, such as in Chile and Russia, its battering down of Iraq’s doors using shock therapy was most distinctive. This is because the US’s imperial footprint upon Iraqi space in the year 2003 was the culmination of two previous significant exertions of US power upon Iraq, the 1991 Gulf War and the imposition of arduous economic sanctions between 1990-2003, both of which were exercised with an intent of bringing about favourable regime change and compliance with US global order. Moreover, whilst previous US applications of power through shock therapy were employed within the realm of plausible deniability, the 2003 Iraqi venture was an explicit, highly ambitious, and all-inclusive imperial power project that involved the waging of an illegal and
globally unpopular pre-emptive war, invasion, occupation and comprehensive neoliberal reconstruction comprising both economic shock therapy and socio-political re-engineering. Indeed, multiple commentators of the time noted, and commended, that the 2003 Iraqi War marked the US hegemon’s ‘obligatory’ transition from being an ‘Empire in denial’ to a formal and unapologetic empire that exercised its powers for the sake of humanity (Boot, 2001, 2002, 2003, 2004; Ferguson, 2003b; Ignatieff, 2002, 2003a, 2003b; Morgan, 2003). According to this mindset, Iraq was to be an ultimate demonstration of the US’s unequivocal power and authority over the world; Iraq was to receive “the sort of enlightened foreign administration once provided by self-confident Englishmen in jodhpurs and pith helmets” (Boot, 2001).

The overall objective of OIF, as stated by Deputy Defense Secretary Paul Wolfowitz, was to bring about ‘state ending’ as opposed to ‘regime change’ (Baker et al., 2010). Although this was a novel and ambiguous concept, within its name lay an indication of the gravity of its meaning. The 2003 battering down of Iraq’s doors not only abruptly brought an end to Saddam Hussein’s Baathist regime, but also systematically destroyed essential infrastructure, terminated state monopoly on violence by suspending the army, police and secret services, annulled its socialist-based constitution, gutted the state apparatus of its human capital, and damaged the environment. OIF also pursued a policy of intentional indifference to the systematic destruction of state institutions, including their institutional memories; it facilitated and contributed to the destruction of Iraq’s collective cultural and historical memories, which have been described as acts of attempted ‘mnemocide’, and it ignored the systematic targeted assassinations of Iraq’s intellectual capital, including its academics and scientists (Adriaensens, 2009; Al-Tikriti, 2007, 2009, 2010; Bahrani, 2008, 2009; Baker et al., 2009; Ismael & Ismael, 2015; Fisk, 2006; Herring, 2009; Hodges, 2006; Human Rights Watch, 2006; Klein, 2007; Poole, 2006; UNESCO PRESS, 2006; UNHCR, 2005; Wilkinson, 2008; Zoepf, 2006). The result was immediate state failure, societal disorientation, scarcity of basic social services, intellectual poverty, subjugation, lawlessness, violence, and a power vacuum that only the US could fill. Following the widespread destruction, the US attempted ambitious reconstruction and state-building projects that sought to impose a radical form of neoliberal ideology throughout the country’s socio-economic and geopolitical landscapes. The result was billions of dollars of transfers in public wealth to
the dominant capital group, largely failed reconstruction projects, human rights abuses, the accentuation of ethno-sectarian cleavages, civil war, ethnic cleansing and the possibility of territorial partitioning. In addition, a neoliberal-based constitution and economy were established, and an incompetent, inefficient and corrupt new neoliberal Iraqi state, built on fragmented political authority, was founded. Finally, the US project in Iraq brought about the death, injury, illness and dislocation of millions of Iraqi people, and the death, injury and illness of thousands of the US’s Coalition of the Willing (COW) and foreign private military contractors (PMCs).

Whilst there existed detailed US Department of Defense (DoD) and State Department plans that largely foresaw and planned for all stages of OIF, including during post-invasion, those plans were largely ignored by those in US power positions. For example, the combined average of several DoD plans that estimated troop strength requirements for a successful war, invasion and occupation of Iraq was 425,000 troops. According to military plans, the provisioning of such troop strength was crucial so as to hold the capacity to perform several duties that were deemed essential for the success of OIF. For example, troops would be required to effectively secure Iraq’s borders, to establish law and order, and to provide a secure environment for successful reconstruction, humanitarian aid efforts and for economic growth. In addition, forces would be needed to stop the epidemic mnemocide of Iraq’s collective memory, to protect Iraq’s intellectual capital and to guard weapons depots, including the most notorious weapons of mass destruction (WMD) had they existed. Most notably, such a force would be capable of withholding the development of resistance through insurgency, to stop the arming of insurgency and the development of terror groups, to adapt to the demands of counter-insurgency, and to withhold the development of a sectarian-based civil war and ethnic cleansing. As such, the existence of such a force was fundamental not only to the winning of the ‘hearts and minds’ of Iraqi civilians, but also to the success of OIF in its entirety. Nevertheless, and in spite of the apparent significance of the provisioning of adequate troop strength, Secretary of Defense (SECDEF) Donald Rumsfeld ordered the initiation of OIF with just 130,600 troops (Belasco, 2009).
The US’s imperial project upon Iraqi space of the year 2003 offers a distinct and radical modern-day case study of multiple applications of imperial powers. The “essence of empire is not military force, but the exercise of untrammelled power” (Connelly, 2006, p.32). Moreover, the complicated and sometimes ambiguous, yet far-reaching, nature of OIF’s power exertions indicate the presence of a plethora of subservient technologies that actively facilitated the event. It is because of the significance and extent of this contemporary imperial project upon Iraqi space that it was chosen as a case study for this thesis; investigating the roles of accounting technology within its power exertions will bring to visibility the overarching roles of accounting within such ventures.

**Accounting for Power**

**Accounting as a technology of governance**

The US’s 2003 war, invasion, occupation and reconstruction of Iraq was a profound demonstration of imperial powers, which could not be accomplished had it not been for tools of imperial power. Foucault’s (1982) work on ‘governmentality’ has shown that different forms of power, such as powers of subjectification, discipline and biopower, are derived from technologies of government. Unlike imperial ‘hardware’, such as military equipment that provide the physical means for spatial expansion, technologies of government, such as accounting, represent imperial ‘software’ that provide the mechanisms through which the power to administer spatial transformation and management is derived (Bell et al., 1995; Headrick, 1981, 1988; Neu, 2000; Said, 1979). Accounting, accountability, budgeting and auditing mechanisms are fundamental technologies of government, which provide techniques that are employed to extend, justify, mediate and control its power over space. Accounting’s production of knowledge for imperialist rule facilitates an efficient and profitable governance at a distance, which has enabled the enforcement of imperial policies throughout space and time (Barry, 1996; Catchpowle & Cooper, 2005; Funnell & Walker, 2013; Graham & Latour, 1987; Miller & Rose, 1990; Neu, 2000a, 2013; Neu et al., 2006; Raco, 2003; Robson, 1992; Rose, 1999, 2004). It is through the production of knowledge that the power to subjugate, to discipline and to control is derived (Said, 1979). Accounting also shapes public policy; it contributes to the regulatory scheme that has permitted acts of primitive accumulation and accumulation by dispossession to become embedded and
to flourish (Arnold & Sikka, 2001; Lehman, 2005; Gallhofer et al., 2011; Thornburg & Roberts, 2008). It provides imperial powers with a discourse that privileges the imperatives of the economy over social considerations, thereby empowering their exploitative encroachments on the environment and society with legitimation and justification (Neu & Ocampo Gomez, 2007). Additionally, imperial processes that permit the accumulation of capital at the expense of others globally work in and through accounting and its mechanisms, which operate within the institutions of the world order (Andrew et al., 2016; Annisette, 1999, 2004; Arnold, 2005; Arnold & Cooper, 1999; Arnold & Sikka, 2001; Arundhati, 2001; Catchpowle et al., 2004; Catchpowle & Cooper, 2005, 2009, Caramanis, 1999, 2002; Funnell et al., 2009; Gallhofer & Haslam, 2006, 2007; Gallhofer et al., 2011; Graham & Neu, 2003; Lehman, 2005; Martin, 1993; Neu et al., 2006; Neu & Ocampo Gomez, 2007).

Accounting’s quantitative techniques, such as counting, ranking, ordering and measuring, are forms of spatial calculation that translate space in adherence to the dominant form of rationality (Crampton & Elden, 2006; Osborne & Rose, 2004). Accounting translates distant space and ideology into a conceptual form that is comprehensible to imperial powers, thereby facilitating their mobilising of this knowledge to their advantage (Funnell, 1998; Graham & Neu, 2013; Latour, 1987; Miller & Rose, 1990; Neu, 2000a, 2000b; Neu et al., 2001; Said, 1979). Accounting discourse has been shown to construct a particular visibility of distant lands and their inhabitants; it is a technology through which visibility is focussed on their alleged failings, as defined by the dominant ideology (Said, 1979, 1993; Funnell & Walker, 2013). Accordingly, it provides justification for intervention by the conqueror and legitimises the imposition of change that transfers the knowledge and practices of the conqueror’s dominant ideology to the ‘under-developed’ other (Bakre, 2005, 2008; Ferguson, 2003a; Davie, 2005; Latour, 1987; Murdoch & Ward, 1997; Neu, 1999, 2000a, 2000b; Neu & Heincke, 2004; O’Regan, 2010; Said, 1979, 1993). In this regard, accounting techniques for measuring, monitoring, shaping and disciplining behaviour make these a mechanism for social re-engineering in servitude of imperial powers (Greer, 2006, 2009; Preston & Oakes, 2001). Since accounting mechanisms provide the means for reward and punishment, they contribute to imperial objectives of sanctifying their dominant ideology, subverting that of the conquered and of driving the indigenous
to assimilate (Annisette, 1999, 2000, Bakre, 2005, 2008; Bush & Maltby, 2004; Greer, 2009; Hoskin & Macve, 1986; Caramanis, 1999; Miller & Rose, 1990; Neu, 1999, 2000a; Neu & Therrien, 2003; O’Regan, 2010; Preston & Oakes, 2001; Walker, 2003). In addition, accounting has contributed to processes of collaborative bargaining between imperial powers and indigenous elite with the purpose of empowering the imperial core over the periphery (Arnold & Cooper, 1999; Davie, 2000; Walker, 2003; Tinken, 1985; Tinker et al., 1991). Accordingly, accounting provides the micro-techniques through which macro-objectives are realised. It is mobilised to impose control and to discipline society in compliance with that which serves the dominant elite.

Accounting mechanisms are implicated in the construction of ‘rules of difference’ that subordinate an ‘inferior’ conquered; this is an imperative function of accounting that facilitates the implementation of imperial policies of subjugation and exploitation (Bush & Maltby, 2004; Davie, 2005; Ferguson, 2003; Fleischman et al., 2013; Funnell, 2001; Graham & Neu, 2013; Greer, 2006; Neu, 1999; O’Regan, 2010; Preston & Oakes, 2001; Walker, 2003, 2004, 2013). By being ‘instruments of alienation’, accounting techniques serve the interests of imperial power blocs by facilitating the exploitation of humans and their resources and relieving the conscience of the exploiters (Arendt, 1948; Fleischman et al., 2013; Hopper, 2013; Hooper & Kearins, 2013; Plumwood, 1993). Indeed, accounting mechanisms have sustained slave regimes and have functioned to ease processes of primitive accumulation by contributing to acts of dispossession, oppression, exploitation and silencing of the ‘Other’ (Fleischman, 2004; Fleischman et al., 2004a, 2004b, 2013; Fleischman & Tyson, 2004; Gallhofer & Chew, 2000; Gibson, 2000; Hoogvelt & Tinker, 1978; Hooper & Kearins, 2004, 2008; Hooper & Pratt, 1995; Maltby & Tsamenyi, 2010). Accounting is implicated in the construction of the power to separate, subordinate and exclude indigenous inhabitants by ‘disabling’ indigenous agency and translating imperial forms of injustice, inequality and oppression into practice (Davie, 2005; Neu & Graham, 2006). Also, accounting techniques have been implicated in acts of domination, repression, genocide, in stigmatisation and degradation, in facilitating racism, in dehumanising and distancing the Other, and in attempts at annihilating others (Chwastiak & Lehman, 2008; Fleischman et al., 2013; Fleischman & Tyson, 2000; Funnell, 1998; Lippman & Wilson, 2007; Macintosh &
Accounting for coercive power

At times of war, several studies into military accounting have demonstrated how accounting can be utilised to increase military power by enhancing military operations, effectiveness and efficiency (Black, 2001; Chwastiak, 2006; Cobbin & Burrows, 2010; Funnell, 2005, 2006; Funnell & Chwastiak, 2010, 2015a, Harris, 1911, 1931; Talbot, 2010). Heier (2010) showed the role of accounting in managing and, thus, facilitating necessary transportation mechanisms for the enhanced movement of forces during combat. Similarly, Bujaki (2010) showed how accounting information was used as a discourse to convince the government to build enhanced infrastructure for defence purposes in Canada. Nevertheless, Mayer-Sommer demonstrated how excessive accounting controls were not effective at preventing abuses of public funds by political interests in the US during the Civil War of 1861-5, thereby enabling transfers of wealth. Similarly, Chwastiak (2013) showed that auditing practices during the 2003 Iraq War helped to manage the impact of corporate malfeasance by reconstructing it as waste, and blaming low level employees and the Iraqis for the fraud. Also, Chwastiak (2006) has shown that accounting techniques failed to impose rational control on the turmoil of the Vietnam War, rather, distorted the mindset of US leadership and created contradictions that contributed to US failure in Vietnam.

Accounting is implicated in the expansion of a fusion between the US state and military private industry, known as the military industrial complex (MIC), that holds “the potential for the disastrous rise of misplaced power …” (Office of the Federal Register, 1961). Chwastiak (1996, 1998, 1999, 2001, 2006) has demonstrated that accounting techniques have abetted unethical behaviour, masked the transformation of wastes into riches and the inefficient allocation of resources. They have also rationalised and normalised defense spending during periods of social crises, and have played an integral role in normalising the preparation for nuclear war. As such, accounting has contributed to the transfer of wealth from the masses to the elite, to the promotion of militarisation, and to the potential for war and mass killings at the expense of peace,
security, the economy and society. By facilitating the expansion of militarisation, accounting exaggerates the coercive power of the empire, thereby extending its capacity to subordinate, oppress and exploit others (Funnell & Chwastiak, 2010; Omond, 1933;). This is confirmed through the way in which civilians of the British Parliament in the seventeenth century utilised accounting mechanisms to control military finances, thereby protecting against the potential for the national armed forces to oppress its citizenry (Funnell, 1990, 1997, 2007, 2008, Funnell & Chwastiak, 2010, 2015a).

Accounting has contributed to the rationalisation and normalisation of the use of coercive forms of power, which has facilitated the expansion of war (Chwastiak & Lehman, 2008). Its failure to capture qualitative human interactions, such as morality and ethics, empowers the empire to exercise unethical behaviour in its pursuit of the realisation of self-interests (Chwastiak & Lehman, 2008; Lovell, 1995; Funnell, 1998; Shearer, 2002; Walker, 2000). Chwastiak (2015b) has shown that organisational processes and rationalities have been utilised to normalise acts of torture by the US state in its War on Terror (WoT). Accounting has also empowered the eco-political elite by creating necessary visibilities and invisibilities with regards to the costs of war that have helped legitimise their use of force to achieve imperial objectives. Indeed, Chwatiak and Lehman (2008) have demonstrated that accounting supports the delusion that wealth preservation is more valuable than human life or the environment. Furthermore, by deeming the social and environmental costs of war invisible, accounting under-costs the true costs of war, thereby empowering the eco-political elite to utilise it as a viable option (Chwastiak, 2008; Chwastiak & Lehman, 2008; Funnell & Chwastiak, 2015a). Moreover, by instilling rational business practices on war, accounting has provided the ideological justifications for destruction (Chwastiak, 2001, 2006; Chwastiak & Lehman, 2008; Funnell, 2006; Funnell & Chwastiak, 2015a;). Indeed, Catchpowle and Cooper (2005) have demonstrated the nexus between war and profit and have raised awareness of how the accounting profession could have played a moderating role in Iraq that would have compelled the US government to account for its business dealings in Iraq.

Accounting obfuscates the socio-environmental effects of non-military coercive exertions of power, such as those of the ‘silent war’ of economic sanctions, thereby
relieving the political elite of accountability and moral anguish (Chwastiak & Lehman, 2008). In Iraq, economic sanctions had genocidal effects, yet accounting’s emphasis on efficiency through cost-reduction legitimised their imposition, whilst masking their qualitative effects. Such quantitative instrumental reasoning has been shown to have also facilitated previous acts of genocide (Funnell, 1998; Lippman & Wilson, 2007; Neu, 2000a; Neu & Therrien, 2003). Following from this logic of accounting, Chwastiak (2015a) has demonstrated accounting’s role in transforming the state crime of ‘Extraordinary Rendition’ into a business opportunity, by elevating the profit motive and suppressing the criminality of the action, during the WoT. Since accounting focuses on profit and loss as the ultimate metrics of value, it does not distinguish between profitable activities that destroy and those that construct. Accordingly, it has empowered dominant capitalist groups with the ideological justification to profit from destructive activities, such as war and torture, by treating such activities as mere opportunities for business transactions (Chwastiak, 2015b; Chwastiak & Lehman, 2008). Conversely, it has also incentivised the political elite to increasingly realise power-gains through violent coercive mechanisms; by outsourcing warfare to dominant capital groups like PMCs, the elites benefit from unaccountable mercenary forces that realise their interests from a distance, whilst also decreasing the visible eco-political costs that are associated with coercive exertions of power. Accordingly, acts of killing, subjugation, oppression and exploitation for imperial interests are applied under the shelter of plausible deniability (Chwastiak, 2007a, 2008, 2015a). Accordingly, privatised warfare can be conceptualised as a form of ‘contract killing’; whilst individual contracts to kill are considered criminal and punishable under the law, equivalent contracts made between the state and private corporations, which are solicitations of murder, subjugation and oppression, are permissible and enforceable by law, and are managed by accounting techniques.

The interested nature of accounting for power
Accounting cannot be regarded as a neutral social-science that objectively reports economic events or facts (Argyris, 1990; Burchell et al., 1980; Hopwood, 1990; Hopwood & Miller, 1994; Hoskin & Macve, 1994; Kloot, 1997; Macintosh & Hopper, 2005; Neimark & Tinker, 1986; Otley, 1994; Riccaboni et al., 2006; Tinker, 1980; Tinker et al., 1982). Accounting produces knowledge that is value-laden and is a
product of social construction that serves the political and economic elite (Burchell et al., 1980; Funnell & Chwastiak, 2015; Hopwood & Miller, 1994; Macintosh & Hopper, 2005; Neimark & Tinker, 1986; Tinker, 1980; Tinker et al., 1982). It is a cultural force that mirrors certain values that comply with and serve the dominant ideology that is produced by dominant powers (Burchell et al., 1980; Funnell & Chwastiak, 2015; Macintosh & Hopper, 2005; O’Regan, 2010; Neu & Heincke, 2004; Previtis & Merino, 1998; Said, 1993). Yet accounting provides the means to mystify these realities and to conceal the true nature of socio-ecopolitical relationships. This is because accounting systems provide the means to justify, legitimise and rationalise the dominant ideology and its derivative policies, implications and constructed order. For example, it facilitates, sustains and rationalises capitalism’s polarising distribution of wealth and power in society in a way that deepens inequalities. Accordingly, accounting is a vital power resource that has evolved with the development of capitalism to occupy an ever more significant role and position in society (Burchell et al., 1980; Funnell, 2001; Macintosh & Hopper, 2005). This requires that accounting must be identified as a mechanism through which complex interplays of political and social processes are explained.

Tinker (1980, p.158) has shown that political and social conditions form the foundation upon which the economic is established, “thus the accounting results are only as good as their political and social precepts”. Moreover, accounting’s production of power cannot be distinguished from its relation to politics, for “When power mobilises through relations, and between people, politics is inevitable” (Wickramasinghe, 2006, p.341). Indeed, Clegg (2005, p.161) recognises that “the process of mobilizing power is the process of politics”. By mediating relations between people in a way that adheres to a dominant ideology and its status quo distribution of wealth and power, accounting cannot be politically neutral. Rather, it is a technology of power, of discourse, of knowledge, of social re-engineering and of practices of surveillance and control, which serve the interests of dominant political and economic groups.

The choice of an accounting measurement system will always affect the way things are counted; by necessarily producing those who gain and those who lose, accounting is a
product of social conflict and social power struggles (Cooper & Sherer, 1984; Funnell & Chwastiak, 2015a; Macintosh & Hopper, 2005). Similarly, budgeting, which determines the distribution of income and reflects the intentions of organisations, will also produce both winners and losers and is an essential determinant of organisational success or failure. Budgetary arrangements, including budgetary policies and participation in the budgeting process, cannot be separated from managerial attitudes and ideological leanings. Consequently, budgeting is interrelated with political strategies, power struggles and organisational control structures (Hopwood, 1978; Hopwood & Miller, 1994; Savage, 2013a, 2013b, Wildavsky, 1961, 1967, 1986, 1992; Wildavsky & Webber, 1986). Most importantly, control over public revenue is a determinant for either the expansion or contraction of military power. Therefore, it is through accounting techniques that ultimate power is exerted on the capacity to use military force. Accordingly, there exists a “nexus between political hegemony and public finances …” which accounting negotiates (Funnell & Chwastiak, 2015b, p.1).

The political elite often utilise accounting’s calculative practices, which produce seemingly objective and scientific knowledge, to legitimise and justify their decisions against the judgement of those with expertise (Chwastiak, 2006; Funnell & Chwastiak, 2015a). Although accounting’s calculative practices produce incomplete knowledge, the elite only consider that which can be quantified. Qualitative considerations, such as morals, ethics, social and environmental justice and equity, are disregarded. Accounting knowledge is partial. Nevertheless, its ability to reduce things to a single quantitative figure empowers the elite as it facilitates processes of comparison and evaluation that permit political and economic governance. Moreover, accounting is shaped by and plays an active role in shaping public policy. Therefore, it cannot be politically neutral. Rather, it is a “social practice embedded in a context shaping it and with which it interacts” (Gallhofer et al., 2011, p.377). The politically inherent nature of accounting is confirmed through the variations in requirements for accounting for social and environmental disclosures that are shaped by the influence of the socio-political economy of countries (Bushman & Piotroski, 2006; Williams, 1999). It is further confirmed through the intensified promotion of the standards of the International Accounting Standards Board (IASB), which are founded upon the dominant ideology, as benchmarks for ‘proper’ accounting, and their imposition upon other countries by
international institutions, such as the World Bank and the IMF (Gallhofer et al., 2011). As such, it is a governance technology through which complex interplays of political and social processes are explained.

The Political Economy of Accounting and the 2003 Iraq War

Research Objectives
The central research objective of this thesis is to demonstrate the interested nature of the socio-ecopolitical dimensions of accounting that played out in the lead-up to, and throughout, the US’s 2003 imperial de-territorialisation and re-territorialisation project of Iraqi space. In broader terms, this research aims to reveal the rich intersection between questions of space and of accounting by showing the ways in which accounting, as a source of power, is an essential component for the construction of the socio-ecopolitical dimensions of space for capitalist imperial interests.

Until recently, the concept that accounting performed interested roles within imperial spatial expansions was considered implausible within accounting thought. For example, Solomons (1991, p. 287) asserted that “to suggest any direct connection between broad developments (such as the appearance and disappearance of colonialism) would be farfetched indeed”. While there has recently been growing interest and contributions to the broader study of accounting and state empires, the research has primarily focused on the role of accounting and accountants in the enactment and maintenance of historical empires, particularly that of late 19th century British imperialism. Importantly, each of such studies has focused on demonstrating accounting’s role within a distinct process or practice of a specific empire. There has been no attempt at broadening the scope of research so as to analyse the interrelationship between multiple roles of accounting and the overall realisation of eco-political spatial projects. Doing so would enable the development of a more comprehensive understanding, a concept that can explain the purpose, practices and implications that arise from the nexus between accounting, capitalism and imperial space. This thesis seeks to address these gaps in knowledge by performing a trans-disciplinary study that connects accounting with the eco-political dynamics of imperial spatial expansions. The study proposes the Capitalism’s
Accountings of Space (CAS) concept, which explains the purpose, practices and implications of the interrelationship between accounting, capitalism and imperial space.

It then applies this concept to investigate the contemporary imperial case study of the 2003 Iraq War, ranging between pre- to post-invasion, so as to understand the roles of accounting within it, and to confirm the concept’s propositions.

Resolving the two primary questions of this thesis, why and how capitalist imperial exertions of power upon space occur within an accounting context, broader research objectives are also met. The thesis will demonstrate that accounting technologies were used strategically in the context of the Iraq War in 2003 for the benefit of elitist interests; these not only opposed the interests of the majority Iraqi population, but also brought about extensive regional and global negative repercussions like the rise of terror group ISIS, the spread of regional insecurity, economic instability and the global refugee crisis. Accordingly, it will confirm that, far from being a neutral, value-free mechanism for decision-making, the allocation of resources and the realisation of efficiency goals, accounting is a partial language and an interested tool that is harnessed to further the interests of dominant political and economic groups. It will show that accounting information “has an ideological function in that it is used to legitimize particular activities or rationalize past behaviour” (Cooper & Sherer, 1984, p.223). The thesis will also display accounting’s roles in power relations that the US intervention brought into effect, including powers of subjugation and oppression that contributed to and fuelled indigenous resistance. Moreover, it will show accounting’s role in the dispossession and exploitation of Iraq, which were enabled through the transforming of Iraq into a space of exception, and the imposition of a neoliberal regime that the US established during its occupation. Accordingly, the thesis aims to explore the socio-ecopolitical dimensions of ‘accounting power’, both the socio-ecopolitical power of accounting representations and also the role of socio-ecopolitical accounting dimensions in revealing the operation of power relations. Finally, by exposing the dynamics of power relations and accounting, this thesis invites others to challenge the status quo, thereby providing an opportunity for emancipatory change.
Methodological Bearings
The methodology applied in this thesis is based on a critical approach to accounting research, which enables an analysis of the political, economic and social influences on accounting, whilst also permitting the questioning of mainstream assumptions. More specifically, this thesis utilises Tinker’s (1980) Political Economy of Accounting (PEA) method, which recognises that there are two dimensions of capital: firstly as economic forces of production and secondly as social relations of production (Bhaduri, 1969). Fundamentally, PEA acknowledges that economic order is premised upon various social institutions, such as state, religious, political, legal and social, which are representatives of social relations. Following from this, PEA recognises that “an understanding of social and political processes (the social relations) is indispensable to interpreting economic performance …” (Tinker, 1980, p.154). Accordingly, it is a trans-disciplinary mode of investigation that emphasises the interplay between political and economic forces in society, and situates “the accounting functions within the broader structural and institutional environment in which it operates” (Cooper & Sherer, 1984, p.217).

The PEA approach brings power to the forefront of accounting research by critiquing the marginalist economics’ conception of society, which assumes that power is broadly spread and that no one individual or group is able to constantly exercise influence upon society; PEA recognises that this conception permits an unproblematic view of accounting technologies (Tinker, 1977). In contrast, PEA adopts a conflict model of society that recognises that dominant groups are able to exert both influence and control upon the mass majority over long periods of time (Bichler & Nitzan, 2004; Chandler, 2006; Harvey, 1985, 1998, 2001, 2003, 2004, 2005b, 2007b, 2007a; Nitzan, 1998, 2001; Nitzan & Bichler, 2009; Stanworth & Giddens, 1974; Wood, 2003). In addition, it recognises the role of the state in actively promoting and managing this created order, including in its management of accounting regulations. Therefore, the PEA approach entails “drawing attention to the conflicting political and economic interests at stake in accounting” (Hopwood & Miller, 1994, p.16). PEA acknowledges that accounting is a socially contested and created technology, and insists that accounting systems can be mechanisms through which power is applied. In order to confirm this, PEA emphasises the historical context of the institutional environment within society so as to develop an understanding of its role within society’s current economic ordering (Merino &
Neimark, 1982; Zeff, 1978). This thesis applies this notion by examining the historical geography of capitalism theory (Harvey, 1985, 1998, 2001, 2004, 2005a, 2007a) and its interplay with accounting technology through space and time. This novel fusion is referred to in this thesis as the capitalism’s accountings of space (CAS) concept. Through its application, a sequential progression through space and time is generated that provides a methodical means of confirming the intricate interplay between accounting and the eco-political realms. Moreover, this progression can be followed to the space of Iraq and to the time of 2003, thereby providing a methodically-based preliminary solution to the thesis’ two underlying interrogations.

Contrary to the mainstream perception that accounting plays a passive function in society (Peasnell, 1978), PEA views the potential in accounting to play an active and emancipatory role. Since PEA is concerned with exposing the power afforded to elites through their appropriations of accounting technology, it sheds light on the accounting methods and mechanisms that are utilised for power production. Accordingly, it facilitates for the challenging of elites by bringing about change. In a similar way, PEA highlights issues of social welfare and the distribution of wealth, instead of the notion of market equilibrium. By insisting on the social construction of the current polarised economic order PEA challenges the mainstream perception that frames this order as scientific truth. Therefore, it begins to move down the avenue that leads to emancipatory change. Finally, PEA adopts an emancipated perception of individuals, their motivations and accounting’s role within society by recognising that the promotion of the self-interest notion is a consequence of the current economic order and, thus, identifies the potential for positive change (Cooper & Sherer, 1984). By demonstrating the interplays of power within the 2003 Iraq War case study, and the ways through which accounting technologies were appropriated so as to serve their interests, this thesis seeks to bring to visibility the potential for accounting to challenge them through bringing about emancipatory change. The perceived passive role of accounting within imperial projects will be invalidated, thereby facilitating for wider society to oppose, challenge, control and limit destructive activities of dominant capital and power groups.
Contributions of the thesis
Empirically, the in-depth analysis of the 2003 Iraq War as a case study brings novel elements for analysing the interested nature of accounting within the context of capitalist imperial expansions. Whilst selected accounting literature have analysed accounting’s role within certain processes or practices of the 2003 Iraq War (Catchpowle & Cooper, 2005, 2009, Chwastiak, 2007b, 2008, 2009, 2013, 2015a, 2015b; Chwastiak & Lehman, 2008; Funnell & Chwastiak, 2015b), there has been no thorough investigation into the event in its entirety. Such a thorough investigation engenders novel elements for research as it enables a broad and panoramic examination of events that permits the identification of modes through which separable accounting processes/practices can interrelate and combine to serve multiple overall accounting purposes within an imperial project. Accordingly, this thesis makes a number of contributions to knowledge, predominantly with regards to accounting and the US’s Imperial project upon Iraqi space, but also with regards to broad-spectrum roles of accounting within capitalist imperial ventures. Concerning the latter, the thesis’ illustration of key intersections between accounting and the historical trajectory of capitalism, which provides a methodically-based understanding of the underlying dynamics between accounting, capitalism and space leading up to the present time, is an original contribution to accounting knowledge. Furthermore, the thesis’ utilisation of its CAS accounting concept as a guide for investigating the issues is a novel contribution, as it provides a new research tool that can similarly be applied to guide future studies of capitalist imperial projects.

Concerning the US’s imperial project upon Iraqi space, the thesis contributes to knowledge by demonstrating various accounting mechanisms that combined to essentially contribute to an overall narrative of de-valuation of the existing eco-political territorialisation of Iraqi space. This de-valuation was an essential precursor for the initiation of subsequent de-territorialisation processes. The thesis shows that these accounting mechanisms facilitated the de-valuation of Iraqi space to a space of exception that was reminiscent of a state of terra nullius, a land belonging to nobody, which is an original contribution to accounting knowledge. Also new to accounting knowledge is this thesis’ identification of the role of accounting in the US’s deployment of insufficient troops to Iraq, which proved to be a decisive element of facilitation
within subsequent de-territorialisation processes of Iraqi space. Within this context, the thesis’ examination of the roles of accounting in the attempted cultural cleansing of Iraq, including destruction of its historical, intellectual and educational assets, is an original contribution to accounting knowledge.

With regards the economic re-territorialisation of Iraq, the thesis contributes to existing knowledge by investigating it within the parameters of the CAS concept. It demonstrates how accounting logic was used to legitimise and justify the use of economic shock therapy for re-territorialisation, despite its track record of failings. Furthermore, the thesis makes evident the role of deficient accounting, accountability, auditing and budgeting mechanisms, used during the US’s initial administration of Iraq by the Coalition Provisional Authority (CPA) in maintaining its created space of exception where re-territorialisation could continue and accelerated transfers of Iraqi wealth could flourish. With regards to transfers in Iraqi wealth, the thesis makes an original contribution to knowledge by identifying how transfers to foreign capital groups were normalised through otherwise prohibited accounting transfer-pricing practices. Also, whilst the thesis confirms Cooper and Catchpowle’s (2009) finding that the accounting technology of auditing was successful in providing an imperfect, yet independent audit of the CPA’s use of Iraqi funds during its post-war administration of Iraq, it differs by situating this form of ‘counter-account’ within the CAS concept to establish its significance. Accordingly, it concludes that the auditing process was profoundly contained by imperial influences; its significance was rendered inconsequential as it failed to stop the plundering of Iraqi wealth, or permit subsequent corruption-related convictions. Accordingly, the thesis confirms Chwastiak’s (2009, 2013) similar findings pertaining to audits of the use of US reconstruction funds for post-war Iraq. Finally, the thesis makes an original contribution to knowledge in this subject by exhibiting how the CPA also manipulated indigenous auditing mechanisms, which served to facilitate a continuation of corrupt practices, the transfer of Iraqi wealth and the obstruction of corruption-related convictions after the end of the CPA’s rule.

Accounting literature has not discussed how accounting was instrumentalised during the occupation to socio-geopolitically re-engineer Iraq. During its occupation, the US
attempted to re-engineer the collective mindset of Iraqi society, to reconfigure the spatial/scalar ordering of Iraq, and to secure the eco-political acquiescence of future Iraqi governments. This thesis’ investigation of the roles of accounting within these imperial processes yields multiple original contributions to accounting knowledge. Firstly, the thesis shows the role of accounting logic in the US’s use of a ‘divide and conquer’ imperial strategy in Iraq to realise its objectives, and the profound role of discriminative revenue-sharing arrangements and the establishment of anaemic budgetary processes and institutions in its implementation. It will demonstrate the role of accounting in the US’s attempted re-engineering of the collective mindset of the Iraqi people, which sought to build a neoliberal individualist-based, self-interest centred mindset. In addition, it will show how accounting contributed to the obstruction of the democratic will of the Iraqi people by transforming unethical US state behaviour, which transformed Iraqi elections into ‘selection processes’, into a commodity and normal business routine for profit that was outsourced. In a similar way, it will show how the US outsourced heterogeneous sites and agencies to entrench imperial ideology within Iraq in an attempt to re-engineer the collective mindset of Iraqi society, and to reinforce a policy of assimilation. By analysing the combined effects of these processes, the thesis will demonstrate how they served to sharpen ethno-sectarian identities, extend the reach of US domination within Iraqi constitution-building processes and, consequently, to establish a tripartite ethno-sectarian federalised state structure that was most conducive to imperial interests. Also, the thesis will show that accounting rhetoric was used to legitimise and justify the establishment of this decentralised Iraqi state structure that permitted a greater role for private agencies and actors, and eased access for dominant capital groups, thereby unleashing market forces throughout Iraqi space.

The thesis will demonstrate the role of the US’s establishment of anaemic Iraqi budgetary processes and institutions to further diminish Iraqi state capacity, thereby serving to build power structures of domination and subordination. Furthermore, the role of these processes in justifying and legitimising the enforced privatisation of the Iraqi oil industry will be shown, and an original contribution showing the role of accounting in masking the resulting accumulation by dispossession through accounting practices related to production-sharing agreements (PSAs) will be demonstrated. Another original contribution to accounting knowledge will be made with regards to the
role of the US’s procurement system in facilitating an import-driven Iraqi economy rather than nurturing indigenous production capabilities, and how it enabled a system of patronage and favouritism that further debilitated the Iraqi state whilst accommodating US interests. Whilst Cooper and Catchpowle (2009) concluded that the audit reports of the CPA showed no evidence that the US pursued the colonialist policy of working with local elites and state apparatuses, this thesis will show that this policy was, in actuality, enacted by the US through its procurement system and its discriminatory revenue-sharing arrangements in Iraq. Finally, the thesis provides another original contribution to knowledge by demonstrating how metrics relating to budgetary execution and investment expenditures were utilised as overriding measures of efficiency that facilitated another wave of virulent corruption in Iraq, whilst also extending imperial domination. In this regard, the thesis demonstrates the significant power that financial and accounting controls provided to US political elite, as well as the resulting effects of decreased Iraqi state capacity.

CAS concept is also used to investigate the power afforded to imperialist elite through accounting technologies that project a feasible representation of an imperial project. Whilst Chwastiak (2007, 2008), Chwastiak and Lehman (2008) and Funnell and Chwastiak (2015b) have demonstrated how government accounting practices contribute to official discourse that conceals from visibility the true costs of war and its effects, their work discussed this process by considering instances from a collection of wars, including that of the Nazis, the Vietnam War, the Persian Gulf War and the War on Terror’s wars in Afghanistan and Iraq. Accordingly, there has been no in-depth analysis of the methods through which this process was achieved in Iraq, which would also permit a more accurate comprehension of the costs associated with an imperial project of this scale in its entirety. This thesis will fill this gap in knowledge by providing an extensive analysis of the multiple accounting methods through which the visibility of economic costs pertaining the imperial project on Iraq were manipulated, and also how human, environmental and other social costs were tactfully omitted from accounts. The study broadens its temporal scope so as to acknowledge all three major contemporary US imperial footprints that together brought about the opening of Iraqi space, being the 1991 Gulf War, the 1990-2003 economic sanctions and the 2003 Iraq War. Whilst Chwastiak and Lehman (2008) explained the role of accounting logic in the
rationalisation of economic sanctions, this thesis expands on the outcomes and effects of this logic, and also makes an original contribution by bringing to visibility some of the economic costs that are sustained by perpetrators of economic sanctions, yet remain invisible due to current accounting methods.

The thesis demonstrates significant modes through which accounting technology was utilised during different stages of the Iraq project so as to build and reinforce power structures that would enable the restructuring and management of Iraqi space for capitalist imperial interests. Accounting literature has not discussed the use of accounting within the US’ DoD in the lead-up to the war and invasion of Iraq, only in the DoD’s 1960s pre-planning for nuclear warfare (Chwastiak, 2001) and its effects upon visibilities within the DoD during the Vietnam War (Chwastiak, 2006). This thesis fills this gap in knowledge by explaining how accounting, through the newly revised Planning, Programming, Budgeting and Execution System (PPBES), was strategically deployed by the DoD’s civilian command to afford the Bush administration’s neo-conservative ideology primacy within DoD pre-war decision-making process. Accordingly, it provides an original contribution to knowledge by showing the accounting means through which the DoD’s decision-making processes were politicised in the interest of the neo-conservative elite, and points to the ramifications of such an arrangement, including for key resource allocation decisions during the war, invasion and occupation of Iraq. These include decisions regarding the initiation of multiple wars simultaneously, the US’s use of WMD and unmanned predator aerial drones, and in decisions that led to shortages in supplies and reinforcements, such as in tanks and armoured vehicles. This study also further expands on knowledge of the means through which accounting systems were utilised to manipulate eco-political costs with regards to the war and invasion of Iraq so as to manage a ‘profitable’ representation of the imperial venture.

Chwastiak (2006) is the only accounting paper that has discussed the effects of the Planning, Programming and Budgeting (PPB) accounting system on visibilities within the DoD and on decision-making by US leadership during war, being the Vietnam War. This thesis makes original contributions to this knowledge by analysing the effects of
the revised PPBE system on visibilities within the DoD and on decision-making by US leadership during the three stages of war, invasion and occupation of Iraq. Such an analysis enables the exploration of novel associations between accounting and violent translations of imperial power in Iraq. For example, the analysis will show how lax accounting and accountability methods, accounting logic and the use of PPBES’ measures of performance (MoPs) and measures of effectiveness (MoEs) facilitated a mechanical employment of ‘counter-insurgency’ tactics that were against international law, such as the operationalization of a mass-incarceration ‘machine’ in Iraq and the use of torture. Whilst Chwastiak’s (2015a, 2015b) papers discuss the issue of torture in Iraq, this thesis provides original contributions to this knowledge by identifying novel means through which accounting contributed to the employment of torture in Iraq, such as the role of MoEs and MoPs, and the lax accounting records and accountability methods that were utilised within US-run prisons in Iraq. Also new to accounting literature is this thesis’ exhibiting of the role of accounting in the relaxation of US military Rules of Engagement (ROE) in Iraq, which led to the incitement of unwarranted civilian killings from a distance. Furthermore, this study will show the role of accounting in the decision to utilise notorious sectarian-based paramilitary forces as a form of counter-insurgency and their effects, such as their eliciting of ethnic cleansings and the Iraqi civil war.

**Sources of research**

Generating the interplay between accounting and the historical trajectory of capitalism relied upon a thorough search of relevant trans-disciplinary literature. These included material relating to Harvey’s (1985, 1998, 2001, 2004, 2005a, 2007a) well established historical geography of capitalism theory, alongside accounting material that demonstrated the ideological underpinnings, discourses and techniques of accounting that correspondingly applied to key stages in this trajectory. For example, the thesis combined literature about the drive of early capitalist empires to conquer space through acts of primitive accumulation of foreign lands, with literature that correspondingly showed the role of accounting in performing ‘software’ functions that ultimately served to facilitate, justify and legitimate the resulting processes of alienation, subjugation, exploitation and assimilation. Similarly, the thesis combined literature regarding the drive of the contemporary US capitalist empire to conquer space through acts of
accumulation by dispossession, with accounting literature that demonstrated its roles in facilitating, justifying and legitimating such transfers of wealth, including its roles in processes of privatisation, financialisation, state redistributions, and the management and manipulation of crises. Awareness of the ideological underpinnings, discourses and techniques of accounting that applied within key stages of the historical trajectory of capitalism provided a sequential confirmation of the eco-political inherence of accounting and its role as a technology of imperialist rule and governance through space and time. In addition, it brought into visibility the rich intersections between accounting, capitalism and space, which served to underscore the central propositions of the CAS concept.

The remainder of the thesis drew heavily from a detailed examination of predominantly primary resources that originated from the US government and its agencies, prominent participants, international institutions and non-governmental organisations. During this stage of research, the CAS concept was used to identify key constructs that served to channel its collection of resources and to analyse their implications. For example, the key construct of de-territorialisation directed the gathering of material regarding each of the socio-ecopolitical de-territorialisation processes that occurred in Iraq. In analysing this material, the thesis realised specificity by also utilising CAS constructs regarding the purposes of accounting, such as de-valuation and the building of power structures, to examine and identify the roles of accounting within these processes. Overwhelming reliance throughout the thesis on primary resources was meant to ensure that the developed narrative, and its related conclusions, clearly originated from actual events. For example, material regarding why the 1991 Gulf War did not end with a US invasion of Baghdad and the removal of Saddam Hussein from power, being due to ‘incalculable human and political costs’, was collected directly from the Presidential memoir of President George H. W. Bush, which was also co-authored by his National Security Advisor, Brent Scowcroft. By largely drawing on the authority of those involved, the thesis gave them the overarching presence and priority within its developed narrative.

In light of the controversial and sensitive nature of the events and practices that are the focus of this research, some materials were inaccessible; they remain the subject of
secrecy protections. However, the great wealth of primary source material available permitted a very thorough and comprehensive rendition of events that compensated this limitation. These resources enabled the thesis to get behind what was being said, by demonstrating what actually happened. In doing so, it shed light on what was also being hidden.

Below is an overview of the categories of sources of data for this thesis; a more detailed enlargement on theses categories is available in Appendix 1.

1. Official governmental sources.
2. Official communications.
3. International institutions.
4. Non-governmental organisations.
5. Military institutions.
6. Trans-disciplinary journal articles and books.
7. Private accounting firms.
8. News media sources.

Chapter Outline

Chapter Two: This chapter introduces the central underpinnings of the CAS concept and traces the historical trajectory of capitalism through space and time so as to provide a theoretical foundation upon which the remainder of the thesis will be developed. It shows that capitalism’s progression through space and time has been premised upon a fusion between dominant power and capital groups fused into hegemonic power blocs, and their interests. In addition, the chapter demonstrates the roles and contributions of accounting ideological underpinnings, discourses and techniques that correspond to key stages within this trajectory, thereby demonstrating how accounting has evolved through space and time as a response to the needs of dominant power and capital groups. This analysis brings to light the rich intersections between accounting, capitalism and space, and substantiates the central propositions of the CAS concept. The chapter builds until it reaches the space of Iraq and the year of 2003, where it
provides a preliminary methodically-based evaluation of why and how capitalism’s progression led to the 2003 Iraq War.

**Chapter Three:** This chapter begins to apply the CAS concept to the case study so as to realise the research objectives of the thesis. It examines the accounting methods through which a deceptive under-costing of the US’s imperial project in Iraq was created, and provides an alternative ‘costing’ of the project in its entirety. It undertakes an in-depth analysis of the imperial project by expanding the temporal scope of its accounting for costs so as to include the 1991 Gulf War, the 1990-2003 economic sanctions and the 2003 Iraq War. In doing so, the chapter exposes the ‘methods behind the magician’s trick’; that is, it demonstrates the various ways in which accounting practices were utilised by the political elite to project a feasible perception of their exertions of power on Iraq, thereby garnering public support and legitimacy, and maintaining an empire in denial. Moreover, it also provides an ‘accounting for the unaccounted for’, as it exhibits the costs to Iraq from these imperial exertions of power, thereby demonstrating the de-territorialisation processes that were realised in Iraq, whilst also shedding light on their immense human, environmental and social ramifications. Accordingly, the chapter emphasises the emancipatory potential of accounting technology if it is appropriated in ways that counter current practices.

**Chapter Four:** This chapter continues the application of the CAS concept by demonstrating how the coercive de-territorialisation of Iraq was juxtaposed with ideological invasion. It shows how the US applied a *terra nullius*-like principle on Iraqi space that effectively de-territorialised its existing socialist-based indigenous juridical framework, thereby providing a clean slate for neoliberal re-territorialisation through economic shock therapy. The chapter explains accounting’s contributions to the facilitation of this process, before presenting the most controversial of the US’s newly imposed laws, their effects and, where relevant, the contributions of accounting. The final section of the chapter shows how accounting was appropriated to accelerate processes of economic re-territorialisation of Iraq, including an acceleration of its accompanying transfers of wealth. Importantly, it demonstrates the extent of capitalism’s influence upon current accounting practices: whilst audits of the CPA
illustrated the potential for the production of counter-accounts that challenged capitalist interests, the chapter will demonstrate that their effects were largely curtailed by the capitalist hegemonic bloc. Moreover, it will confirm this proposition of the CAS concept by demonstrating how the US sought to extend this influence by institutionalising debilitated auditing mechanisms within Iraqi government accounting practices.

**Chapter Five:** This chapter builds upon its predecessor by showing that the US’s imperial project in Iraq did not only aim to reconfigure Iraq’s economy in compliance with the neoliberal regime. The chapter demonstrates that the US attempted an ambitious and holistic project that involved the novel ‘state-ending’ of Iraq and, thus, required state-building, including of its social and geopolitical realms, in a way that was most conducive to US interests. Most importantly, the focus of the chapter is on demonstrating how accounting and budgetary mechanisms facilitated the realisation of the required social and geopolitical reconfigurations that were required by dominant power and capital interests. It also details the methods utilised by the US so as to establish anaemic budgetary processes and institutions in Iraq, and their roles in diminishing Iraqi state capacity and building power structures of domination and subordination. The chapter will also further develop the preliminary evaluations of chapter two by showing the geo-ecopolitical strategic importance of gaining access and control of Iraqi oil, to the hegemonic bloc.

**Chapter Six:** This chapter utilises the CAS concept to understand the role of accounting in providing the Bush administration’s neo-conservative ideology dominance within the DoD’s decision-making processes. This power structure is especially significant, as neo-conservative ideological primacy over key resource allocation decisions within the DoD will be shown to have profoundly influenced the imperial project’s trajectory and de-territorialisation outcomes in Iraq. The chapter demonstrates that SECDEF Donald Rumsfeld’s reforms to the DoD’s PPB accounting system were the primary means through which he was able to gain the power to dominate key military expertise-related decisions within the Pentagon. It also exhibits the central underpinnings of neo-conservative ideology so as to situate them within
context of US intentions in Iraqi space, thereby providing another layer of solutions to the primary questions of the thesis and building upon the preliminary findings of chapter two.

**Chapter Seven:** This chapter builds upon its predecessor by demonstrating ways in which the PPBE accounting system affected visibilities and decision-making processes within the DoD during the war, invasion and occupation of Iraq. The effects of the PPBES’s mindset, which simplifies complexities and reduces the multi-dimensional representations of reality into one-dimensional, quantitative, cause-effect relationships, are shown beginning from the way OIF was rationalised and represented to the way it was managed. Moreover, the chapter will show that this mindset led US leadership to focus on PPBES’s quantitative metrics as the primary measures of progress and performance during the war, invasion and occupation. As such, their attention was diverted away from critical qualitative influencers like the establishment of law and order and winning the ‘hearts and minds’ of the Iraqi populace; this generated fissures between perceptions and reality that contributed to the failure of OIF. In addition, it will demonstrate how the use of these metrics, along with accounting logic and techniques, facilitated, justified and legitimated the US’s application of dysfunctional and unjust policies during its occupation of Iraq. These include the US’s operationalisation of a mass-incarceration ‘machine’, its use of torture, its setting of laissez fair ROE, and its implementation of the ‘Salvador Option’ in Iraq. As such, it also serves to corroborate the major propositions of the CAS concept contributed to the building and re-inforcement of also played a role in bringing to bear an unjust war that contributed to the eventual failure of OIF.

**Chapter Eight:** This chapter consolidates the findings of this thesis by reconciling them with the CAS concept. In so doing, it makes evident how the thesis has resolved its primary questions and research objectives, whilst also substantiating the central propositions of the CAS concept.
Chapter Two

Capitalism’s Accountings of Space: The interplay between imperialism, capital accumulation, and accounting
Introduction

This chapter presents the CAS concept by exhibiting the interplay between accounting and the historical trajectory of capitalism. The resulting theoretical framework of knowledge will be utilised as the foundation upon which the remainder of this thesis will be developed. By understanding the historical trajectory of capitalism, the ways through which capitalism has shaped imperial interests and, through them, has defined capitalist footprints upon space and time, a sequential process can be developed that continues to the present day. Awareness of accounting’s ideological underpinnings, discourses and techniques that correspondingly apply to key stages in this trajectory, provides the means to understand the eco-political inherence of accounting and its role as a technology of imperialist rule and governance. Indeed, Funnell (2001, p.187) explains that “The evolution of modern accounting consists essentially of a series of pragmatic responses to the needs of capital”.

The first section will explain the central propositions of this thesis’ CAS concept by elaborating upon Harvey’s (1985, 1998, 2001, 2004, 2005a, 2007a) HGC theory so as to establish the conceptual underpinnings of the thesis. It will also provide a clear and informative explanation of the thesis’ ontological views regarding accounting and space so as to clarify their intended meanings, before elaborating on their interrelationships by providing an overview of accounting’s roles in the construction of space for empires. This section then progresses to illustrate key intersections of accounting with the historical trajectory of capitalism up until the 1970’s. Focussing on capitalist imperial forms, it will identify capital’s inherent drive for geographic expansion, the key actors within this drive, and accounting’s role in justifying, legitimating and facilitating appropriate conditions for this order. The section that follows will discuss the rise of the neoliberal capital accumulation imperialist order, which is led by the United States (US). This section is divided into three sub-sections: the first distinguishes between the neoliberal order and that preceding it, including its main objectives and dominant actors. It will also detail the various processes through which gains in capital accumulation are realised and how accounting technology serves these processes. The second sub-section will demonstrate the ways neoliberalism seeks to re-engineer spatial and scalar configurations, including social arrangements, so as to facilitate piercings of
state sovereignty. Such piercings are shown to be essential means for capitalism’s conquering of space and for the US’s realisation of its eco-political interests. Throughout this discussion, accounting’s essential roles within this framework will be exhibited. The final sub-section will situate the Iraq War within the historical trajectory of capitalism so as to reach a preliminary understanding of how and why the US chose to launch a war, invasion and occupation of Iraq in 2003. The final section will sum up the chapter’s findings in a conclusion.

Accounting for Capitalism’s Conquering of Space

Capitalism’s accountings of space concept
There are varied interpretations of what constitutes an ‘empire’, the most basic of which can be categorised as territorial and non-territorial, each with several subtypes (Steinmetz, 2005). The principle facet of these variations is the conception of the degree of sovereignty bequeathed by an empire upon a foreign land (Stoler, 2006; Steinmetz, 2005; Muzio, 2007; Ahmad, 2004). Territorial forms of empire, known as colonialism, involve the inclusive annexation of territory, along with its sovereignty, and the subjugating of a people to a single supreme power (Pagden, 2003; Steinmetz, 2005). It involves “the implanting of settlements on distant territory” (Said, 1993, p.8). Steinmetz (2005, p.356) defines empire as “a relationship of political domination over a periphery by a core and therefore encompasses the transfer of various practices from center to margin”. Meanwhile, non-territorial forms of empire, or imperialism, are “in some respects a more comprehensive concept” (Osterhammel, 1995, p.21) as they involve the control of space, in a “much more sweeping agenda of controlling the world or a region” (Steinmetz, 2005, p.342). Said (1993, p.8) sees imperialism as the “practice, the theory, and the attitudes of a dominating metropolitan centre ruling a distant territory”. Under imperialist empires, the empire’s activities subdue the locus of sovereignty; ostensibly preserving the subject’s external appearance of autonomy, whilst taming a closely manipulated internal state of affairs:

Like colonial powers, imperialist ones intervene to depose regimes or to create new ones, but unlike colonizers they subsequently recede into the background, leaving behind a military base, a new constitution, loyal local leaders, advisors, ambassadors, and political operatives (Steinmetz, 2005, p.349).
Imperialist ventures have no interest in the micromanagement of affairs. Instead, they impose a series of macro polities whose “technologies of rule thrive on the production of exceptions and their uneven and changing proliferation” (Stoler, 2006, p.128). The production of ‘spaces of exception’ facilitate the empire with the necessary conditions that enable the realisation of its interests by lifting conventional accountability mechanisms, thereby creating exceptions to principles and laws, whilst also protecting it from prosecution (Agamben, 1998; Mbembe, 2003; Schmitt, 1985; Stoler, 2006). As such, the generation of spaces of exception grant the empire power: power to exploit and power to justify and legitimise this exploitation. Carl Schmitt (2006; 1985) expresses imperialism as the political ordering of space, identifying it as the ‘Nomos’: the “global division of spheres of influence … within which states extend the tentacles of their power beyond their political boundaries” (Steinmetz, 2005, p.350).

Harvey (2003) and Wood (2003) demonstrate that there have been many kinds of imperialisms. Wood (2003) provides a historical overview that shows various imperial forms, such as land, bureaucracy, trade and capitalist. Harvey (2007a, p.61) explains that capitalist imperialism “arose out of surpluses piled up by localised groups of traders and merchants who pillaged the rest of the world”. Marx conceived these acts as forms of ‘primitive’ or ‘original’ accumulation, which he perceived as being intrinsic to capitalism because of its inner crisis tendencies (Marx, 1973). Capitalism’s inner crisis tendencies stem from its success at generating ever-growing surpluses in production, or over-accumulation. Accompanying the perpetual growth in surpluses is the increasing difficulty with which capitalists find profitable avenues to dispose of their surplus-value produce. A crisis occurs when “large scale and system-wide phases of devaluation and destruction of capital surpluses that cannot profitably be absorbed” transpire (Harvey, 2007, p.62). Since one of the most effective avenues for surplus capital absorption is through geographic expansion and geographic restructuring, which Harvey (2001, 2007b, 2005b) refers to as the ‘spatial fix’, capitalism necessitates a perpetual realisation of these processes. The historical geography of capitalism acknowledges the effects of this imperative cycle, perpetuated by the endless accumulation of capital: capitalism repetitively creates a geographical landscape that facilitates its interests.
during a certain temporal scope, only to later destroy it so as to build a better-accommodating different landscape during another. The HGC has been moulded by a dynamic of continual ‘de-territorialisation’ and ‘re-territorialisation’ processes.

Capitalism’s de-territorialisation drive describes capitalism’s impulsion to eliminate all barriers to its accumulation process, as it searches the globe for the means to absorb its surpluses through the likes of new investment opportunities and cheaper raw materials. This universalising tendency of capitalism is also accompanied by what Marx famously described as its drive to “annihilate this space with time”; to eliminate barriers and extend its spatial orbit of circulation through power afforded by increased velocity (Marx, 1973, p.539). Speed not only signals an increased capacity to eliminate barriers of spatial distance, but also for increased efficiency and productivity as the value of time-input becomes compressed (Harvey, 1990). Accordingly, this capitalist de-territorialisation drive for accelerated power and wealth is propelled by accounting logic, as the cost-minimisation and profit-maximisation motives that are sanctified by accounting reasoning provide it with both legitimisation and justification. In order to achieve this drive, capitalism must also undertake re-territorialisation processes by producing configurations of territorial organisation that enable its accelerated circulation over global space, such as large-scale transportation infrastructures and communications networks (Brenner, 1999; Harvey, 1985). Accordingly, capitalism “not only never is but never can be stationary”; its geographical expansion and restructuring is premised upon its destruction of existing apparatuses and the creation of better suiting eco-political mutations, a process that Schumpeter (1975, p.82) describes as ‘creative destruction’. Correspondingly, the historical geography of capitalism is interpreted as a “restless formation and re-formation of geographical landscapes” (Harvey, 1985, p.150), where

Space is not merely a physical container within which capitalist development unfolds, but one of its constitutive social dimensions, continually constructed, deconstructed, and reconstructed through an historically specific, multi-scalar dialectic of de- and re- territorialization (Brenner, 1999, p.43).

The inherent social dimensions of space for capitalist development, the continual reengineering of space through processes of de-territorialisation and re-territorialisation, cannot materialise without the subservient omnipresence of both the quantitative and
social/qualitative dimensions of accounting technology. At its most basic level, a decision to creatively destroy or reconstruct an existing form of spatial organisation essentially requires the creativity of accounting techniques as the decision is largely built upon a narrative of (de)-valuation. The methods of valuation that accounting provides, through the information produced by its measurement systems and also through its analysis and interpretation of this information, ensures that accounting’s role in a narrative of (de)-valuation for capitalism is indispensable. Moreover, accounting’s social dimensions work to justify, legitimate and promote this narrative as accounting has an epistemological character: it is a knowledge that is created and disseminated in response to, and bound by, a particular ontological view (Chua, 1986; Rose & Miller, 1992). Although accounting’s systems of measurement, analysis and interpretation are a product of such social construction, its information and rhetoric are nevertheless presented to society as a form of objective and scientific truth. This has the effect of universalising the constructed as a natural truth that artlessly negates alternative narratives. Thereby accounting’s “‘impartiality’ operates coercively” (Brown & Frame, 2007, p. 7). In addition, since the social construction and control of accounting systems are undertaken by dominant elites within society, these groups are able to entrench their perspectives and interests, whilst also enjoying the strategic advantages of information asymmetry that bequeaths them supremacy in the manipulation and management of space from a distance (Bigoni & Funnell, 2018; McKinlay et al, 2010). Together, these social dimensions of accounting technology have the effect of not only playing a major role in determining what and how things are to be represented and interpreted within a narrative of (de)-valuation but, perhaps most notably, they influence what and how others are to be excluded or silenced. On another level, the relationship of accounting with power structures makes it a vital constitutive instrument for elites in their pursuit of controlling, justifying, legitimating and promoting the parameters within which processes of problematization, decision-making, implementation, management and dissent unfold within de- and re-territorialisation processes, as will be expanded upon throughout this thesis. Indeed, accounting “can influence perceptions, change language and infuse dialogue, thereby permeating the ways in which priorities, concerns and worries, and new possibilities for action are expressed” (Hopwood, 1990, p. 9).
Capitalism’s accountings of space (CAS) is a concept that is built upon this ontological recognition of accounting and space. Accounting is not merely an objective set of quantitative practices through which capitalist development is measured, recorded and analysed within a physical container of space. Rather, CAS views accounting, like space itself, as an essential social dimension of capitalism; a non-static, narrative-producing technology that is appropriated by capitalism so as to facilitate the development of space for it, and to inhibit the occurrence and effects of ‘counter-accounts’ that can obstruct its progress and interests. Indeed, CAS believes that whilst accounting’s malleability provides potential for the production of counter-accounts that can challenge capitalist interests (Arnold & Hammond, 1994; Miller, 1998), accounting is, in actuality, inundated by capitalism (Armstrong, 2002; Brown & Frame, 2007; Cooper & Sherer, 1984; Nagel, 1986; Power, 1992). Moreover, the deceptive myth of impartiality that works to divorce accounting from its underlying eco-socio-political dimensions endows it with the capacity “to eclipse other forms of knowledge and other forms of social life” (Power, 1992, p. 477). As such, the occurrence of counter-accounts can be contained, and their effects distorted. Therefore, CAS is a concept about the accounting means through which capitalism conquers space. It proposes that capitalism’s subsistence necessitates the obligatory recurrence of the spatial fix throughout time; this both causes and requires the commandeering of an adjoined space-accounting for capitalism, whilst also requiring the obfuscation of the social dimensions of both by maintaining their deceptive appearances of mutual independence and impartiality. Accounting plays three primary roles within de- and re-territorialisation projects: its indispensable contributions to a narrative of (de)-valuation of space for capitalism, its manipulation of economic costs and dismissal of socio-political costs so as to project a ‘feasible/profitable’ representation of the projects to decision makers and the general populace, and its roles in building and reinforcing power structures that enable the restructuring and management of space for capitalism. CAS establishes that it is dependably in and through accounting technologies that the continual de- and re-territorialisation processes of space for capitalism are realised.
Accounting and the construction of space for empire

Technologies of accounting play an essential role in the social construction of space for capitalism, by constructing “the calculable spaces that individuals inhabit” (Miller, 1992, p. 75), and make meaning of space through their interpretations (Tinker, 1991). Throughout time, “Accounting methods, techniques, ideas and practices, those accounting and those accounted for, the roles of accounting within and between individuals and organizations, the place and significance of accounting in society ...” have been essential influencers of, and compatibly evolving tools for, social development (Napier, 2006, p. 445). Scholars of accounting history have demonstrated that being a technology that changes in relation to, and for, eco-socio-political structures in space, accounting is both a consequence and constitutive of change through time (Bigoni & Funnell, 2018; Bigoni et al, 2018a; Burchell et al, 1985; Hopwood, 1985, 1987, 1990, 1992; Littleton, 1933; Miller, 1992; Napier, 2006; Tinker, 1980). It is a technology that is socially constructed, yet the maintenance of its deceptive impartiality works “to licence a violence upon people” as it consigns natural truth claims to its profound constitutive effects upon space and people, thereby making constructed effects appear innate (O’Leary, 1985, p. 100). This is further sanctioned by the proliferation of accounting’s instrumental form of reasoning through society as it transforms socio-political acts into mere calculable and technical issues, thereby stripping them of their social dimensions and easing governance and control.

In the context of empire, accounting is one of the ‘technologies of government’ through which the empire extends and mediates its power, or ‘governmentality’ over space. This view stems from Foucault’s (1982) work on ‘governmentality’, or the ‘conduct of conduct’, which was primarily concerned with revealing the mechanisms through which technologies of government, such as accounting, generate powers of subjectification, discipline and power over biological life, known as biopower (Crampton & Elden, 2006; Foucault, 1978, 1983, 1990, 2003; Rose-Redwood, 2006). Following from Foucault's work, accounting has been shown to perform a 'software' function for imperialism that enables the imposition of dominance and control over distant inhabitants and territories (Bell et al., 1995; Headrick, 1981, 1988; Neu, 2000b). Unlike imperial ‘hardware’, such as military equipment that provide the forceful means for geographical expansion, imperial ‘software’, such as geography and accounting,
provide the knowledge that is necessary for imperial rule, and lead “to important transformations in spatial order and management” (Crampton & Elden, 2006, p.682). Accounting technologies are intrinsic to governmentality as they enable the empire to administer space through the production of knowledge, rules of difference, states of exception, legitimacy, justification, subjugation, exploitation, control and degrees of accountability in space and time (Chwastiak, 2006, 2007a; Chwastiak & Lehman, 2008; Foucault, 1982, 1983; Funnell, 1998; Funnell & Chwastiak, 2015a; Headrick, 1981, 1988; Miller, 1990; Miller & Rose, 1990; Neimark & Tinker, 1986; Neu, 2000a, 2000b; Neu & Heincke, 2004; Neu & Therrien, 2003; Rose, 1991; Walker, 2000, 2003, 2004; O’Regan, 2010).

Said (1979, p.36) has emphasised the value of knowledge in the generation of increased power to subjugate, to discipline and to control: “Knowledge of subject races … is what makes their management easy and profitable; knowledge gives power, more power requires more knowledge, and so on an increasingly profitable dialectic of information and control”. Accounting’s production of knowledge for imperialist rule facilitates an efficient and profitable ‘governance at a distance’ (Barry, 1996; Funnell, 1998; Funnell & Walker, 2013; Graham & Neu, 2013; Latour, 1987; Miller & Rose, 1990; Neu, 2000a; Raco, 2003; Robson, 1992; Rose, 1999, 2004). Accordingly, Miller and Rose (1990, p.5) have called for attention to the particular technical devices of writing, listing, numbering and computing that render a realm into discourse as a knowable, calculable and administrable object. ‘Knowing’ an object in such a way that it can be governed is more than a purely speculative activity: it requires the invention of procedures of notation, ways of collecting and presenting statistics, the transportation of these to centres where calculations and judgements can be made and so forth. It is through such procedures of inscription that the diverse domains of ‘governmentality’ are made up, that ‘objects’ such as the economy, the enterprise, the social field and the family are rendered in a particular conceptual form and made amenable to intervention and regulation.

According to Rose (1999, p.36), in order to govern “it is necessary to render visible the space over which government is to be exercised”. Visibility is realised when space is “regulated in ways which enable authorities to act; a space that is measured, directed and standardized” (Barry, 1996, pp.127–128). Crampton and Elden (2006) have shown
how quantitative techniques, such as numbering, counting, ranking, ordering and measuring, come together as forms of spatial calculation, and form a model of ‘rationality’ that is a part of the process of making space “amenable to thought” (Osborne & Rose, 2004, p.212). Accounting makes “visible distant locales, thereby, allowing local knowledge to be mobilized by imperial powers” (Neu, 2000b, p.170). Indeed, accounting is one of the technologies through which “The implicit geography of the natives is made explicit … the local knowledge of the savages becomes the universal knowledge … the fuzzy, approximate and ungrounded beliefs of the locals are turned into a precise, certain and justified knowledge” (emphasis in original Latour, 1987, p.216).

Accounting techniques translate distant societies into a conceptual form that is comprehensible to imperial powers, thereby facilitating subsequent interventions and governance from a distance (Funnell, 1998, 2013; Graham & Neu, 2013; Latour, 1987; Miller & Rose, 1990; Neu, 2000a; Neu et al., 2001; Said, 1979). Therefore, it is a cultural force that expresses certain values that adhere to the imperial power’s dominant ideology (O’Regan, 2010; Neu & Heincke, 2004; Said, 1993). Moreover, accounting’s provisioning of knowledge of distant spaces within the realm of imperial rationale permits the re-territorialisation of space in conformance with its underlying dominant ideology (Murdoch & Ward, 1997; Neu & Heincke, 2004; Said, 1979). By measuring and ‘codifying’ distant space and then “sending this code back, the shape of the sighted lands may be redrawn by those who have not sighted them” (Latour, 1987, p.224). Indeed, accounting assists in imposing the imperial’s ideological underpinnings by providing techniques for measuring, monitoring and shaping behaviour, thereby providing the means “to shape, normalise and instrumentalise the conduct, thought, decisions and aspirations of others in order to achieve the objectives they consider desirable” (Miller & Rose, 1990, p.8). Furthermore, by providing a mechanism for reward and punishment, it heightens imperial ideology, subverts the culture of the conquered and drives for assimilation (Miller & Rose, 1990; Neu, 1999, 2000a; Neu & Therrien, 2003; Bush & Maltby, 2004; Walker, 2003). As such, accounting provides the means through which the “oppressor seeks to incorporate the native into its moral universe, a universe alien to the native mind” (O’Regan, 2010, p.417). It provides the
micro-techniques, the regulative and distributive, through which the macro-objectives of the empire are realised.

**Accounting for early capitalist empires**

Arrighi (1994), Braudel (1977) and Weber (1978) agree that the most important transition within capitalist imperialism occurred when European states were propelled towards territorial conquest and the formation of a truly global capitalist world economy at the beginning of the fifteenth century. This occurred when scattered capitalist powers concentrated and created a fusion between state and capital, which Mickhail (2007, p.3) describes as an “unholy union between the economic (agora) and political (pnyx) space”. Indeed, Braudel (emphasis added 1977, p.64) emphasises that “Capitalism only triumphs when it becomes identified with the state, when it is the state”. Similarly, Arrighi’s (1994, p.10) work in *The Long Twentieth Century* explains that the historical trajectory of capitalism has been shaped by “the leadership of particular communities and blocs of governmental and business agencies which were uniquely well placed to turn to their own advantage the unintended consequences of the actions of other agencies”. Shifts of hegemony have occurred from Venice and Genoa, to the Dutch, followed by the British and, finally, the US. Such shifts have been a result of, and result in, “Long periods of crisis, restructuring and reorganization; in short, of discontinuous change …” whereby each hegemony sets the strategies and structures, known as the ideology or regime of capital accumulation, through which an expansion and restructuring of the capitalist world economy occurs (Arrighi, 1994, p.1).

Most significantly, the rise of British imperialism placed great emphasis on the *production of value*, rather than mere value exchanges and, thus, transformed the objective of empire, being “not simply about establishing imperial rule or even commercial supremacy but about extending the logic and imperatives of the domestic economy and drawing others into its orbit” (Wood, 2003, p.100). Accounting played an integral role in the formulation of this conception by producing discourse pertaining to profit maximisation through the efficient management of resources and the reduction of waste. This discourse was invoked to legitimise and justify the empire’s occupation and exploitation of ‘unoccupied’ or ‘unused’ land that was conceptualised as not creating
sufficient value. This rationalisation provided ideological justification for the extended geographic expansion of capitalism, and a foundation upon which a legitimate legal claim to such expansion within the rules of private property law was conceived, known as the *res nullius* principle. *Res nullius* established the nature of natural rights of property in the eighteenth century. Its author, Emeric de Vattel, argued that mere residence on land, whilst failing to cultivate it so as to produce value from it, did not warrant natural private property rights. Instead, residents like the Ancient Germans, modern Tartars and the indigenous of North America, who “prefer to live by plunder, fail in their duty to themselves, injuring their neighbours, and deserve to be exterminated like wild beasts of prey … The people of these vast tracts of land rather roamed over them than inhabited them” (quoted in Wood, 2003, p.94). This notion was built upon by John Locke who justified acts of primitive accumulation of ‘unused’ land despite the existence of a local sovereign who worked the land. Locke argued that this was because the right of property stemmed from labour that “puts the difference of value on everything” (quoted in Wood, 2003, p.97). Labour that insufficiently cultivates land will lead to insufficient productions of value/profits and, thus, the occupation of the land effectively constituted waste. Indeed, Locke compared one acre of land in ‘unimproved’ America with similar, but ‘improved’, land in England and concluded that the former would not be worth 1/1000 of the latter, “if we calculate ‘all the Profit an Indian received from it were it valued and sold here’” (quoted in Wood, 2003, p.98).

Sir William Blackstone, whose legal opinion was widely respected in Britain in 1788, and was used to legally distinguish the newly ‘discovered’ New Holland, or Australia, echoed Locke’s reasoning. A century later, Blackstone’s opinion was called *terra nullius*. In 1971, Justice Blackburn (*Milirrpum v. Nabalco Pty Ltd*, 1971, p.201) held in *Milirrpum v. Nabalco Pty Ltd and The Commonwealth of Australia* that Blackstone’s distinguishing of colonies of settlement, being ‘desert and uncultivated’, had “always been taken to include territory in which live uncivilized inhabitants in a primitive state of society”. As such, the indigenous were considered ‘primitive’ because their ideological understanding of value-creation from their land opposed that of the imperial conqueror, who at the time defined it as being through land cultivation and the domestication of animals. In sum, both the *terra nullius* and *res nullius* principles
shared a common ideological justification for the British empire’s acts of primitive accumulation of land. The ultimate source of property rights was through its dominant ideological understanding of value-creation: where there is “no proper commerce and hence no improvement, there is no property; and any land left in this state is available for appropriation” (Wood, 2003, p.98).

Capitalism’s drive to conquer space through acts of primitive accumulation, such as the appropriation of foreign land, was justified by accounting discourse pertaining to the creation of value/profit. Indeed, Said (1979, 1993) emphasises the power of discourse in constructing a particular visibility of the colony and the conquered. Within this context, accounting provided the technology through which visibility was given “to the alleged failings of the conquered and, therefore, a means to justify subsequent action as redemptive” (Funnell & Walker, 2013, p.5). Moreover, accounting information constructed a particular image of the conquered that was employed so as to provide the imperial power with a sense of ‘obligation’ to intervene, to subjugate, and to exploit (Ferguson, 2003; Neu, 1999, 2000a, 2000b; Neu & Heincke, 2004; Said, 1993; O’Regan, 2010). Accordingly, it justified the subjugation of the conquered through altruistic motives that intended their ‘civilisation’ and, thus, legitimated the implementation of imperial policies of exploitation (Fleischman et al., 2013; Funnell, 2001; Graham & Neu, 2013; Walker, 2013; O’Regan, 2010). Within this context, accounting technologies have been shown to serve the interests of imperialist powers as well as those of the dominant class by serving as ‘instruments of alienation’. Accounting has also contributed to processes of collaborative bargaining between imperial powers and indigenous elite with the purpose of empowering the imperial core over the periphery (Arnold & Cooper, 1999; Davie, 2000; Tinker, 1985; Tinker et al., 1991; Walker, 2003).

Accounting is implicated in the facilitation of acts of exploitation, such as the exploitation of humans and their resources (Fleischman et al., 2013; Hooper & Kearins, 2013; Hopper, 2013). Accounting has been shown to have sustained slave regimes; by promoting oppressive living standards for them, some have claimed that it contributed to their significantly shortened life expectancies (Fleischman, 2004; Fleischman et al.,
2004a, 2004b, 2013; Fleischman & Tyson, 2004). In addition, accounting has been shown to play a function in the “dispossession, oppression and silencing of indigenous peoples” so as to ease the process of primitive accumulation (Gallhofer & Chew, 2000, p.265). Moreover, accounting techniques have been implicated in acts of repression, genocide, in stigmatisation and degradation, in facilitating racism, in dehumanisation and in attempts at annihilating others (Fleischman et al., 2013; Fleischman & Tyson, 2000; Funnell, 1998; Lippman & Wilson, 2007; Neu, 2000a; Neu & Therrien, 2003; O’Regan, 2013; Walker, 2004, 2008, 2013). In sum, accounting has historically performed a role of sustenance for acts of primitive accumulation as it served the eco-political interests of imperial regimes by providing techniques of facilitation, legitimisation and justification. Speaking in 1919, Woodrow Wilson captured the British ideology of capital accumulation that propelled its imperial practices:

Since trade ignores national boundaries and the manufacturer insists on having the world as a market, the flag of his nation must follow him, and the doors of the nations which are closed against him must be battered down. Concessions obtained by financiers must be safeguarded by ministers of state, even if the sovereignty of unwilling nations be outraged in the process. Colonies must be obtained or planted, in order that no useful corner of the world may be overlooked or left unused (emphasis added, quoted in Chomsky, 1990, p.14).

This regime of accumulation was supported by the then newly independent US, which was later termed ‘Open Door Imperialism’ (Williams, 1959). The first reference to this mode of thought was made in the 1899 Open Door Notes of US Secretary of State John Hay, who promoted a diplomacy that sought to enable capitalist powers free and equal access to Chinese markets. This conception of diplomacy was propped up by extensive military might that provided an ultimate source of coercive power and, together, they formed the design of the US’s foreign policy strategy of controlling without owning (Bacevich, 2002; Dorrien, 2004; Kramer & Michalowski, 2005; Perkins, 1984; Williams, 1959).

**Accounting for US hegemony and an empire in denial**

When British hegemony was passed to the US post World War II, the US shaped the new imperial regime by establishing the Bretton Woods institutions through which it set the rules of the world economy (Wood, 2003). Geographic expansion or globalisation,
used a variety of mechanisms to conquer spatial barriers, including technological changes such as those that increased the speed of transport and communication, and through regulative changes such as the elimination of state-imposed tariffs. Also, globalisation was realised through cultural changes that eliminated popular resistance to the ideology of commodification, and through outright military force (Harvey, 2007). Importantly, US imperialism sought to utilise technological advances in speed so as to annihilate space by time. Speed in communications, transport and military capacities enabled for the compression of global space in a way that broadened the reach and effects of US imperial influence. As such, US imperialism became not only reliant on its military might, but also on an amalgamation of imperial powers, known as its ‘imperial radiance’. These enabled the US the power to invoke a more holistic capture of collective thought in favour of its interests, and “can be distinguished from the deliberate exercise of political power outside national boundaries” (Steinmetz, 2005, p.344). Indeed, American

military supremacy over its would-be rivals is supplemented then by the overwhelming power of its currency and finance, and its dominance over the global production of techno-scientific as well as social-scientific intelligentsias, and its global cultural and ideological reach through its dominance over mass entertainment and (dis)information (Ahmad, 2004, p.46).

The resonance of imperial radiance lies not only in its ‘peaceful’ supplementation of coercive techniques, but also in its generation of a sense of global social cohesion or universalism in favour of US knowledge and ideals that grants the US legitimacy and justification for its actions. Pilger (2003, p.5) identifies these as “new versions of old power” that facilitate the capability “as never before of penetrating societies everywhere”. The capacity to ‘peacefully’ penetrate other societies empowers the US Empire by granting it a perception of invisibility; interventions that sever the sovereignty of other nation states can be undertaken within the realm of plausible deniability. Accordingly, dissent and accountability are kept under control, and US citizenry are conditioned into a state of denial; theirs is an ‘Empire in denial’ (Chandler, 2006; Ferguson, 2004). Indeed, “The popular tradition within the United States is anti-colonial and anti-imperial and it has taken a very substantive conjuring trick, if not outright deception, to mask the imperial role of the US in world affairs …” (Harvey,
2004, p.82), for “being an effective empire has long been contingent on partial visibility – sustaining the ability to remain an unaccountable one” (Stoler, 2006, p.142).

Whilst imperial radiance is an intrinsic component of US imperialism that enables the realisation of macro-objectives through micro-techniques, it is essentially supplemented, however, by unprecedented US coercive capacity. Indeed, imperial radiance is “enabled by and enabling of coercive practices”; it is because of the empire’s coercive practices that it is able to exude its imperial radiance, and it is because of its imperial radiance that imperial coercive crimes, such as pre-emptive war, mass murder and torture, are sustainable (Stoler, 2006, p.134). Accordingly, the sustenance of a globalised system of capitalism entailed the expanding of US military power so as to provide the necessary corresponding military might. This demand was augmented by the Cold War’s armaments race, which together enabled the capitalisation of the US’s politico-military apparatus, known as the MIC, whereby government, industry and the military formed an intrinsic pact and became a dominant capital/power group. Accounting is also implicated in the proliferation of this group: Chwastiak (1996, 1998, 1999, 2001, 2003, 2006, 2008) demonstrated accounting’s role by showing how accounting techniques were employed not to achieve efficiency within the DoD, rather were deployed to enable the expansion of the MIC by masking the transformation of wastes into riches, the inefficient allocation of resources, by abetting unethical behaviour, and by rationalising and normalising defense spending during periods of social crises. In addition, Chwastiak (1996, p.365) showed how accounting’s reliance on neoclassical economics as its theoretical foundation led to the promotion of capital accumulations by “defense firms at the expense of peace and security and the militarization of thought, the economy and social relations”. Also, Chwastiak (2001, p.501) showed how the DoD’s use of the Planning, Programming and Budgeting system (PPBS) normalised the creation of nuclear weaponry as it “caused the economics of defense to be elevated to a position of supremacy, transforming the planning for war into a routine resource allocation exercise, rather than an insane preparation for genocide”. Moreover, Chwastiak (2001; 2006) demonstrated that this mindset was advanced through the PPB system’s redefining of the normative and cognitive processes in a way that effectively subordinated military expertise and knowledge to quantitative instrumental rationality.
Importantly, accounting’s roles in facilitating, justifying and legitimising the expansion of the US’s MIC ultimately served to mask both the MIC’s existence and effects from US populace. Since the MIC’s expansion was essential to the sustenance of US capitalist imperialism, accounting’s masking of it essentially contributed to the US’s conjuring trick of maintaining an empire in denial. Additionally, by concealing the US’s imperial role and managing acts of MIC waste, fraud and transfers of wealth, accounting served to under-cost expenditures of US coercion, thereby affording them a deceiving perception of feasibility amongst decision-makers and the populous. This perception was also advanced by the PPB system: its quantitative mode of instrumental rationality narrowed the definition of costs to only that which could be quantified. As such, human, social and environmental qualitative costs were deemed invisible, thereby serving to further under-cost coercive expenditures and to confirm the adjoining feasibility perception. Ultimately, accounting’s masking of the real eco-political costs of exertions of imperial power is an imperative necessity for the US’s maintenance of an empire in denial, as will be expanded upon in chapter three. This is because it diverts popular focus away from the MIC/imperial foundations of US exertions of power, and from both the real economic, and human, environmental and other social costs of such power applications. US President Eisenhower (Office of the Federal Register, 1961) had warned against ‘grave implications’ from the rise of such configurations: “unwarranted influence … by the military-industrial complex” had to be subdued, he warned, as “the potential for the disastrous rise of misplaced power exists and will persist”.

When the crisis of capital accumulation occurred in the 1970’s and the Bretton Woods arrangements were discarded, capitalism mutated into a neoliberal form that demanded the creative destruction of much of the previously existing eco-political and socio-geographic apparatuses. The rise of neoliberalism also engendered what Harvey (2003; 2004; 2007) describes as a ‘new imperialism’ that more aggressively pursues the capitalist objective of annihilating space by time.
The Neoliberal Regime and its Re-Territorialisation Process

Accounting for the dominant capital group and neoliberal accumulations by dispossession

Harvey (2007, p.22) defines neoliberalism as “a theory of political economic practices proposing that human well-being can best be advanced by the maximization of entrepreneurial freedoms within an institutional framework characterized by private property rights, individual liberty, unencumbered markets, and free trade”. It has been described as an eco-political ‘counter-revolution’ by the capitalist class who, after the recession and capitalist crisis of the 1970’s, were politically threatened both by a growing convergence of labour and urban social movements that saw Communist and Socialist parties gaining increased power, and also economically threatened by restraints to their already fallen share of overall economic gains (Harvey, 2005a, 2007; Dumenil & Levy, 2004a, 2004c). Accordingly, whilst neoliberalism emerged so as to re-engineer the global capital accumulation regime and revive it, its engineering has been skewed towards the interest of restoring class power to the richest strata, which has also been described as differential capital accumulation to the dominant capital group (Harvey, 2003, 2007; Dumenil & Levy, 2004a, 2004b, 2004c, 2005, Nitzan, 1998, 2001; Bichler & Nitzan, 2006a; Nitzan & Bichler, 2009). The dominant capital group “consists of the owners and top executives of the largest corporations at the core of the political economy (as well as smaller contenders whose power is rapidly rising)” (Bichler & Nitzan, 2006a, p.43). Empirical evidence shows that neoliberalism has enabled their gaining of capital accumulations at a pace that surpasses that of the rest of the population, thereby leading to a persistent, or differential, rise in their share of total income (Bichler & Nitzan, 2006a, p.43).

Dumenil and Levy (2004b), Harvey (2005a, 2007b) and Piketty and Saez (2003) refer to the rising trend in income polarisation during the neoliberal era; the share of the top 1% of income earners in the US has rapidly increased from 8% in the 1980’s to 15% by 2000. A similar scenario unfolded in Britain where the top 1% of income earners doubled their share of the national income during the same period and, in countries like Russia, China and India, their adoption of neoliberal practices has been accompanied by a rapid surge in income inequalities and the formation of oligarchical groups of upper-
class power. The differential nature of neoliberal capital accumulation is similarly exhibited by Nitzan and Bichler (2006a, p.45), who show that there has been “a persistent exponential uptrend” in favour of the dominant capital group: the profit stream of a dominant capital firm in the US that was 5,000 times the income of an average US employee in the 1950’s rose to a comparable figure of 25,000 in the 1990’s, and the net profit of a dominant capital firm in the US that was 500 times bigger than an average US firm in the 1950’s rose to a comparable 7,000 times in the late 1990’s. Most recently, research by Piketty et al. (2016) further substantiated this pattern, showing that growth in the income of the bottom half of the US population has been close to zero since the 1970’s, whilst the top 1% have gained income growths of 300%. The pattern is similarly played out on a global scale; the income growth for the bottom 10% increased by less an $3 a year between 1988 and 2011, whilst the top 1% experienced income growths of 182 times that amount (Hardoon et al., 2016). Moreover, since 2015, “the richest 1% has owned more wealth than the rest of the planet” and, as of 2016, “Eight men now own the same amount of wealth as the poorest half of the world” (Hardoon, 2017, p.2). Accordingly, whilst “Neoliberalism has not proven effective at revitalizing global capital accumulation …”, it has succeeded in restoring class power by enabling dominant capital to garner increases in wealth and, thus, power (Harvey, 2007, p.29).

In order for this regime of redistribution to take effect, processes that are the modern equivalent of primitive accumulation, what Harvey (2003, 2004, 2005a, 2007b) terms ‘accumulation by dispossession’, have intensified. Such processes primarily aim to redistribute wealth and assets from public/collective ownership and benefit, to private ownership and benefit, and have centred around four main avenues. The first avenue is through the commodification and privatisation of public assets such as land and natural resources; of public utilities like water and transportation; of social welfare provisions like housing and education; of public institutions like universities and prisons, and even of warfare like the outsourcing of private military contractors. Arundhati (2001, p.40) has argued that “These are the assets that the state holds in trust for the people it represents … To snatch these away and sell them as stock to private companies is a process of barbaric dispossession on a scale that has no parallel in history”. Accounting’s role as a facilitator of such transfers of wealth and power has been widely
demonstrated and primarily centres on its discourse that presumes that ownership changes induce better financial and management controls that increase efficiency, transparency, accountability and profits (Andrew et al., 2016; Funnell et al., 2009; Josiah et al., 2010; Mennicken, 2013; Stiglitz, 2008; Uddin & Hopper, 2003). Also, accounting is a central part of the regulatory apparatus that has permitted accumulations by dispossession through privatisation to flourish in the global south, and is an ‘informing technology’ that facilitates governance at a distance by neoliberal international institutions, such as the IMF and World Bank, that enforce privatisation measures throughout the world (Arnold & Sikka, 2001; Catchpowle et al., 2004; Lehman, 2005; Neu et al., 2006). Moreover, accounting mindset, which sanctifies the profit motive over social benefit, justifies the commercialisation of public utilities, of social welfare provisions and of public institutions (Neu & Ocampo Gomez, 2007). Catchpowle et al. (2004) and Martin (1993) have shown that the accounting profession is culpable in its deliberate under-pricing of public assets for privatisation, thereby facilitating the transfer of public wealth to the private realm. Finally, Chwastiak (2007a, 2008) has demonstrated accounting’s role in incentivising politicians to increasingly privatise warfare as it provides the means for politicians to under-cost both the economic and political costs of warfare, thereby increasing their power.

Another major avenue for the realisation of accumulation by dispossession is through financialisation. Neoliberalism’s deregulation of the financial system has transformed it into “one of the main centers of redistributive activity through speculation, predation, fraud, and thievery”, and includes acts like structured asset destruction through inflation or mergers/acquisitions, stock promotions and manipulations, and the promotion of debt (Harvey, 2007, p.36). Again, accounting practice is implicated in such processes in a number of ways, the most obvious of which is through its financial reporting requirements that govern asset valuation and off-balance sheet entities, which are set in conformance to neoliberal ideology and for the benefit of the dominant capital group (Arnold, 2009; Boyer, 2007; Ryan, 2008; Zhang, 2011; Zhang et al., 2012). The introduction of fair value accounting (FVA), for example, legitimises “more ‘estimations’ into the system pushing further risk taking behaviour within the neoliberal markets” (Zhang, 2011, p.1). The third major avenue for accumulations by dispossession is through the management and manipulation of crises, what Klein (2007)
terms ‘disaster capitalism’. Financial crises have been “orchestrated, managed, and controlled both to rationalize the system and to redistribute assets”; sudden raises in interest rates, for example, have forced whole countries into bankruptcy, thereby subordinating their sovereignty to the ‘structural adjustment’ programs of neoliberal international institutions, such as the IMF and World Trade Organisation (WTO), whilst also permitting the pillaging of the local economy by those who have wealth and power (Harvey, 2007, p.37). Indeed, Wade and Veneroso (1998, pp.20–21) have asserted that

The combination of massive devaluations, IMF-pushed financial liberalization, and IMF-facilitated recovery may even precipitate the biggest peacetime transfer of assets from domestic to foreign owners in the past fifty years anywhere in the world …. One recalls the statement attributed to Andrew Mellon: ‘In a depression assets return to their rightful owner’.

In addition, crises that cause collective trauma, such as natural disasters and war, are perceived under neoliberalism as “‘clean sheets’ and exciting opportunities …, the preferred method of advancing corporate goals …” (Klein, 2007, p.6). Milton Friedman, the author of this mindset, advised that disasters generate a six to nine month period during which radical socio-economic re-engineering benefitting dominant capital can be implemented: the rapidity of change, coupled with the psychological trauma, would provoke psychological reactions that facilitate adjustment to the economic ‘shock treatment’ and its resulting accumulations by dispossession (Friedman, 1982). Friedman (1982, p.7) emphasised the opportunity that disseminates from crisis and, thus, the imperativeness of properly managing them:

Only a crisis actual or perceived produces real change. When that crisis occurs, the actions that are taken depend on the ideas that are lying around. That, I believe, is our basic function: to develop alternatives to existing policies, to keep them alive and available until the politically impossible becomes politically inevitable.

Accounting has been shown to support the exploitation of crisis so as to reconfigure the socio-eco-political landscapes of a country (O’Regan, 2010, 2013). As discussed earlier, accounting is a mechanism through which imperial policies have historically been translated into practice; such policies have included the imposition of imperial ideology, including its socio-ecopolitical ordering of space (Annisette, 1999, 2000;
Bush & Maltby, 2004; Caramanis, 1999; Neu, 1999, 2000a, 2000b; O’Regan, 2010, 2013; Said, 1993). Furthermore, accounting plays an intrinsic role in legitimising and justifying the ‘capitalisation on crises’ mindset. Firstly, the current understanding of accounting fails to acknowledge that its foundations are a construct of the ‘social imaginary’; it is not a value-free and scientific truth, rather is a value-laden construct that is shaped by a way of thinking that has bore individualism and an atomised society that instrumentally views others in abstract forms (Chwastiak & Lehman, 2008; Taylor, 2007). This mindset has created an accounting that fails to capture qualitative human interactions, such as morality and ethics, as it only focuses on that which is quantifiable. Indeed, Lovell (1995) and Funnell (1998) underscore that the accounting profession operates at the ‘conventional level’ of morality, where priority is given to abiding by rules and pleasing superiors. Neu and T’aerien (2000) have shown that the early accounting profession’s ethical approach to war was narrowly defined, and Chwastiak (1996; 1998; 1999; 2001; 2006) has shown how accounting encourages unethical behaviour by rationalising and normalising a permanent war economy. Furthermore, Shearer (2002) and Chwastiak and Lehman (2008) have shown that accounting enables the proliferation of greed, as it constructs accountability within entities in a way that promotes the pursuit of one’s own good. Also, Walker (2000) demonstrated accounting’s abetting of unethical behaviour for profit, by showing that a major reason why a 1936 committee of professional British accountants chose to hold the Fifth International Congress on Accounting in Nazi Germany was to secure major British and US accounting firms’ access to the German market for professional services.

Accompanying accounting’s promotion of greed and unethical behaviour for profit, is its conflict enhancing potential (Gallhofer & Haslam, 1991). Funnell (2005, 2006), Chwastiak and Lehman (2008) and Chwastiak (2006, 2007a) have demonstrated how accounting’s employment of quantitative instrumental rationality focuses attention on the realisation of efficiency in warfare and the achievement of rapid victory, without regard for qualitative effects. This function is exaggerated by accounting’s ability to dehumanise others, and its creation of a distance from people that forbids the eventuation of feelings of association or empathy (Chwastiak, 2001, 2006; Fleischman et al., 2013; Funnell, 1998; Funnell & Chwastiak, 2015; Lippman & Wilson, 2007). In addition, Chwastiak and Lehman (2008, p.314) have demonstrated that accounting
supports the delusion that the preservation of wealth is more valuable than that of life and nature by “denying an object any value other than its financial contribution or detriment”. This is extended by the accounting profession’s fixation on maximising client interests, which insulates them from concern for the negative socio-economic or environmental outcomes of their decisions (Roslender, 1996; S. P. Walker, 2000). Francis (1990) showed that this insulation is exacerbated by the profession’s being unaccountable for the consequences of their decisions as they are screened behind claims of professional objectivity and rationalism. Finally, accounting does not recognise the difference between profits that are generated from destructive or constructive activities and, thus, legitimises the profiteering from disasters that have destructive effects on both humans and nature (Boulding, 2000; Chwastiak & Lehman, 2008; Galeano, 1998). Indeed, the final report to Congress of the Commission on Wartime Contracting in Iraq and Afghanistan (2011) demonstrated the extent of war profiteering that companies have reaped from the recent US wars in Iraq and Afghanistan. The report found that the US government’s expenditure on contracts and grants exceeded $206 billion, with a ‘conservative estimate’ of between $31 to $60 billion of this money being lost to contract waste and fraud. Moreover, a series of graphs posted by HalliburtonWatch.org show a positive correlation between war profiteering and the deaths of US soldiers: the revenues and stock price of Halliburton, which has been the greatest corporate beneficiary from the Iraq War and whose income rose from a pre-war loss of $112 million to a profit of $837 million in just the second year of war, increased proportionately with the number of US soldiers killed between 2003 and 2006 (Chwastiak & Lehman, 2008; HalliburtonWatch.org, 2006).

The final major avenue for accumulations by dispossession is through state redistributions. A neoliberal state and its institutions reverse socialist policies and engender the transfer of wealth from the public to the private sector. This is realised through a variety of means, such as privatisation schemes, austerity schemes that reduce government expenditures on social welfare, and through revisions to tax laws, such as tax breaks to corporations and tax benefits to returns on investments (Harvey, 2007). In addition, the neoliberal state implements social control measures that aim to subdue and/or repress oppositional movements and acts of popular resistance. As the inequality gap deepens due to the prolonged implementation of neoliberal redistributive
techniques, popular resistance increases and, thus, the need for greater state control. Such control is realised through techniques such as increased surveillance, increased policing, increased incarcerations and even “in the regime’s many torture cells, inflicted on the writhing bodies of those deemed most likely to stand in the way of the capitalist transformation” (Klein, 2007, p.5). Accordingly, whilst one of neoliberalism’s basic principles is the ‘withering’ of the state, as will be explained in the following section, nevertheless, neoliberalism necessitates the presence of a powerful neoliberal state whose role is narrowed to serving dominant capital interests by facilitating the transfers of wealth and maintaining a controlled society that is receptive to capital investments. In this regard, Arnold and Cooper (1999) have demonstrated how major accountancy firms assisted the British government to activate its neo-liberal project during the 1990’s. Ellwood and Newberry (2007, p.549) have also shown that the development of accrual accounting in the UK and New Zealand public sector provided a means to reduce the government’s role to that of “procurer of services and enforcer of rules set by others, thus advancing a controversial privatisation and trade liberalisation agenda which is consistent with neo-liberal policies”. In addition, Catchpowle et al (2004, p.1051) have demonstrated how accounting firms “provide an enlarged strategic intelligence role” for the neoliberal state that enables the realisation of capital accumulation objectives. Finally, Chwastiak (2015b, 2015a) and Funnell and Chwastia (2015) have shown accounting’s role in assisting state attempts at repressing oppositional movements by demonstrating how it normalised and commoditised state crimes, such as torture and extraordinary rendition, against Iraqi insurgents who opposed the US’s invasion and neoliberal transformation of Iraq.

Neoliberalism’s need for powerful states that can enforce its ideology, along with a suitable domestic order, is also mirrored globally. Thomas Friedman (1999, p.8) acknowledged this need, conceding that “The hidden hand of the market will never work without a hidden fist … And the hidden fist that keeps the world safe … is called the United States Army, Air Force, Navy and Marine Corps”. Indeed, the neoliberal drive to annihilate space by time has nurtured the US war machine that has covered “a greater part of the globe”, one not even realised “at the peak of the struggle for colonies …” (Magdoff, 1970, p.240). It has brought about a US pursuit of global power that transcends that of dominance over mere landforms of space; rather, it has propelled the
mounting of its tentacles of power also over sea, air and into the galaxy (Steinmetz, 2005; Chomsky, 2006; Chwastiak, 1998). It has propagated an order that necessitates “this kind of boundless hegemony, this sovereignty without territory, this imperialism without frontiers” (Wood, 2000, p.193). In 2012, the US share of world military expenditure was almost 40%; the closest military spending to the US was China, which expended 9.5% of total world expenditure (Freeman, 2013). The perpetuation of such a disparity in military expenditure has been seen as a form of investment in its “future ability to project power globally and intervene and wage war relative to other countries” (Muzio, 2007, p.527), “so that the sovereignty of the imperial state seems boundless” (Ahmad, 2004, p.51). In order to maintain its hegemony over the neoliberal capital accumulation regime and its interests, US military might must also annihilate space by time: the US’s imperial ‘footprint’ is mapped out through its 737 global military bases that cover 29,819,492 acres of ‘inventory’ worldwide. Indeed, “Once upon a time, you could trace the spread of imperialism by counting up colonies. America’s version of the colony is the military base …” (Johnson, 2006, p.138), and is supported by tens of thousands of nuclear weapons, dozens of ships and submarines, and numerous ‘black site’ secret prisons worldwide (Bush, 2006; Johnson, 2006). These act as actual, yet vague, constabulary that empower the obscurely present empire with rapidity of action and intimidation mechanisms that both covertly police the global populace into succumbing to its interests. Blum (1995, p.383) explains, “that is the way the empire grows … a base in every neighborhood, ready to be mobilized to put down any threat to imperial rule, real or imagined”.

Meanwhile, the increasing role of the state in sustaining neoliberalism has generated an even closer overlap between the eco-political spheres. Under neoliberalism, the dominant capital group has become intricately involved

in the central power processes of government, the law, ideology, mass persuasion, international organizations, production, and consumption … Dominant capital, by its very nature, must become increasingly fused … with the ruling class in contemporary capitalism (Bichler & Nitzan, 2006a, p.43).

Indeed, since the earnings of some dominant capital firms have today surpassed the gross domestic product of entire countries, the interdependence between the dominant
capital group and key political institutions and organisations cannot be exaggerated, and the increased power of the former ultimately facilitates its increased dictation of the nature of the latter. As such, dominant capital has become an “incipient form of state given their ‘social centrality’ to everyday life”, as they exploit the “politics and power of production rather than production per se” (Muzio, 2007, p.531). They have become the state within the state and, increasingly, the authoritative united nation within the globe. It is a history of corporate power deployed to “restructure society and affect its overall development”, making power both “the means and the end of accumulation” (Nitzan & Bichler, 2002, pp.9–10). In the US, such influence is realised through various tactics, such as corporate lobbying, donations, campaign contributions and ‘electioneering communications’, which have prompted much criticism and calls for the ‘drastic alteration’ of campaign finance rules (Blakeman, 2011; Glantz & Begay, 1994; Luke & Krauss, 2004; Monardi & Glantz, 1998). Perhaps the ‘final frontier’ of dominant capital group influence upon the US state has been revealed with the most recent US election of President Trump. Corporate tactics of influence have seemingly given way to what Klein (2017a, 2017b) has described as a ‘Corporate Coup d’Etat’ and ‘Neoliberalism’s final frontier’. Rattled by the increasing power and successes of social movements, such as the global climate movement, the ‘Occupy’ movement and socialist Presidential candidate Bernie Sanders’ vast popularity, chief executive officers (CEOs) of dominant capital firms have undertaken a ‘corporate takeover’ of power as evidenced by their grasping of several positions within Trump’s US cabinet. This is most evident through the posting of Exxon Mobil’s 2016 CEO, Rex Tillerson, and CKE Restaurants’ 2016 CEO, Andrew Puzder, as US Secretary of State and US Secretary of Labor respectively. During an interview Klein (2017) explained how “it’s almost like they’re tired of playing the game, they’re tired of the cajoling and the bankrolling and the legalized bribery, and they’re just going to do the job themselves – you know, cut out the middleman”.

During the lead up to the Iraq War, the influence of dominant capital groups, such as the oil cartel and the security and reconstruction industrial complexes, upon the Bush administration have been acknowledged (England, 2011; Klein, 2007; Leaver & Muttitt, 2007; Muttitt, 2011). Most notably, representatives of leading corporations of the oil cartel, such as Exxon Mobil, Chevron Texaco and Halliburton, privately met with Vice
President Cheney’s staff to plan for the post-war operation of the Iraqi oil industry (Leaver & Muttitt, 2007; Muttitt, 2011). Their influence was to the extent that US soldiers set up forward bases in Iraq named Camp Shell and Camp Exxon during the initial assault on Baghdad (Farhi, 2003; Leaver & Muttitt, 2007). A similar situation also transpired in the United Kingdom (UK), where members of the oil cartel held secret meetings with UK government officials almost a year before the war to acknowledge the strategic importance of Iraqi oil for both business and national interests, and to demand an equitable sharing of Iraqi oil contracts as condition of UK membership in the US’s COW (Bignell, 2011; Brown et al., 2011; England, 2011).

**Accounting for neoliberal spatial and scalar re-configurations**

As with previous capital accumulation regimes, neoliberalism has caused de-and re-territorialisation processes. It has rationalised such changes by naturalising its fundamental concept of free markets; it appeals to concepts that are embedded in the commonsense of society by promoting individual emancipation through market emancipation. Harvey (2007b, p.24) explains that the choice of such “compelling and greatly appealing concepts” did not originate by chance, rather were meticulously chosen by the founding fathers of neoliberalism as instruments for the ideology’s proliferation, because such “A conceptual apparatus … appeals almost naturally to our intuitions and instincts”. Subsequently, “an ideological assault upon the media and upon educational institutions” proliferated, which ultimately aimed to persuade “the public of the commonsense character of neoliberal propositions” (2007b, p.31). Most importantly, by appealing to notions of freedom and liberty, neoliberalism harnessed ideals that have historically invoked change; neoliberal rhetoric garnered the power to rationally conclude that opposing ideologies, such as socialism and communism, and their institutions were intuitively wrong, as they were contradictory to humanity’s core values. Accordingly, the neoliberal capital accumulation regime justified the necessity to creatively destroy opposing spatial configurations and to construct their neoliberal equivalents. This also included a reconfiguration of scalar articulations, being the multi-levelled dimensions of governance across the urban, regional, national and supranational.
The neoliberal project aims to adjust both state and society to enable the transformation of space into that of pure competition, thereby facilitating capital’s annihilation of space by time (Dardot & Laval, 2009; Hilgers, 2012). Indeed, the reengineering of the state “is a step necessary for triggering the modifications of subjectivities and social relations, for making them correspond to the metaphysics of the spontaneous market order” (Hilgers, 2012, pp.81-82). Non-neoliberal welfare states are perceived as exercising undue influence and intervention in the market, which leads to the disempowerment of liberty and freedom for both the individual and society. This is because redistributive policies of welfare states are believed to:

replace market freedom that promotes the public gain with paternalist government protection that generally benefits particular groups ..., redistribution tends to be the mark of non-citizens or subordinate citizens: those who are deemed inadequate to assume the responsibilities of freedom because of their incapacity or incivility (McCluskey, 2003, p.789).

Neoliberalism revitalised ‘laissez-faire’ liberalism, literally denoting ‘let them do’, which advances the primacy of the market over government regulations (Yergin & Stanislaw, 1998). Under this mindset, a neoliberal state primarily focuses on safeguarding private property rights, whilst minimising state interventions in the market, such as tariffs, regulations and subsidies (Brenner & Theodore, 2002; Gaspard, 2004). Consequently, neoliberalism shifted the eco-political organisation of the world economy from the existing Keynesian welfare state that controlled and regulated the market, to what has been described as the ‘withdrawal of the state’ (Lemke, 2001), ‘destatisation’ (Jessop, 2002), and the ‘hollowing out’ of the nation state (Swyngedouw, 2004). The new order promoted a “project to ‘get government off the backs of the people’ and to shrink government to the point where it could be ‘drowned in a bathtub’” (Harvey, 2007, p.31).

The reordering of the state assumed a dual process; the state was to ‘roll back’ in a way that achieved a reduction in its sovereignty over space by decentralising and decreasing its regulatory authority, whilst increasing the infiltration of neoliberal sovereignty upon vaster spatial scales by leaving alternative governance arrangements that sat in servitude within the neoliberal eco-political order to emerge, or to ‘roll over’ (Peck & Tickell,
2008, 2002; Swyngedouw, 2004). This process has been described as “top down market-based reforms in governance (à la Marxian accounts) and bottom up innovations in economic governmentality (à la Foucauldian accounts) …” (Sparke, 2009, p.290). In so doing, the nation state ‘glocalised’ by dispersing its regulatory authority upward to global transnational organisations, such as the European Union (EU), World Bank and IMF; downward to regional/local actors, and outwards to private capital. As such, instead of the Westphalian, hierarchical state order, a decentralized, horizontally networked infusion between state actors, civil society, such as Non-Government Organisation (NGOs), and private market actors was prescribed, thereby dispersing state authority across different scales of governance, and amongst different actors. In effect, it facilitated “the emergence of private authority in parallel to state authority” (Costantini, 2015, p.3) and, “Through the transformation of the institution of sovereignty the division between the sphere of domestic government and international governance has been blurred and the external influence of major Western powers and international institutions has been extended …” (Chandler, 2006, pp.9–10). Figure 1 shows the ‘glocalisation’ of governance:

![Figure 1: The Glocalisation of Governance (Swyngedouw, 2000, p.70).](image-url)

Neoliberalism depicts this scalar reordering as being a ‘socially innovative’ institutional arrangement of governance that promises greater democracy, freedom and liberty through an increased scope for political participation, and also greater societal prosperity and wellbeing through increased accountability, transparency and efficiency.
in governance (Batterbury & Fernando, 2006; Béné et al., 2009; Bergh, 2004; Hajer, 2003; Hajer & Versteeg, 2005; Hajer & Wagenaar, 2003; Larson & Soto, 2008; Lemke, 2002, 2007, Swyngedouw, 1992, 2000, 2005). Rolling over procedures are promoted as offering “a much greater role in policy-making, administration and implementation to private economic actors on the one hand and to parts of civil society on the other …” (Swyngedouw, 2005, p.1992). Accordingly, they are perceived as mechanisms of empowerment, democracy and social inclusion, a form of ‘governance-beyond-the-state’. In addition, they are claimed to generate financial efficiency and quality gains by shifting “part of the burden of financing services … to sub-national units and private providers which can produce these at lower cost” and higher quality (Robinson, 2007, p.8). Rolling over procedures are a form of outsourcing, privatisation and downsizing of the state, all of which are neoliberal principles that promise economic and administrative efficiency and reductions in costs and waste that are associated with centralised locus of control (Batterbury & Fernando, 2006; Béné et al., 2009; Bergh, 2004; Larson & Soto, 2008). Furthermore, they allegedly provide a solution to the principal-agent problem, as participants within the new institutional arrangements of decision-making do so “on the basis of the ‘stakes’ they hold with respect to the issues these forms of governance attempt to address” (Swyngedouw, 2005, p.1995). As such, risks relating to agents pursuing self-interest are decreased, as the agents are transformed into also being the principals and stakeholders, thereby being less likely to engage in ‘bad’ governance (Batterbury & Fernando, 2006; Béné et al., 2009; Bergh, 2004; Larson & Ribot, 2004; Larson & Soto, 2008).

Neoliberalism’s reshuffling of scales that shifted “the regulatory competence of the state onto ‘responsible’ and ‘rational’ individuals” (Lemke, 2001, p.202; Swyngedouw, 2005), was “a concerted attempt to make the ‘market imperative’ the ideologically and politically hegemonic legitimisation of institutional reform” as it subordinated politics to economics (Swyngedouw, 2000, p.69). By delegating political authority to the economic ‘rational-actor’, neoliberalism transformed citizens into calculating consumers within calculable spaces. Chwastiak and Lehman (2008, p.216) have shown that reducing people’s primary identities to consumers is an intrinsic objective of neoliberalism, as such a transformation denotes that “the ultimate relationship is an arms length transaction in a market”. Accounting fosters this relationship and mindset
as “The only human interaction captured by accounting is that of buying and selling” (p.216). In addition, accounting techniques of monitoring, appraisal and control, such as performance measures, standard costing, benchmarks and budgets, would be used to render visibility to the individual and, thus, neoliberalism would use the freedom paradigm as a means to govern/rule (Alonso & Starr, 1987; Cohen, 1999; Foucault, 1988; Joyce, 2003; Lemke, 2001; Miller, 1992; Miller & Napier, 1993; Miller & O’Leary, 1987; Rose, 1991; Rose-Redwood, 2006; Wool, 2007). Indeed, Foucault viewed “liberalism … as a form of governmentality which produces subjects capable of performing their subjectivity through the practice of ‘freedom’, or the shaping of their own conduct through … the ‘technologies of the self’” (Rose-Redwood, 2006, p.474).

Lemke (2001, p.202) emphasises that

Neoliberalism encourages individuals to give their lives a specific entrepreneurial form. It responds to stronger ‘demand’ for individual scope for determination and desired autonomy by ‘supplying’ individuals and collectives with the possibility of actively participating in the solution of specific matters and problems which had hitherto been the domain of specialized state agencies specifically empowered to undertake such tasks. This participation has a ‘pricetag’: the individuals themselves have to assume responsibility for these activities and the possible failure thereof.

In addition, by permitting the permeation of both the local and global scalar spheres, neoliberalism effectively secured capitalism’s greater annihilation of space. This is because “If the capacity to appropriate place is predicated upon controlling space, then the scale over which command lines extend will strongly influence the capacity to appropriate place” (Swyngedouw, 2000, p.70). Accordingly, neoliberalism’s scalar reconfigurations are a form of neoliberal imperialism as they enable the ‘battering down’ of scalar barriers to capital accumulation, and facilitate “opening of markets, of new spaces for investment, and clear fields where financial powers could operate securely” (Harvey, 2007, p.32). In addition, the establishment of such ‘glocal’ neoliberal governance both eases and hastens the pace through which capital can relocate from one space to another, or ‘jump space and scale’, in search for a spatial fix. This is not only because neoliberal modes of governance facilitate the transfer of wealth from the public to the private sector, but also because local or regional governments lack the technical capacities of the central state and, thus, are at a disadvantage when negotiating with dominant capital groups (Robinson, 2007). Accordingly, dominant
capital are able to accumulate wealth and then move on, thereby creating uneven spatial developments and wider regional disparities. Brenner (1999, p.32) explains that the central consequence of this

has been to thrust the apparently ossified, entrenched fixity of state territoriality abruptly and dramatically into historical motion, radically redefining its geographical significance, its organizational structures, and its interconnections to both sub- and supra-national scales.

Indeed, Ferguson’s (2006, p.206) account of the ‘neoliberal world order’ shows a tendency towards “a privatized and spatially patchworked project” of territorial enclaves. State territory has been divided into ‘graduated sovereignty’: spaces of exception where accumulation by dispossession thrives, spaces for the haves and spaces for the have-nots (Agamben, 1998; Ong, 2006). Neoliberal order has generated an outcome where “developmental apparatus and regimes are applied differently to segments of national space and/or discrete populations contained within the nation-state” (Sidaway, 2007, p.333), thereby resulting “not in the solidification of differences among ‘civilizations’ but rather in the proliferation of differentiated sovereignty within and across borders” (Ong, 2006, p.92). Such fragmentation, along with the US empire’s network of secret ‘black site’ prison enclaves, ‘extraordinary rendition’ flights and the Guantanamo Bay enclave, “form an archetypal space of flows, violence and confinement” where the likes of Al Qaeda have developed and flourish (Devji, 2005; Sidaway, 2007). Nevertheless, this new world order serves the neoliberal regime; it has generated greater potentials for capital’s annihilation of space by time where, today, it is not nation-states developing national resources, but enclaved mineral-rich patches efficiently exploited by flexible private firms, with security provided on an ‘as needed’ basis by specialized corporations while the elite cliques who are nominal holders of sovereignty certify the industry’s legality and international legitimacy in exchange for a piece of the action (Ferguson, 2006, p.204).

**Accounting for geographies of fear and hope: Situating Iraq within neoliberal rules of difference**

In effect, the neoliberal spatial/scalar doctrine is an imperial doctrine as it is built upon the supposition of the inequality of space, most crucially in both capacity and competence in self-governance, but also in its provisioning of an exceptional right and
privilege of some over others (Chomsky, 2008; Nardin, 2005; Purdy, 2003). Its premising on neoliberal ideology, which naturalises its principles as being universal ideals, enables its generation of a ‘common-sense’ rule of difference between states that comply with its teachings and those who don’t, being ‘good’ versus ‘bad’ governance (Chomsky, 1987, 1999a, 2004, 2008; Chomsky & Barsamian, 2005; Hendrickson, 2003; Nardin, 2005; Record, 2003). Accordingly, it has “imposed itself as a technology of governance over and above ideology, as the most efficient, rational and pragmatic means of finding solutions to problems” (Hilgers, 2012, p.85). According to neoliberalism, state legitimacy is a measure of its economic efficiency rather than social equity: its ability to establish a framework of governance upon its territory that facilitates the efficient allocation of resources and maximises the unhindered pursuit of self-interest and accumulation of wealth (Fougner, 2006; Hilgers, 2012; McCluskey, 2003). Accordingly, the neoliberal mindset pertaining to legitimate state sovereignty over territory echoes the accounting-based foundations of rights over land under the principles of ‘res nullius’ and ‘terra nullius’: the ultimate measure of sovereignty over land is a measure of the extent of creation of value and reduction of waste. Indeed, Fougner (2006, p.166) sees neoliberalism’s push for a ‘competitive’ state that maximises its production of value as “the most recent incarnation in a conceptual lineage for debating national economic development whose origins may be traced back to the first half of the nineteenth century”.

The emphasis on efficiency was generated out of “neoclassical economic’s early-twentieth-century quest for a formal and objective tool for measuring societal well-being that could establish economic policy analysis as a science” (McCluskey, 2003, p.788). Accounting, which is embedded in neoclassical economics and is perceived to provide objective and scientific truths, serves this purpose by providing techniques through which an appraisal of state efficiency can be achieved ‘scientifically’. Hilgers (2012, p.85), however, emphasises that "The hegemonic technocratic vocabulary of ‘good governance’ is articulated on the basis of axioms posed as scientific truth”. Indeed, contrary to mainstream belief, accounting knowledge has been shown to be value-laden and a product of social construct that serves the political and economic elite (Funnell & Chwastiak, 2015; Hopwood & Miller, 1994; Neimark & Tinker, 1986; Tinker, 1980; Tinker et al., 1982). It “creates a particular realm of economic calculation
of which judgements can be made, actions taken or justified, policies devised, and disputes generated and adjudicated” (Hopwood & Miller, 1994, p.4). As such, by claiming to provide ‘objective’ and ‘scientific’ measures of state efficiency, accounting contributes to the conceptualisation of nation states within the neoliberal-conceived ‘good versus bad’ governance axis, thereby both serving and legitimising neoliberal imperialism’s rule of difference. Furthermore, accounting provides visibility to only that which can be quantified. Following from this, when appraising state legitimacy, accounting measures discount the qualitative socio-ecopolitical histories of a country, such as its experiencing of previous wars, severe economic hardships due to international sanctions, or its adherence to a different ideological belief system like socialism, which provide vital context that enable a holistic understanding and evaluation of state ‘efficiency’ in generating value, or ‘good’ governance. A state that is built on socialist ideological underpinnings, for example, has an overall governance objective of achieving social equity, rather than neoliberalism’s market efficiency (McCluskey, 2003). By negating such contexts and focussing attention on single figure conclusions, “accounting helps make possible a particular way of governing … the elegance of the single figure provides a legitimacy that, at least in certain Western societies, seems difficult to disrupt or disturb” (Hopwood & Miller, 1994, p.3).

Neoliberal imperialism’s rule of difference for state legitimacy, ‘good versus bad’ governance, has been widely heralded by its tools of proliferation, such as the US and the IMF, as justification for their imperial interventions. The US empire utilises this rule of difference as the primary justification for its “Battering down the closed doors of other nations, by military, economic, political, subversive or cultural means …” (Harvey, 2007, p.63). In the lead-up to the 2003 Iraq War, President Bush announced his 2002 US National Security Strategy, known as the Bush Doctrine. The doctrine sanctified neoliberal principles, such as freedom and democracy, which it used to justify US imposition of ‘good’ governance globally, and has been described as “distinctly militant and even revolutionary in potential application” (Hendrickson, 2003, p.158). The doctrine began by pronouncing an age premised upon “a distinctly American internationalism that reflects the union of our values and our national interests”; an age where “The United States possesses unprecedented and unequalled strength and influence in the world” that “must be used to promote a balance of power that favors
freedom” (Bush, 2002, p.1). ‘Freedom’ is defined as a ‘condition’ that the US will strive to extend across “individual nations, entire regions, and the entire global trading community to build a world that trades in freedom and therefore grows in prosperity” (Bush, 2002, p.21). The ‘condition’ is professed to be the “single sustainable model for national success: freedom, democracy, and free enterprise” (Bush, 2002, p.1). Moreover, the doctrine identifies the means through which this condition will be extended by the US globally: from the provision of a 50 percent increase in ‘development assistance’ “to aid countries that have met the challenge of national reform” (Bush, 2002, p.21), to increased investments in the ability of ‘freedom-loving nations’ to engage in coalition warfare so as “to share the burden of defending and advancing our common interests” (Bush 2002, p.25). In sum, the doctrine indicated the US’s pursuit of all means, from monetary incentives to outright military interventions, so as to reshape the world into the “idealist, transformative, liberating impulse... “ of “the American Republic...” (Tesón, 2005, pp.19–20), and “destroy governments that do not meet its test of legitimacy ...” (Nardin, 2005, p.25).

Harvey (2007) and Wood (2003) agree, however, that since the economic dominance that the US once enjoyed has diminished, its reliance on its imperial radiance has decreased and “is increasingly turning to military force to consolidate its hegemony and the economic advantages that come with it – for instance with control of oil” (Wood, 2003, p.160). Accompanying this shift has been an adjustment to the rule of difference: since neoliberalism links the application of neoliberal reconfigurations of governance to increased freedom and democracy, the neoliberal rule of difference for state legitimacy has developed into a rhetorical division between geographies of ‘fear’ and ‘hope’. Under such a context, “secure space is space which is globally integrated. Insecure space ... exists in ‘the gap’, the neighborhoods and regions which remain disconnected from the global market” (Mitchell, 2010, p.294). Thomas Friedman (1999, p.7) memorably encapsulated this division when he confirmed that “no two countries that both have a McDonald's have ever fought a war since they each got their McDonald's”. In the lead up to the 2003 Iraq War, another influential voice that extensively propagated this distinction was senior strategic researcher at the US Naval War College, advisor for the office of the SECDEF and assistant of the DoD’s Office of Force Transformation, Thomas Barnett. His voice was influential to the extent that a paper
that he authored, titled ‘The Pentagon’s New Map’, circulated within the DoD “about 70 times” before the initiation of the war (quoted in Roberts et al., 2003, p.889). Within this paper, Barnett (2003, p.174) explained “why military engagement with Saddam Hussein’s regime in Baghdad is not only necessary and inevitable, but good”:

Our next war in the Gulf will mark a historical tipping point - the moment when Washington takes real ownership of strategic security in the age of globalization ... the new security paradigm that shapes this age, namely, Disconnectedness defines danger. Saddam Hussein’s outlaw regime is dangerously disconnected from the globalizing world, from its rule sets, its norms, and all the ties that bind countries together in mutually assured dependence (Barnett, 2003, p.174).

Barnett also illustrated this “disconnectedness defines danger” conception on a map, as shown in Figure 2 below, which demonstrated the distinction between the insecure ‘non-integrating gap’ and the ‘functioning core’:

Figure 2: Neoliberalism’s Functioning Core and Non-Integrating Gap (Barnett, 2003)
In effect, Barnett’s concept amplified neoliberalism’s ‘good versus bad’ governance rule of difference by harnessing the power of fear to justify an expansion of US coercive imperial actions. According to this conception, disconnected space, that which failed to conform to the neoliberal world order, did not only suffer from bad governance but was also a geography of fear: “a lack, a hole, a stain, and a site of rejection” (Roberts et al., 2003, p.892). Spaces of fear not only disadvantaged its citizenry, but also existentially threatened those of the functioning core as, instead of creating value, they ‘exported’ the likes of terrorism, including the threat of using WMD, disease and illegal migration as ‘feedback’. Furthermore, such spaces’ failure to create sufficient value within the globalised network was a form of waste that decreased overall prosperity and dislocated the free flow of the world market (Gill, 1995). In response, Barnett’s rule of difference legitimised a ‘zero tolerance’ dogma that justified the use of pre-emptive military force against ‘geographies of fear’ to ‘enforce reconnection’, ‘shrink the gap’ and offset the lurking dangers (Barnett, 2002, 2003; Barnett & Gaffney, 2005; ‘Discussion with Thomas Barnett’, 2003; Mitchell, 2010; Roberts et al., 2003). In sum, it was a rule of difference that harnessed the power of fear to justify the US’s modern-day pre-emptive military battering down of spatial barriers to capital accumulation; indeed, when faced with fear, people gather “under the umbrella of power in fear of the demonic enemy” (Chomsky, 2006, pp.17–18). This shift was reflected in Bush’s 2001 and 2002 State of the Union Addresses, in which he referred to the US’s pursuing of ‘rogue nations’ and the ‘axis of evil’, Iran, Iraq and North Korea (Bush, 2002), which later extended to also include Cuba, Libya and Syria (Bolton, 2002).

During his 2002 speech, Bush made direct associations between neoliberal ‘bad’ or ‘inefficient’ governance conceptions and global insecurity so as to justify the ‘axis of evil’ threat. For example, Bush claimed that North Korea was arming with WMD “while starving its citizens”, and Iran was pursuing WMD and exported ‘terror’ “while an unelected few repress the Iranian people’s hope for freedom” (Bush, 2002). After establishing this association, he then utilised it to justify any form of US pre-emptive intervention, as

the price of indifference would be catastrophic …. I will not wait on events, while dangers gather. I will not stand by, as peril draws closer and closer.
The United States will not permit the world’s most dangerous regimes to threaten us with the world’s most destructive weapons (Bush, 2002).

With regards Iraq, which received the most condemnation from the Bush administration during the lead-up to war, there were extensive attempts to connect it to anthrax attacks in the US and to the September 11 attacks (9/11), to utilise Iraq’s dismal human rights record as justification for ‘humanitarian’ intervention, to pose Iraq as a threat to world security through its alleged possession of WMD, to exhibit Saddam Hussein as a ruthless, reckless and lying tyrant, and finally to ‘free’ the Iraqi people and bring ‘democracy’ to the Middle East (Harvey, 2003). In actuality, multiple reports and articles have documented the scale of the ‘disinformation campaign’ that the Bush administration disseminated so as to portray Iraq as a space of fear that necessitated an urgent US response, through pre-emptive military war, so as to transform it into a space of ‘hope’ (Borger, 2003; Coman, 2004; Committee on Armed Services, 2007; Inspector General US DOD, 2007; Iraq Survey Group, 2004; Rycroft, 2002; Sharpe, 2006; Sneigoski, 2008; The Center for Public Integrity, 2008; US Senate Select Committee on Intelligence., 2004, 2006, 2008). For example, the Center for Public Integrity (2008) studied every public statement made by President Bush and seven of his administration’s top officials with regard to Iraq’s possession of WMD and Iraq’s links to Al Qaeda in the two years after the 9/11 attacks. The report found that, together, the eight top Bush administration officials had made 935 false statements. Moreover, as illustrated in figure 3 below, the report found that the rate of publicised disinformation significantly increased in the months including and around the initiation of war:
In reality, it was the Iraqi state’s “planned economy that constituted the exception: an economically uncivilized and barren space that had hitherto stood outside and in opposition to neo-liberalism” (Whyte, 2010, p.149). Moreover, US leadership perceived Iraqi space as mirroring that of the greater Middle East, which was also failing to create sufficient value (O’Brien, 2003; ‘Discussion with Thomas Barnett’, 2003). As such, enforcing Iraq’s reconnection to the global economy was considered a step towards a broader US imperial project to reconnect the entire Middle Eastern region, including its vast oil resources, to US neoliberal order and, thus, secure US world hegemony. In February 2003, Thomas Barnett encapsulated this conviction during a CNN interview just before the initiation of the Iraq War:
the way you integrate a Middle East in a broadband fashion with the rest of the global economy is to remove the security impediments that create such a security deficit in that part of the world. And the biggest security impediment right now … is the regime of Saddam Hussein. You move that out of the area … and hopefully, you can talk about part of the world that over the past several decades has woefully underperformed economically. Basically the Muslim population represents something like 20 percent of the global population, only engages in about 4 percent of the trade (‘Discussion with Thomas Barnett’, 2003).

Only a few days after Bush declared the US invasion of Iraq a ‘Mission Accomplished’ whilst aboard the Abraham Lincoln on the 1st May 2003, he also reiterated this belief. During a commencement speech at the University of South Carolina, Bush argued that “The combined G.D.P. of all Arab countries is smaller than that of Spain” and that “The Arab world has a great cultural tradition, but is largely missing out on the economic progress of our time” (quoted in O’Brien, 2003). With his ‘decisive victory’ over Iraq and the presence of over 160,000 COW soldiers in Iraq as his backdrop, however, Bush pressed the region’s countries for reform; he envisioned that, under the guidance and leadership of the US, a new free trade zone for the Middle East would be established within a decade (Cornwell, 2003; O’Brien, 2003).

Conclusion

It has been the objective of this chapter to demonstrate the CAS concept by exhibiting the interplay between accounting and the historical trajectory of capitalism so as to provide a theoretical foundation upon which the remainder of this thesis will draw upon. Capitalism’s inner crisis tendencies, which stem from its perpetual over-accumulation of capital, have compelled it to perpetually search for spatial fixes, in the form of spatial expansions and spatial restructurings, so as to provide avenues for surplus capital absorption. Accordingly, the historical geography of capitalism is moulded by continual de-territorialisation and re-territorialisation processes that ultimately aim to annihilate space by time. This drive has been primarily fostered by the fusion between the state and dominant capitalist groups, which have historically shaped the geography of capitalism through hegemonic power blocs. The British capitalist hegemony, or British imperialism, has been noted for its great emphasis on spaces’ production of value. This bore an imperialist ideology that sought not only imperial rule or
commercial supremacy, but also the extension of its logic and imperatives globally, and was supported by the newly independent US through its ‘Open Door Imperialism’ strategy. To justify this expansionary logic, the *res nullius* principle and its successor, *terra nullius*, were developed, which determined that the ultimate source of property rights was through the dominant power’s ideological conception of value-creation. This chapter demonstrated that accounting discourse pertaining to the maximisation of profit and the reduction of waste provided the ideological justification for the formulation of these de-valuation narratives.

When British hegemony was passed to the US post World War II, US capitalist imperialism entailed the utilisation of an amalgamation between its imperial radiance and military might. The necessary presence of superior US military might to sustain its global order and to oblige conformity generated an unprecedented military build up through the MIC. This included the establishment of an omnipresent US constabulary presence throughout the world in the form of modern-day ‘colonies’: a global ‘footprint’ of over 737 military bases, supported by tens of thousands of nuclear weapons, dozens of ships and submarines, and numerous ‘black site’ prisons. Most notably, since popular tradition within the US was anti-imperial, US elite required a substantive conjuring trick to mask both the existence and effects of the MIC, including the US’s consequent expenditures of coercive imperial power throughout the world. Accounting technologies were shown to have been essential means that were appropriated by elites so as to realise this deception and to maintain a US empire in denial.

When the crisis of capital accumulation occurred in the 1970’s, capitalism mutated into a neoliberal form that demanded the creative destruction of much of the previously existing eco-political and socio-geographic apparatuses. Its fundamentalist objective of annihilating space by time is skewed towards the interest of restoring class power structures to the dominant capital group. Indeed, the neoliberal era is marked by the rising trend in income polarisation, with eight men owning the same wealth as the poorest half of the world as of 2016. In order for this regime of redistribution to take effect, processes that are the modern equivalent of primitive accumulation, known as
‘accumulation by dispossessation’, have intensified. Such processes primarily aim to redistribute wealth and assets from public/collective ownership and benefit, to private ownership and benefit, and have centred around four main avenues, being commodification and privatisation, financialisation, management and manipulation of crises, and redistributive and ‘controlling’ practices by neoliberal state apparatuses. Accounting has been shown to have played an intrinsic role in serving the purpose of restoring class power structures. Throughout the historical trajectory of capitalism, it was repetitively appropriated by elites to facilitate, justify and legitimate acts of exploitation, subjugation and assimilation, including the current neoliberal wave of accumulation by dispossessession processes.

The neoliberal project aims to adjust both state and society to enable the transformation of space into that of pure competition, thereby facilitating capitalism’s annihilation of space by time. Citizens are transformed into consumers and the state is driven to be a competitive neoliberal state that advances the primacy of the market over government regulations, thereby shrinking; yet also maintaining strong control over society through increased use of coercive tactics. This has born a phenomenon that is “the paradox of a state that is both omnipresent and completely absent” (Hilgers, 2012, p.85). The reordering of the state assumes a dual process of ‘roll back’ that reduces its sovereignty over space, and ‘roll over’ that devolves its authority to alternative governance arrangements, thereby enabling for the ‘glocalisation’ of the state. Glocalisation disperses state authority upward to global transnational organisations, downward to regional/local actors, and outwards to private capital. As such, a decentralized, horizontally networked infusion between state actors, civil society and private market actors is established that disperses state authority across different scales of governance, thereby facilitating the emergence of private authority parallel to state authority. This blurs the division of sovereignty and permits the piercing of state sovereignty by Western powers, dominant capital groups and international institutions. Furthermore, the establishment of glocal neoliberal governance both eases and hastens the pace through which capital can ‘jump space and scale’ in search for a spatial fix, especially since local/regional governments lack the technical capacities of the central state. Accordingly, this has created uneven spatial developments, wider regional disparities and has thrust fixed state territoriality into motion. Accounting was shown to serve the
dual purposes of transforming citizens into consumers, and states into competitive neoliberal states. Both its ideological underpinnings pertaining the realisation of efficiency, and its quantitative techniques have facilitated, legitimised and justified these transformations.

Finally, this chapter has demonstrated that US imperialism’s pursuit of the imposition of neoliberal eco-political and socio-geographic restructurings is premised upon an imperial rule of difference of ‘good’ versus ‘bad’ governance; its ideological underpinnings ultimately stem from the *res nullius* principle regarding spaces’ production of value. In the lead-up to the Iraq War, this was reflected in President Bush’s 2002 US National Security Strategy. Accounting has been shown to serve this rule of difference by providing the technologies through which the modern-day appraisal of state legitimacy for imperial interests is achieved. Furthermore, since the economic dominance of the US has been diminishing, it has increasingly turned to the use of military force so as to consolidate its power and economic advantages. As such, a shift in the imperial rule of difference occurred so as to provide justification; it divided the world into geographies of ‘fear’ and ‘hope’. Geographies of hope include all states that adhere to the neoliberal ‘functioning’ order, whilst non-integrating countries resemble geographies of fear as they ‘export’ insecurity as ‘feedback’. As a result of this conceptualisation, Bush was able to warn against ‘rogue’ states and the ‘axis of evil’, and the military engagement with Iraq’s Saddam Hussein regime became “not only necessary and inevitable, but good” (Barnett, 2003, p.174). This is although a majority of the Bush administration’s claims with regards Iraqi security threats were not legitimate, rather, part of a colossal ‘disinformation campaign’. Clarke’s (2005, p.59) following resolution may provide an appropriate vantage point to understand why capitalism’s historical trajectory led to this point in space and time: “neoliberalism has conquered the commanding heights of global intellectual, political and economic power, all of which are mobilised to realise the neoliberal project of subjecting the whole world’s population to the judgement and morality of capital”. Indeed, it was the Middle Eastern region’s disconnectedness that constituted the exception and threat, and the US’s choice to militarily impose reconnection of Iraqi space to its global order was perceived to be a crucial step towards the realignment of the region in accordance to US power and capital interests.
The following chapter will begin the thesis’ application of this chapter’s CAS concept, along with its acquired framework of knowledge, upon the case study of the Iraq War. Whilst the major concern of the US’s imperial project upon Iraqi space was to enact processes of de-territorialisation of the existing opposing socio-ecopolitical systems so as to open the space to re-territorialisation processes, the CAS concept also emphasises that the US’s maintenance of a perception of feasibility to these processes is imperative. Accordingly, the following chapter will demonstrate how US elites repetitively utilised accounting technology to favourably manage the eco-political costs of US exertions of coercive power upon Iraqi space, and will also exhibit the resulting de-territorialisation that transpired.
Chapter Three

The Methods Behind the Magician’s Trick: Accounting for the battering down of Iraq’s doors
Introduction

The previous chapter provided an overview of the CAS concept; the result of which enabled a positioning of the Iraq War within the historical trajectory of capitalism. Accordingly, the chapter presented a primary contextual understanding of why the US hegemon chose to venture into Iraqi space in the year 2003. The chapter demonstrated that capitalism’s quest to conquer space has propelled hegemonic power and capital blocs to spatial expansion and restructuring. The US hegemony inherited a mindset from the British that sought spatial expansion through “coercion or diplomacy exerted for purposes of imposing free trading conditions on a weaker society against its will” (Robinson, 1984, p.48). This mindset intensified in the 1970s with the introduction of a new capital accumulation regime known for its market fundamentalism; neoliberalism. This regime has profoundly exaggerated the redistribution of wealth and assets from public/collective ownership and benefit, to private ownership and benefit through processes of accumulation by dispossession. Indeed, “The new imperialism that evolved after 1970 entailed the construction … of battering rams to smash down all barriers to capital surplus absorption wherever they were to be found” (Harvey, 2007a, p.69). In order to justify these processes, neoliberalism disseminates a rule of difference that distinguishes between spaces of ‘fear’ and ‘hope’: neoliberal ideology conflates the moral value of individualist behaviour, and free market operations, with values of freedom, prosperity and liberty. Spaces that disseminate contrasting systems of socio-ecopolitical organisation are logically deduced as being opponents of freedoms of self and market and, thus, depriving, tyrannic and inept (Clarke, 2005; Harvey, 2007b, 2005; Tombs, 2001; Whyte, 2007). Iraqi space lay within the ‘non-integrating gap’; it was conceptualised as a space of fear that generated socio-ecopolitical repression and dangers caused by “the tyranny of the planned economy” (Whyte, 2010, p.143). In addition, neoliberalism’s conquering of Iraqi space was considered by the US hegemon bloc as an indispensable precursor for the realisation of its greater interests, including the extending of the neoliberal regime regionally. By incorporating the region into its orbit, the US empire will have conquered additional spaces, their peoples, and their resources, including the region’s most significant resource, oil (‘Discussion with Thomas Barnett’, 2003; Harvey, 2007a; Ismael & Ismael, 2015; Wood, 2003).
Whilst forthcoming chapters will elaborate on broader interests, such as the power-gains of oil and the influence of neoconservative ideology, this chapter will demonstrate a chief CAS purpose of accounting within which lies the power to either propel or deter the progression of coercive imperial geographic expansion projects. Since calculations pertaining to the costs of an imperial venture ultimately resolve questions of feasibility and intrinsically contribute to the build-up of necessary popular support, the process of costing an imperial venture is perhaps the greatest demonstration of the ultimate power afforded by accounting and its techniques to the ruling imperialist elite. This chapter will demonstrate that it is through accounting techniques that the ruling elite are afforded the power to invoke the ‘magician’s trick’: deceptive under-costing is not only summoned through a manipulation of degrees of visibility with regards economic costs, but also a most significant array of evident costs pertaining the human, environmental and social effects are tactfully obfuscated into the realm of invisibility (Bilmes & Stiglitz, 2008b; Chwastiak, 2008; Harvey, 2004; Nordstrom, 2004; Stiglitz, 2008).

What is left in mainstream view is that which the magician desires, “focusing attention on the need for violence while drawing attention away from both the war-economy foundations of sovereign power and the price in human life this economy of power entails” (Nordstrom, 2004, p.34). Since this chapter attempts to account for the de-territorialisation processes that eventuated upon Iraqi space, it sheds light on the ‘price’ this economy of power entails. Also, it demonstrates how US failure to utilise accounting in a similar way also serves to effectively render Iraqi costs unworthy of account. This confirms another of CAS’s purposes of accounting, being its inherent role in de-valuing space for imperial interests.

Notably, the chapter does not accept the dominant discourse that narrows mainstream comprehension of the process of battering down Iraq’s closed doors to the isolated venture of the 2003 Iraq War. Rather, the chapter demonstrates that the 2003 Iraq War was the last of three successive attempts by the imperial power to forcefully open Iraqi space; the three attempts cannot be considered in isolation as they supplemented each other, each building upon and enhancing the accomplishments of its predecessor. In so doing, this chapter identifies the first accounting method behind the trick; instead of
limiting a costing of the US’s imperial project on Iraqi space to the 2003 Iraq War venture alone, it will provide an overview of costs pertaining the project in its entirety by considering the 1990-2003 economic sanctions, the 1991 Gulf War and the 2003 Iraq War. The first section will provide a theoretical foundation regarding US ‘political commerce’ concepts, including how coercive power is conceptualised and accounted for. It will also demonstrate the imperativeness of under-costing coercive exertions of power for political elitist interests. The following section will provide a brief explanation of why an accounting for the US’s imperial project on Iraqi space necessitates an expansion of the temporal scope to between 1990 and 2003. The remainder of the chapter is divided into two sections; one provides an overview of costs of the US from the three ventures separately, whilst the other repeats this overview with regards Iraqi costs.

Whilst this chapter aims to provide a novel indication of the true costs that are associated with the US’s imperial project on Iraqi space, its underlying intention is to challenge accounting’s conventional definitions of costs and to demonstrate that these definitions primarily serve elitist interests. In so doing, this chapter demonstrates the emancipatory potential of social accounting; by providing an accounting that transcends partial and purely economic costs, it demonstrates the enormity of costs and injustices that are associated with such ventures. Accordingly, it can act as a disincentive for the progression of future coercive imperial geographic expansion projects. Finally, as this chapter seeks to demonstrate the emancipatory potential of social accounting, it will not attempt to value human, social or environmental losses so as to not reinforce the dominant ideological mindset that conceptualises coercive exertions of power within purely economic discourses (Chwastiak, 2008; Funnell & Chwastiak, 2015).

**Political Commerce: Coercive power and the magician’s trick**

The overall mindset of US foreign policy was set by its ‘founding father’, George Kennan, who established its guiding principle in a top secret Policy Planning Study prepared for the State Department in 1948. In it, his recommendations centred on the
maintenance of capitalism’s polarising effects: the wealth disparity between the US and the rest of the world was to be maintained at all costs:

We have about 50 per cent of the world’s wealth, but only 6.3 per cent of its population … Our real task in the coming period is to maintain this disparity … To do so we will have to dispense with all sentimentality and day-dreaming … We need not deceive ourselves that we can afford today the luxury of altruism … We should cease to talk about vague … unreal objectives such as human rights, the raising of the living standards, and democratization. The day is not far off when we are going to have to deal in straight power concepts. The less we are then hampered by idealistic slogans, the better (Kennan, 1948).

Kennan’s guiding principle utilised quantified representations to translate Woodrow Wilson’s earlier call for the battering down of closed doors for capitalist interests from the realm of personal rhetoric to the realm of objective, measured and scientific-based official US foreign policy. His measurement of the required level of disparity between the US and the rest of the world effectively set a quantified benchmark for US foreign policy makers. As such, US imperialism became a quantified performance that could be measured, administered and appraised in and through numbers. In so doing, Kennan sought to depoliticise politics (Rose, 1991); he drew focus away from the unjust ramifications that would result from his principle, rather legitimised them, whilst also summoning a perception that it was quantification, the numbers, that were directing policy (Chwastiak, 2006; Covaleski & Dirsmith, 1988; Mies, 1990, 1998, Porter, 1994a, 1994b, 1995; Rose, 1991). Accordingly, the exertion of coercive forms of power that caused death, destruction and suffering to other people, such as war, for the realisation of US imperial interests was not only normalised, but also rationalised as a legitimate means to realise US national interests.

The early 1800s interpretations regarding war of the renowned Prussian general, Carl von Clausewitz, further illuminate US conceptualisations regarding the exertion of its coercive power. Clausewitz’s interpretations became dominant ideology within US foreign policy during the Vietnam War. His views were seen as presenting an economically rational and ‘scientific’ guideline for the use of war that could limit the potential for irrational use of war as an instrument of foreign policy. Clausewitz
presented war as “only a part of political intercourse, therefore by no means an independent thing in itself … war is nothing but a continuation of political intercourse, with a mixture of other means” (emphasis in original, Clausewitz, 1873, p.65). Since Clausewitz saw politics as commerce, where efficiency in political management resembled that of efficiency in business management, war was seen as a continuation of ‘political commerce’. Accordingly, he proposed that

If two States go to war with a third, they do not always both look in like measure upon this common enemy as one that they must destroy or be destroyed by themselves, the business is often settled like a commercial transaction; each, according to the amount of the risk he incurs or the advantage to be expected, takes shares in the concern to the extent of 30,000 or 40,000 men, and acts as if he could not lose more than the amount of his investment (Clausewitz, 1873, p.64).

The essence of Clausewitz’s analysis presented war in terms of eco-political cost-benefit analysis: the ultimate determinant of whether to ‘invest’ in warfare was a calculation that weighed its ‘costs’ against its intended objectives; efficiency would be realised when war as a political instrument produced more ‘profitable’ results than its associate political instruments. This conceptualisation of warfare was in accordance with Kennan’s quantified foreign policy guidelines, effectively situating numbers as the ultimate ‘decision-makers’ of war. Moreover, Clausewitz’s uniting the ideology of economic efficiency and quantitative instrumental reasoning justified the narrowing of the definition of ‘costs’ to only that which could be quantified. Accordingly, human and social costs of coercive exertions of power were excluded from account. In effect, this narrowed definition of costs provided the means for the political elite to perform a ‘magician’s trick’: to obscure visible costs from official accounts, thereby under-costing coercive exertions of power and granting them an appearance of greater feasibility.

The narrowed definition of costs also ‘scientifically’ vindicated Kennan’s assessment: the US simply could not ‘afford’ the ‘luxury of altruism’; qualitative considerations, such as human rights and democracy, could not be counted. In the 1960s, this mindset was further advanced with the introduction of the PPBS into the DoD, which imposed an economically rational mindset and a quantitative instrumental form of reasoning as the guiding parameters of all DoD decision-making (Chwastiak, 2001; Chwastiak &
Lehman, 2008; Funnell & Chwastiak, 2015). Under PPBS, decisions pertaining to the use of coercion, including the development and possible use of nuclear weaponry, were freed from their human, social and environmental considerations. Such is accounting’s intrinsic role behind the magician’s trick: “government accounting practices contribute to the creation of the invisible visibilities needed by the state to promote violence by concealing the human and social costs of war” (Chwastiak, 2008, p.574).

Under-costing coercive exertions of power in official accounts has long been a priority of the political elite. Examples that confirm this imperativeness are available in historical precedents: the direct cost to the North from the American Civil War was estimated by President Lincoln’s Secretary of the Treasury to cost $240 million, or 7% of annual US GDP; in actuality, the North expended $3,200 million or 13 times the anticipated amount. Also, the total direct cost of the Vietnam War was underestimated by the Pentagon by approximately 90%; instead of the war ending by June 1967 as anticipated, the war continued until 1973 and costed between $110 – 150 billion (Nordhaus, 2002; Okun, 1970). Correspondingly, in the lead up to the 2003 Iraq War, the Bush administration promoted the war by forecasting an ‘economical’ cost of between $50 – 60 billion (Bilmes & Stiglitz, 2008b; Davis, 2002; Stiglitz, 2008). In actuality, a December 2014 Congressional Research Service report found that the cost of war in Iraq totalled $815 billion, or approximately 15 times the original estimated amount (Belasco, 2014). Considering that the above estimates only included direct economic expenditures, yet were still so profoundly under-estimated, the salience of under-costing of coercive exertions of power to the political elite becomes self-evident.

By making coercion seem affordable, focus is diverted away from the existence of a war-economy and disaster capitalists, thereby concealing imperial intents and managing acts of waste, fraud and resulting transfers in wealth to the dominant capital group. Also, under-costing coercive actions affords a perception of feasibility to the populous that legitimises the resulting budgetary cuts to social welfare expenditures, thereby limiting dissent. Finally, by framing public appraisals on whether to commence coercive actions within a discourse that sanctifies the prominence of their ‘costs’, society is conditioned into heightening considerations of economic rationality and the
maximisation of self-interest. This centres attention on the projected bottom line, the profit or loss of the venture in quantitative terms, and hides “those aspects of war that touch us emotionally … The deceptions, thereby, disable our capacity to care and quarantines the political elite from retribution by a disillusioned public” (Funnell & Chwastiak, 2015, p.162).

Other accounting methods have also served the elite’s trick of creating deceptions in official US accounts. Daggett (2010, p.3) explains that official figures reported by the DoD regarding military operations only include the ‘incremental’ costs of military operations, “the costs of war-related activities over and above the normal, day-to-day costs of recruiting, paying, training, and equipping standard military forces”. Also, such figures are reached using cash based accounting instead of the widely favoured accrual accounting technique, thereby focussing attention on immediate cash expenditures whilst rendering accruing expenditures invisible (Bilmes & Stiglitz, 2008b; Stiglitz, 2008). The combined effect of the choice to use both these accounting methods is to under-cost military operations by focussing attention only upon short-term incremental costs. Not only do these methods ignore even the most obvious upcoming costs, such as military equipment restorations and veteran care, but they also lead to inefficient decision-making that generates further costs (Bilmes, 2007, 2013b, 2016; Bilmes & Stiglitz, 2008b; Chwastiak, 2008; Funnell & Chwastiak, 2015; Hartung, 2003). For example, during the 2003 Iraq War, SECDEF Donald Rumsfeld avoided raising upfront cash costs and, thus avoided raising the total war budget, by delaying the purchase of explosive-resistant vehicles that troops had repetitively requested (Bilmes & Stiglitz, 2008b; Stiglitz, 2008). Whilst his decision did decrease the war budget in the short-term, in actuality it increased the cost of future disability payments and ‘death gratuity’ payments that would have to be paid for the resulting avoidable injuries and deaths.

Another method recently employed to deem costs invisible has been through the lowering of taxes. Whilst US governments routinely raised taxes during wars so as to generate enough revenue to cover war costs, such as during the Civil War and both World War I and II; since 2001, the US government has sharply contrasted this practice
by reducing taxes and selling US Treasury Bonds (Bilmes, 2016; Bilmes & Stiglitz, 2008b; Joint Economic Committee, 2007). Stiglitz (2008, p.6) explains that “The Bush administration was trying to persuade America that they could have a war for free”: by borrowing war-related expenditures, the Administration sought to deem the immediate costs of war impalpable to US citizenry. Indeed, this method not only defers the immediate monetary effects of war to future generations, but also the long-term debt servicing costs, such as the long-term interest on borrowing, are deemed invisible by the cash based accounting system. As such, shifting the financial costs of war to future generations affords the political elite the ability to better secure present citizenry support for their pursuit of wars. Adam Smith (1981, pp.925–926) recognised the emancipatory potency of tax-financed wars: “Were the expense of war to be defrayed always by a revenue raised within the year, the taxes … would last no longer than the war … Wars would in general be more speedily concluded and less wantonly undertaken”.

Finally, military operations have also been under-costed through the appropriations process. Since 2001, wars have been funded through ‘temporary special appropriations’, a form of emergency appropriations that enable Congress to bypass the scrutiny of regular budgetary processes (Bilmes, 2016; Bilmes & Stiglitz, 2008b; Stiglitz, 2008). This method obscures the full cost of military operations as expenditures are disbursed between several appropriations that are separate from the regular defense budget, and that also include expenditures for other non-military costs. It has also facilitated increases in waste and fraud, and has exacerbated cost management problems because of its disabling of the conventional accounting and accountability mechanisms within the regular US budgetary process.

Prior to demonstrating how such accounting methods were applied to under-cost the US’s battering down of Iraqi doors, the following section will firstly define the temporal parameters of this imperial project.
Situating the US’s Imperial Project on Iraqi Space within Full Spectrum

With regards the US, Tucker and Hendrickson (1992, p.2) note, “The end of the cold war had dramatically broadened the area of freedom for the nation’s foreign policy” as the threat of the only rival superpower, the USSR, had disintegrated. Whilst US imperialism during the over four decades of Cold War was deployed under the rubric of containing the Soviet/Communist threat, the post-Cold War era granted the US an unwavering freedom to pronounce a new and overt imperial order. Indeed, the 1991 Gulf War marked the beginning of what President George H. W. Bush named a ‘New World Order’ (Bush, 1990).

What the ‘New World Order’ entailed and why Iraqi space was chosen to initiate it requires an understanding of the lead-up to the 1991 Gulf War. Whilst it is beyond the scope of this chapter to discuss the reasons that led President Hussein to illegally invade and occupy Kuwait on the 2nd August 1990, it is important to note that several analysts have concluded that Saddam was not an irrational actor and, therefore, would not have made this controversial decision without (mis)understanding some form of acquiescence from the US, as was previously granted to him before his invasion of Iran and the subsequent Iran-Iraq War of 1980-1988 (Boyle, 1992; Chomsky, 1992, 2008; Frank, 1992b; Peters, 1992). For example, Chomsky (2008, p. 29) determines that Saddam’s invasion of Kuwait was a result of his “perhaps misunderstanding ambiguous signals from the State Department”, which led him to read “the signals as a ‘green light’ to take all of Kuwait …” (Chomsky, 1992, p.63). Meanwhile, readings of evidence by other scholars has led them to conclude that “The Iraqi invasion of Kuwait was not an unexpected bolt of lightning out of the blue” (Frank, 1992b, p.271), rather, was the result of US and US-sanctioned Kuwaiti actions that intended to incite a provocation that would justify intervention and war (Boyle, 1992; Chomsky, 1992; Frank, 1992b). According to Former French Foreign Minister Claude Cheysson, Saddam Hussein “walked into a trap … The Americans were determined to go to war from the start” (quoted in Frank, 1992b, p.271). It is also worthy to note that there existed a genuine diplomatic track to a peaceful resolution of the post-invasion debacle: Saddam clearly
indicated his willingness to negotiate withdrawal from Kuwait on at least six separate occasions and several countries, including France and Russia, pursued diplomatic efforts (Chomsky, 1992, 2008, Frank, 1992a, 1992b; Peters, 1992). However, “From the outset, the U.S. position was clear, unambiguous, and unequivocal: No outcome will be tolerated other than capitulation to force” (Chomsky, 1992, p.65).

While Iraq’s act of invading Kuwait was unlawful, the usual sequence of responses by the international community, being condemnation, sanctions and the legal requirement to employ all peaceful avenues through diplomatic efforts, were not fully administered (Chomsky, 1992). More specifically, sanctions of unparalleled severity were imposed in 1990, which triggered Saddam’s repeated Iraqi withdrawal proposals; however, diplomacy was denied as “Washington moved resolutely to bar the success of peaceful means” (Chomsky, 1992, p.64). Following from this apparent US insistence on initiating war and the dominance of both Carl von Clausewitz’s maxim “that war is the continuation of politics by other means” (quoted in Campbell, 1993, p.3) and Kennan’s quantification of US foreign policy; the exertion of power through war must have been calculated as best serving the US hegemon’s combined eco-political interests. It is also clear that this form of reasoning resulted in the disregarding of any resulting destruction and loss of life, or the opportunity costs relating to the forsaking of peaceful avenues through diplomacy. Consequently, the intrinsic role of accounting in facilitating coercive exertions of power by the US is confirmed: accounting discourse pertaining to economic efficiency and its quantitative instrumental reasoning provide the ideological justifications that normalise destructive behaviours (Chwastiak, 2001, 2006, 2007a, 2008; Funnell & Chwastiak, 2015a).

Instead of expelling Saddam from Kuwait through other political instruments, the Gulf War was initiated because it best served the national interest of the US. Chomsky (quoted in, 1992, p.52) affirms that the war was waged at the end of the Cold War to decisively confirm the US’s possession of ultimate global authority, to show the world “that what we say goes”, as announced by President Bush. In effect, Bush’s ‘New World Order’ was a military reiteration of Kennan’s foreign policy guideline, a lesson to any state which, like Iraq, defiantly sought independence from the US hegemon’s
regime: that “North-South political and economic polarization is to continue apace, and no Southern political-economic challenges thereto will be tolerated” (emphasis in original Frank, 1992a, p.51). Moreover, until the late 1980s, Iraq’s socialist political-economy represented a relatively successful example of an opposing eco-political regime, as will be demonstrated further in this chapter. As such, and following from Clausewitz’s (1873, p.64) explanation that “the political cause of war has a great influence on the method in which it is conducted”, the US method of radically bombing Iraq during the Gulf War to an extent which French Foreign Minister Cheysson described as “annihilating Iraq’s economy”, points to a political cause of obliterating opposing eco-political regimes (quoted in Frank, 1992b, p.272).

The war was a mighty show of force that sought to reinforce US power amongst its economic competitors and Western allies: to establish “a new military-centred global order in which markets, income, and resource shares are defined not by technological-market power, but by political-military dominance” (Petras, 1991, p.482). Most significantly, it was to assure free access to Middle East oil: President Bush had denoted this interest when he described Saddam as having a “stranglehold” on the US economy, while Secretary of State Baker portrayed Saddam as “sitting on our economic lifeline” (quoted in Lakoff, 1991, p.25). The US, which had invaded Panama nine months earlier causing between 4,000 and 7,000 Panamanian fatalities, feared Saddam would imitate it by installing a Kuwaiti puppet regime before withdrawing, thereby granting Saddam regional hegemony, and unprecedented power over the flow of oil in the Middle East (Boyle, 1992; Chomsky, 1992, 2008).

In sum, whilst the 1990 Iraqi invasion and occupation of Kuwait was the pronounced reason for the initiation of war, it cannot be understood as the primary cause. The availability of alternate peaceful means to resolve the issue, the surrounding pressing eco-political motivations, and the US method of applying severe and profoundly disproportionate force and destruction, which will be further demonstrated below, point to grander intentions than that of merely evicting Saddam from Kuwait. Indeed, “the events and issues under consideration were in actuality washed in shades of gray” (Campbell, 1993, p.3). The US’s 1991 insistence on expending military force on Iraqi
space was a primary result of the pursuit of its combined imperial interests, including the geographical expansion of its capital accumulation regime, safeguarding its access to oil and the affirmation of its global hegemonic and power position (Campbell, 1993; Chomsky, 1992, 2008, Frank, 1992a, 1992b; Kubursi & Mansur, 1993; O'Connor, 1991; Peters, 1992; Petras, 1991). As such, any accounting for the costs of the US’s imperial project on Iraqi space cannot be restricted to those of the 2003 Iraq War temporal domain. The endeavour to batter down Iraq’s defiantly closed doors and to utilise this project as a forewarning to others did not originate in the temporal space of 2003 alone, rather was activated as of 1990 (Ricks, 2006). This is perhaps the most obvious, yet obscure, method behind the magician’s trick on Iraqi space. By failing to cost the imperial project on Iraqi space in its entirety, not only are costs significantly diminished, but also the very existence of an unrelenting imperial project to open Iraqi space is effectively concealed. Instead, each power exertion on Iraq is afforded a perception of isolation that permits the establishment of unconnected justifications that have the ultimate effect of establishing legitimacy and garnering popular support.

Battering Down Iraq’s Doors: Counting US Costs

The 1991 Gulf War

The 1991 Gulf War lasted 43 days, and included a massive bombing campaign against Iraq: Coalition air forces, led by the US, flew 118,000 raids, dropped more than 179,000 bombs and attacked nearly 800 targets (Gordon, 2010). The official direct cost of the War to the US was $61 billion (Daggett, 2010). However, estimates of actual direct costs to the US have ranged between $7 billion in expenditures and $8 billion in gains as most of the cost of the war was paid by foreign pledges (Chwastiak, 2008; Funnell & Chwastiak, 2015; Quinn, 1994). Whilst the Bush administration benefited politically from the perception of waging a war with little expenditures, the perception was a deception as the costs of the war did not end with the conclusion of hostilities. For example, the most prominent human cost to the US from this war is a health issue that has specifically affected only Gulf War veterans, known as Gulf War Illness or Syndrome. A consistent illness profile has emerged, including “chronic headaches, cognitive difficulties, widespread pain, unexplained fatigue, chronic diarrhea, skin rashes, respiratory problems, and other abnormalities” (Research Advisory Committee
of Gulf War Veterans’ Illnesses, 2008, p.3). Of the 697,000 US veterans who served in this war, at least one quarter, or approximately 175,000 veterans, have been officially diagnosed with this condition, and many still suffer its symptoms (Research Advisory Committee on Gulf War Veterans’ Illnesses, 2008). Direct costs of this illness are associated with the long-term costs of medical care and the monthly disability compensation payments that are ongoing even after over 20 years of war-end (Bilmes, 2013b). In 2002, the cost of medical care for Gulf War Illness veterans alone was estimated to cost the US more than $2 billion annually (Chwastiak, 2008; Funnell & Chwastiak, 2015). In addition, the US government has expended hundreds of millions of dollars on research into this illness, with no tangible results in achieving an effective treatment, and few veteran recoveries over time (Research Advisory Committee on Gulf War Veterans’ Illnesses, 2008).

There have also been other health issues affecting Gulf War veterans. Of the 697,000 Gulf War veterans, an estimated 48% required medical treatment and an estimated 44% were expected to eventually claim monthly disability benefits. In 2005, 14 years after the end of the Gulf War, disability entitlement payments were still costing over $600,000 per year (Bilmes, 2007). There are also opportunity costs associated with these health issues: society bares a cost regarding the potential output that has been foregone due to seriously injured/ill veterans. This cost extends to also include the one in five cases of seriously ill soldiers who also need a family member to forgo employment to look after them (Bilmes & Stiglitz, 2008a, 2008b). In addition, studies have provided evidence of excess rates of birth defects in Gulf War veterans’ children in comparison to non-deployed era veterans, and abnormal health problems extending into family members (Research Advisory Committee on Gulf War Veterans’ Illnesses, 2008). Finally, there are also costs associated with payments to surviving family of Gulf War Veterans who died as a result of Gulf War-related illnesses. Known as ‘Survivors’ benefits’, immediate family members of Gulf War veterans, such as spouses, dependent children and dependent parents, are entitled to various benefits, including health care, education and home loan benefits (U.S. Department of Veterans Affairs, 2015). Although these are ongoing costs of the war, nevertheless, they have simply been excluded from the war’s budget and veiled from public perception.
1990-2003 Economic Sanctions

According to the US’s Congressional Budget Office (CBO), sanctions are restrictions on “the flow of goods, services, or capital between the United States and another country in order to promote foreign policies or enhance national security” (Congressional Budget Office, 1999, p.ix). What have been described as “the most punitive and extensive sanctions in history …” were imposed upon Iraq in the form of near total financial and trade embargos, which were imposed through the United Nations Security Council (UNSC) at the behest of the US and UK between 1990 and 2003 (Harding, 2004, p.182). The US’s intended aim was to deny crucial resources for the Saddam regime to maintain social stability and order, thereby undermining its legitimacy and providing oppositional groups with leverage to rally citizenry support and achieve regime change (Chomsky, 1992, 1999; Peksen, 2009). In actuality, the sanctions were a form of silent economic warfare that continued for almost thirteen years and resulted in “the deaths of more people in Iraq than have been slain by all so-called weapons of mass destruction throughout history” (Mueller & Mueller, 1999, p.51). Nevertheless, and in defiance of growing international disapproval and condemnation of the immeasurable human costs of the sanctions, three different US presidents worked to ensure they were continually imposed as long as Saddam remained in power (Aziz, 2000).

The reason behind the US’s insistence on the use of sanctions is because they are perceived by the political elite as a continuation of politics by other means. Sanctions, like warfare, are seen as a form of Clausewitz’s ‘political commerce’; accordingly, the possibility of their use is a determinant of a calculation of cost-benefit analysis. Whilst the Gulf War devastated the Iraqi economy, army and infrastructure, and could have easily continued to forcefully dislodge Saddam from power, the costs of removing Saddam through war were not feasible to US interests. President Bush and his National Security Advisor Brent Scowcroft explained that

Trying to eliminate Saddam, extending the ground war into an occupation of Iraq, would have … incurred incalculable human and political costs. Apprehending him was probably impossible … We would have been forced to occupy Baghdad and, in effect, rule Iraq. The coalition would instantly have
collapsed, the Arabs deserting it in anger and other allies pulling out as well … Had we gone the invasion route, the U.S. could conceivably still be an occupying power in a bitterly hostile land. It would have been a dramatically different – and perhaps barren – outcome (quoted in Cerf & Sifry, 2003, p.102; Bush & Scowcroft, 1998).

Since removing Saddam from power through war would engender ‘incalculable’ costs, the US sought to realise its objective through a less costly political instrument. Sanctions followed “the impeccable logic of accounting by offering a low cost alternative to war”, regardless of the resulting human, social and environmental costs (Chwastiak & Lehman, 2008, p.321). Indeed, sanctions on Iraq were viewed as an especially feasible foreign policy tool as “costs are likely to be tiny when the sanctions are imposed on small developing economies – the most common target” (Congressional Budget Office, 1999, p.ix). Moreover, since the CBO establishes that the ultimate aim of sanctions is to realise US interests “by making objectionable actions more costly for other countries” (Congressional Budget Office, 1999, p.ix), it follows a mindset that encourages the infliction of as many costs as needed on a target country until it heeds to US interests. Reflecting the impact of this mindset on US leadership; when Secretary of State Madeleine Albright was questioned during a television interview about the death of over half a million Iraqi children as a result of the sanctions, Albright responded, “I think that is a very hard choice, but the price, we think, the price is worth it” (‘We think the price is worth it.’, 1996). US interests in Iraq and the level of Iraqi defiance to those interests led to the imposition of lethal sanctions: the sanctions effectively turned “a program of international governance into a legitimized act of mass slaughter” (Gordon, 2002, p.43). As such, accounting permitted the mechanical application of genocidal policies of ‘mass slaughter’, as it focussed decision-makers’ attention on economically rational considerations pertaining cost and benefit. Its dissemination of quantitative instrumental reasoning effectively divorced decision-makers from the qualitative effects of their decision.

While the US government projects a perception that sanctions are virtually costless to the US, in practice there are many hidden costs. In the only major study on US costs from sanctions, a 1997 paper by the Peterson Institute for International Economics
found that sanctions cost the US approximately $19 billion annually in reduced exports of goods and more than 200,000 jobs in the relatively higher-wage export sector, which translated into approximately $1 billion annually in national income (Hufbauer et al., 1997). Nevertheless, the CBO (1999, p.xii) worked to demote the significance of such costs, explaining that “they are very small compared with total national income in 1997 of more than $6.6 trillion and total goods exports of nearly $700 billion”. However, the findings of a more recent study by the National Iranian American Council in 2014 provide an indication that the costs to the US from its imposition of sanctions are much greater. The study found that US sanctions on Iran alone between 1995 and 2012 cost the US “between $134.7 and $175.3 billion in potential export revenue to Iran”, and between 214,657 and 279,389 lost job opportunities for 2008 alone (Leslie et al., 2014, p.12). Barry Bosworth, a senior fellow in the Brookings Institution’s Economic Studies Program, verified these estimates: “The number cited for the United States is actually the magnitude by which U.S.-Iran trade fell short of the predicted magnitude relative to trade of other countries with Iran” (McAuliff, 2014). Moreover, there are also costs to the US that are associated with the detrimental economic effects that are generated because of both Iraq’s decreased supply of oil, such as higher global oil prices, and its reduced capacity to import goods. Also, there is the opportunity cost to US businesses rising from their inability to invest in Iraq, especially in its lucrative oil industry. Finally, there are long-term costs that may arise after sanctions are lifted; for example, there are the costs of foreign firms replacing US firms, the perception by the previously sanctioned country of US firms as ‘unreliable suppliers’, and the competitive advantage afforded to other countries because sanctioned countries may avoid buying from US exporters (Hufbauer et al., 1997).

US costs pertaining to the almost thirteen years of comprehensive sanctions on Iraq did not appear on government budgets, rather were altogether deemed invisible, outside the realm of public consciousness. This “allowed the United States to pursue its policy goals with little cost and relative impunity” (Harding, 2004, p.187). Thus, accounting practices have been directly implicated in normalising the use of genocidal sanctions upon Iraq by rendering the use of sanctions a most ‘profitable’ coercive foreign policy tool for US political elite. Indeed, “the dominant powers have shown that they can inflict enormous pain at remarkably little cost to themselves … in a matter of months or
years whole economies can be devastated ...” (Mueller & Mueller, 1999, p.49). Yet again, mundane accounting practices have been implicated in both the application of genocidal policies, and in the soothing of the executor’s conscience (Chwastiak & Lehman, 2008; Funnell, 1998; Neu, 2000).

2003 Iraq War, invasion and occupation

As noted earlier, the Bush administration estimated a total cost for the 2003 war with Iraq of between $50 and $60 billion (Bilmes & Stiglitz, 2006, 2008b; Davis, 2002; Foldvary, 2008). In a December 2014 Congressional Research Service report, however, the cost of war in Iraq totalled $815 billion (Belasco, 2014), while the National Priorities Project, which tallied all funding appropriated by Congress through the end of fiscal year 2015, calculated the cost at over $820 billion (National Priorities Project, 2017). Whilst the discrepancy between the political estimates and the official figures is approximately fifteen fold, multiple studies have underscored the profound under-costing of even the official figures (Bilmes, 2007, 2016, Bilmes & Stiglitz, 2006, 2008a; Chwastiak, 2008; Crawford, 2016; Edwards, 2010; Funnell & Chwastiak, 2015; Joint Economic Committee, 2007; Nordhaus, 2002; Stiglitz, 2008; Wheeler, 2011). For example, the Joint Economic Committee of Congress (2007) estimated that the actual cost of the war would be $3.5 trillion, while Yale economist Nordhaus (2002) projected total cost to reach $2 trillion. Crawford (2016) from the Watson Institute for International and Public Affairs estimated Iraq War costs at more than $2.2 trillion, not including additional cumulative interest through 2053 on the war’s appropriations estimated at 3.634 trillion, and a study by Nobel Laureate Joseph Stiglitz and Harvard Professor Linda Bilmes (2008a) projected total costs under a best-case scenario to be $2.279 trillion, reaching $4.995 trillion under a realistic-moderate scenario.

As with the Gulf War, the discrepancies between official figures and scholarly attempts at costing the war stem from, and therefore demonstrate the political inherence of, accounting practices. Whilst official budgets utilise cash based accounting to focus on incremental, short-term expenditures, thereby under-costing the war; scholarly attempts at costing the war acknowledge the accrual of liabilities that are not calculated under cash accounting, and also broaden the definition of costs so as to include budgetary,
social and macroeconomic costs that are associated with the war. For example, a most obvious cost of the Iraq War that is beyond the direct fiscal impacts is that pertaining to the long-term treatment of injured or disabled veterans, and their long-term disability entitlement payments. Bilmes and Stiglitz (2008a) have estimated that the future unfunded cost of these disabilities will be in excess of $600 billion. In addition, there is the opportunity cost from lost productivity from the injured/disabled, and from family members who leave work to care for them. There is also a gap between government accounting’s valuing of life lost as a result of the war and the actual cost to society and families. Whilst the government currently values life at between $7-8 billion within safety and environmental regulations, the war’s ‘death gratuity’ is only accounted for as $500,000 (Stiglitz, 2008). As of 10th March 2017, this gap applies to 4,424 US military fatalities (Department of Defense, 2017).

Another major source of non-direct fiscal expenditures is generated from how the war was financed. Since the Iraq War has been funded through borrowed money, multi-trillion dollars in cumulative interest payments will be paid into the future, yet are not included in the official costs of the war (Bilmes, 2016; Bilmes & Stiglitz, 2006, 2008b; Joint Economic Committee, 2007; Stiglitz, 2008; Wheeler, 2011). Moreover, increased borrowing displaces productive investment by business and the US government, thereby reducing overall productivity in the economy for many years and costing tens of thousands of jobs (Crawford, 2016; Edwards, 2011; Garrett-Peltier, 2011; Heintz, 2011). The Joint Economic Committee (2007) forecasted foregone investment return at $870 billion. The US economy also endured extra costs pertaining to the disrupted world oil markets as a result of the war, and increased oil prices. Other costs that fail to be included in official accounts of the war include future expansions, repairs and refits of the military and its equipment so as to return them to pre-war capabilities, depreciation costs of equipment damaged or consumed more rapidly than in peacetime, and war veteran’s eligibility for educational and home loan benefits (Bilmes, 2013a, 2013b; Bilmes & Stiglitz, 2008b; Crawford, 2016; Edwards, 2010; Joint Economic Committee, 2007). There are also increases in the number of DoD civilian employees that have been recruited to administer the war, increases in base and bonus payments to army recruits to boost recruiting so as to replenish a depleting force, and the broader national security impacts of the war leading to Homeland Security costs: between 2002
and 2016, the Department of Homeland Security has received $548 billion (Bilmes, 2013a, 2013b; Crawford, 2016). Finally, there are various opportunity costs, where the trillions of dollars of expenditures in Iraq could have been spent to benefit US citizenry, such as the provision of universal health care, to reduce the federal debt and to increase government services (Bilmes & Stiglitz, 2008b; Foldvary, 2008; Stiglitz, 2008).

Whilst the use of a cash-based accounting system, the financing of the war through debt, and a narrowed definition of costs have most evidently served elitist interest by greatly under-cutting the cost of the 2003 Iraq War, other misapplications of accounting methods also played a major role in their trickery. Bilmes and Stiglitz (2008a) criticise the profoundly substandard government accounting practices in the federal budget; they reveal that had a private firm practiced such techniques, the Securities and Exchange Commission would have prosecuted them. They pronounce, “For students of ‘government failure’, the Iraq War is a case study” (Bilmes & Stiglitz, 2008b, p.xix). Likewise, Belasco (2011, p.42) admits that her Congressional Research Service report into the war costs was constrained by government accounting practices that “limited transparency”. Meanwhile, in answering the question as to why a descriptive essay on the costs of the war is not a straightforward matter, Wheeler (2011, p.1) explains, “Because the Pentagon and Congress have been sloppy, inept and misleading in how they have managed and accounted for appropriations, there are many uncertainties, unknowns, and biases …”.

For decades, the DoD’s Office of the Inspector General (DoD OIG) and the Government Accountability Office (GAO) have reported profound problems with the Pentagon’s accounting and accountability practices (Wheeler, 2011). GAO has reported that the DoD’s financial management represents a high-risk area for fraud, waste, abuse, and mismanagement … DOD’s pervasive financial and related business management and system deficiencies continue to adversely affect its ability to control costs; ensure basic accountability; anticipate future costs and claims on the budget; measure performance; maintain funds control; prevent and detect fraud, waste and abuse; and address pressing management issues (Department of Defense Inspector General, 2009, p.2).
The pervasive nature of the reported high-risk accounting deficiencies that have occurred over decades of time, their significant inefficient effects, and the fact that they have consistently failed to be amended, together indicate an intended grander purpose for their on-going infirmity. The DoD OIG (2009, p.4) reported that the DoD’s control and monitoring of expenditures prevented the “DOD from collecting and reporting financial information … that is accurate, reliable, and timely”. Moreover, the “DOD frequently enters ‘unsupported’ (i.e. imaginary) amounts in its books and uses those figures to make the books balance” (Wheeler, 2011, p.3). In addition, “the value of DOD property and material in the possession of contractors is not reliably reported” (Department of Defense Inspector General, 2009, p.7), and “The cost and depreciation of the DOD general property, plant, and equipment are not reliably reported …” (p.8). Finally, and just one day before the 9/11 attacks of 2001, SECDEF Rumsfeld announced that decades-old defective accounting practices had led to $2.3 trillion in untraceable transactions (Rumsfeld, 2001). In sum, the DoD has endured a historical trajectory of incompetence in accounting practices that renders its accounting futile, thereby rendering the DoD unaccountable.

With regards the Iraq War, an unaccountable DoD played a major role in facilitating the magician’s trick. For example, whilst it was standard procedure to establish a separate account to track operation funds during previous wars, such an account was not established for the 2003 Iraq War. Instead, “War and baseline funds are mixed in the same accounts” (Bilmes & Stiglitz, 2008b, p.9; Foldvary, 2008). As such, sifting war-related costs from the DoD’s usual baseline expenditures, such as its procurement of new weapons, military construction and maintenance, is a profoundly arduous task. Moreover, some war-related costs, such as increased weapons procurement for the war and increases in active duty pay, have become ‘institutionalised’ in the base budget, thereby deemed invisible (Bilmes, 2013a; Bilmes & Stiglitz, 2008b; Crawford, 2016; Wheeler, 2011). Wheeler (2011) demonstrates this by comparing the Bush administration’s pre-war DoD base budget plan to post-war years. He reports an unexplainable total growth of $616.2 billion over the 2002-2011 periods. Since the increased expenditures were not spent on improving or upgrading the existing Navy, Air
Force or the Army’s brigade combat teams as they have generally become “smaller, older, and less ready to fight”, he concludes that the entire sum of extra appropriations are attributable to the Iraq War (Wheeler, 2011, p.14). Whilst other scholars concur that there are Iraq War costs that have been institutionalised into the base budget, they have nonetheless been inclined to attribute only an estimated percentage of the total extra appropriations to the Iraq War (Bilmes, 2013a; Bilmes & Stiglitz, 2008b; Stiglitz, 2008). Finally, an unaccountable DoD was also realised through deficient budgetary practices. Since Congress appropriated war spending through ‘emergency appropriations’ that lacked proper budgetary scrutiny and oversight, these appropriations became “a magnet for pet nonwar spending projects that senators and congressmen want to slip in under the radar” (Bilmes, 2016). For example, Wheeler (2011, pp.8-9) describes how “Congress has from time to time added C-17 transport aircraft and other programs to ‘emergency supplementals’ for Iraq and Afghanistan, thereby exploiting the politically favoured war spending bills to fund defense equipment that was not requested by DOD”.

In order for the political elite to perform their magician’s trick, it is imperative that an acquiescent accounting technology provides the methodology. Since the trick is to under-cost the war, to mystify interests of the MIC, and to obscure profound waste, corruption and transfers in wealth to the dominant capital group, it is essential that accounting provides a legitimate process through which the DoD will ultimately stand unaccountable. The subservience of accounting to elitist interests has been profoundly demonstrated through the accounts of the 2003 Iraq War.

**Accounting for the Unaccounted for: Counting Iraqi costs**

Chapter two explained that capitalism’s geographic expansion is premised upon processes of destruction, the de-territorialisation of existing socio-ecopolitical apparatuses, followed by subsequent re-territorialisation processes that are based on the dominant regime. Applying this knowledge to the US’s imperial project on Iraqi space provides a broader contextual understanding of what transpired in Iraq, and why. Each
of the three US imperial footprints upon Iraq was not a regular exertion of power; rather, each was a severe incarnation of its kind. The 1991 Gulf War bore “the heaviest bombing campaign in the history of war …” to that date (Ismael & Perry, 2014, p.95), the ensuing sanctions were “the most severe ever imposed” (Nordhaus, 2002, p.53), and the 2003 Iraq War utilised ‘Shock and Awe’, the military version of free-market fundamentalism’s annihilation of space by time, which ordained the US “the ability to ‘own’ the dimension of time – moving more quickly than an opponent …”, and “‘Dominance’ … the ability to control a situation totally” (Ullman & Wade, 1996, p.xxvii). Iraqi space, home to a 1990 population of just 17.5 million people, resided within an entanglement of US imperial interests, yet remained unwaveringly defiant. As such, its doors were not only to be forced open for the hegemon bloc’s exploitation, but this exertion of force was also to serve the world an illustrative example: one of the ‘New World Order’ and the other of the ‘New Middle East’.

Before the destruction, the Iraqi people consumed an average 3,000 calories per day, one the of highest per-capita food-availability ratings in the region; 92% of the Iraqi people enjoyed access to clean water; 93% enjoyed access to free health care; adult literacy was around 95%, one of the highest in the world; female literacy was 85%; and Iraqi physicians were mostly trained in Europe or the US, with one-quarter being Board certified (Gordon, 2010; Pilger, 2003). During periods of peace, Iraqi oil production reached 3 million barrels per day (bpd), translating into approximately 1 billion barrels per year (Nordhaus, 2002). Overall, Iraq had “a relatively large, healthy, well-fed, well-educated middle class”, and the “Iraqi welfare state was … among the most comprehensive and generous in the Arab world” (Pilger, 2003, p.95). Indeed, in terms of social development, the United Nations reported that Iraq was “fast approaching standards comparable to those of developed countries” as of the mid-1980s (UNDP, 2002, p.11). For the new capitalist regime to take hold, however, the old welfare state had to be destroyed to facilitate the re-territorialisation project. Whilst accounting methods were utilised by US elite to profoundly limit the counting of US costs from this project, they altogether failed to count Iraqi costs, thereby eliminating them from existence and muting their emancipatory potential through social accounting. If costs to Iraq, including the social and human, were given visibility, the potential for resistance that would have led to a discontinuing of the project would have been greater, as people
“would have to determine whether abstract goals like freedom and democracy were worth the human carnage and despair required” (Chwastiak, 2008, p.582). The following section will provide an accounting for the unaccounted for; it will offer an overview of some of the costs wrought upon Iraqi space and its people.

**The 1991 Gulf War**

Although this war had been promoted by military officials as an example of the new age in ‘precision warfare’ that limited Iraqi costs to the destruction of ‘hard’ military targets, the report presented in the immediate aftermath by the UN Under Secretary General Marti Ahtisaari, portrayed a strikingly opposing depiction of affairs (Ahtisaari, 1991; Lewis, 1991; Norris, 1991; Orford, 2003). The report found that the bombing had wrought near-apocalyptic results upon the economic infrastructure of what had been, until January 1991, a rather highly urbanized and mechanized society. Now, most means of modern life support have been destroyed or rendered tenuous. Iraq has, for 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 (Ahtisaari, 1991, para.8).

The costs included the destruction of approximately 9,000 civilian homes, thereby immediately displacing 72,000 people. Also, approximately 90% of Iraqi industrial workers would be deprived of income as their source of work had been incapacitated (Ahtisaari, 1991). Meanwhile, damages to water supply infrastructure had left Baghdad with per-day water levels of 30-40 litres per person, less than 10% of the 450 litres per person levels of pre-war Baghdad (Ahtisaari, 1991; Lewis, 1991; Pilger, 2003). Moreover, the price of basic foods increased by as much as 4,500%; almost half the telephone lines were damaged beyond repair; and 20 power stations had been damaged or destroyed, causing damage or destruction to 85-90% of Iraq’s national power grid, and reducing energy generating capacity from a pre-war level of 9,000 megawatts (MW), to just 340 MW in March 1991 (Gordon, 2010). With regards the destruction of fuel and energy means, the UN’s report found that unless urgent reparations and essential supplies were underway, “food that is imported cannot be preserved and distributed; water cannot be purified; sewage cannot be pumped away and cleansed; crops cannot be irrigated; medicaments cannot be conveyed where they are required;
needs cannot even be effectively assessed” (Ahtisaari, 1991, para.37). Overall, Alnasrawi (1994) estimated that the bombing campaign destroyed about $230 billion of Iraqi infrastructure that was essential for the provisioning of basic human services. Consequently, a severe humanitarian crisis was unfolding, which led Ahtisaari to call upon the immediate removal of sanctions on food, agricultural equipment and agricultural supplies, and the urgent supply of all life-supporting items (Ahtisaari, 1991; Lewis, 1991). His report warned,

> It is unmistakable that the Iraqi people may soon face a further imminent catastrophe, which could include epidemic and famine, if massive life-supporting needs are not rapidly met. The long summer, with its often 45 or even 50 degree temperatures is only weeks away. Time is short (Ahtisaari, 1991, para.37).

This warning was confirmed by a Harvard University study, which concluded that Iraq was en route to a “‘public health catastrophe’ involving tens of thousands of deaths by the end of 1991 alone” (Herring, 2002, p.40). Despite the warnings, however, the comprehensive economic sanctions did not end, rather, continued in what has been described as “a conscious and callous choice to deny an entire society the means necessary to survive” (Herring, 2002, p.41).

With regards Gulf War-related costs to Iraqi life, despite a senior US officer explaining that “This is the first war in modern times where every screwdriver, every nail is accounted for”, this stringent accounting failed to account for Iraqi dead (quoted in Pilger, 2003, p.131). Orford (2003, p.191) explains that US policy was “the control of necrology”, which entailed the censoring of Iraqi wounded and dead so as to disavow them from public conscience. This was largely achieved through the US’s maintaining of ultimate control over the reporting of mainstream media outlets through a method known as ‘embedded’ or ‘in-bed’ journalism (Ignatius, 2010; Kolmer & Semetko, 2009; The War You Don’t See, 2010; Tuosto, 2008; Ziede, 2005). Another key method through which this trick was achieved was through the utilisation of accounting discourse pertaining to the ‘efficiency’ of the Pentagon’s new ‘precision weaponry’, which ‘surgically’ hit only ‘hard’ Iraqi military targets. In actuality, the precision ‘smart bombs’, “which were often outfitted with TV-friendly cameras, represented just
7 percent of all bombs dropped in the conflict’, with a ‘precision-strike’ probability of just 50 percent (Seybolt et al., 2013, p.36). With regards the remaining 93% of ‘dumb’ bombs, “nearly 70 percent of the 88,500 tons of bombs dropped in the conflict missed their targets entirely” (Seybolt et al., 2013, p.37; Knightley, 2004), thereby “frequently destroying private homes and killing civilians” (Research Unit for Political Economy, 2003, p.38). An example of one such frequency occurred when a bomb destroyed a civilian bomb shelter, killing over 400 women and children (Chwastiak, 2008; Funnell & Chwastiak, 2015; Research Unit for Political Economy, 2003). By focussing public attention away from the human costs of the bombing and, instead, using accounting discourse to emphasise the efficiency of the weaponry, the value of Iraqi life was diminished. A new measure of the war’s ‘progress’ and ‘success’ surfaced: the public was conditioned into an accounting for the successful “destruction of … targets, rather than body counts” (Seybolt et al., 2013, p.36).

Nevertheless, a fair indication of Iraqi deaths that resulted from the Gulf War is realised from a comparison of the estimates of several subsequent studies. Daponte (1993) estimated 13,000 civilian and 40,000 Iraqi military personnel deaths in the immediate aftermath, and a further 70,000 civilian deaths within the first year due to destructions in essential components of civilian infrastructure. In a later study however, Daponte estimated total Iraqi deaths in the war and immediate aftermath at 205,500 (Magnusson, 2003). The Medical Educational Trust also conducted a study that estimated a total of 250,000 men, women, children and Iraqi soldiers had been killed in the short aftermath of the military attack (Lee & Haines, 1991). This study was supported by US and French intelligence estimates that reported “in excess of 200,000 deaths” (quoted in Pilger, 2003, p.132). Meanwhile, whilst US Commanding General Norman Schwarzkopf refused to estimate civilian causalities in a testimony to Congress, he did indicate that at least 100,000 Iraqi soldiers were killed (Pilger, 2003). An estimated 25,000 withdrawing Iraqi soldiers were killed “in their vehicles on what became known as the ‘Highway of Death’” alone (Ismael & Perry, 2014, p.95; Peters, 1992). Soldiers were “burnt beyond recognition by fissile weapons” (Seybolt et al., 2013, p.37); US pilots described the onslaught as “shooting fish in a barrel” (quoted in Peters, 1992, p.15). Furthermore, snow plows mounted on tanks and combat earthmovers were used to bury thousands of Iraqi soldiers alive in trenches (Frank, 1992a; Pilger, 2003; Sloyan,
1991). Such atrocities violated “several international conventions to which the USA is a signatory. These include the 1907 and 1923 Hague, the 1948-50 Geneva, Nuremberg and Genocide Conventions on rules and crimes of war, as well as the UN Declaration of Human Rights …” (Frank, 1992b, p.274). Whilst estimates indicate over 100,000 Iraqi soldier deaths in 43 days, the total deaths for all Coalition Forces (CF) that participated in the war were 343 deaths, 148 of which were from the US (Lee & Haines, 1991; Pilger, 2003). Peters (1992, p.15) reminds us that “The ability and willingness to carry out one-sided slaughter is a traditional feature of empire”.

During the Gulf War, accounting’s quantitative form of instrumental reasoning also echoed with regards the US’s first-time use of a WMD, Depleted Uranium (DU) (Kirby, 1999; Nuclear Policy Research Institute, 2003; Pilger, 2003). The Nuclear Policy Research Institute (NPRI) (2003) provided detailed reports of both expenditure and accuracy: it had expended 320 tons of DU during the Gulf War, 259 tons of which were deployed from air. Deployment from air presented a critical weakness, however, as “many missed the intended hard targets. Therefore, the majority … remain scattered across the landscape in larger fragments or whole” (Nuclear Policy Research Institute, 2003, pp.7–8). Whilst the notion that a majority of 259 tons of WMD laid ‘scattered across the landscape’ would normally generate feelings of disgust and anguish at the possible human and environmental destruction, focus was instead diverted to the quantitative technicalities of DU performance measurements. Indeed, the report disavowed the resulting destruction by drawing attention to how the use of DU secured the Coalition forces a ‘marked operational advantage’. DoD Special Assistant of Gulf War Illnesses, Bernard Rotsker, commended how “DU rounds ripped through [Iraqi] tanks like a hot knife through butter, and their guns were totally … ineffective in penetrating American armor protected with DU shielding” (quoted in Nuclear Policy Research Institute, 2003, p.7). In effect, the appraisal process of DU use echoed that of the DoD during the 1960s when the PPBS reduced the decision regarding nuclear weaponry-use to an instrumental relation between the means and the end objective of maximising ‘enemy’ deaths, thereby effectively “converting the ‘unthinkable’ into a technical and mundane resource allocation problem” (Chwastiak, 2001, p.501). Far from considering the human, social and environmental costs from DU use in Iraq, the
NPRI report counted the US’s instrumental gains, being that “It undoubtedly saved thousands of American lives” (Nuclear Policy Research Institute, 2003, p.7).

Subsequent studies and developments in Iraq provide an indication of the qualitative costs that resulted from the use of DU weaponry during the Gulf War. The GAO (1993, pp.17–18) found that “inhaled insoluble oxides stay in the lungs longer and pose a potential cancer risk due to radiation. Ingested DU dust can also pose both a radioactive and a toxicity risk”. Similarly, a study by the Army Environmental Policy Institute (AEPI) (1995) found that “The risk associated with DU in the body are both chemical and radiological”. Meanwhile, a 1991 report by the UK Atomic Energy Authority found that every 8% of the 320 tons of DU fired upon Iraq had the propensity to cause half a million potential deaths if inhaled (Pilger, 2003). Following from the revelation that a majority of the 259 tons of DU remained scattered on Iraqi desert, the potential costs in health and life from inhaling DU dust were draconian. Indeed, a cancer specialist in the Iraqi city of Basra, and member of Britain’s Royal College of Physicians, Dr Al-Ali, described the extent of the danger:

it is like Chernobyl here; the genetic effects are new to us. The mushrooms grow huge, and the fish in what was once a beautiful river are inedible. Even the grapes in my garden have mutated and can’t be eaten … we have an increased percentage of congenital malformation, an increase of malignancy, leukaemia, brain tumours … (quoted in Pilger, 2003, pp.49–51).

Overall, the Gulf War wrought incalculable human, social and environmental costs, in addition to an estimated $230 billion loss in infrastructure and uncertain costs to the economy. An indication as to the extent of destruction to Iraq’s economy is attainable through a calculation pertaining to the loss in infrastructure. Iraqi gross domestic product (GDP) is estimated to have averaged $25 billion in the 1990s (Nordhaus, 2002); this suggests that the costs to infrastructure alone accounted for over nine years of total Iraqi GDP. Hilbertmann (1991, p.111) found that “the total devastation of the strategic infrastructure (power installations, telecommunications, airports, some industrial facilities) had made normal life in this country so dependent on modern technology virtually impossible”. The ‘near-apocalyptic’ destruction, which was wrought by a profoundly disproportionate use of force, points to US objectives that far surpassed
merely forcing the withdrawal of Saddam’s army from Kuwait. What can be concluded is that the US sought to annihilate the capacities of Iraq’s welfare state and economy, thereby subordinating its people to US will. Indeed, the Washington Post later reported that the US employed ‘strategic bombing’, where

Some targets … were bombed primarily to create postwar leverage over Iraq, not to influence the course of the conflict itself. Military planners hoped the bombing would amplify the economic and psychological impact of international sanctions on Iraqi society … Because of these goals, damage to civilian structures and interests, invariably described by briefers during the war as ‘collateral’ and unintended, was sometimes neither … they deliberately did great harm to Iraq’s ability to support itself as an industrial society (Gellman, 1991).

Chomsky (2008, p.33) confirmed this: the Gulf War’s bombing campaign was intentionally designed to destroy “power stations and sewage and water facilities, effectively a form of biological warfare”. According to senior US officers, “The worst civilian suffering … has resulted … from weapons that hit exactly where they were aimed – at electrical plants, oil refineries and transportation networks” (Gellman, 1991). This intentional wide-scaled destruction of civilian infrastructure led French Foreign Minister Clause Cheysson to state,

I categorically reject notions about avoiding unnecessary damage. The allied goal of annihilating Iraq’s economy was bound to involve civilian causalities … 200 000 – a massacre, with a terrifying impact … Why don’t you ask why the air war lasted 40 days instead of the 15 as planned (quoted in Frank, 1992b, p.272).

1990-2003 Economic Sanctions
Research has long claimed that economic sanctions are generally ineffective in inducing a re-alignment of actions by a targeted regime in compliance with the sender’s demands (Galtung, 1967; Hufbauer et al., 1990; Pape, 1997). Rather, scholars have shown that sanctions may cause disproportionate costs to the citizenry instead of the targeted regimes, such as the deterioration of human rights, public health, economic conditions, living standards, education and the development of civil society (Cortright & Lopez, 1995, 1997; Cortright et al., 2001; Galtung, 1967; Gibbons, 1999; Weiss, 1999; Weiss et al., 1997; Peksen, 2009).
In Iraq, the most evident economic costs from the sanctions are those pertaining revenue shortfalls from reduced oil production. Pre-war production was approximately 3 million bpd; during the period of sanctions, oil production averaged only 1.4 million bpd, thereby generating a revenue shortfall of about $150 billion or six years of GDP (Nordhaus, 2002). In 1997, the London School of Economics estimated that real GDP had fallen by 50% because of losses in real production, and “then fell by a factor of seven in the price of foreign exchange, due to scarcity” (Gordon, 2010, p.21). Furthermore, opportunity costs from losses in economic growth were calculated to total $265.3 billion for the period ending 1995 (Gordon, 2010). However, by moving beyond purely economic costs, a more holistic accounting for costs from sanctions can be established. The sanctions on Iraq, which were established through UN Resolution 661, were very stringent; banning all trade, all financial dealings and freezing all Iraqi assets abroad, whilst exempting only “supplies intended strictly for medical purposes, and, in humanitarian circumstances, foodstuffs”, along with their payments (UN Security Council, 1990). During the first year of sanctions, the US also sought to exhaust remaining Iraqi cash reserves by refusing it any means to raise funds until August 1991. This had the result of covertly broadening the effect of the sanctions, denying the Iraqi people food importations that had accounted for 70% of consumption needs for almost a year (Herring, 2002; Lewis, 1991; Pilger, 2003). Consequently, the Iraqi Ministry of Trade was forced to drop its monthly allocation of essential food items to citizenry, from 343,000 tons pre-sanctions, to 135,000 tons or 39% of pre-sanction rates (Ahtisaari, 1991).

The 1996 Oil-for-Food Programme (OFF) that was eventually passed by the UN granted Iraq a net allowance of approximately $100 per person per annum, which was also to cover costs relating to infrastructure and elementary services such as energy (Herring, 2002; Pilger, 2003). A report by a UN Humanitarian Panel (1999, para.46) emphasised that the OFF was inadequate: “the magnitude of the humanitarian needs is such that they cannot be met within the context of the parameters set forth”. Nevertheless, US members of the New York-based body of the UN Security Council Sanctions Committee, which was responsible for the management of the sanctions and
all supply contracts, frequently ‘vetoed’ the processing of essential humanitarian supplies. In 2001, UN Secretary-General, Kofi Anan, reported his grievances: the delays and vetoes were “seriously impairing the effective implementation of the [Oil for Food] programme”, whereby water, sanitation and electricity contracts of “paramount importance to the welfare of the Iraqi people” had been delayed (quoted in Pilger, 2003, pp.58–59). In effect, the US utilised the UN sanctions and OFF programme as a means to accentuate the devastation caused by the Gulf War, so as to further undermine the Iraqi state and to initiate regime change (Arbuthnot, 2000; Chomsky, 2008; Falk, 2008; Lewis, 1991; Nagy, 2001). Indeed, “the impact of sanctions emerged as the main barrier to the provision of basic needs and economic recovery” (Harding, 2004, p.183).

Whilst no other country except for the UK blocked import contracts under the OFF programme, the US intensified its vetoing of contracts over time: from its blocking of $150 million worth of goods in 1998 alone, it successively further restricted Iraqi imports, eventually blocking $5 billion of goods in 2002 (Gordon, 2010). Moreover, Gordon (2010, p.24) describes, “There was no transparency and little consistency … The large majority of requests were denied without explanation”.

The ‘costs’ to Iraqi life, society and environment from this intentionally devastating, yet silent and invisible war on civilians were profound. For example, whilst the Gulf War had severely damaged the water purification plants and their distribution systems, and also the sewage treatment facilities, the subsequent sanctions limited the importation of necessary specialised equipment and chemicals to fix the damage and to secure a supply of purified water. The result was the spreading of epidemics and diseases, such as cholera and typhoid: incidence of typhoid grew almost thirteen fold between 1990 and 1994, and there was an outbreak of cholera from zero cases in 1989 to 1,344 cases by 1994 (Chomsky, 2008; Gordon, 2010; Nagy, 2001). Furthermore, Gordon (2010, p.35) explains that the severity of imposed sanctions caused a situation where Iraq was constantly undergoing complex crises: for example, its increased production of rice to kerb food shortages led to water stagnation; “this in turn generated mosquitoes and malaria; but there was neither insecticide available to control the mosquitoes nor drugs available for treatment of the malaria”. Moreover, whilst local drug production ceased because of a lack of raw materials, electricity shortages destroyed refrigerated medicines and laboratory reagents. Also, a majority of medical equipment was
rendered obsolete because of both the shortage in spare parts for maintenance and also because of the impact of fluctuations in electricity supplies (Gordon, 2010; Pilger, 2003). This consequently greatly reduced the capacity of hospitals and surgeries: from a lack of basic hygiene needs and necessary water supplies, to a limited availability of medication and diagnostic or therapeutic equipment. Meanwhile, the Food and Agriculture Organization (FAO) reported a fivefold increase in the under-five child mortality rate, and that the food intake of numerous Iraqis was now lower than those of people in drought-stricken Africa (Carapico, 1998; Gordon, 2010; Nordhaus, 2002; Pilger, 2003). By 1997, “one million children under five were malnourished … 70 percent of Iraqi women were anaemic” (Gordon, 2010, p.33). The sanctions had ‘institutionalised’ acute poverty throughout Iraq; by 1995, the UN found 20% of Iraqis were living in ‘extreme poverty’ (Dreze & Gazdar, 1992; UNICEF, 1998).

On the eve of another war on Iraq, the overall result of the sanctions was a humanitarian calamity described as ‘genocide’, a ‘war crime’, ‘morally bankrupt’, and an act of terrorism (Chomsky, 1992, 2008; Frank, 1992b; Gordon, 2002; Mueller & Mueller, 1999; Pilger, 2003). The United Nations summarised the impact of sanctions: Iraq “experienced a shift from relative affluence to massive poverty” (UNDP, 2002, p.12). A 2003 report by the United Nation’s Children’s Fund (UNICEF) found “Iraq’s regression over the past decade is by far the most severe of the 193 countries surveyed” (quoted in Chomsky, 2003, p.126). According to a 1999 joint report by UNICEF and the Iraqi Government Ministry of Health (1999), the eight years preceding the report had witnessed an almost three-fold increase in deaths above the anticipated rate for children under five years of age, resulting in 500,000 children deaths, or well over 5,000 children deaths per month. Three UN officials, Denis Halliday, Hans von Sponeck and Jutta Burghardt, resigned in protest of the devastating consequences. Former UN Assistant Secretary-General Denis Halliday asserted,

I had been instructed to implement a policy that satisfies the definition of genocide: a deliberate policy that has effectively killed well over a million individuals, children and adults. We all know that the regime, Saddam Hussein, is not paying the price for economic sanctions; on the contrary, he has been strengthened by them. It is the little people who are losing their children or their parents for lack of untreated water. What is clear is that the Security Council is now out of control, for its actions here undermine its own

The 2003 Iraq War, invasion and occupation

Whilst the Gulf War and the sanctions were utilised in conjunction to de-territorialise Iraq, to undermine Saddam’s regime and to inflict severe punishment of the civilian population so as to provoke regime change, the 2003 Iraq War was more radical. The post-9/11 world’s political climate provided what was described by US political elite as an ‘opportunity’ for the George W. Bush administration to undertake that which the George H. W. Bush administration had deemed infeasible over a decade earlier (Harnden, 2001; Lemman, 2002; Woodward, 2003). Bush Junior’s administration decided that it was now feasible for the US to take ‘the invasion route’: to extend war into invasion and occupation, to physically capture and remove Saddam from power, and to forcefully install its imperial regime. Since this ‘route’ entailed radical re-territorialisation, it was fundamental that the 2003 war, invasion and occupation accomplish comprehensive de-territorialisation. For Iraq, the costs from OIF would be acute.

In effect, the Bush administration’s mindset followed Milton Friedman’s notion of ‘shock treatment’: the psychological shocks that were generated as a result of the 9/11 attacks rendered what was previously perceived as “politically impossible”, now “politically inevitable” (Friedman, 1982, p.7). Similarly, the psychological shocks that would generate in Iraq from crises of war, invasion and occupation would be utilised as platforms for rapid change. Since the 2003 venture was built upon the notion of psychological shock therapy, fittingly, its war employed a ‘Shock and Awe’ military campaign. The Shock and Awe: Achieving Rapid Dominance doctrine was published in 1996 and was perceived as ‘revolutionary’ as it promised the military equivalent of the capability to annihilate space by time: to establish US dominance over space at rapid speed by paralysing “the will, perception, and understanding of the adversary to fit or respond to our strategic policy ends” (Ullman & Wade, 1996, p.xxiv), and by leaving the adversary “totally impotent and vulnerable to our actions” (Ullman & Wade, 1996, p.xxv). In order to achieve such submission from an adversary, Shock and Awe engendered the creation of “the non-nuclear equivalent of the impact that the atomic
weapons dropped on Hiroshima and Nagasaki had on the Japanese” (Ullman & Wade, 1996, p.xxvi). In sum, Shock and Awe’s primary objective was to terrorise the population into rapid submission; as such, it underscored that “physical and psychological effects must be obtained” (Ullman & Wade, 1996, p.xxiv). Accounting logic and techniques justified and legitimated the use of this doctrine. This is because the decision to apply Shock and Awe was primarily based upon efficiency-maximisation and cost-minimisation objectives. Subjecting Iraq to the rapidity and degree of physical destruction that corresponded to nuclear warfare was assessed as being the most eco-politically cost-effective means to prime the indigenous population for rapid submission, exploitation and adaptation.

A post-war report by Human Rights Watch (2003) demonstrated some of Iraq’s costs from Shock and Awe. The report found that US and UK forces had together expended over 13,000 cluster munitions that, upon impact, contained at least 1.9 million submunitions. Moreover, “Although cluster munition strikes are particularly dangerous in populated areas …”, US and UK forces intentionally and ”repeatedly used these weapons in attacks on Iraqi positions in residential neighborhoods” (Human Rights Watch, 2003, p.6). In addition, explosive remnants of war (ERW), which are “many tens of thousands of cluster munition ‘duds’, i.e. submunitions that did not explode on impact …” scattered Iraqi landscape within densely civilian populated areas, thereby resembling landmines that could cause ongoing human harm into the future (Human Rights Watch, 2003, p.7). On the effects of the US’s use of so-called ‘precision smart bombs’ to target senior Iraqi officials, the report found, “While they did not kill a single targeted individual, the strikes killed and injured dozens of civilians” (Human Rights Watch, 2003, p.6). Moreover, this failure was primarily a result of US reliance on ‘unsound targeting methodology’ in the form of faulty intelligence and a failure to effectively assess potential risks to civilians. Unsound targeting methodology caused attacks on places where “the intended targets were not even present at the time of the strikes” (Human Rights Watch, 2003, p.6). Accordingly, the report concluded that such ‘targeting’ was a form of indiscriminate assault upon civilians and, thus, in violation of International Humanitarian Law (IHL). Overall, the US’s indiscriminate use of weaponry had resulted in “thousands of Iraqi civilians … killed or injured during the
three weeks of fighting from … March 20 to April 9, 2003“ (Human Rights Watch, 2003, p.5).

Buncombe (2003) and Ridha (2004) also raised concerns with regards violation of the United Nations Convention on Certain Conventional Weapons, to which the US is a signatory. Although this convention prohibits the use of napalm weaponry against civilian populations, it was revealed that Iraqi civilians were exposed to napalm-like Mark 77 firebombs. Furthermore, DU munitions were again utilised on a wide-scale, thereby further exposing the Iraqi civilian population and their environment to radioactive debris that would impact into the future (Kramer & Michalowski, 2005; Michalowski & Bitten, 2004; Miller, 2003; Nuclear Policy Research Institute, 2003). Moreover, the Nuclear Policy Research Institute found that “US and UK forces released a substantial portion of their total DU expenditures in locations ‘where the Iraqi people live, work, draw water, and grow and sell food’”, thereby concluding that the likelihood of “potential DU exposures appear even higher than in past conflicts” (Nuclear Policy Research Institute, 2003, pp.9–10). Also echoed from the Gulf War was the US’s application of ‘strategic bombing’, whereby the US air force intentionally destroyed what were declared as being ‘dual use’ Iraqi infrastructure, including electricity and media installations. The Human Rights Watch (2003, p.6) report found that the targeting of electricity installations had “caused serious civilian suffering …”, and questioned the “legality of the attacks on media installations …”.

Whilst Iraq’s socio-economic costs from the war, such as death, destruction, crippling of the economy, unemployment and psychological harm were an extension of the combined effects of the Gulf War and sanctions, the 2003 invasion and occupation generated novel costs. As explained in chapter two, the neoliberal eco-political project requires the transformation of citizens: the primary identity of people is reduced to calculating consumers within calculable spaces, rendering the ultimate relationship as being that which is adjudicated by the market:

The expansion of neoliberalism supposes the extension of market mechanisms to the lifeworld … As such, neoliberalism must change people. This is why, from Lippman to Thatcher’s famous formulation, ‘Economics are the method,
but the object is to change the soul’, neoliberalism is a political project. The necessity of making people adapt to a world of generalised competition supposes a radical reform that transforms the way in which they perceive their destiny (Hilgers, 2012, p.82).

The deep ideological roots of Iraqi society in Arab socialism meant that its economic system was founded upon social ownership and collective control of the means of production, and also that its mindset was compliant with Arab nationalism, or the Arab unity project (Devlin, 1975). As such, neoliberalism’s de-territorialisation of Iraq required more than the destruction of its existing eco-political machineries; it also required the ‘battering down’ of Iraq’s Arab socialist-based collective memory, by “degrading of a unifying culture and the depletion of an intelligentsia tied to the old order” (Baker et al., 2009, p.6). Indeed, evidence suggests that this is what unfolded in post-invasion Iraq.

Whilst the 2003 war and invasion were illegal under international law as they were not authorised by the UN Security Council, the subsequent UN Security Council Resolution 1483 acknowledged the US and UK as occupying powers and, thus, obliged them to fully comply with the related obligations set-out under international law. These included their ensuring of “public safety and order, and guarantee the civilian population’s fundamental rights to food, health care, education, work and freedom of movement” (Kramer & Michalowski, 2005, p.452). What transpired post-invasion, however, was another form of societal shock, that of wide-spread “death, looting, fear and insecurity” (Kramer & Michalowski, 2005, p.452). After Shock and Awe’s bombs ceased, the first days of post-invasion saw ‘organised looting’ play a prominent role in the de-territorialisation of Iraq (Ismael & Ismael, 2015). What was remaining of ministries necessary for Iraqi state cohesion, with the exception of the Ministry of Oil that was protected by US tanks and troops, were reduced to skeletal structures that were ransacked, including of their furnishings, electric cabling, plumbing and institutional memory in the form of governmental records (Al-Tikriti, 2007, 2009a, 2010; Ismael & Ismael, 2015; Klein, 2007b). Paralleling this destruction of remaining state institutions was “a systematic campaign to erase Iraq’s collective memory” (quoted in Al-Tikriti, 2009a, p.94). The collective memory of Iraq, in the form of its cultural patrimony and
inherited intelligentsia, was left exposed to an attempted ‘cultural cleansing’ (Adriaensens, 2009; Al-Tikriti, 2007, 2009, 2010; Bahrani, 2009; Baker et al., 2009; Fisk, 2006; Human Rights Watch, 2006; Ismael, 2015; Ismael & Ismael, 2015; Poole, 2006; UNESCO PRESS, 2006; UNHCR, 2005; Wilkinson, 2008; Zoepf, 2006).

The attempted cultural cleansing of Iraq, also known as ‘mnemocide’ (Watenpaugh, 2003), largely occurred through a US policy of inaction. As will be demonstrated in Chapter Six, this policy was legitimated, justified and facilitated by US failure to commit sufficient troops to Iraq; a failure largely brought about through accounting mechanisms pertaining the economically rational management of resources and the building of power structures. Amongst other repercussions, US troops were unable to secure the country’s borders or establish law and order (Special Inspector General for Iraq Reconstruction, 2009). Instead, the country plunged into a state of lawlessness, with widespread looting being its most immediate and ardent feature. In the midst of the post-invasion lawlessness, a “free rampage of organized looting of cultural, educational and health facilities and the wholesale burning of historical records …” transpired (Ismael & Ismael, 2015, p.20). Iraq’s main museums, libraries and archives were not only looted, but some were also significantly destroyed by organised arson. US troops, who were sometimes positioned only metres away from the ongoing destruction, refused to intervene, citing a lack of orders to protect such facilities (Al-Tikriti, 2009; Bahrani, 2009; Baker et al., 2009; Ismael & Ismael, 2015; Watenpaugh, 2003). When the media finally brought attention to the ongoing destruction after several days, SECDEF Rumsfeld responded during a press conference that “Freedom is untidy, and free people are free to make mistakes and commit crimes and do bad things”; that the looting was “part of the price” for the liberation of Iraq; and that “Stuff happens” (Loughlin, 2003).

However, Rumsfeld’s ‘stuff happens’ reduction of the lootings is problematic. Knuth (2006, p.2) explains that

Condemnations imply that the destruction has no meaning other than to signify the presence of irrational forces. They effectively dismiss the destroyers of books as barbaric, ignorant, evil … If instead we acknowledge the perpetrators as human beings with concerns and a goal … of effecting social change, a number of questions emerge that usher us into the subject with clearer meaning and purpose.
While much of the looting appeared to be undertaken by local offenders, “attacks on several cultural sites were carried out by organized provocateurs whose identity remains a mystery …” (Al-Tikriti, 2009a, p.98). The systematic and organised nature of these onslaughts, including their preparation of necessary tools, inflammables and multiple trucks to load properties, points to significant pre-planning and possible deeper intents of the perpetrators, other than the spontaneous pursuit of self-interest. Moreover, whilst subsequent examinations blamed insufficient pre-war planning and inadequate force levels for US failure to protect these facilities (Bogdanos, 2008; Special Inspector General for Iraq Reconstruction, 2009), US pre-war studies had included briefings and expert-authored documents that listed and ranked Iraqi facilities of cultural, historical and national value that would require protection post-invasion. Iraqi experts had also briefed Pentagon officials regarding looting concerns, and provided them with details of locations, informed them of their significance and reminded them of their legal obligation to protect cultural patrimony (Al-Tikriti, 2009a; Baker et al., 2009; Ismael & Ismael, 2015; US State Department, 2002). Nevertheless, the facilities were left completely unprotected post-invasion.

Justifications that emphasise that troop shortages led to calculations pertaining to the ‘economy of risk’; that planners had to choose to station troops at sites of US ‘strategic interest’, points at the very least to the direct acquiescence of war planners, and their subservient accounting techniques, which effectively diminished the value of Iraqi cultural assets. It also underscores their liability for the ensuing Iraqi losses, open for future pursuit. Moreover, the looting continued for several days before media attention seemed to force US action around the 14th April 2003. Al-Tikriti (2009a, p.97) observes that “Several hours of looting can be considered a failure of policy, but several days of looting can only be seen as a policy of failure”. Finally, the subsequent damaging of Iraq’s main cultural heritage sites because of the building of US military bases directly at them, including at Ur, the legendary birthplace of Abraham; Babylon, the capital of Mesopotamia; and Samarra, the Abbasid Islamic imperial city, constitute an intentional and overt infliction of damage (Bahrani, 2008, 2009; Baker et al., 2009). Bahrani (2009, p.70) explains that “The digging, bulldozing, filling of sand bags and blast-barricade containers, the building of barracks and digging of trenches into the ancient sites have destroyed thousands of years of archaeological material, stratigraphy
and historical data …”. The decision to build military bases at such sites could only have transpired through Pentagon pre-planning and strategic decision-making.

In addition, Iraq’s education system also suffered almost complete destruction. In 2003, a UNESCO (2003) factsheet described Iraq’s education system prior to US interference:

The Education system in Iraq, prior to 1991, was one of the best in the region, with over 100% Gross Enrolment Rate for primary schooling and high levels of literacy, both of men and women. The Higher Education, especially the scientific and technological institutions, were of an international standard, staffed by high quality personnel.

By 2005, however, director of the United Nations University’s (UNU) International Leadership Institute in Jordan, Dr Jairam Reddy, asserted that 84% of Iraq’s higher education institutions had been subjected to some form of destruction, such as burning or looting (Baker et al., 2009; Hassan, 2005). In addition, Iraq’s intelligentsia were exposed to threats of violence, kidnappings and targeted assassinations (Adriaensens, 2009; Baker et al., 2009; BRussels Tribunal, 2008; Fisk, 2006; Gettleman, 2004; Hodges, 2006; Ismael & Ismael, 2015; UNESCO PRESS, 2006; UNHCR, 2005; Zoepf, 2006). Indeed, the UN High Commissioner for Refugees (UNHCR) found that threats of violence and targeted assassinations of Iraq’s intellectuals, including professors, lecturers and teachers, were “systematic” (UNHCR, 2005, para.41). The United Nations Educational, Scientific and Cultural Organization’s (UNESCO) Director-General, Matsuura, condemned “the campaign of violence waged in Iraq against academics and intellectuals … the persecution of the custodians of knowledge and skills is an unacceptable attack against a whole society” (UNESCO PRESS, 2006).

Whilst no official account has been kept of violence inflicted on Iraq’s intelligentsia, several sources have attempted to record their occurrences. In 2006, Hodges (2006) reported that over 470 Iraqi academics had been killed. As of 2008, the BRussels Tribunal had listed the names of 410 assassinated Iraqi academics, including professors and lecturers (BRussels Tribunal, 2008). Meanwhile, Human Rights Watch and the Association of University Lecturers in Iraq reported that 331 school teachers were killed.
in the first four months of 2006 alone (Human Rights Watch, 2006; Poole, 2006). By 2007, the International Medical Corps found that Baghdad’s teacher population had dropped by 80% (quoted in Edwards, 2010, p.2). Moreover, of all murdered academics by April 2006, 50% were professors, 13% were other academics, 12% were dean/vice dean, and 6% were department heads (Fuller & Adriaensens, 2009). Robert Fisk (2006) reported that university staff suspect that there is a campaign to strip Iraq of its academics, to complete the destruction of Iraq’s cultural identity which began with the destruction of the Baghdad Koranic library, the national archives and the looting of the archaeological museum when the American army entered Baghdad.

Finally, actions by the Coalition Provisional Authority (CPA), the body that ruled Iraq post-invasion until the end of June 2004, also worked to erase indigenous ideologies from the Iraqi education system. In a self-evaluating report of its achievements during time in office, the CPA asserted that it had “completely dismantled” Iraq’s education system: it dismissed over 12,000 headmasters, headmistresses and teachers; revised curriculum and printed 8 million revised textbooks; used a World Bank grant to purchase 72 million new text books; and trained 32,000 secondary school teachers (Coalition Provisional Authority, 2004, p.23). Baker et al. (2009, p.31) explain that the revised school curriculum “removed any criticism of the US policy in the Middle East, as well as any reference to either the 1991 war or to Israeli policy in the occupied territories”.

Overall, the human, social and environmental consequences that resulted from the 2003 Iraq War, invasion and occupation have been immense. Perhaps the most notable cost has been the death of Iraqi people. Estimates of total Iraqi deaths from the war, invasion and occupation have ranged between as little as 120,000 Iraqi deaths as at January 2013, to approximately 1.1 million deaths as at August 2007 (Iraq Body Count, 2013; Opinion Research Business, 2008; Seybolt et al., 2013). In addition, the UNHCR estimated an Iraqi ‘total population of concern’, including refugees and internally displaced persons, of over 4 million people as at December 2014 (UNHCR, 2014). Other costs will also be demonstrated within the remainder of this thesis, including an
indication of the economic; costs from the institutionalised corruption; costs to human rights; costs from the US’s outsourcing of military contractors, including rape, murder and corruption; and costs pertaining to the generated civil war and ethnic cleansings. Certainly, a most prominent cost has been that of rampant chaos and violence that became “a determining fact in shaping reality …” for Iraqis (Nordstrom, 2004, p.60). Chaos and violence transformed the social fabric of Iraq: “What was once the birthplace of civilization now lies in ruin: occupied, corrupt, impoverished, chaotic, a sweltering bed of criminal mayhem, religious fundamentalism, and armed resistance” (Chwastiak, 2008, p.584).

Conclusion

This chapter has corroborated the CAS concept by demonstrating the political inherence and power of accounting within de-territorialisation processes. Within accounting techniques is the power to ‘cost’ an imperial venture and to provide variable bottom lines. A projected efficient bottom line for a project will encourage its commencement, whilst an inefficient costing will deter its progression. Accordingly, accounting holds an ultimate power position with regards decision-making for coercive exertions of power. The political elite understand this power and have, therefore, utilised accounting as a subservient technology for their governance. From Clausewitz’s formulations of ‘political commerce’ to Kennan’s quantification of US foreign policy, elitist interests have dictated a narrowing of the definition of costs, a dominating discourse of economic efficiency, and a prevalent quantitative instrumental form of reasoning so as to diminish the scope of costs that accounting accounts. This is their magician’s trick: the creation of ‘invisible visibilities’ so as to under-cost coercive force and deceive the populous into submission.

This chapter has demonstrated that the first trick with Iraq is the notion that costs pertaining to this imperial project reside only within the 2003 War, invasion and occupation. Instead, it has been shown that US imperial motivations with regards to Iraqi space have been in place since 1990. The end of the Cold War ordained the US
with the freedom to assert a ‘New World Order’ upon the world. This order would not tolerate resistance to the geographical expansion of its capitalist regime, nor competitiveness with US authority through rival economic powers. Most importantly, it would not tolerate threats to its ‘economic lifeline’, to a secure access to Middle East oil. The battering down of Iraq’s doors at the end of the Cold War was to serve as a practical example of ultimate US power and hegemony, “that what we say goes”. However, Iraqi defiance led to the implementation of economic warfare through the imposition of genocidal sanctions for almost thirteen years, thereby killing more people than have died from all WMD. Under growing international discontent with the human suffering and losses of Iraq, the 9/11 attacks of 2001 were perceived by US political elite as an ‘opportunity’ to turn what was ‘politically impossible’ into something that was ‘politically inevitable’. The Bush administration sought to implement the radical ‘invasion route’, and the 2003 Iraq War was to serve as a birth pang to the ‘New Middle East’.

Accounting’s role in mystifying the true costs of these imperial footprints on Iraqi space has been demonstrated in this chapter. With regards costs to the US, it has been shown how all three wars were severely under-costed through accounting, accountability and budgetary mechanisms that served to reduce, obscure and outright exclude related costs from public perception. This evidence also underscores how accounting is being used to reinstate power structures by undermining democratic governance in the US, the rule of law and the ultimate power of the people. With regards the costs to Iraq from these imperial footprints, the chapter showed that the de-territorialisation of Iraq entailed the destruction of existing eco-political and social ideological foundations so as generate a ‘clear slate’ onto which re-territorialisation could pursue. As such, the costs to Iraq from this venture were profoundly acute; yet, they were simply unaccounted for within US government accounts, thereby effectively de-valuing them. This failure to count Iraqi costs greatly denies the potential to deter such imperial exertions of power in the future. As such, the chapter sought to account for the unaccounted for. By providing an overview of some of the economic, social, human and environmental costs endured by Iraq, the chapter has sought to elucidate the real ‘price’ that rises from the pursuit of such imperial interests. As such, it contributes to the emancipatory potential of social accounting: “Indeed, the conclusion is that warfare is an inherently irrational outcome
whose costs exceed the benefits, even to those who ‘win’” (quoted in Edwards, 2010, p.2).

The following chapter will demonstrate the subsequent ideological invasion of Iraq through the application of neoliberal shock therapy.
Chapter Four

The Re-Territorialisation of Iraq’s Economy Through Neoliberal Shock Therapy
**Introduction**

The previous chapter provided an accounting for the costs of the US’s imperial project on Iraqi space: the battering down of Iraq’s doors. In order to do so, it firstly attuned the temporal scope of this account by demonstrating that the US’s application of this project commenced in 1990, with the imposition of severe economic sanctions, through the 1991 Gulf War and finally the 2003 Iraq War. Furthermore, it broadened the definition of ‘costs’ so as to include those that the political elites seek to render invisible, the social, human and environmental costs of wars and sanctions. Also, it identified the accounting methods through which even substantial economic costs pertaining such ventures were mystified within DoD accounts, and omitted from war spending accounts. The use of cash-based accounting, the manipulation of appropriations through ‘emergency supplementals’, and the financing of war through debt, prevented the reporting of accurate financial information. Finally, it also showed how faulty DoD accounting practices facilitated acts of corruption, waste and for transfers of wealth that enriched the military industrial complex. Accordingly, it corroborated the CAS concept by demonstrating the political inherence of accounting to spatial de-territorialisations: DoD accounting, accountability and budgeting mechanisms were subservient to elitist interests in that they effectively rendered the DoD unaccountable and the non-economic costs of warfare invisible. In so doing, accounting accomplished a primary purpose of the CAS concept; it served as a primary mechanism through which the magician’s trick of producing ‘invisible visibilities’ was realised.

In demonstrating the costs to Iraq from the US’s imperial project, the chapter confirmed the de-territorialisation criterion of the CAS concept, whilst also demonstrated the accounting purpose of devaluing space. By being appropriated in a way that rendered the effects of US de-territorialisation of Iraq invisible, accounting effectively served to de-value Iraqi space. Chapter three showed how the process of de-territorialising Iraqi space was initiated through the creation of societal shock from disaster: de-territorialisation was initially realised through the intentionally severe physical destruction of its Arab socialist-based eco-political institutions, and collective social underpinnings through war and sanctions. This chapter will build upon this to show
how a second stage of de-territorialisation of the Iraqi economy was achieved through the suspension of law and the granting of impunity to US agents in Iraq, thereby transforming Iraq into a space of exception. The creation of this space provided the US with a clear slate, akin to that realised with the activation of the *terra nullius* principle, which it used to re-territorialise Iraq’s economy with neoliberal policies by force. It also set into motion corrupt state-corporate activities that accelerated the transformation process and the ensuing transfers of wealth. Accompanying the implementation of these practices of economic shock therapy and disaster capitalism, was a subservient accounting technology that provided techniques that maintained the created liminal space, the relatively unregulated space of ambiguity, whilst also legitimating it. As such, the chapter will further validate the CAS concept by revealing more roles of accounting in the de-valuation of space, and its roles in building power structures. Moreover, the chapter will also reveal how accounting technology was appropriated by elites in a way that rendered counter-accounts, in the form of audit reports, inept and their influences ineffective.

This chapter proceeds as follows: the first section will demonstrate how accounting discourse pertaining to the efficient allocation of resources and the reduction of waste provided the ideological justification for the de-territorialisation and re-territorialisation of Iraq’s economy through economic shock therapy. The following section will provide an overview of the most controversial neoliberal reforms imposed through shock therapy and their effects. Finally, the last section will demonstrate the roles assumed by accounting, accountability, auditing and budgetary mechanisms in facilitating, administering and legitimating the imposed regime.

**Free Market by Force**

“Buy when there’s blood in the streets, even if the blood is your own”

(Baron Rothschild quoted in Myers, 2009)
Following the severe destruction wrought by the wars and invasion of Iraq, the occupation commenced. The CPA, headed by its administrator, L. Paul Bremer, governed Iraq from Bremer’s arrival on 12th May 2003 to his departure on 28th June 2004 (Dobbins et al., 2009). Bremer held sweeping powers, he “could dispose of all Iraqi state assets and direct all Iraqi government officials. He possessed full executive, legislative, and judicial authority” (Dobbins et al., 2009, p.xiii). The CPA was a division of the DoD, therefore, Bremer was subordinate to SECDEF Rumsfeld, but also had direct communication with the President and White House staff as he was considered to be a presidential envoy. The CPA operated from within the ‘Green Zone’, a neoliberal territorial enclave, a heavily guarded “city within a city that houses the occupation headquarters in Saddam’s former palace” (Klein, 2004, p.46). Whilst the rest of Iraq was regarded as the ‘Red Zone’, a space of death, violence, despair and destruction, the Green Zone had

its own electrical grid, its own phone and sanitation systems, its own oil supply, and its own state-of-the-art hospital with pristine operating theaters – all protected by walls five meters thick … If you were not among the chosen, you could get shot just for standing too close to the wall (Klein, 2007a, p.48).

In actuality, the remainder of Iraqi space had become an exposed space for exploitation, a manufactured state of exception reminiscent to that created under the *terra nullius* principle (Agamben, 1998; Ong, 2006; Quan, 2012). As explained in chapter two, neoliberalism perceives state legitimacy as a measure of its economic efficiency rather than its social equity. It utilises accounting measures of performance to appraise the governance of a state against the requisites of its dominant ideology; the requisites of neoliberalism are for a ‘competitive state’, one that efficiently allocates resources and maximises the unhindered pursuit of self-interest and accumulation of wealth (Fougner, 2006; Hilgers, 2012; McCluskey, 2003). Accordingly, the neoliberal mindset with regards to state legitimacy, or sovereignty over land, echoes that of its predecessors the *res nullius* and *terra nullius* principles: where there is “no proper commerce … there is no property; and any land left in this state is available for appropriation” (Wood, 2003, p.98). Under this conception, the Iraqi state and its Arab socialist-based regime were perceived as the modern incarnation of the ‘desert and uncultivated’ space of indigenous Australia (*Milirrpum v. Nabalco Pty Ltd*, 1971). Iraqi economy and society were ‘primitive’ as they failed to generate ‘proper commerce’ and stood defiantly
against conformity within the dominant neoliberal world order. This accounting-based discourse provided the primary rationale for the ‘appropriation’ of Iraqi space: “it mobilized a civilizing mission that provided the rationale to treat the country’s economic and legal system as a blank canvas (Whyte, 2010, p.144, 2016). Indeed, whilst US forces waged ‘Shock and Awe’ on Iraq, President Bush announced to the Iraqi people,

This is George W Bush, the President of the United States. At this moment, the regime of Saddam Hussein is being removed from power … and we will not stop until Saddam’s corrupt gang is gone … You will be … free to pursue economic prosperity …You deserve better than tyranny and corruption … You deserve to live as free people … your nation will soon be free (Bush, 2003).

Bush’s rhetoric effectively framed Saddam’s economic policies as being the source of tyranny, corruption and repression. The “tyranny of the planned economy” (Whyte, 2010, p.143) provided the justification for the upcoming de-territorialisations of ‘Shock and Awe’, invasion and occupation, and also for the subsequent re-territorialisation of a neoliberal regime. In effect, a modern state of terrae nullius was justified: the exploitation of Iraqi space and the transfer of its wealth would ensue through the displacement of indigenous agency, the suspension of sovereign laws and the imposition of the ‘settler’s contract’ (Pateman & Mills, 2007), being neoliberal decrees which served the interests of the foreign “persona ficta of multinational corporate entities with headquarters in the U.S.” (emphasis in original Quan, 2012, p.168).

Even before the invasion and subsequent occupation of Iraq, this intent had already been indicated by the Bush administration. In a confidential 100-page document titled Moving The Iraqi Economy From Recovery to Sustainable Growth, the administration laid out a blueprint for the rapid takeover of the Iraqi economy (Looney, 2003; King, 2003). The document, authored in partnership between the United States Agency for International Development (USAID) and the Department of Treasury, was later given to a US contractor, Bearing Point, to follow as they executed “sweeping plans to remake Iraq’s economy in the US’s image” (King, 2003). Bearing Point’s contract specified a primary objective of creating a new Iraqi government that “will seek to open up its trade
and investment linkages and to put into place the institutions promoting democracy, free enterprise, and reliance on market-driven private sector as the engine of economic recovery and growth” (USAID, 2003, p.77). After one month of invasion in May 2003, CPA chief Bremer reaffirmed these objectives: declaring it “a historical axiom that political and economic freedom go hand in hand”, he revealed that:

Our strategic goal in the months ahead is to set in motion policies which will have the effect of reallocating people and resources from state enterprises to the more productive private firms … the Coalition will succeed in transforming the Iraqi economy from a closed, dead-end system to an open vibrant place to do business. Opportunities for productive investment abound, and we aim to be sure they are realized (Bremer, 2003).

In effect, both Bush and Bremer’s rhetoric confirmed neoliberalism’s essential linkage between free-market priorities and a free and democratic Iraqi state, thereby conflating the significance of free-markets to the likes of national security and social objectives. Most importantly, by equating free-market interests to those of a free and democratic Iraq, “the country as a whole … can no longer be separated from that of a ‘free’ economy, and the body corporate, its new claimant” (Quan, 2012, p.167).

In order to realise a ‘free’ Iraqi economy, another de-territorialisation process commenced: the creation of a state of exception in Iraq. Klein (2007b, p.8) explains, “the process deceptively called ‘reconstruction’ began with finishing the job of the original disaster by erasing what was left of the public sphere”. The remaining indigenous juridical framework was suspended; thereby immediately creating a state of exception that facilitated the imposition of a new force of law. In addition, it generated an immediate shift in the political structure where “legal authority to take decisions is transferred from political fora to administrative or bureaucratic officials” (Whyte, 2010, p.136). Whilst existing Iraqi laws were created through its political institutions, the post-invasion-created state of exception ordained the administrative officials of the CPA, namely Paul Bremer, with the authority to make and impose new laws in a deformalised and unregulated manner, and beyond popular consent (Aradau, 2007). In effect, the US replaced a dictator who was legitimated through an acknowledged political system but did not conform to US interests, with an illegitimate dictator who
negated the conventional separation of legal and political powers, yet conformed to US interests. Indeed, UN special envoy Lakhdar Brahimi would later describe Bremer as “the dictator of Iraq. He has the money. He has the signature. Nothing happens without his agreement in this country” (quoted in Docena, 2005, p.11; Chandrasekaran, 2004).

In the wake of this new de-territorialisation crisis, which complemented those of the war and invasion, Paul Bremer moved to enact Milton Friedman’s economic shock therapy doctrine. As explained in chapter two, Friedman had advised that crises generate a six to nine month period of opportunity during which rapid economic change can be imposed. This is because trauma resulting from crises, accompanied by the rapidity of imposed change, provoke psychological reactions that facilitate society’s compliant adjustment (Friedman, 1982; Klein, 2004, 2007a, 2007b). The US’s decision to implement economic shock therapy fundamentally echoed the accounting-based logic that underscored its decision to apply the Shock and Awe doctrine. Economic shock therapy was regarded as a most efficient and cost-effective technological means to rapidly achieve favourable change; to realise capitalism’s annihilation of Iraqi space by time. Indeed, less than one month after Bush declared the war ‘Mission Accomplished’ on the 1st May 2003, Bremer declared Iraq ‘open for business’ on the 26th May 2003 (Klein, 2003a, 2007b). He progressed to swiftly exploit the limited period of Iraqi society’s disaster-generated shock: within just six months of his tenure, Bremer had imposed the most controversial of a series of a hundred rapid-fire CPA Orders that effectively re-territorialised Iraq with the “imprint of the occupiers”, free-market fundamentalism (Quan, 2012, p.168; Stiglitz, 2004). Juhasz (2007) refers to “Iraqi laws governing banking, foreign investment, patents, copyrights, business ownership, taxes, the media, agriculture and trade were all changed to conform to U.S. goals”. Within six months, Bremer had dismantled the decades-old juridical apparatus of Iraq’s socialist regime and instead, established “one empowered to usher in foreign investments and facilitate the unfettered operations of multinational corporations but disempowered to provide services to its citizens or promote development and social justice” (Klein, 2007b, pp.124–125).
Economic Shock Therapy in Iraq: Controversial Bremer Orders

CPA Orders No. 1 and 2: De-Ba’athification of Iraqi society

On 16th May, after just four days of his arrival in Iraq and whilst quashing early Iraqi attempts at holding elections to form a sovereign interim government to decide their future, Bremer commenced with CPA Order No. 1: ‘De-Ba’athification of Iraqi Society’ (Chwastiak, 2013; Klein, 2007b; Palast, 2004; Zunes, 2009). This order targeted senior Baath Party officials by requiring an ‘interview’ of all “top three layers of management in every national government ministry, affiliated corporations and other government institutions (e.g., universities and hospitals) … for possible affiliation with Ba’ath Party” (Coalition Provisional Authority, 2003a, p.1). Those implicated were removed and banned from future employment in the public sector, a policy which immediately proclaimed redundant up to 30,000 public sector employees (Klein, 2007b, 2003a). On 23rd May, this Order was promptly complemented with Order No. 2 entitled ‘Dissolution of Entities’, which effectively extended the scope of the ‘de-Ba’athification’ policy to also cover a list of 26 ‘dissolved entities’ and their subsidiaries, including the Ministry of Defence, Ministry of Information, all military services such as the Army, Air Force, Navy, Air Defence Force, and the Youth Organisation and National Olympic Committee.

Klein (2007b, 2003a) estimates that up to a further 500,000 Iraqi public sector employees were immediately made redundant, including doctors who had no allegiance to the Ba’ath Party except for being enlisted as children, and low-level civil servants who had no ties to the Party whatsoever. The CPA’s self-appraising report, The Historical Review of CPA Achievements, announced that “More than 12,000 former Ba’ath Party headmasters, headmistresses and teachers were dismissed” from the Ministry of Education and schools (Coalition Provisional Authority, 2004a, p.23), leaving Sunni dominated areas with as little as one or two schoolteachers (Chandrasekaran, 2006a). The humanitarian and security-related consequences of such sudden mass discharges in the midst of already dire eco-political circumstances cannot be overstated, including increased unemployment, poverty, crimes and resistance. In addition, the policy gutted the state of its institutional memory in the form of its labour
force expertise. Most notably, the mass discharges immediately realised a primary neoliberal principle of downsizing the public sector, and also readied public-run facilities and institutions, such as hospitals and the army, for privatisation (Chandrasekaran, 2006a; Chwastiak, 2013; Klein, 2003a, 2007b; Schwartz, 2007). Klein explains that Bremer Orders 1 and 2,

Readied large swaths of state activity for corporate takeover, primed the Iraqi market for foreign importers to make a killing by eliminating much of the local competition and made sure there won’t be any unpleasant Iraqi government interference – in fact, he’s made sure there will be no Iraqi government at all while key economic decisions are made (2003a, p.10).

Mahdi (2003) reached a similar conclusion, noting that “privatisation is being imposed by bombing, looting, freezing of assets, random sacking of staff and exposure to unfair competition”.

In Addition, Order No. 2 prohibited the “continued possession, transfer, sale, use, conversion, or concealment” of all assets, “including records and data” belonging to the dissolved entities. Instead, all Iraqi state assets were to be turned over to Coalition authorities where they were to be held by the ‘Administrator’ and used to “assist the Iraqi people and support the recovery of Iraq” (Coalition Provisional Authority, 2003h). CPA accounting practices, however, facilitated the plundering of seized Iraqi state assets. Reports by Revenue Watch and the CPA’s Inspector General faulted the CPA’s management and ‘lax handling’ of Iraq’s seized Assets (CPA Inspector General, 2004b; Revenue Watch, 2004b). They found that, contrary to CPA Orders 4 and 9 that required the Facilities Management Office (FMO) to maintain a register of assets and to undertake adequate recordkeeping to reduce the risk of theft and abuse,

FMO personnel did not adequately manage, secure, and safeguard non-cash assets … an inventory was not performed … As a result, a potential loss or theft of non-cash assets existed and, therefore, CPA would not be able to ensure that non-cash assets would be available for the use and benefit of the Iraqi people (CPA Inspector General, 2004b, p.3).
In addition, the Inspector General reported inadequate recordkeeping with regards Iraqi cash assets frozen abroad, whereby “the validity and the purpose of disbursements for $116.3 million could not be determined” (quoted in Revenue Watch, 2004b, p.7). Although various missing documentations were later provided, such deficiencies in fundamental accounting and accountability practices point to a culture of negligence that became the central feature of CPA rule.

**CPA Order No. 12: Trade liberalization policy**

This Order was passed on 7th June, 2003 and suspended “All tariffs, customs duties, import taxes, licensing fees and similar surcharges for goods entering or leaving Iraq, and all other trade restrictions that may apply to such goods” until December 31, 2003 (Coalition Provisional Authority, 2003b). The immediate impact of this order was especially strenuous upon what was remaining of an already debilitated local Iraqi business environment. After almost thirteen years of ruthless economic sanctions and the disastrous Shock and Awe war and invasion, local Iraqi businesses were simply unable to compete against another invasion, this time launched by ‘the big guns’ of unregulated foreign multinationals. As reported by The San Francisco Chronicle, “textile plants and clothing factories have been devastated by the influx of cheap clothing, much of it made in China”, whilst Iraq’s poultry industry simply “can’t compete against containers full of American Tyson chicken legs, which are shipped to the Middle East at bargain-basement prices because Americans prefer white meat to dark” (Collier, 2003). As a result, local produce of goods was undermined as the Order “accelerated the closure of hundreds of factories” (Collier, 2003); it increased unemployment and citizenry frustration, and deprived the country of revenue (Collier, 2003; Docena, 2007, 2005; Klein, 2007b; Zunes, 2009). In effect, this Order not only annulled Iraq’s sovereignty over trade flows and trade policy, but also contributed to US policy to debilitate its future capacity to command such policy in support of goals other than those of a neoliberal regime.

Consistent with BearingPoint’s contract, trade liberalisation and other neoliberal economic principles were to become enshrined pillars within Iraq’s new laws so as to build an economy that would eventually meet WTO obligations. The plan had already
set a February 2004 deadline for an Iraqi application to join the WTO and, thus, CPA Order 12 was a founding step towards achieving this premeditated objective by ensuring that Iraq’s “battered economy transformed abruptly into a virtual free-trade zone” (Anonymous, 2003). Indeed, this policy aligned with Bush’s 9th May Presidential address, which emphasised that trade liberalisation was an overarching US goal for the entire Middle East region, announcing plans for a US-Middle East Free Trade Area (MEFTA) by 2013 (Juhasz, 2004a).

**CPA Orders No. 37 and 49: Tax strategy for 2003 and 2004**

Order 37 suspended all income tax and real property rent tax payments from 16th April – 31st December 2003. Furthermore, it specifically suspended ‘specified taxes’ such as first class hotel and restaurant tax, tax upon transfers of real property, car sale taxes and petrol excise duties from being applied upon all foreign occupation personnel, including the CPA, military forces, their contractors/sub-contractors, government agencies and international organisations. Most importantly, the Order decreed that “The highest individual and corporate income tax rates for 2004 and subsequent years shall not exceed 15 percent” (Coalition Provisional Authority, 2003e, p.3), thereby entrenching what was “long a dream of economic conservatives … finally getting its day – not in the United States, but in Iraq” (Milbank & Pincus, 2003).

CPA Order No. 49, which was passed in February 2004, complemented this by decreeing the income tax rate for subsequent years reduced from 40% to up to 15%, whilst “Foreign companies that are registered in Iraq or otherwise have a permanent establishment in Iraq will be subject to tax at a fixed rate of 15%” (Coalition Provisional Authority, 2004c, p.3). As such, the Order significantly reduced tax liabilities of dominant capital groups, and equated their tax obligations to those of an average Iraqi earner. In so doing, the Order deprived the Iraqi government of sizeable amounts of tax income that would have otherwise served the Iraqi people and, thus, facilitated transfers of wealth from the public sector to private, dominant capital groups. As described by a Middle East expert, it was “A piece of social engineering … being done on Iraq”: in the absence of a sovereign Iraqi government, and with “almost no support from other members of the U.S.-appointed Iraqi Governing Council” (quoted in
Milbank & Pincus, 2003). Indeed, it “took L. Paul Bremer … no more than a stroke of the pen”, to achieve what has eluded others in the US “over the course of a decade and two presidential campaigns” (Milbank & Pincus, 2003).

The Order also included an ‘exemptions’ clause relieving all foreign occupation personnel from being “liable for any tax or similar charge within the territory of Iraq” (Coalition Provisional Authority, 2004c, p.3). Here, a juxtaposition is strikingly evident: whilst establishing no tax for the occupiers and regressive tax rates for dominant capital groups, the CPA 2004 Budget for Iraq imposed a number of novel flat taxes to be endured by the general indigenous population. In accord with the ‘user-pay’ neoliberal ideology, the CPA declared that “One of the general principles underpinning this Budget is that Iraqis must contribute to the recovery of their economy” (Ministry of Finance & Ministry of Planning, 2003, p.18). As such, additional taxes from the public, such as ‘fees from emergency services’, ‘Social Security Rental Income’ and ‘Pharmaceutical Scrip charges’, were imposed; expecting to yield 96.3 billion New Iraqi Dinars for the 2004 fiscal year alone (Ministry of Finance & Ministry of Planning, 2003).

**CPA Order No. 39: Foreign investment.**

This Order is viewed as the most controversial with regards Iraq’s forced neoliberal economic reconstruction and is most illustrative of how the US applied a terra nullius-like approach in Iraq that displaced and marginalised indigenous agency and interests, subordinated them to foreign agency, and facilitated their exploitation. Although the Order’s stated aim was to ensure that it “promotes and safeguards the general welfare and interests of the Iraqi people by promoting foreign investment” (Coalition Provisional Authority, 2003f, p.2), its effects were to skew profoundly against the general welfare and interests of the Iraqi people. It realises dominant capital’s interests to the extent that it has been described as a “free market manifesto” (quoted in Docena, 2005, p.2) that fulfils the “wish list that foreign investors and donor agencies dream of” (Anonymous, 2003). Replacing all existing Iraqi foreign investment laws, the meagre 6-page Order nevertheless contained the most controversial investment provisions of its equivalent 100-page international trade agreements, such as the Multilateral Agreement on
Investment (MAI), the North America Free Trade Agreement (NAFTA), the Free Trade Area of the Americas (FTAA) and the General Agreement on Trade in Services (GATS) (Malig, 2005). Whilst such agreements were highly contentious, to the extent that they expended months and years in negotiations and concessions before approval, Order no. 39 “that effectively binds the Iraqis to a trade agreement that enshrines the rights of foreign investors, and … surpasses many existing agreements” (Malig, 2005, p.34), faced no such dissentions or negotiations. In Iraq, CPA staff within their Green Zone “were not negotiating with the government to accept their ‘structural adjustments’ in exchange for a loan; they were the government” (Klein, 2004, pp.46–47).

The Order’s main provisions and effects included the following:

1- Privatisation:
Although Iraq’s socialist-based indigenous law forbade any private ownership of state-owned enterprises (SOE), Order 39 rescinded this by permitting 100% foreign ownership of SOEs in all sectors and geographic locations in Iraq except in “the natural resources sector involving primary extraction and initial processing” (Coalition Provisional Authority, 2003f, p.3). Accordingly, over 200 remaining Iraqi SOEs, including those administering essential and subsidised services to the Iraqi people, such as water, electricity, schooling, hospitals and prisons, were immediately made available for private business takeover. This was despite a 2004 poll which “revealed that 65% of Iraqis would prefer a largely state-controlled economy and government subsidies of basic services” (Zunes, 2009, p.102). Since this was a highly contentious decree that immediately spurred opposition that exacerbated the security situation, and was also questionable regarding its legality, the CPA delayed its execution, opting instead to delegate this step to future Iraqi governments. As such, “factories simply closed and awaited purchase”, a policy that “exacerbated the economic crisis”, further downsized the public sector, increased unemployment and left Iraqi citizenry impecuniously dependent on foreign corporations for what had previously been local and affordable products and services (Abboud, 2008, p.432).
Whilst the Order exempted the oil sector from privatisation, it is widely recognised that this was a temporary suppression due to fears of a fierce and united Iraqi opposition (Docena, 2005, 2007; Juhasz, 2006, 2007; Klein, 2007b; Muttitt, 2011; Zunes, 2009). At the time, even US oil companies voiced concern “that such a blatant takeover would be unworkable, given the likely nationalist backlash that would occur” (Zunes, 2009, p.103). As such, corporate access to Iraqi oil would be imposed through other, less politically ‘costly’ means, which will be demonstrated in the following chapter. However, a confirmation of the Bush Administration’s genuine intent was clearly exhibited in the BearingPoint contract, which explicitly stipulated that it would “implement USAID-approved recommendations to begin supporting the privatization, especially those in the oil and supporting industries” (emphasis added USAID, 2003, p.84). Similarly, in meetings held between December 2002 and April 2003, the State Department’s Oil and Energy Working Group had settled that Iraq “should be opened to international oil companies as quickly as possible after war” (quoted in Juhasz, 2007).

2- **100% Foreign ownership, national treatment and unrestricted repatriation of profits**

While Order 39 did not cover the resource extraction, banking and insurance sectors, which would be later addressed through either supplementary schemes or separate CPA Orders, it did secure foreign business access to all other sectors of the economy. Although a 2004 poll revealed that only 6.6% of Iraqis “would support a free-market system where private entrepreneurs have largely unrestricted access to the economy” (Zunes, 2009, p.102), sections 4 and 6 of Order 39 forbade the application of any such restrictions and enabled for 100% foreign ownership of Iraqi businesses “on terms no less favourable than those applicable to an Iraqi investor” (Coalition Provisional Authority, 2003f, p.3).

In effect, these sections further cemented the new overriding claim of dominant capital groups over Iraqi space as all other non-Public-sector segments of the economy, including Iraq’s farms, telecommunications, media, transportation and publishing businesses, were abruptly opened to foreign penetration and takeover. They forced unrestricted foreign access to the fragile domestic market and conceded privileges of local Iraqis to multi-national corporations. Therefore, they effectively seized Iraqi sovereignty regarding its regulating of the country’s flow of foreign investments, known
as foreign direct investments (FDIs), thereby preventing the state from acting as an agent to anything other than dominant capital groups. For example, in exchange for access to local markets, states may oblige foreign companies to hire local employees, or to deliver certain provisions to local communities as per their needs. In addition, laws may oblige the prioritisation of qualified local companies over those of their foreign counterparts with regards receipt of contracts. ‘National treatment’ effectively nullified the possibility of any such provisions that would have acted to safeguard the benefit of the indigenous population. A result of this was that foreign corporations were free to import less-costly foreign employees from third-world countries instead of local Iraqis (Klein, 2007b). Indeed, privatisation and ‘national treatment’ contributed to the generation of an estimated two million jobless Iraqis as at June 2004, with only 25,000 employed in reconstruction contracts (Abboud, 2008; Juhasz, 2006).

The effects of unregulated influxes of FDIs on developing economies can be debilitating. As one commentator remarked, “the rest of the world’s pockets are very deep relative to a small economy’s … absorptive capacity”, which can lead to significant real appreciations of local currency and discouragement of exports (Dornbusch & Edwards, 1994, p.103). Accordingly, the United Nations had advised developing countries to establish quota appropriations with regards FDI influxes that are customised to address segment needs as “the long-run effect on the real exchange rate will depend on the sectoral allocation of FDI” (UNCTAD, 1999, p.26). Finally, ‘national treatment’ has also been known to be used by companies to circumvent domestic regulations on the environment, public health and worker and consumer safety”, thereby enabling corporations to successfully sue and receive reparation from national governments for their attempts to prosecute foreign corporate violations (Juhasz, 2004a). In effect, sections 4 and 6 confirmed the US’s contouring of a strictly neoliberal Iraqi state, the role of which is narrowed to serving dominant capital interests and to facilitating transfers of wealth.

Section 7 of Order 39 also confirmed this new role of the Iraqi state by decreeing 100% tax-free remittances. The Order permitted Trans-National Corporations (TNCs) to “transfer abroad without delay all funds associated with its foreign investment,
including … shares or profits and dividends”, with no requirements for reinvestment in the Iraqi economy (Coalition Provisional Authority, 2003f, p.4). This section ended the conventional motivation behind TNCs’ abuse of accounting practices regarding transfer pricings because the underlying prohibition, the undue transfer of wealth, was no longer unlawful. The UNCTAD (1999, p.27) had warned “if foreign companies are able to extract their profits from host countries via intra-company transactions at artificial prices, the benefits of FDI to host economies are accordingly reduced”. Nevertheless, this otherwise prohibited act was converted into a lawful and mundane process within business practice in Iraq, with accounting serving to further legitimise this by normalising such transfers of wealth and masking their damaging ramifications upon Iraqi economy and society. Finally, the role of FDIs in fragile and post-conflict countries has been recognised (Costantini, 2013, 2015). The effects of ‘anarchic’ flows of FDI upon unstable environments have been equated to an aggregate reinforcement of destabilising dynamics by “increasing levels of inequality, deepening the decentralization process, and undermining internal and external balances of power” (Costantini, 2013, p.263). For example, Klein (2004, p.48) described how “Many of the businessmen whose companies are threatened by Bremer’s investment laws have made investments in the resistance”. As will be demonstrated within the forthcoming chapter, FDI’s destabilising dynamics exacerbated the unstable societal conditions of post-invasion Iraq; they undermined its social cohesion, exacerbated spatial inequality and increased eco-political instability.

The overall result of Order 39 was that benefits to Iraq from FDI flows were curtailed whilst their drawbacks were exaggerated. Iraq was denied access to the standard benefits associated with FDI flows, such as reinvestments in the local economy and the targeting of specific in-need regions or industries, and was alternatively left to carry the “monumental” burden of costs associated with unregulated foreign access to its markets (Juhasz, 2004). According to Stiglitz (2000), similar policies that were imposed by the IMF and the US State Treasury on countries like Thailand, Indonesia, Russia and Argentina were the primary cause for the East Asian Financial crisis of 1998/1999, the Russian economic crisis of the early 1990s and similar economic crises of Latin America. In Russia, “by easing the flow of capital in and out Russia – the IMF and Treasury laid the groundwork for the oligarchs’ plundering … sending money obtained
by stripping assets and selling the country’s precious national resources into Cypriot and Swiss bank accounts” (Stiglitz, 2000).

3- **40-Year leases**
Section 8 of Order 39 allocated foreign investment licenses for the use of Iraqi property of up to 40 years, after which they “may be renewed for further such periods” (Coalition Provisional Authority, 2003f, p.5). As such, succeeding sovereign Iraqi governments would find themselves locked into contracts entered into under Bremer’s rule for up to 40 years; any attempts at making alternative arrangements would be deemed illegal (Docena, 2007; Juhasz, 2004a, 2004b; Zunes, 2009).

4- **Overriding jurisdiction of international agreements**
Section 14 of Order 39 declared, “Where an international agreement to which Iraq is a party provides for more favorable terms … the more favorable terms under the international agreement shall apply” (Coalition Provisional Authority, 2003f, p.6). Moreover, in cases of dispute settlement, the Order gives foreign investors “the legal authority to enact any international trade agreement of which both countries are party” and bypass existing Iraqi laws (Juhasz, 2004).

**CPA Orders No. 18, 20 and 40: The central bank of Iraq, trade bank of Iraq and bank law**
With Iraq’s financial system, foreign bank companies had been locked out of the market since a policy of nationalisation was adopted in the 1950s and 1960s. However, the CPA swiftly reversed this, beginning with its passing of Order 18, which claimed to adopt measures to ensure the independence of the Central Bank of Iraq (CBI). As such, it suspended articles of the CBI Law that authorised the bank to loan funds to Iraqi Ministries, as well as the requirement that the Ministry of Finance approve the CBIs monetary and credit policy. Instead, the Order gave Bremer, the CPA Administrator, the final authority to both choose CBI Board members and to approve their decisions with regards regulating and implementing monetary and credit policy (Coalition Provisional Authority, 2003c). This Order was followed by Order 20, which set up the Trade Bank of Iraq (TBI) to “provide financial and related services to facilitate the importation and exportation of goods and services to and from Iraq” (Coalition Provisional Authority, 2003d, p.1). The management of this overarching bank was
delegated to thirteen banks from thirteen countries, most important of which was the US bank, JP Morgan Chase & Co (Juhasz, 2004a). Although the bank had been implicated in the Enron scandal, it was still awarded the contract to lead and run the above consortium.

Order 40 that set the new ‘Bank Law’ of Iraq followed Order 20. This law permitted 6 foreign banks entry into the Iraqi market, whilst allowing an unlimited number of banks the right to purchase up to 50% of an Iraqi bank (Coalition Provisional Authority, 2003g). It also appropriated final authority over the banking system to the Administrator and the CPA. In this way, Bremer was able to transform the Iraqi banking sector from a previously centralised, state-run system to one that was market-driven, giving himself and foreign banks control over the Iraqi people’s access to credit and decreasing Iraqi sovereignty over monetary and credit policy.

**CPA Order 81: Patent, industrial design, undisclosed information, integrated circuits and plant variety law.**

Iraq is known to be the birthplace of farming; its people were the first to domesticate wheat production and bring to bear the concept of agriculture (Hassan, 2005; Smith, 2005). This heritage was reflected in the indigenous Iraqi Constitution, which prohibited private ownership of biological resources, thereby safeguarding Iraqi farmers’ “inherent right, exercised for the past 10,000 years in the fertile Mesopotamian arc, to save and replant seeds” (Meacher, 2005). Since the early 1970s, strong seed variety samples, resulting from thousands of years of local farmer cross-pollination under Iraq’s individual environmental conditions, had been saved at the Abu Ghraib gene bank. Several of such varieties were also stored at the International Centre for Agricultural Research in Dry Areas (ICARDA) in Syria. During the de-territorialisation process wrought by looting, the Abu Ghraib bank was also left unprotected and was, therefore, destroyed. The CPA failed to repatriate such knowledge from surviving local farms or from the ICARDA (Hassan, 2005; Smith, 2005). Alternatively, the CPA sought to “totally reengineer the country’s traditional farming systems into a US-style corporate agribusiness” (Smith, 2005). The Plant Variety Protection (PVP) section of Order 81 reversed the indigenous seed-saving policy with a system of private monopoly
rights over seeds that represented a virtual “takeover of Iraqi agriculture” (Meacher, 2005). In a country where an estimated 97% of farmers used their own saved seeds or bought from local markets, private companies were permitted to penetrate the Iraqi agricultural sector with exclusive rights to produce, reproduce, condition for propagation, sell, market, export, import and store seeds (Coalition Provisional Authority, 2004g, pp.20–21).

Assisting in the CPA’s efforts was USAID’s Agriculture Reconstruction and Development Program for Iraq (ARDI), which focussed on accelerating Iraq’s “transition from a command-and-control production and marketing system to a market-driven economy where farmers and agribusinesses are able to take risks and realize profits” (quoted in GRAIN, 2009, p.8). Together, both the CPA and ARDI applied shock therapy with the central objective to open and privatise Iraq’s agricultural sector, and to especially dismantle its Public Distribution System (GRAIN, 2009; Looney, 2004). Whilst the CPA abolished agricultural subsidies and ARDI pushed neoliberal reforms, local Iraqi markets were flooded with foreign, genetically modified, ‘high-yield’ seed varieties that promised to double Iraqi farmers’ bottom lines within the first year. In effect, the profit motive was harnessed to encourage local farmers to abandon traditional methods so as to yield more profits. Meanwhile, dominant agribusiness’ control was amplified as the adoption of the new technologies was accompanied by an onslaught of necessary pesticides, herbicides and fungicides (GRAIN, 2009; Hassan, 2005; Smith, 2005). These technologies subjected local Iraqi farmers to ‘impoverished dependency’ that placed their country’s future in “in the hands of the veritable multinational corporations that deconstructed it” (Chwastiak, 2009, p.14). As Schwartz (2007, p. 48) explains:

The changes wrought by the occupation were designed to create dependence on outsiders for basic infrastructural building blocks, while reducing the reservoir of usable expertise within the country. As the failures multiplied, Iraq society would of necessity become less and less able to address the problems that plagued it, while having fewer and fewer resources with which to access the outside expertise on which they had become dependent … Given enough time, the American presence would set in motion a lock-in process of impoverished dependency.
Meanwhile, Iraqi farmers who chose not to integrate into this global economy were subjected to section 66 of Order 81, which prohibited their re-using of seeds of cross-pollination, or their saving of other varieties similar to those registered under PVP (Coalition Provisional Authority, 2004g, p.22).

Overall, the liberalisation of Iraq’s agricultural market and imposition of neoliberal reforms have negatively impacted Iraq’s economy and have stripped Iraq of its agricultural and food sovereignty (Docena, 2007, 2005; Hassan, 2005; Meacher, 2005; Smith, 2005). Iraq has not only been denied the ability to control the development of its agriculture, but also its economy has been re-engineered so as to generate billions of dollars in transfers of wealth to foreign dominant agribusinesses.

**Accelerating Transformations in Economy and Transfers in Wealth: Accounting for corruption**

Bremer’s CPA Orders had the immediate effect of transforming the ideological contours of the Iraqi economy from its socialist-based underpinnings to that which was based on a fundamentalist form of neoliberalism. In so doing, the CPA transgressed the limits explicitly set by international law. The roles of the CPA, as prescribed by UN Resolution 1483, were unambiguous: to meet costs of reconstruction and repair of Iraq’s infrastructure; the costs of disarmament and the civil administration of the country; to meet the humanitarian needs of the Iraqi (UK et al., 2003; Whyte, 2007). The margins of such roles were further bound by international law, which officially recognised Iraq as being *de jure* under occupation by the US and UK (United Nations, 2003). As such, provisions of the Geneva and Hague treaties governing powers of an occupying power were set in motion. In this regard, The Hague (emphasis added, Article 43) specifically stipulates that an occupier “shall take all the measures in his power to restore, and ensure, as far as possible, public order and safety, while respecting, unless absolutely prevented, the laws in force in the country”. This regulation is complemented by the Geneva Convention 1949 (emphasis added, Article 64), which only authorises occupiers to impose new provisions upon the indigenous of an occupied territory if they “are essential to enable the Occupying Power to fulfil its
obligations … to maintain the orderly government of the territory, and to ensure the security of the Occupying Power”. Since the CPA’s imposed reforms were not ‘essential’ to enable its fulfilment of orderly government of Iraqi territory and security of the occupiers, nor was the CPA ‘absolutely prevented’ from respecting existing indigenous laws and restoring them; therefore, the Bremer’s Orders contravened the CPA’s mandate and international laws.

In addition, Article 55 of the Hague “expressly forbids altering the structure of public resources … the effect … is to outlaw privatization of a country’s assets whilst it is under occupation by a hostile military power” (Whyte, 2007, p.181). This provision is reinforced by the US Army’s Law of Land Warfare, which forbids the occupier from selling non-military property (Klein, 2003b, 2004, 2007b). Such provisions were defiantly infringed by Order 39, which set into motion the privatisation of Iraqi SOEs. Similarly, Article 52 of the Geneva Convention “prohibits contracts, agreements, or regulations that impair the rights of workers and preserves work opportunities for persons residing in the occupied territory” (Crum, 2006, pp.67–68). Order 39 also impaired this provision as it enabled FDIs to bypass worker rights, and to abandon regulations that preserved work opportunities for the indigenous population.

Bremer’s rapid and illegal imposition of free market by force was described as “extreme – in fact, stunning”, it is “severe experimentation” to a degree where “ideology outweighs common sense” (Madrick, 2003). Indeed, whilst the rapidity through which shock therapy was implemented on Iraq enabled the US to achieve “concessions far in advance of anything that Iraq as a sovereign nation would be obliged to accept through the WTO or bi-lateral investment treaties” (Bullard, 2005, p.2), it also significantly defied ‘common sense’. This is because the historical record of economic shock therapy, such as its application in the former Soviet Union; on Eastern European countries at the fall of the Berlin Wall; and upon Argentina in the form of rapid-fire “surgery without anesthetic” (Klein, 2003a, p.10), points to the project’s failure. Joseph Stiglitz (2004) explains,

Shock-therapy countries saw incomes plunge and poverty soar. Social indicators, such as life expectancy, mirrored the dismal GDP numbers …
Worse, the prognosis for establishing a stable democracy and the rule of law in most shock-therapy countries looks bleak.

In comparison, Stiglitz (2004) pointed to other countries, such as Hungary, Poland and Slovenia, who chose an alternate gradualist approach to market liberalisation so as “to allow for the rule of law to be established at the same time”. In so doing, these countries were markedly better able to manage their transitions than their ‘leapfrog’ shock-therapy counterparts. In actuality, neoliberal shock therapy’s failure stems from its rapid imposition of reforms that let loose capital accumulation processes in the midst of a largely unregulated environment. Accordingly, opportunities for corruption, exploitation and disaster capitalism flourish; a country becomes a space of exception where accumulation by dispossession thrives whilst the populace suffer. In sum, the juxtaposition between neoliberal shock therapy and lawlessness has been shown to create spaces of exception where corrupt practices thrive and transfers of wealth accelerate (Chwastiak, 2013; Klein, 2007b; Whyte, 2007, 2010, 2016). Moreover, “it is through corrupt state-corporate activities that far reaching changes to an economy can occur quickly” (Chwastiak, 2013, p.34).

Despite this historical record, an even more extreme form of economic shock therapy, which made previous “wrenching reforms look like spa treatments” (Klein, 2003a, p.10), was advanced in the created space of exception of Iraq. Accompanying the “wholesale suspension of the country’s constitutional order” was the intentional establishment of a state of impunity by the Bush administration and the CPA (Whyte, 2016, p.299). On 22nd May 2003, President Bush issued Executive Order (EO) 13303 which provided legal protection for US corporations with regards their transactions with the Development Fund for Iraq (DFI). The DFI was an account containing Iraqi funds, mostly oil revenues, that was specified to the CPA by United Nations Security Council Resolution 1483 so as to cover post-invasion administration and reconstruction expenditures of Iraq. Also, the EO protected all US corporations and their contractors from any legal liability in any oil related enterprise. In effect, EO 13303 provided the corporations with “immunity from prosecution for the theft or embezzlement of oil revenue … from any safety or environmental violations that might be committed in the
course of producing Iraqi oil” (Whyte, 2007, p.184). Just over a month after this EO was issued, Bremer decreed CPA Order No. 17: Status of the Coalition Provisional Authority, Multinational Force- Iraq, Certain Missions and Personnel in Iraq. This Order granted immunity to members of the Multinational Force (MNF); the CPA; Foreign Liaison Mission personnel; international consultants and all foreign contractors and subcontractors who were part of the Coalition; from the Iraqi legal process (Coalition Provisional Authority, 2004b). Whyte (2010, p.140) explains that taken together, EO 13303 and CPA Order 17 “provided a carte blanche provision of immunity from prosecution for white collar and corporate crimes in Iraq”.

The combined effect of the US’s suspension of Iraqi laws, its implementation of ‘extreme’ economic shock therapy and its establishment of a state of impunity for all its acquaintances in Iraq was to provide the momentum for disaster capitalism to flourish, thereby accelerating transfers of wealth; and for corrupt state-corporate activities to commence, thereby accelerating the transformation of the Iraqi economy (Chwastiak, 2013; Klein, 2007a, 2007b, Whyte, 2007, 2010, 2016). Whilst one of the primary political justifications provided by Bush with regards to the transformation of Iraq’s economy was the eradication of Saddam-era corruption in the public sector, Bush’s post-Saddam created-order was that “which privileged the primacy and autonomy of market actor over laws intended to enshrine universal protections for civilian populations …” (Whyte, 2007, p.177). In effect, the created state of lawlessness, in conjunction with the laissez faire reforms and the granted immunity from prosecution, encouraged the proliferation of acts of corporate corruption that were tolerated, facilitated and contributed to by the CPA (Chwastiak, 2013; Klein, 2007a, 2007b, Whyte, 2007, 2010, 2016). The corruption that was institutionalised by the post-invasion neoliberal Iraqi ‘state’, the CPA, represented the final frontier of what a neoliberal state, performing its essential function of engendering transfers of wealth and facilitating the unhindered pursuit of self-interest, would achieve in the absence of regulation and public accountability.

It is evident that within the corrupt and lawless milieu that unfolded in post-invasion Iraq, accounting, accountability, budgeting and auditing mechanisms played a well-
defined role. As has been demonstrated in the previous chapter, accounting technologies are utilised by the political elite to attribute legitimacy to processes of corruption, waste and fraud. Similarly, although the CPA worked within a state of exception, it nevertheless needed a subservient accounting process through which it could legitimise its malfeasant practices and also maintain liminal space for corrupt transactions to flourish. Indeed, Catchpowle and Cooper (2009, p.717) contend that “the CPA’s compliance with very basic levels of decent public administration were akin to Guantanamo’s compliance with basic levels of natural justice”. The following sections will demonstrate some of the ways through which accounting as a technology was utilised to effectively render the CPA unaccountable.

**Deficient auditing processes**

CPA Orders 55, 57 and 77 addressed accounting, accountability and auditing issues through the establishment of the Iraq Commission on Public Integrity (CPI), Iraqi Inspectors General (IIG) and the Board of Supreme Audit (BSA). Order 77 established the BSA as the supreme, independent public auditing institution of Iraq that worked with the CPI and IIG “to ensure that the Iraqi government remains honest, transparent and accountable to the people of Iraq” (Coalition Provisional Authority, 2004f, p.1). Its duties included the promulgation of auditing and accounting regulations and the detection of “evidence of corruption, fraud, waste, abuse and inefficiency in matters related to the receipt, disbursement, and use of public money” (Coalition Provisional Authority, 2004f, p.3). However, the Board retained no prosecutorial or enforcement powers and, therefore, any evidence or allegations pertaining to these issues would be reported either to the IIG or directly to the CPI.

The IIG was established under Order 57 as “an effective program of audit, investigation and performance review to provide increased accountability, integrity and oversight of the ministries and to prevent, deter and identify waste, fraud, abuse of authority and illegal acts” (Coalition Provisional Authority, 2004e, p.1). The program entailed the establishment of independent Offices of Inspectors General within each Iraqi Ministry with the task of performing the above duties as keys to ministry oversight. Inspectors General report directly to the relevant minister, administrator or CPI. Finally, the CPI
was established under Order 55 as “an independent body responsible for enforcing anti-corruption laws and public service standards; proposing additional legislation ... and heightening the Iraqi people’s demand for honest, transparent and accountable leadership” (Coalition Provisional Authority, 2004d, pp.1–2). It held sole jurisdiction for undertaking criminal proceedings with regards cases of misconduct submitted by either the IIG or BSA.

Hence, the three institutions were formed as a holistic system designed to facilitate transparency and combat corruption at all levels of Iraqi governance. In practice, however, this is not what transpired. The BSA was not a newly formed body as it was already in existence since 1927. Before the CPA’s reforms, the BSA retained sweeping powers to audit, inspect, request and evaluate state accounts, and also to detect acts of corruption and fraud. Importantly, it also had the authority to directly refer suspect criminal activity to the courts (Al-Ali, 2014). The CPA reforms reduced its powers: information could no longer be directly requested from the ministries, instead, was to be requested through the IIG. Also, it lost its authority to directly refer evidence of criminal activity to the courts, rather was obliged to submit them to the IIG or CPI. In sum, the CPA reforms greatly increased bureaucratic hurdles that would act to impede the process through which a conviction for corruption-related activities could be secured (Al-Ali, 2014). Moreover, the increased bureaucracy came at a time when “they had hardly any staff, when violence against public officials was rising, and when public expenditure was increasing rapidly” (Al-Ali, 2014, p.198).

There were also deficiencies in the CPA’s establishing of the IIGs: it failed to create a co-ordinated system for individual inspectors to follow, including consistent operating procedures for their job. As such, there was a lack of co-ordination between the methodologies of individual inspectors, which rendered their collective work inefficient. Also, the CPA failed to address the process through which IIGs would be recruited; this allowed individual ministries to control the process and led to employment being based on outright cronyism (Al-Ali, 2014). Evidence demonstrates that this deficiency in the recruitment process was echoed throughout the CPA’s posts. The majority of its staff were unqualified for their positions; they were either appointed through cronyism, or
because of strong shared ideological affiliations with the neo-conservatives of the Bush Administration (Chandrasekaran, 2006a, 2006b; Catchpowle & Cooper, 2009; Galbraith, 2006; Gordon & Trainor, 2006; Hartung, 2003; Jamail, 2007). For example, those who were employed to administer Iraq’s budget were not qualified senior professionals, rather six young people with no relevant experience. The six, “which included the daughter of a prominent conservative activist …” had one thing in common, being that they had all “posted their resumes at the Heritage Foundation, a conservative Washington think tank” (Catchpowle & Cooper, 2009, p.722).

The effects of the CPA’s flawed recruitment policy were profound. KPMG’s audit of the CPA found the “lack of documented defined roles and responsibilities of CPA personnel, the rotation of key CPA personnel” led to deficiencies in internal controls with regards accountability of CPA personnel (KPMG Bahrain, 2004, para.1.2.2). The audit noted:

The CPA Senior Advisor to the Ministry of Finance, who is also the Chairman of the Program Review Board (PRB), was unable to acknowledge the fair presentation of the statement of cash receipts and payments, the completeness of significant contracts entered into by the DFI and his responsibilities for the implementation and operations of accounting and internal controls systems, designed to prevent and detect fraud and error (KPMG Bahrain, 2004, para.1.2.3).

Following from this, errors in CPA decisions were common, which led to wasting billions in Iraqi revenue funds and fuelling of indigenous humanitarian crises, resentments and insurgency. For example, the CPA appointed James Haveman Jr., a 60-year-old social worker with no medical degree, “but he did have political connections” and had run a “Christian-oriented adoption agency that urged pregnant women not to have abortions”, as its senior advisor to Iraq’s Ministry of Health (Chandrasekaran, 2006b, p.42). James allocated most of the $793 million Iraqi health budget on renovating maternity hospitals, thereby leaving little money to rehabilitate the dire hospital emergency rooms or surgical suites of a country reeling from war and violence (Chandrasekaran, 2006a, 2006b; Catchpowle & Cooper, 2009). Also, in March 2004 and despite objections from military commanders, Bremer ordered the closure of the newspaper of Moktada al-Sadr, the highly renowned Shiite cleric who
openly resisted the occupation. This “resulted in two months of ferocious ground combat that was more intense than anything U.S. troops had encountered during the year-long occupation or even the initial invasion of Iraq” (Chandrasekaran, 2006b, p.40). Galbraith (2006, p.323) describes that what Iraq needed was “support corps of well-meaning foreigners”, not the largely unqualified and inexperienced “imperial Americans cloistered in a palace of the tyrant, eating bacon and drinking beer, surrounded by Ghurkhas and blast walls”.

**Deficient accounting practices**

The CPA was granted authority over the DFI, which consisted of funds from the sale of Iraqi oil, frozen government accounts since Gulf War I and funds from the oil for food programme totalling $20.7 billion. Also at the CPA’s disposal was $2.7 billion “worth of cash, rugs, jewels, and other assets seized by US soldiers from Baathist properties” (Catchpowle & Cooper, 2009, p.730). In auditing the CPA, KPMG reported several internal control weaknesses; the following is an overview of the weaknesses and their effects:

1. **Irregularity in the appointment of a certified public accounting firm**

CPA regulation No. 2 of the 15th June 2003 required the appointment of an independent auditing firm tasked to develop an efficient accounting system for the CPA to implement. However, KPMG reported that it was not until October 2003 that a firm was appointed, and that it didn’t commence work until seven months into the CPA’s fourteen months in office. As such, the CPA was found to have been implementing an accounting system deemed ‘rapidly insufficient’ during the first seven months of its operation. Furthermore, KPMG reported that the appointed firm was not a certified public accounting firm, but rather a consulting firm; nevertheless it was awarded $1.4 million for its seven months of service (KPMG Bahrain, 2004, para.1.3.1).

In addition, the report found that the new accounting system was maintained by just one individual who implemented “a cash-based, single entry transaction listing rather than an accrual-based, double-entry bookkeeping system” (KPMG Bahrain, 2004, para.1.3.2). As noted in the previous chapter, cash-based accounting systems “do not
provide the information that is necessary for a government to operate efficiently and effectively” (Van der Hoek, 2005, p.32), as “the relationship between expenditures and goals, performance, and means is insufficiently clear” (p. 45). Indeed, KPMG reported that the CPA’s chosen bookkeeping methods left the DFI “open to fraudulent acts and prone to error” (Catchpowle & Cooper, 2005, p.12). In sum, the CPA delayed appointment of a non-certified accounting firm; it applied a ‘rapidly insufficient’ accounting system during 50% of its time in office, and followed an inefficient cash-based system that would permit for acts of fraud and error, for the rest of its tenure.

2-Irrregularity in the establishment of CPA Inspectors General

KPMG noted that although US Public Law 108-106 required the establishment of an Inspector General (IG) function for the CPA within 30 days of its inception, this did not transpire until only a few months before the end of the CPA’s tenure.

The IG was appointed only on 20 January 2004. The IG initially visited Baghdad in February 2004 and additional IG staff mobilized during March 2004. The delay in appointment of the IG may have resulted in the loss of performance improvement opportunities. (KPMG Bahrain, 2004, para.1.5.1)

Furthermore, although the IG’s scope covered Iraqi Ministries and their expenditures, IG staff did not directly audit work at Iraqi Ministries, rather they relied on internal auditor reports of the Iraqi Ministry of Finance (MoF) and the BSA as the main control over ministerial budgetary spending. Moreover, the report found that the number of control visits to Iraqi ministries by the BSA were limited to only “the first months post-hostilities” (KPMG Bahrain, 2004, para.1.6). As such, controls over disbursements in ministry budgets were virtually non-existent during the majority of the CPA’s reign, leading KPMG to again concede that the DFI was open to acts of fraud and corruption (Catchpowle & Cooper, 2005, 2009; Christian Aid, 2004; Congressional Research Service, 2005).

Deficient accounting practices also extended into the CPA’s handling of DFI disbursements. During its 14 months in office, 363 tonnes of new $100 bills worth $12 billion were flown into Baghdad to be disbursed by the CPA in cash. According to a former senior official within the CPA, “Iraq was awash in cash – in dollar bills. Piles
and piles of money … We played football with some of the bricks of $100 bills before delivery” (quoted in Macrae & Fadhil, 2006). The Special Inspector General for Iraq Reconstruction (SIGIR) (2005, p.i) found that the CPA had failed to “establish or implement sufficient managerial, financial, and contractual controls to ensure DFI funds were used in a transparent manner”. A report by the International Advisory and Monitoring Board (IAMB) (2005) found that DFI accounting records were untimely and incomplete; there were incomplete records of disbursements; possible misappropriation of oil revenues; and insufficient controls over expenditures. As a result, SIGIR reports indicate between $8.8 billion and $12 billion of DFI revenue remained unaccounted for (Gregory, 2006; Krane, 2006; Monbiot, 2005; SIGIR, 2005; Whyte, 2007).

3-Irregularity in CPA handling of oil revenues.

The IAMB (2004) issued a statement where it detailed its findings with regards excessive weaknesses in controls over oil extraction, including the absence of oil metering, poor record-keeping on oil sales and failure to account for oil barter transactions. Together, the weaknesses rendered official accounts of oil revenue illegitimate, which led KPMG to issue a qualified audit opinion of the DFI’s statement of cash receipts and payments (IAMB, 2004). Chandrasekaran (2006a) claims that many of the figures published by the CPA were fictitious. For example, two separate CPA statements that updated basic income and expenditures or the same period provided two different figures for oil revenue, being $10 billion and $11.5 billion. Meanwhile, Christian Aid estimated that the revenue for that period was actually $13 billion (Catchpowle & Cooper, 2009). Finally, the lack of oil metering made it impossible to identify quantities of oil being smuggled; an estimated 10-25% of Iraq’s oil was being illegally transferred abroad (Catchpowle & Cooper, 2009). There have been no explanations by the CPA as to why oil metering was not prioritised; one petroleum executive reasoned, “The only reason you wouldn’t monitor them is if you don’t want anyone else to know how much is going through” (quoted in Harriman, 2005).

4-Irregularity in Program Review Board (PRB) operations

The Program Review Board (PRB) “was responsible for recommending expenditure of resources from the Fund and other sources”, including the reviewing of resource requirements, their prioritisation and integration into a funding plan (KPMG Bahrain,
2004, para.2.1). The board’s members were from the US, the UK and Australia, with only two Iraqi members, one each from the Ministry of Finance and Ministry of Planning. Board minutes revealed, however, that a majority of meetings and decisions were undertaken in the absence of the Iraqi delegates (Christian Aid, 2004; Revenue Watch, 2004c). KPMG found the use of non-competitive bidding procedures for various contracts funded by the DFI, non-compliance with contract award evaluation criteria, lack of monitoring of contract performance and outright theft (KPMG Bahrain, 2004; Revenue Watch, 2004a, 2004c). For example, Revenue Watch (2004b, p.3) reported “73 percent in dollar value of all the contracts awarded using Iraqi funds were sole-source contracts that were not competitively bid”, whilst KPMG found “37 contracts totalling more than $185 million for which no contracting files could be located … an unauthorized advance of almost $3 million … and a case in which … cheques being made out to contractors … were issued personally to the CPA appointed head of the Ministry of Health, James Haveman” (Whyte, 2007, pp.185–186).

Details regarding Iraqi-funded contracts managed by the PRB were incomplete and were consistently withheld from auditors up until 2 months after the CPA’s dissolution, in August 2004 (Lynch, 2004; Revenue Watch, 2004b). Also, competitive advantages were given to US companies for competitively tendered contracts through means of providing very short periods of tender notice (Whyte, 2007). Overall, the CPA awarded 74% of the value of DFI-funded contracts to US firms, 11% to UK firms, 13% to other members of the COW, and a mere 2% to Iraqi firms (CPA Inspector General, 2004a; Revenue Watch, 2004b). Christian Aid (2004, p.4) reported that the “It was only in April 2004 that the CPA belatedly began to reserve any contract from the DFI worth less than US$500,000 for Iraqi companies”. In effect, the PRB offered legitimacy to a mechanism through which DFI revenues were distributed from indigenous to mostly US dominant capital groups.

The PRB was found to have failed to provide transparent accounts of its contracts, lacked appropriate monitoring and accountability controls for the contracts, and intentionally prioritised US companies that charged ten times as much as their local Iraqi counterparts (Christian Aid, 2004; Revenue Watch, 2004d). Most notably, the
PRB committed “billions of dollars to hastily conceived projects on the eve of its completion deadline”, thereby obliging the upcoming interim government to their commitments (Revenue Watch, 2004c, p.1). Whyte (2007, p.187) explains, “Many of those transactions were unrecorded; some were based on paperwork submitted just hours before the CPA’s period of office ended; and some invoices were submitted by individuals shortly before they left the country”. Confirming this, the Deputy Inspector General for Iraqi Reconstruction reported that one CPA official was given nearly $7 million and told to spend it in seven days, “He told our auditors that he felt that there was more emphasis on the speed of spending the money than on the accountability for that money” (quoted in Macrae & Fadhil, 2006).

5 Irregularity with the International Advisory and Monitory Board, and obstacles encountered by its appointed auditor, KPMG

UN Resolution 1483 had requested that DFI money be spent in the interests of the Iraqi people and be independently audited through the IAMB until a sovereign government be appointed (United Nations, 2003). However, it took five months for the IAMB’s members, the IMF, World Bank, UN and Arab Development Fund (ADF), just to agree upon its role (Catchpowle & Cooper, 2009). A Congressional Research Service (2005, p.4) report found the delay was due to the CPA opposing “international institution efforts to create a system of ‘special audits’ that would allow the board to look at any issue”. This was also confirmed by commentary that reported Washington attempts to limit the IAMB’s responsibilities and functions to those of negligible powers (Catchpowle & Cooper, 2009; Christian Aid, 2004; Whyte, 2007). In the end, the IAMB’s role was curtailed; it was “not given the power to sanction the CPA for financial mismanagement, nor to compel it to cooperate in its investigations … the IAMB had little power over the CPA in terms of its financial accountability” (Catchpowle & Cooper, 2009, p.723). Moreover, the delays it encountered because of US obstructions meant that its first meeting didn’t materialise until December 2003, and further CPA delays in appointing accountants prevented its working until February 2004, a few months before the CPA’s dissolution (Catchpowle & Cooper, 2009; Christian Aid, 2004; Congressional Research Service, 2005).
After almost a year of delays, the IAMB was finally able to announce KPMG in Bahrain as the selected firm to conduct the audit of the CPA. However, since the CPA would be formally disbanded on 28th June 2004, KPMG only had a few weeks remaining to conduct over a year’s worth of auditing (Catchpowle & Cooper, 2009; Christian Aid, 2004). KPMG feared that the delay in conducting the audit may have resulted in the loss of evidence, a fear shared by others who reported rumours of the CPA’s extensive use of paper-shredding machines just before KPMG’s arrival (Fielding, 2004; Hinks, 2004). Moreover, KPMG auditors reported that they “encountered difficulties in performing … duties and meeting with key CPA personnel” (KPMG Bahrain, 2004, para.1.2.2). CPA staff purported a ‘resistance’ attitude towards KPMG enquiries, and bureaucratic hurdles were encountered whilst getting passes to enter the Green Zone (Catchpowle & Cooper, 2005, 2009; Christian Aid, 2004). Finally, KPMG lacked significant powers; as a UK Foreign Office spokesman admitted to Christian Aid, no matter the audit results of KPMG, it would be “very hard to bring [the CPA] to account” after 30th June 2004; this was because “there is no stick to the audit, except publicity” (quoted in Christian Aid, 2004, p.8).

Conclusion

After showing the effects of the US’s exertion of coercive forms of power upon Iraq in chapter three, it has been the objective of chapter four to demonstrate the effects of the US’s ideological invasion of Iraq. During a 2003 speech at the US Chamber of Commerce, President Bush announced,

Iraqi democracy will succeed – and that success will send forth the news, from Damascus to Teheran – that freedom can be the future of every nation. The establishment of a free Iraq at the heart of the Middle East will be a watershed event in the global democratic revolution (quoted in Ismael & Ismael, 2015, p.21).

Bush’s announcement was a direct product of a mindset founded on the neoliberal version of the accounting-based principles of *res nullius* and *terra nullius*. Iraq had been defined as a space of ‘no proper commerce’. Accounting measures of
performance had evaluated the Iraqi state against the requisites of neoliberal ideology and concluded that its Arab socialist-based regime generated the modern equivalent of the ‘desert and uncultivated’ space of indigenous Australia at the time of its colonisation. The Iraqi economy failed to generate sufficient value, whilst also obstructing the capital accumulation process of the world economy as its doors remained defiantly closed against conformity within the dominant global neoliberal order. Moreover, this diagnosis of Iraq was extended and applied to some of its regional neighbours who, according to Thomas Barnett (2003), represented some 20% of the global population, yet only engaged in about 4% of its trade. Such ailing spaces within the ‘non-integrating gap’ were considered to be the ‘primitive’ who were in need of neoliberal ideology so as to ‘reconnect’ them to the ‘civilised’ US hegemonic bloc’s orbit. The ‘civilising mission’ that was chosen to realise these objectives was the US’s imperial project on Iraqi space. Accordingly, this chapter has corroborated the primary CAS accounting purpose of de-valuing space for imperial interests.

Bush and CPA chief Bremer utilised accounting discourse pertaining efficient management of resources and the reduction of corrupt waste to justify the need to re-territorialise Iraq’s existing economic apparatuses with a fundamentalist form of neoliberal economy. Bremer’s one hundred illegal CPA orders worked to both complete the de-territorialisation of Iraq’s economy that had been previously initiated through war and sanctions, and to rapidly apply an extremist form of neoliberal economic shock therapy. Not only were existing indigenous laws suspended, but also a state of complete immunity was established for US agents working in Iraq through EO 13303 and CPA Order 17. Accordingly, Iraq was instantly transformed into a state of exception where accumulation by dispossession processes of capital accumulation could flourish unabated. Under such conditions, the post-invasion Iraqi ‘state’, the CPA, was seen to be simply performing its essential neoliberal role of facilitating the unhindered pursuit of self-interest and transfers of wealth, thereby generating a hitherto-expected configuration of corrupt state-corporate activities. Not only did this configuration accelerate the transferring of billions of dollars in Iraqi wealth to dominant capital groups, but also, “Systematic fraud and bribery served a useful purpose for the Anglo-American occupation as part of a broader economic strategy designed to provide structural advantages to western firms entering the Iraqi economy” (Whyte, 2007,
As such, the chapter also demonstrated the CAS accounting purpose of building power structures that enable the management of space for imperial interests.

The realisation of such objectives by the political elite could not have been achieved had it not been for a subservient accounting technology that maintained liminal space for corrupt practices to flourish. Indeed, this chapter demonstrated that whilst accounting, accountability, budgeting and auditing mechanisms were obstructed by US political elites, they were still given the appearance of functioning, if not effectively. Accordingly they were utilised to provide legitimacy to techniques that had effectively created an unaccountable CPA. From the application of a cash-based, single-entry transaction accounting system that facilitated inefficiency and ineffectiveness to the use of accounting practices to normalise what were conventionally recognised as illegitimate transfers of wealth, accounting was an acquiescent tool of the CPA. Indeed, it is through the technologies of accounting that corrupt state-corporate activities became routine, thereby accelerating illegitimate disbursals of revenue and accumulations of profits; the neoliberal annihilation of space by time.

Finally, auditing mechanisms that were meant to act as instruments of accountability that would safeguard against malfeasant practices were manipulated, thereby deeming Both the ineffectiveness of the KPMG audit report in bringing the CPA to account and the US’s manipulation of indigenous auditing mechanisms for imperial interests confirm another of the CAS concept propositions. Although accounting’s malleability provides potential for its production of counter-accounts, it is influenced by capitalist powers to an extent that these can be obstructed and their effects distorted. Indeed, auditing mechanisms were appropriated by US political elites to provide a perception “that the laissez-faire policies of the Bush administration were innocent mistakes, making the failures appear to be independent of one another …” (Chwastiak, 2013, p.32).

Whilst the economic re-territorialisation of Iraq was a central feature of the US’s imperial project on Iraqi space, it wasn’t isolate. The US’s imperial project also
required the re-territorialisation of Iraq’s political and social spheres. The following chapter will demonstrate how these features of the project were undertaken, and the accounting and budgetary means through which they were facilitated.
Chapter Five

Accounting for the
Socio-Geopolitical Re-Engineering of Iraq:
The role of budgetary processes and institutions in state-building Iraq.
Introduction

The previous chapter demonstrated how, under the coercive capacity of foreign military invasion and occupation, the economic apparatus of a fundamentalist form of neoliberal economic regime, which displaced indigenous laws and interests and replaced them with the ‘settler’s contract’, came into being in Iraq. The chapter elucidated the Bush administration’s utilisation of rhetoric that conflated the significance of neoliberal ‘free-markets’ to that of a free, democratic and corruption-free Iraq. In so doing, the Bush administration effectively equated free-market interests to national security and social objectives, and provided justification for the subjugation of Iraqi economic space to the settler’s regime. In this regard, accounting discourse pertaining to the efficient management of resources played an intrinsic role in legitimising this rhetoric as it assigned a value-narrative to neoliberal policies by equating them to increased efficiency, transparency and accountability and, thus, the reduction of waste, fraud and corruption. It aligned neoliberal principles with notions of good governance and economic efficiency, whilst allocating an opposing narrative of de-valuation to Iraq’s existing regime. Meanwhile, the CPA’s intentional obstruction of conventional accounting, accountability, budgeting and auditing mechanisms served to create liminal space for corrupt practices to flourish and become institutionalised (Al-Ali, 2014; Chwastiak, 2013; Ismael and Ismael, 2015; Klein, 2007; Whyte, 2007a). Accordingly, accounting was utilised to de-value existing Iraqi economic configurations, and to build power structures that violently opened Iraq’s economic space to its new claimant, the body corporate persona ficta. By extending “the structural advantages necessary for Western firms to penetrate – and transform – the economy”, accounting facilitated an accelerated transfer of Iraqi wealth to dominant capital groups (Whyte, 2007a, p. 192).

This chapter will build upon this knowledge to reveal the means through which the US sought to secure its stake in Iraq. As explained in chapter two, the neoliberal project necessitates the reterritorialisation of both the socioeconomic and political-institutional spaces. Accordingly, US imperial interests necessitated the re-engineering of Iraqi society, from its socialist/collective underpinnings to that which emphasised individualism and the maximum pursuit of self-interest, and also to construct a weak and decentralised spatial/scalar configuration of authority over Iraqi space. This chapter
will demonstrate the imperialist methods through which the US sought to realise these reconstructions, and also the ways through which accounting ideology and techniques, especially budgetary mechanisms, both facilitated and legitimised them. Accordingly, the chapter further corroborates the CAS concept’s central underpinnings, and will demonstrate additional means through which accounting and space inherently intersect for the purpose of building power structures. In addition, it will further expound upon accounting’s purpose of de-valuing space by demonstrating how accounting legitimated the US’s ‘state-ending’ of the existing Iraqi state.

The importance of state budgeting has been recognised in the literature, where it is described as the “linchpin of the state” (Ghani and Lockhart, 2008, p. 135), and as the “life-blood of the government, the financial reflection of what the government does or intends to do …” (Wildavsky, 1961, p. 184). Consequently, state-building literature has emphasised the necessity to develop effective state budgeting arrangements, including both ‘upstream’ formulations that include political approval of the budget, and ‘downstream’ rules governing the budgetary system, such as planning, procurement, contracting, payment and auditing, so as to create a strong state (Castillo, 2008, 2011; Ghani and Lockhart, 2008; Savage, 2013a, 2013b). Dysfunctional budgetary arrangements can foment mistrust and sow disunity within communities, thereby dividing society into fragmented groups, each seeking to maximise its self-interests. As such, budgets have historically been utilised by empires as a tool for realising power gains through a strategy known as ‘divide and conquer’. In addition, they have also been utilised to weaken the capacity of subordinated states because a failure of budgetary arrangements “contribute to fiscal malfeasance, corruption, and state failure in providing public services” (Savage, 2013b, p. 2). This chapter will show that the US utilised dysfunctional budgetary arrangements in Iraq so as to gain power through the divide and conquer technique, to re-engineer the collective mindset of Iraqi society, to reconfigure the spatial/scalar ordering of Iraq into that which was most conducive to US and dominant capital interest, and to secure the eco-political acquiescence of future Iraqi governments.
Accounting for US state-building of Iraq

Neoliberal restructuring of Iraq began with the Bremer Orders that, as explained previously, included minute details covering all aspects of the Iraqi economy but excluded the most significant petroleum resources, so as to instantaneously subordinate Iraqi economic space to neoliberal rule. US ambition was that such arrangements would “take on a life and momentum of their own” by meticulously addressing and infiltrating Iraqi economic space to an extent that would deem them practically irreversible (Juhasz, 2004, p. 29). However, Bremer’s Orders represented only one dimension of US restructuring in Iraq, its economic reconstruction. As explained in chapter two, the neoliberal globalisation project is understood “as a re-territorialisation of both socioeconomic and political-institutional spaces that unfolds simultaneously …” (Brenner, 1999, p. 432). Accordingly, the US also needed to undertake socio-political re-engineering of Iraq so as to build an apparatus that would secure and sustain conditions most conducive to both US and dominant capital group interests after US withdrawal. As such, it proceeded to ‘state-build’ Iraq, which is a process “to develop capacity, institutions and legitimacy of the state driven by state-society relationships (OECD, 2008, p. 1). In this regard, US imperial behaviour in Iraq resembled that of its predecessor, the British empire, which had also occupied Iraq long enough to restructure its eco-political space in accordance to its interests, before retreating as an imperialist influence (Chomsky, 2006, 2008, Harvey, 2003, 2005; Ismael and Ismael, 2015; Zunes, 2009).

Unlike the British Empire, however, modern day imperial ventures are increasingly being conducted by ‘empires in denial’, within the realm of ‘plausible deniability’. They aim to exercise “power without the drawback of overt or transparent mechanisms of political accountability” (Chandler, 2006, p. 10). Yet, they are much more invasive than those of nineteenth-century empire, preventing the establishment of strong links between non-Western states and their societies and resulting in the phenomenon of ‘phantom states’ whose governing institutions may have extensive external resourcing but lack social or political legitimacy (Chandler, 2006, p. 9).
As explained in chapter two, US imperialism has progressed under the guise of neoliberal rules of difference that centre on the efficiency of institutional frameworks and overall state capacity. Indeed, imperial motivations premising the US’s 2003 invasion, occupation and reconstruction of Iraq have been masked behind a neoliberal framing that conceptualised Iraq as a dysfunctional, inefficient and failing state that challenged global stability, security and prosperity (Chandler, 2006, 2010; Fukuyama, 2004; Ghani and Lockhart, 2008; Herring, 2009; Herring and Rangwala, 2006; Ignatieff, 2003; Rotberg, 2004). The Iraqi state’s autonomy to pursue self-interests within the context of its perceived inefficient state apparatuses was framed as essentially generating counterproductive results, such as corruption, insufficient economic growth, insecurity and withholding the flow of global markets (Chandler, 2010). Indeed, Ghani and Lockhart (2008, p. 24) explain that

The rules of the game in failing states – the parameters that people impose upon themselves to shape their interactions – are poor governance and rampant corruption. The very means that could bring prosperity to billions – global capital – cannot find a home in such countries.

Moreover, whilst US neoliberal state-building intervention in Iraq would have previously been “seen as an altruistic, idealistic … ‘optional’ matter of concern … in a post-9/11 world, this has become a global issue … a common security-development paradigm” and, therefore, a necessity (Ghani and Lockhart, 2008, p. 26). This is because the post-9/11 neoliberal rule of difference had developed into a division between geographies of ‘fear’ and ‘hope’. According to this division, the Iraqi state’s ‘bad’ governance cast its space inside the realm of the global ‘insecure gap’, as opposed to those of the ‘functioning core’ power bloc; it was a ‘rogue’ state and part of the ‘axis of evil’, which not only brought about damaging affects upon its own citizenry, but also threatened the world with terrorism and WMD (Barnett, 2002, 2003; Mitchell, 2010; Roberts et al., 2003). Accordingly, legitimacy was accorded to the dispossession of the Iraqi State’s traditional rights of sovereignty, those of self-governance and non-intervention, thereby stripping the state of its moral legitimacy and political authority. Moreover, as neoliberalism forms an indispensable linkage between free-markets as the most efficient allocation of resources, and minimal state intervention in the market as the most efficient mode of state capacity, its rhetoric legitimised the forced reconstruction of Iraq’s existing centralised state structure and strong state capacities.
Hence, the US was granted the ideological justification that warranted the decimation of both the indigenous Iraqi constitution and the Iraqi state structure so as to state-build that which would be ‘efficient’. In this way, US state-building engagements in Iraq were framed as a benevolent, world constabulary duty and, thus, afforded both moral legitimacy and political authority, whilst obscuring imperial eco-political interests (Chandler, 2006).

Accounting and accountability mechanisms played an integral role in the collation of such a conceptualisation. Firstly, since accounting is based on a problem-solving mindset that reduces all problems to economics, it contributed to the predominant framing of Iraq’s complex and multi-dimensional governance problems as simply being a result of its lack of integration into the neoliberal economic world order. Furthermore, accounting’s adherence to neoclassical economic ideology, which evaluates public decisions as a measure of their profitability, contributed to the ideological justification that an assessment of Iraqi state legitimacy be predominantly carried out within the narrow realm of its efficiency at creating value (Chwastiak and Lehman, 2008; Rich, 1993; Soper, 1990). Moreover, accounting techniques, such as measures of performance, were utilised to portray an ‘objective’ and ‘scientific’ representation of the Iraqi state (Costantini, 2015; Herring, 2009; Risse, 2011). However, since accounting measures, benchmarks and rankings were constructed based on “standardised dimensions borrowed from the European experience …”, the resulting evaluations hid “important elements of differentiation”, thereby constructing a reality that was not objective and value-free, rather, framed in accordance to Western understandings of statehood and, thus, value-laden (Costantini, 2015, p. 23; Risse, 2011). Nevertheless, accounting information benefited US politicians by making their decision to invade and reconfigure Iraq appear to be a result of an objective, scientific mechanism; Indeed, “A decision made by numbers … has at least the appearance of being fair and impersonal … Quantification is a way of making decisions without seeming to decide. Objectivity lends authority to officials who have very little of their own” (Porter, 1995, p. 8).

The focus of accounting measures only on quantifiable dimensions of state functions ensured that qualitative dynamics of historical, social and eco-political significance to
Iraq’s governance problems were invisible. As such, destructive effects of eco-political events, such as the 1980-88 Iran-Iraq war, the first Gulf War and the thirteen year war of economic sanctions, which left Iraq with an estimated $383 billion in financial obligations, devastated public service infrastructure and impoverished large swaths of the population, were bypassed as insignificant and irrelevant (Le Billon, 2005). Accounting’s quantitative representations permitted this by transforming “the political into a technical zone of control and calculation … to be discussed in an abstract, scientific discourse ostensibly devoid of subjective content” (Chwastiak, 2001, p. 502). Consequently, the role of accounting reasoning in justifying US state-building and the forced reconnection of Iraq is shown. Accounting constructed an interested representation of Iraq’s governance ‘problems’ as it only brought into visibility that which could be quantified in accordance with capitalist standardised dimensions of reality. As such, it enabled the discounting of essential qualitative dimensions of these problems as they were not represented, thereby deemed invisible.

As a result of accounting’s adherence to Western standardised dimensions of reality, its attributed meanings “will reflect the value system necessary to reproduce the distribution of power in society …” (Chwastiak, 2001, p. 502). Indeed, within accounting’s description of the Iraqi ‘governance problem’ was also reference to dominant power and capital groups’ preferred solution, being the need to dismantle the indigenous state configurations and to commence ‘efficient’ state-building engagements. Accordingly, accounting’s role as a technology of government that is utilised by authorities to achieve objectives deemed desirable is exposed (Foucault, 1991; Funnell and Chwastiak, 2015; Miller and Rose, 1990; Neu, 2000a; Said, 1993). Indeed, the accounting profession “cannot escape the reality that they still have a historical inter-dependent relationship with the state, especially during periods of imperialistic flux” (Catchpole and Cooper, 2005, p. 20).
Iraqi State Destruction, Iraqi Oil and the Interested Requirements for Building a New Iraqi State

In order to rapidly build an Iraqi state that would be conducive to dominant capital and power interests, the initial post-invasion period of societal shock and disorientation was capitalised upon by exposing the indigenous state to rapid and comprehensive destruction, or state ‘ending’, so as to provide a clear slate onto which rapid change and the new establishment would be built (Baker et al., 2010; Herring, 2009; Klein, 2007). ‘Ending’ of the ‘terrorist’ Iraqi state had been declared a deliberate policy objective by Deputy Defense Secretary Paul Wolfowitz soon after the 9/11 attacks when he announced that US foreign policy would focus on “ending states that sponsor terrorism” (quoted in Baker et al., 2010, p. 3). Although the full meaning of ‘state-ending’ had yet to be conceptualised, both the (in)actions of the US during the invasion and occupation periods soon provided a good indication.

The 2003 military invasion brought an abrupt end to Saddam’s governing regime and destroyed what was remaining of the country’s primary infrastructure, thereby disengaging state capacity from its ability to provide basic citizenry needs. In addition, chapter four showed how CPA chief Paul Bremer terminated state monopoly on violence by suspending state institutions such as the army, police and secret service, thereby destroying state capacity to maintain law, order and territorial integrity. Bremer also annulled the existing socialist-based Iraqi constitution and gutted the existing state apparatus of its human capital by implementing a profound de-Baathification policy, thereby effectively ridding the state of both its socialist-based mindset and workforce. Also, chapter three showed that the US assumed a policy of intentional indifference towards the systematic destruction of state institutions, institutional memory, universities, intellectual capital and society’s collective memory. This policy of indifference not only caused the complete gutting of state institutions, including existing databases, records and paperwork, but also the targeted assassinations of Iraq’s most prominent intellectual capital conveniently suppressed possible political rivalry, silenced indigenous expertise and ideology and, instead, subjugated the Iraqi people to the intellectual expertise and ideology of its foreign occupiers. Meanwhile, since neoliberalism conceptualises society as a devolved collection of individuals who
primarily pursue self-interest and private property gains, the destruction of Iraq’s collective memory served to unsettle the shared historical, cultural and socialist underpinnings of Iraqi social fabric, thereby both symbolising and facilitating an end to the collective congruence and socialist-based nationalist ideology of the indigenous state (Baker et al., 2010; Ismael and Ismael, 2015). As former UK Prime Minister and fervent neoliberal advocate, Margaret Thatcher, had notoriously proclaimed: under neoliberalism, “there is no such thing as society. There are individual men and women, and there are families” (Thatcher, 1987).

The US objective in Iraq was not only to uproot Saddam’s Ba’athist regime and begin a process of reform but to holistically destroy the existing Iraqi state, including its institutions and capacities, its intellectual capital, its socialist-based nationalist ideological underpinnings and the congruency of its social fabric. The result of US actions was immediate state failure, societal disorientation, intellectual poverty, lawlessness and a power vacuum that only the US could fill. Perhaps the most striking exemplar of US intents, commitments and direction with regards the ‘new Iraq’ is that provided when juxtaposing the US’s policy towards the destruction of Iraq’s socio-political fabric with its policy towards the country’s oil: whilst Iraq’s political and much of its socio-cohesive landscape were being largely destroyed, only one state institution and state resource were worthy of US military defence, this being the Ministry of Oil and oil reserves (Klein, 2007; Muttitt, 2011). The exemplar demonstrates a US commitment to the destruction of the existing Iraqi State along with its ideological underpinnings, and a direction towards the reconstruction of a new configuration, centred on oil.

The strategic importance of oil to an imperial power seeking to retain world hegemony like the US, and to its dominant capital benefactors cannot be overstated. Catchpowle and Cooper (2005, p. 3) have argued that “Middle-eastern oil, although essential to the American economy is more important to the US as a ‘strategic commodity’”. Since oil has become the most important fuel to industrial capitalism, with centres of world industry like China, Europe and Japan entirely dependent on its use, any dominant power seeking to preserve world hegemony needs to secure control over oil prices,
thereby securing control over world industry (Bromley, 1991; Catchpowle and Cooper, 2005; Neale, 2004). In 1918, Britain’s First Secretary of the War Cabinet, Sir Maurice Hankey, recognised oil’s strategic importance in the coming era when he warned that: “Oil in the next war will occupy the place of coal in the present war … The only big potential supply that we can get under British control is the Persian and Mesopotamian … Control over these oil supplies becomes a first class British war aim” (Hankey, 1991, p. 188). After British power gave way to US influence after World War II, the US also acknowledged the importance of oil, especially that of the Middle East, which holds over 60% of the world’s reserves at the lowest extractable cost; the US described Saudi Arabian supplies as a “stupendous source of strategic power and one of the greatest material prizes in world history” (quoted in Curtis, 1995, p. 21; Muttitt, 2005).

With the 1960 founding of the Organisation of Petroleum Exporting Countries (OPEC) in Baghdad, which largely regulates the price of oil worldwide, and the nationalisation of oil by many Middle Eastern countries in the 1970’s, direct Western control over Middle Eastern oil had been prevented. However, the US was able to maintain some indirect control through its economic and strategic alliance with Gulf monarchs, especially that of the Saudi Arabian regime. These relationships not only protected US oil interests through the Gulf monarchs’ influence in OPEC, but had also become the principal sources of sustenance to the USs MIC since the end of the Gulf War; the complex had become dependent on a ‘circular trading relationship’ with the Gulf monarchs who effectively refunded US dollars paid for oil by purchasing US weapons with ‘petro-dollars’ (Catchpowle and Cooper, 2005; Muttitt, 2011; S. Pelletiere, 2004; S. C. Pelletiere, 2004). However, Western fervour to dominate Middle-Eastern oil was especially rekindled during the late 1990s. During this time, Western oil company developments elsewhere around the world were in decline, their extraction costs were very high, world demand for oil persisted in its relentless rising and the Gulf monarchs, running budget deficits in their economies, were no longer able to sustain their petro-dollar influxes unless they raised oil prices through OPEC. In 1999, Dick Cheney, CEO of oil company Halliburton and future Vice President of the Bush administration, summed the situation:

By 2010 we will need on the order of an additional fifty million barrels a day. So where is the oil going to come from? … While many regions of the world
offer great oil opportunities, the Middle East with two thirds of the world’s oil and the lowest cost, is still where the prize ultimately lies … companies are anxious for greater access there (Cheney, 1999).

Whilst in office as Vice President in 2002, Cheney lead an Energy Task Force to establish a plan to secure the US’s long-term energy needs. Again, the report centred on the strategic importance of Middle-Eastern oil as the viable solution to securing energy security. Another report by the US-UK Energy Dialogue initiative reiterated a similar narrative: oil demand was forecast to rise by 45 million barrels per day by 2030 and, since the Middle East held a majority of the world’s reserves at the lowest costs of extraction, its currently installed capacity needed to rise by over twofold in order to meet projected demand (Muttitt, 2005, 2011). A 2003 report by the USAID conveyed the solution to achieve energy security: the Middle East had to open its oil industry to foreign direct investments, preferably through the use of production-sharing agreements (PSAs), “to expand oil productive capacity significantly and quickly” (quoted in Muttitt, 2005, p. 9). Similarly, the ‘Oil and Energy’ working group of the US State Department’s ‘Future of Iraq Project’ also recommended that Iraq “should be opened to international oil companies as quickly as possible after the war” and that PSAs were the most appropriate form of foreign investment in Iraqi oil (quoted in Juhasz, 2006).

Since outright US privatisation of Middle-Eastern oil reserves would be considered to be an overt form of primitive accumulation and, thus, not a realistic modern-day prospect, PSAs were pursued as an alternate covert mechanism to gain long-term access and control over indigenous oil. PSAs are multi-decade contracts that relieve nationalist pressures by keeping the ownership of oil with the state, whilst foreign companies gain highly favourable compensations for their investments in oil production infrastructure and their undertaking of risks. As such, “The government can be seen to be running the show – and the company can run it behind the camouflage of legal title symbolising the assertion of national sovereignty” (quoted in Muttitt, 2005, p. 11). Moreover, since PSAs guarantee a company’s right to extract reserves for decades, the company is permitted to immediately book the estimated value of these reserves into its accounts, thereby increasing its market value and share price (Muttitt, 2005; 2011). Accordingly, accounting practices contributed to the conveying of PSAs as an optimum political
solution that would permit the exploitation of Iraqi oil whilst retaining the appearance of indigenous ownership. By permitting immediate booking of the estimated full-value of an oil reserve into corporate accounts, accounting effectively delivered them with the market and financial benefits of full-ownership. Whilst PSA’s are common in countries with small oil reserves and high extraction costs, they are taboo in countries with reserves the size of Iraq’s, which consider them to be clandestine means of dispossession as such countries are able to achieve investments on much more beneficial terms.

The significance of oil to both dominant capital and power cliques cannot be overstressed. In an industrial capitalist world where demand for oil relentlessly rises, access to and control over increased oil productions and prices in the Middle East would not only diminish OPEC power, but also provide dominant power with essential energy security and a ‘stupendous source of strategic power’, whilst also granting dominant capital access to the the ‘greatest material prize in world history’. Since Iraq harbours the third largest oil reserves in the world after Saudi Arabia and Iran, with 115 billion barrels of proven oil reserves, and is believed to contain the world’s largest unexplored potential, ranging between another 100-200 billion barrels, it was a matter of paramount eco-geopolitical weighting that US state-building of Iraq be centred around access to and control of oil. The US needed to build an Iraqi state structure most conducive to dominant power and capital interests, most prominent of these being oil (Bishop and Shah, 2008; Catchpole and Cooper, 2005; Energy Information Administration, 2005; Juhasz, 2006; Muttitt, 2005, 2011).

Indeed, whilst the US had previously assumed nation-building ventures, such as its transformation of both Germany and Japan following World War II, its 2003 Iraqi venture was different. Noah Feldman, a key architect of Iraq’s transitional constitution (TAL), explains that the US’s previous ‘nation-building’ ventures in Germany and Japan had focussed on building stable, capitalist and rich allies that would support the US against the Soviet Union and its satellites; the aim was to build strong allies, not to build democratic states (Feldman, 2004). Recently, however, “strong countries like the United States and the Western European powers have an interest in building nation-
states that seem reasonably legitimate to their citizens …” so as to avoid the perception of being illegitimately imposed by foreign powers (Feldman, 2004, pp. 2–3). Indeed, Fukuyama (2004, p. 161) notes that “for well over a generation, the trend in world politics has been to weaken stateness”. This has been a neoliberal project that aims to undermine traditional notions of state sovereignty whilst preserving its external appearance through an emphasis of the state form, thereby distorting the division between the national and supra-national scales of governance. Once achieved, a weak state serves Western power interests by facilitating an extension of the influence of Western powers and international institutions into domestic affairs, whilst formally distancing them from visibility and, thus, from accountability (Chandler, 2006, 2010, Chomsky, 1999, 2008; Harvey, 2003; Herring, 2009; Rotberg, 2004).

Neoliberal state structural reforms, as noted in chapter 2, have promoted decentralisation policies, thereby creating ‘lean and mean’ states that reduce the social safety net, unleash market forces and enable dominant capital’s jumping of spaces/scales (Brenner, 2004; Harvey, 2005; Jessop, 2002; Lobao and Hooks, 2003). Indeed, studies have shown that most countries on the periphery that have implemented neoliberalisation programs have also implemented parallel decentralisation policies (Pickvance and Pretecielle, 1991; Topal, 2010; Tulchin and Selee, 2004). Moreover, neoliberal discourse has framed decentralisation policies within the realm of democracy-promotion, thereby utilising emancipatory rhetoric pertaining increased liberty and empowerment, and accounting rhetoric pertaining increased efficiency and accountability, to advance its interests (Topal, 2010). In addition, state scalar devolution has advanced both horizontally, permitting a greater role for private agencies and actors like contractors and NGOs, and vertically, by devolving authority to local scales of governance. In sum, the US’s focus in Iraq was inverted; rather than building a strong ally, the US sought to build a weak, decentralised and ‘democratic’ Iraqi state, “a special category of weak state: the seemingly strong one”, which would secure the US’s established ecopolitical order, not resist external engagements in its affairs, and unleash market forces throughout Iraqi space/scale, yet retain an appearance of full sovereignty and legitimacy (Rotberg, 2004, p. 5).
The building of such an establishment would benefit US interests in multiple ways. Firstly, indigenous opposition to US occupation and to its CPA-imposed new order was prevalent; a survey conducted by the CPA in May 2004 found that only 6% of Iraqis wanted the US to remain in Iraq, whilst a vast majority of 86% wanted immediate US withdrawal or withdrawal once an elected government was handed sovereignty (Docena, 2005a; O’Hanlon and De Albuquerque, 2005). Additionally, a Gallup poll survey found that only 16% of Iraqis believed that the Iraqi Governing Council (IGC), the temporary Iraqi government that Bremer formed in July 2003 to provide a false impression of ‘shared sovereignty’ between Iraqis and the CPA, was independent. Rather, up to three in every four Iraqis perceived its actions as being “mostly determined by the CPA” (Burkholder, 2003; Docena, 2005a). Such popular opposition fed resistance to the occupation in general, and contributed to an insurgency that united Iraqis against the US presence and was also eco-politically costly to the US. Accordingly, the US’s establishment of a weak Iraqi state, to which it could transfer ‘full sovereignty’, would pacify the resistance and relieve the US of the costs of fighting the insurgency. As a Pentagon official explained, “The transfer of sovereignty clearly will have an impact on security because you rid yourself of the ‘occupation’ label … So you remove the political claim from the ideological battle” (quoted in Docena, 2005a, p. 6; Shanker and Weisman, 2003).

Popular opposition to the new order stalled dominant capital investments, as the possibility of future expropriations by a legitimate Iraqi government was omnipresent. The establishment of a neoliberal Iraqi state would ratify the US neoliberal order that had been illegally imposed under military occupation, and would provide protection to investors and hasten the application of the neoliberal economic agenda. Furthermore, as the state would be a ‘democratic’ establishment, its ratifications would provide the imposed order with a perception of legitimacy through popular consent, whilst masking its subordination to the dominant capital and power interests of its creator. Sir Philip Watts, chair of Royal Dutch Shell, explained that “There has to be proper security, legitimate authority and a legitimate process … by which we will be able to negotiate agreements that would be longstanding for decades … When the legitimate authority is there on behalf of Iraq, we will know and recognize it” (quoted in Docena, 2005a, p. 5). Also, by creating a weak state, the US would retain sufficient influence so as to insure
that the neoliberal configurations it had illegally imposed would remain institutionalised under future Iraqi governments, thereby acting as a guarantor for dominant capital group interests (Herring and Rangwala, 2006; Whyte, 2010).

A weak Iraqi state would facilitate continued US interference, influence and presence in Iraq, thereby granting it geostrategic power at the heart of the Middle East. This would provide it with a vantage point to press the region for reform, to secure its interests in the region and to secure those of its Middle-Eastern regional allies, especially Israel (Baker et al., 2010; Herring, 2008; Herring and Rangwala, 2006). Most importantly, since Bremer did not have the capacity to impose favourable rules governing the country’s most significant and vast oil reserves during CPA rule, it was imperative that ‘sovereignty’ be initially handed over to a weak Iraqi state with fragmented authority; the resulting government would be dependent upon US military might to retain power and, thus, dominated by US influence (Docena, 2005a; Ismael, 2015). Such a relationship of subordination would facilitate the US dictating its requirements with regards to oil regulation, which the initial Iraqi government would be obligated to authorise and entrench, thereby securing the fruition of dominant capital access to oil (Baker et al., 2010; Herring, 2008; Herring and Rangwala, 2006). Moreover, the viability of agreements, decisions and regulations made with regards to oil by a ‘legitimate authority’ under US command would be protected by the sovereign shell of a democratic Iraqi state, whilst conveniently masking US imperial interests and distancing it from political accountability, as it is “Western elites’ desire to avoid political responsibility for their relationships with large areas of the world” (Chandler, 2006, p. 30).

In sum, instead of building a strong, national ally, the US sought to establish a ‘governance state’, which exercises “political authority through local, national, and transnational public and corporate actors with governance not necessarily channelled through the national level” (Herring, 2009, p. 93). The US sought to limit challenges to its power in Iraq and to secure the interests of dominant capital and power groups by devolving the Iraqi state’s political authority amongst various public and private actors and across multiple spatial/scalar configurations, whilst also limiting state capacity.
In order to realise this state structure, and also grant it a perception of legitimacy in the midst of popular opposition and unrest, the US primarily utilised two budgetary mechanisms for the socio-geopolitical re-engineering of Iraq: the first being through a ‘divide and conquer’ imperial strategy that sharpened ethno-sectarian cleavages and utilised discriminative revenue-sharing arrangements to undermine the unity of the indigenous socio-political fabric, whilst also setting a new system of internal competitiveness among Iraqi spaces and scales. The second was through the establishment of anaemic budgetary processes and institutions that weakened state capacity and facilitated power gains through the deliberate creation of a corrupt state (Whyte, 2010). The following section will discuss the US’s implementation of the former strategy during the various stages of Iraqi constitution-making in order to show how its implementation enabled the US to manipulate the outcome of the Iraqi constitution and, thus, the resulting Iraqi state structure. A section that will show the various means through which the latter strategy of weakening state capacity through the establishment of anaemic budgetary processes and institutions will then follow.

**US Imperial State-Building of Iraq: Constitution-making for a weak but seemingly strong state.**

**Accounting for divide and conquer imperialism**

An accounting mindset focuses on the maximisation of profit through the efficient management of resources and the minimisation of costs. Chwastiak and Funnell (2015), Chwastiak and Lehman (2008) and Chwastiak (1996, 1998, 1999, 2007a) have shown that this form of reasoning had profound influence upon both the planning and administering of wars by the British and US empires, and Nazi Germany. Most relevant here is how it induced their endeavour to achieve efficiency in war as it was believed that this would bring about victory and generate greater power gains. Moreover, accounting’s calculative techniques, which afford visibility to only that which can be quantified, normalised their search for any means to achieve these objectives, including the use of nuclear weapons and gas chambers, regardless of qualitative considerations, such as morals, ethics, equity and justice. Therefore, accounting’s role in abetting rather than deterring unethical behaviour has been exposed. Similarly, Abbott (1901),
Posner et al (2010) and Newsome (2001) show that this mindset influenced imperial and colonial powers, such as the Roman, British and US Empires, following their victory in war and capture of territory, as it also provoked their search for the most efficient means to exert maximum power over a subjugated people whilst expending a minimum of resources and force. In this regard, accounting literature has shown the role of accounting in facilitating the realisation of these objectives by both being a technology of governance from a distance and by encouraging actions/inactions consistent with them (Chwastiak and Lehman, 2008; Cooper and Catchpowle, 2009; Davie, 2000; Gallhofer and Chew, 2000; Gibson, 2000; Miller and Rose, 1990; Neu, 2000a, 2000b; Neu et al., 2001; Neu and Taylor, 1996; Neu and Therrien, 2003). For example, Neu (2000b, p. 278) showed “how government at a distance can be accomplished through diverse sites and heterogeneous agents” by manipulating funding and accountability mechanisms that encourage action/inaction from a distance.

Similarly, the realisation of efficiency in the management of resources and the reduction of costs was a principal concern for the Bush administration during the 2003 war and the occupation of Iraq. This is most evidently apparent through SECDEF Donald Rumsfeld’s radical reduction of US troop and resource deployments in Iraq. As will be shown in the following chapter, Rumsfeld was fixated on achieving efficiency within the Pentagon to the extent that he announced a ‘war on bureaucracy’, to which he used accounting discourse to elevate the significance of eliminating waste and the reduction of costs to national security (Rumsfeld, 2001). The realisation of efficiency in war and occupation was seen as essential to national security. It would facilitate the capability to respond to perceived threats and to undertake multiple ‘necessary’ theatre wars simultaneously (Donnelly et al., 2000). This mindset led Rumsfeld to radically cut-down troop deployments in Iraq, from a projected average requirement by military generals of a minimum of 425,000 troops to only 130,600 (Belasco, 2009; Hersh, 2003). Accordingly, this same mindset, which sought to achieve efficiency by radically reducing costs and maximising capabilities, influenced the US’s implementation of policies and tactics that would realise its interests and maximise its imperial power and control over Iraq. Moreover, since US troops and resources were both overstretched and understaffed, and the eco-political costs of remaining in an overt power position in Iraq were unsustainable, an efficient strategy would be one that would establish this
imperial relationship rapidly, and with a minimum of resources and force, so as to facilitate for the US an equally rapid hand over of ‘full’ sovereignty to a controllable regime.

In Iraq, the divide and conquer strategy offered a most efficient solution because its implementation promised to achieve especially rapid and effective results, whilst also requiring a minimum expenditure of resources and force, and also promising to reduce US eco-political costs associated with its opposing a largely united Iraqi front. This was because the Iraqi population’s composition was comprised of various ethnosectarian groups, most dominant of which were the Sunni Arab, Shia Arab and Sunni-Kurdish Iraqis. Moreover, Kurdish aspirations for an autonomous northern Kurdish area within a unitary Iraqi state had already been largely realised since the US and UK imposed a no-fly zone over northern Iraq following the first Gulf War. Since then, Kurdish aspirations had grown to envisage a federal bi-national formula “in which Baghdad would remain in exclusive control of key sectors of government like the oil industry and the security forces” and Kurdish leadership would be embedded within Iraqi state institutions (Visser, 2010, p. 79). Also, there existed grievances within the Shia community towards the Saddam regime, which was considered to be majority Sunni, because of its favouritism patterns of recruitment of the political elite and because of its repression of instances of Shia uprisings against tyranny (Visser, 2007a, 2010). Finally, oil fields, which provide over 95% of the country’s revenue, were not uniformly distributed across Iraq, rather, they were largely concentrated in the northern Kurdish-majority and southern Shia-majority areas (Muttitt, 2005, 2011; Visser, 2007b). As will be shown, these characteristics of Iraq’s modern eco-socio-geopolitical reality would enable the two most common imperialist divide and conquer tactics, being “fomenting divisions among subjugated groups by sowing mutual mistrust …”, and utilising funding mechanisms, such as discriminatory revenue-sharing schemes, to be most effectively applied (Posner et al., 2010, p. 451). In this regard, Posner et al (2010, p. 240) remind us that

Divide and conquer has been a time-honored strategy of many … imperial and colonial powers … because it is cheaper to set factions within the latent opposition to fighting among themselves, and if necessary to defeat them piecemeal, than it is to defeat them as a unified enemy (Posner et al., 2010, p. 450).
In order to apply the first strategy, to ‘sow mutual mistrust’ amongst Iraqi people, a project for the tripartite ethno-sectarian federalisation of Iraq became the cornerstone. It was a decision that ran “counter to many progressive and nationalist political actors in the region, as well as popular preferences for solutions facing the Arab state(s) and societies” (Ismael & Ismael, 2015, p.128). In order to justify this decision, the ‘artificial state’ narrative was considerably recounted; the narrative claimed that Iraq was an artificial creation that encompassed rival ethno-sectarian groups that would fragment into their ‘natural’ components had it not been for the restraining hand of an authoritarian regime like that of Saddam Hussein. Commentary in support of this narrative had extended its relevance across the Middle East and proposed a cartographic ‘solution’, being the ‘new Middle East’, which sought to achieve a form of national purity by imposing redefined border lines that would supposedly align identity with geography, thereby creating multiple new states out of the dismembered fragments of the existing Middle Eastern nation-states (Fromkin, 2009; Goldberg, 2008; Peters, 2006; Simon, 1997; Williams, 2014; Yapp, 1987). In 2006, during a press conference that discussed the Israeli bombing of Lebanon as a result of an attack by Hezbollah, US Secretary of State Condoleezza Rice also made reference to a ‘new Middle East’, noting that “What we’re seeing here, in a sense, is the growing – the birth pangs of a new Middle East and whatever we do we have to be certain that we’re pushing forward to the new Middle East not going back to the old one” (Rice, 2006).

Whilst the Bush administration affirmed that it was committed to the territorial integrity of Iraq’s borders on several occasions, it “pursued paradoxical policies of Iraqi territorial integrity (including to continue isolating Iran) while in practice deepening sectarianism” (Le Billon, 2015, p. 74). The US justified this policy by referring to neoliberal formulations of its ‘good governance’ rubric: in order to create a viable democracy within the contours of existing Iraqi space, US policy makers emphasised that it was critical to establish a state system that proportionally reflected the three major ethno-sectarian communities (Alkadiri, 2010; Ismael and Ismael, 2015). In effect, communal group identity was politicised in a way that privileged it, as an efficient foundation for state-building in Iraq, instead of propagating universal
citizenship, thereby empowering ethno-sectarian local elites and situating them in competition both amongst each other and against state authority. Indeed, several scholars have shown that the politicisation of sectarianism within the diverse Levant area has been a phenomenon of modernity, which has historically been mobilised to achieve power gains (Ismael, 2015; Khoury, 2002; Makdisi, 2000; Masters, 2001; Quataert, 2005; Said, 1979). Ismael (2015, p. 127) explains that local indigenous differences did exist, as they have in all societies the world over, and they were politicized in a manner that often undermined state formation and invited foreign involvement … when promoted in the absence of a functioning state, such mobilizations justify both overt foreign intervention and the denial of local autonomy as being legitimate.

Paul Bremer evoked this rhetoric to justify the overpowering domination of the US over the state-building of Iraq, and its newly imposed tripartite system; he framed them as an obligation that was necessary due to indigenous incompetence stemming from their ethno-sectarian cleavages: “those people couldn’t organize a parade, let alone run the country” (Bremer, 2006, p. 171). Zaid Al-Ali, a legal adviser to the UN on state-building reforms in Iraq between 2005-2010, explained: “The CPA and its allies were faced with a choice: to emphasize unity over division … or to treat Iraqis as incapable of governing themselves democratically and to reinforce the divisions within the system of government. Sadly, the second option had been selected well before the 2003 invasion” (Al-Ali, 2014, p. 65).

Contrary to the artificial state narrative that propagated an ethno-sectarian division of Iraqi power and space, historically this had been non-existent. The establishment of Islamic rule in the seventh century organised Iraq into regions, not sects while the 400 years of Ottoman rule from 1534 to 1914 divided Iraq into Ottoman provinces, not sects. Both the monarchical and republic state forms that were established by the British Empire and the subsequent military coups following the Ottoman’s overrun were non-sectarian. Moreover, historical studies that are based on Ottoman documents conclude an omnipresence of a supra-regional identity of ‘Iraq’ rather than it being a modern and ‘artificial’ creation of the British Empire in 1920 (Al-Tikriti, 2009; Cockburn, 2006, 2015; Fuccaro, 1999; Izady, 2003; Kadhim, 2012; Neep, 2003, 2015,
Pursley, 2015a, 2015b; Tauber, 1995; Telhami, 2005; Visser, 2007a, 2007b, 2007c, 2007d, 2008, 2009, 2010; Weidmann and Salehyan, 2013). This was most notably evidenced in a quote by Basra historian Abdallah al-Basri, who died in 1831, as he made reference to the existence of the supra-regional identity of ‘Iraq’ in his announcement that “There are two Basras, a big one in Iraq, and a small one in Morocco” (quoted in Visser, 2007a, p. 66). It was also evidenced through the demands of Iraqi insurgents during the 1920 revolution against the British occupation and British Mandate system, which demanded Iraq’s complete independence, ‘al-istiqlal al-tamm’, within its ‘natural borders’ that they defined as being from north Mosul to the Persian Gulf (Kadhim, 2012; Neep, 2015; Pursley, 2015b; Tauber, 1995). Indeed, Visser (2007a, p. 64) reminds us that “never before has any attempt been made to reshape the entire region by establishing ethnic and sectarian cantons; doing so now would involve extensive displacements of people in areas with mixed populations”.

In conjunction with the sharpening of ethno-sectarian cleavages, the second strategy of divide and conquer, being through discriminatory revenue-sharing schemes, was also applied to deepen the ethno-sectarian divide and to incentivise the Iraqi people to permit the establishment of the US’s required Iraqi state structure. Wildavsky (1986, p. 2) confirms that “The bonds between budgeting and ‘politiking’ are intimate. The allocation of resources necessarily reflects the distribution of power … it is through the choices inherent in limited resources that consensus is established and conflict is generated”. Since the territorial distribution of oil in Iraq was largely aligned with Kurdish and Shia-majority areas, whilst the Sunni-majority western Iraq was oil deprived, any discriminatory revenue-sharing budgetary scheme that privileged areas with oil reserves over the rest of Iraq would almost certainly foment ethno-sectarian based geo-ecopolitical divisions and conflict. Moreover, by utilising this budgetary scheme in combination with political policies that sharpened ethno-sectarian identities, the US would effectively incentivise Iraqi ethno-sectarian elite to maximise their self-interest; it would lead to their own pursuit of building a weak and federalised Iraqi state structure so as to devolve both authority and wealth to them. Once established, this apparatus would itself fuel its sustenance through the interplay between the reformed decentralised state structures and the flows of FDI; FDI’s resulting jumping of Iraqi spaces and scales, whilst evading central state controls, would deepen “the gap between
investment-rich and investment-poor governorates. This *spatial* inequality overlaps with other inequalities and in particular with ethno-religious divisions, undermining the country’s social cohesion” (Costantini, 2013, pp. 263–264). Finally, since a “polarized distribution of investments – one not mediated by the central government – exacerbates competition between Iraqi governorates”, dominant capital interests would be better facilitated as the ‘competitive’ governorates would favour exclusive agreements at the expense of national benefit (Costantini, 2013, p. 276). As will be shown in the following section, in order to successfully implement this divide and conquer strategy, the US manipulated the intimate relationship between budgeting and ‘politiking’, as its divisive potentials were profound within the Iraqi context. Indeed, Costantini (2013, p. 276) confirms that, “Instead of grounding these relations in the principles of sustainability and equity, the reforms implemented in Iraq have unleashed dynamics prone to social, political, and economic instability”.

In seeking an efficient strategy to rapidly establish an imperial relationship of power and control over a weak Iraqi state that was structurally conducive to US interests, US imperial state-building in Iraq became premised upon the divide and conquer strategy. This strategy was a form of socio-reengineering as it involved sharpening ethno-sectarian differences, and the utilisation of discriminatory budgetary arrangements so as to fragment Iraqi society into groups that were largely driven by self-interest. Together, these divide and conquer tactics served to create the necessary conditions that would enable the devolution of Iraqi state spatial/scalar configurations of authority across diverse sites and heterogeneous agents. Accounting’s mindset, which focuses on the efficient management of resources and reduction of costs, contributed to the decision to implement this divide and conquer strategy as it translated the strategy’s cost-effectiveness and reduced need for resources as the most profitable to US interests. In addition, accounting’s reduction of reasoning to quantitative instrumental rationality enabled US leadership to exclude qualitative considerations pertaining to this strategy, such as the disintegration of the unified Iraqi societal fabric and the possible developments of civil war, ethnic cleansing and fragmentation of Iraq’s territorial integrity, thereby facilitating its implementation as merely a rational solution to the problem on hand. As such, accounting’s role in contributing to the establishment of
imperial relations of dominance, and in generating profound societal instability is exhibited.

**The first stage of constitution-making for imperial interests**

Arato (2009, p. 100) emphasises that “From the outset, the Americans wanted to impose a constitution” on Iraq in order to establish the state structure that was conducive to US interests. However, since it was necessary for the US to retain plausible deniability so as to bestow the Iraqis a sense of self-ownership to the constitution, the US sought to “use whatever available political façade for making and imposing a constitution that could be … successfully presented and legitimated as a highly progressive and indigenous achievement” (Arato, 2009, p. 101). For the first time in Iraqi history, Bremer, whilst appointing the 25-member IGC of 13th July 2003 that would theoretically be ‘consulted’ by the CPA with regards matters concerning the temporary governance of Iraq, applied strict ethno-sectarian quotas later termed Mohassasa. Whilst the IGC held no effective authority and lacked local legitimacy as its members were predominantly drawn from US-loyal Iraqi exiles, it served the purpose of projecting an Iraqi face to the occupation, whilst instilling the first seeds of an ethno-sectarian political culture in Iraq (Al-Ali, 2014; Arato, 2009; Docena, 2005a; Jawad, 2013; Visser, 2007c). Al-Ali (2014, p. 77) stresses that “members had an ethno-sectarian identity foisted upon them, regardless of his or her political beliefs …”, to the extent that a Communist party member with an obvious non-sectarian mindset was counted as a ‘Shia’ member.

Whilst the council was predictably beset with internal disagreements from the outset and, thus, was ineffectual at posing a serious challenge to US dominance, it did serve US interests in several ways. Importantly, at a time when even the UN special envoy to Iraq, Lakhdar Brahimi, described Bremer’s overarching authority over Iraq as ‘the dictator’ (Chandrasekaran, 2004; quoted in Docena, 2005a, p. 11), the council’s appointment of a council of ministers enabled Bremer to suppress his dictatorial role, asserting instead that they “serve at the pleasure of the Governing Council, conduct the business of government. They set policy” (Bremer, 2003). As such, the US utilised its appointment of the IGC as an imperial strategy to put “more Americans out back and
more Iraqis out front”, as described by Thomas Friedman (Friedman, 2003). Furthermore, in an effort to provide legitimacy to the US’s constitution-making process, the IGC was utilised to appoint a Constitutional Preparatory Committee to outline the procedure for drafting the permanent constitution, which the CPA insisted would be drafted by another appointed body under the CPA’s sovereign authority (Al-Ali, 2014; Arato, 2009).

When the plan for an appointed constitution preparation assembly met fierce opposition by a majority of Iraqis who wanted an elected representative assembly, most notably from Grand Ayatollah Ali al-Sistani who was the most senior Iraqi cleric in Shia Islam and had a following of approximately 60% of Iraqis, the IGC served the purpose of being the medium through which the CPA imposed a two-stage transition compromise (Al-Ali, 2014; Arato, 2009). The second-stage of this compromise arranged for a constituent assembly to be elected in January 2005 so as to be tasked with drafting the permanent constitution; this constitution would then be put to a referendum before the December 2005 elections. In the meantime, however, a temporary interim constitution, known as the Transitional Administrative Law (TAL), would be adopted by the IGC as part of the first-stage of transition. Most notably, the TAL would establish the system of government for an interim government to administer and govern Iraq during transition, and also set the parameters that would guide the process of permanent constitution-making (Al-Ali, 2014; Arato, 2009; Docena, 2005a; Morrow, 2005).

Whilst this compromise appeared to be a victory for Sistani over Bremer by permitting an elected constituent assembly to create the permanent constitution of Iraq, details proved otherwise. Since the first stage’s TAL “would set the stage for the heated negotiations over the new Iraqi constitution in 2005”, the US’s effective control over its drafting and its passage was an imperative imperial objective that would extensively safeguard the passage of its interests into the final constitution (Visser, 2010, p. 81). Indeed, TAL-making turned out to be “a classic imperial enterprise”; it was drafted by a small group of US technocrats and only two appointed Iraqi-American jurists, its drafting was secretive with discussions being held outside of the IGC with US-aligned elites, such as Kurdish elite, and it was poorly translated from English to Arabic only
after several months of secretive drafting so as to be approved by the IGC (Al-Ali, 2014, p. 78; Arato, 2009; Jawad, 2013; Morrow, 2005). Moreover, the TAL secured Bremer’s Orders by setting near impossible rules for the interim government to repeal them.

The TAL also entrenched the newly imposed ethno-sectarian political culture by underscoring divisive issues and differences instead of emphasising social cohesion and a unified state, as done by the US constitution. For example, the TAL mentioned ‘sect’ a number of times, although “This divisive word had not been used in previous Iraqi constitutions and its use was rejected by a large number of Iraqis” (Jawad, 2013, p. 8).

The TAL stipulated that members of the Transitional Iraqi Government, to whom the CPA would hand over sovereignty on 28th June 2004, would also be appointed and their appointment be based on ethno-sectarian quotas. The TAL also reinforced the de-Baathification policy, which was enforced excessively and, thus, excluded and marginalised large swaths of Sunni Arab Iraqis from participating in Iraqi politics. It also conveyed the mechanism through which the final constitution would be approved: Article 61(C) provided that the constitution would be ratified if a majority of voters approved it, and if two-thirds of the voters in three or more provinces did not reject it (Coalition Provisional Authority, 2004). This clause effectively bestowed the Kurds, who constituted approximately 17% of the Iraqi population and formed a majority in three provinces out of Iraq’s eighteen, with a ‘veto’ power over the majority population of Iraq (Al-Ali, 2014; Jawad, 2013).

The TAL reconfigured the spatial/scalar structure of the state; Article 4 described the state as “republican, federal, democratic, and pluralistic” (Coalition Provisional Authority, 2004). The scalar restructure of the state radically decentralised state authority, leaving the state with only seven powers that didn’t even include a role in taxation, health or education, thereby radically curbing state power and resting real authority with the regions and provinces. Meanwhile, the spatial restructure of the state established an initial ethnic-based federal system that recognised the three Kurdish-dominated provinces of north Iraq as one federal region and the remaining Arab territory as another, whilst also extending the right to future federal regions to other
geographic provinces (Jawad, 2013; Visser, 2007c, 2010). The TAL also declared the disputed oil-rich city of Kirkuk, which the Kurds had sought to merge to their territory, as a ‘disputed territory’ whose status would be decided through a future referendum, although the majority Sunni and Shia Iraqi Arabs regarded Kirkuk as a mixed province of Iraq. Visser (2010, p. 81) explains that, since the merging of Kirkuk would provide the Kurds with authority over its vast oil fields, this clause of the TAL “immediately opened the possibility of full Kurdish independence and that also introduced an element of instability into the existing administrative map of Iraq by allowing other areas across the country to be similarly classified as ‘disputed’ zones”. In effect, the clause instilled self-interested secessionist pressures within Iraq’s temporary constitution.

The possibility of such territorial instability was the reason why both Sunni and Shia Arabs had opposed the federal state structure out of fear that it would lead to the partitioning of Iraq; instead, they had favoured the granting of autonomy to the Kurds as a solution to their issue. However, Kurdish aspirations for greater independence had grown and were being radicalised by foreign influences (Galbraith, 2006; Visser, 2010). A most notable influence was Peter W. Galbraith, a staff member of the US Foreign Relations Committee and a former highly influential US ambassador, who was an advisor to the Kurds during the transition period. In his book, *The End of Iraq*, Galbraith confirms that he played a decisive role in stimulating and encouraging Kurdish interest in divisive policies, such as the development of their own oil sector, curbing the powers of the state to a minimum, maintaining separate armies and seeking full independence (Galbraith, 2006; Visser, 2010). Grand Ayatollah Ali al-Sistani had warned against such influence, strongly protesting against “the increasing number of foreigners in favour of building on and elaborating sectarianism in Iraq”; he specifically rejected policies that ‘enshrined’ and ‘deepened’ sectarian differences (Al-Sistani, 2007; Visser, 2007c, p. 815).

It was through the US’s institutionalisation of an ethno-sectarian political culture into each of the IGC, the TAL and the Transitional Iraqi Government that ethno-sectarian identities were radicalised and mutual mistrust was sown. This socio-reengineering was also further exacerbated by the US’s failure to provide security, which led to a rising
tide of ethno-sectarian violence. Sirri (2014, p. 352) explains, “once political mobilisation around group identities was instituted, it became increasingly harder to overcome – ultimately leading to existential fears in times of rising insecurity”. The resulting mistrust and fear served US imperial interests as it granted it a position of dominance in the midst of a disunited Iraqi front, and also radicalised Iraqi conceptions of group identity, thereby setting each group to pursue self-interested objectives instead of the interests of a unified Iraq (Al-Ali, 2014; Inglehart et al., 2006; International Crisis Group, 2005; Sirri, 2014). In this regard, the TAL’s radical decentralisation of state authority to the provinces and its enabling of discriminative revenue-sharing schemes that would align control over oil fields with ethno-sectarian based territorial configurations, served to sharpen each groups’ pursuit of self-interested objectives. Indeed, this combination of budgetary and divisive policies eventually led the Supreme Council of Islamic Revolution of Iraq (SCIRI), the dominant Iraqi Shia political party, to support the state-building of a highly decentralised, federal Iraqi state structure, as it too came to envision the establishment of a Shia super-region that would combine the nine Shiite-majority provinces of south Iraq along with their stupendous oil reserves (Al-Ali, 2014; Juhasz, 2006; Le Billon, 2015; Visser, 2007b, 2010). Accordingly, the US was able to garner support from dominant Iraqi political elite for the establishment of an Iraqi state structure that was most conducive to its power and dominant capital interests, and that would otherwise be opposed by a majority of Iraqis. Indeed, a poll taken during the transition period found that 69% of Iraqis wanted a strong centralised government structure, with only 22% supporting a decentralised federal state structure (Docena and Gershman, 2005; O’Hanlon and Kamp, 2005).

The second stage of constitution-making for imperial interests: Accounting for the ideological re-engineering of Iraqi society

With the TAL successfully drafted and imposed; the US proceeded to also exert influence and control over the January elections for the constituent assembly. Bremer enacted an election law that gave a seven-member electoral commission, appointed by him, broad powers to disqualify candidates that the US deemed unfit for the electoral race (Chandrasekaran and Pincus, 2004; Docena, 2005a). Furthermore, Bremer enacted CPA Order 96, which determined the legal framework for the elections; most importantly, the Order established Iraq as a ‘single electoral constituency’, which meant
that if voter participation in a particular province was lower than elsewhere in the country, that province would simply not be represented in the constitutive assembly (Al-Ali, 2014). Since the majority-Suni Arab provinces, whose political elite remained defiantly opposed to US state-building policies, were engulfed in violence and insurgency, residents would be unable and unwilling to participate in the elections and, thus, would not be represented in the assembly. Finally, Order 96 also established a ‘closed list’ system, which meant that each political coalition had to submit a single list of its candidates, and voters would have to choose between the lists. This further entrenched ethno-sectarian deviances as voters could not vote for individuals, rather they had to vote for a political bloc, which had unsurprisingly formed based on ethno-sectarian lines.

In tandem with these arrangements, the US sought to embed its ideological principles within the Iraqi state and society so as to build popular support for its regime and for appropriate candidates in the elections. Here, accounting’s role in facilitating the achievement of imperial objectives is further exposed as the US utilised direct funding mechanisms to achieve these objectives. In order to influence the elections, the US increased its funding for ‘democracy building’ from $100 million to $458 million and spent this money on its agencies and on contractors to promote US goals and US-favoured candidates within Iraqi civil society. For example, the Research Triangle Institute’s (RTI) task, as quoted in its contract with USAID, was to make sure that “the most appropriate ‘legitimate’ and functional leaders” prevailed in elections (quoted in Docena, 2005b, p. 20). In fulfilling this provision, RTI utilised various techniques that included acts of nepotism and corruption as legitimate methods to ensure that only those who were conducive to US interests were elected (Bullard et al., 2005; Docena, 2005b, 2005a). Indeed, whilst discussing RTI’s processes and influence, employee Christian Arandel conceded, “Let us be clear. These are not elections. These are all processes of selections” (quoted in Docena, 2005b, p. 20). Moreover, the processes through which RTI selected ‘legitimate’ candidates were aligned with the US’s imperial strategy of division; instead of seeking talented Iraqis that were representative of the entire community, the US’s criteria led to the selection of the most contentious candidates to fill the new regime. John Agresto, the senior adviser to the Iraqi Ministry of Higher Education and Scientific Research, observed:
We’re more than happy to do exactly the opposite of what [our Constitution tried to do] – we seek out the loudest and most virulent factions and empower them … We gather together the representatives of the most antagonistic factions and think that’s good democracy. We’ve done nothing to blur the lines separating people and everything to sharpen them. We will not see moderate and thoughtful people representing the wider interest of Iraq; rather we’ll see ideologues chosen for the very reason that they were not mild, moderate or thoughtful but because they were ideologues (Agresto, 2007, p. 107).

Meanwhile, the US also utilised contractors to embed hundreds of ‘experts’ and ‘advisers’ into the interim government and its ministries so as to entrench the radical neoliberal regime; contractors, such as Bearing Point, Creative Associates and RTI, were tasked with securing US interests into key sectors, such as education, local government and the economy (Docena, 2005). Docena (2005a, p. 9) explains that:

Along with the troops who entered Iraq was a silent battalion of agencies and contractors whose mission was to build up a pro-US, pro-neoliberal ‘civil society’ by creating, funding, and supporting NGOs, trade unions, business councils, research institutions, professional associations, and other civil society organizations.

Accounting’s role as a facilitator of imperial objectives is exhibited firstly through the accounting techniques and calculations that allowed these contracts and funding mechanisms to be administered and audited. Moreover, Neu (2000b) has shown that imperial powers utilise funding mechanisms to drive heterogeneous sites and agencies to employ a policy of assimilation to alter indigenous beliefs/practices so as to make them conform to imperial ideology and practices. Similarly, the US’s use of funding mechanisms to drive heterogeneous sites and agencies to entrench neoliberal ideology and practices within the interim government and Iraqi society shows accounting’s contributory role in the translation of the policy of assimilation into practice in Iraq. As such, it demonstrates accounting’s role in the US’s attempted re-engineering of Iraqi society from its indigenous socialist-based ontology to one that was neoliberal capitalism-based. Following from this, Chwastiak and Funnell (2015) have shown the role accounting plays in transforming state imperial techniques, including criminal techniques, into a commodity and, thus, merely a business opportunity for capital groups. This role of accounting is confirmed in this Iraqi context as US imperial
techniques, including acts of nepotism and corruption, were transformed into mere commodities within a business transaction, thereby facilitating a business-like approach to their execution. This is because accounting focussed “the companies’ attention on what is important in a capitalist economy, profit …”, thereby justifying all means to realise this emphasis, whilst masking their malfeasance and their unethical/immoral role in manipulating the free-will of a people to the benefit of an imperial power and its capitalist interests (Funnell and Chwastiak, 2015, p. 180).

The second stage of constitution-making for imperial interests: Securing a favourable permanent constitution

By the time the drafting committee was formed, and the US appointed fifteen Sunni Iraqis due to a lack of Sunni representation, which was an expected result of the single electoral constituency policy; the committee was left with only two months to complete a final document. During this stage, internal discord and lack of time meant that the committee failed to meet the US-imposed deadline and, although the TAL provided an option for six months of extended negotiations, the US firmly denied its application. Instead, “the incomplete process moved behind closed doors, to a ‘leadership council’ of selected political elites and US embassy official and advisers” (Sirri, 2014, p. 351). During this stage, significant portions of the elected committee’s draft were replaced with sections of the TAL and clauses changed to better suit US interests. At one point, US Ambassador to Iraq, Zalmay Khalizad, who became notoriously known for his significant interference and influence during these negotiations, went to the extent of putting forward a substitute text of the constitution in English (Al-Ali, 2014; Arato, 2009; Docena and Gershman, 2005; Sirri, 2014). A Kurdish member of the committee complained: “The Americans say they don’t intervene, but they have intervened deep. They gave us a detailed proposal, almost a full version of a constitution … The U.S. officials are more interested in the Iraqi constitution than the Iraqis themselves …” (quoted in Docena and Gershman, 2005; quoted in Finer and Fekeiki, 2005).

The drafting continued until just days before the scheduled referendum of the 15th October 2005, when an initiative was announced to try to encourage Sunni Arabs to vote in favour of the constitution; a provision had been inserted stipulating that the text
would be amended within four months of its ratification. Al-Ali (2014, p. 90) described this provision as a “logical absurdity” because “if their intention to amend the text was sincere, they should simply have extended the drafting process”. Whilst the constitution was eventually approved by approximately 80% of the population, most Iraqis were not aware that the final draft was not a product of their elected representatives; nor did they know what was in the final text as “the process was so opaque that even some members of the original drafting committee were not clear what the final version actually said” (Al-Ali, 2014, p. 90). With very limited knowledge of what the constitution contained, Iraqis were again driven to vote based on their allegiances to ethno-sectarian political blocs.

By comparing the draft constitution that had been formed by the elected representatives during two months of negotiations with the final document secretly and undemocratically negotiated behind closed doors, the extent to which the US was successful at steering the draft in a direction other than that which the constitutional committee intended becomes apparent. The early draft had favoured a conservative vision of society, a strong central government and a Scandinavian-type welfare state system that would uphold every citizen’s right to education, health care, housing, employment and other social services (Al-Ali, 2014; Arato, 2009; Docena, 2007; Docena and Gershman, 2005; Zunes, 2009). Indeed, it had declared, “Social justice is the basis of building society” (quoted in Docena and Gershman, 2005), which was in line with a poll of Iraqi opinions at the time that found 65% wanting a largely state-controlled welfare economy, with only 6.6% supporting a free-market economy. In its place, however, the final document obliged the state to “reform of the Iraqi economy in accordance with modern economic principles to insure the full investment of its resources, diversification of its sources, and the encouragement of the private sector … the state shall guarantee the encouragement of investment in the various sectors …” (Iraqi Constitution, 2005, Articles 25 and 26). With regards to welfare commitments, it gave “vague assurances that the services will be delivered …”, whilst instilling the private sector’s role in their delivery, thereby hinting “at the coming wholesale privatization of social services in Iraq …” (Docena and Gershman, 2005). In effect, the amended constitution established a neoliberal state with a focus on maintaining a market-economy that created high levels of value (Docena, 2007; Docena and
Gershman, 2005; Looney, 2004, 2005). Most importantly, the strong central government envisioned by the early draft was reversed: federal government authority was narrowly defined in Article 110, and Article 115 allocated all other authority to the regional and provincial governments. Additionally, Article 121:2 declared that any contradiction between regional and federal legislation would be settled in favour of the regional authorities.

Perhaps the most infamous article that further diminished the role of the central government whilst realising dominant capital and power interests was Article 112. Section one of this article highly decentralised authority over oil and gas resources by delegating shared management over ‘present fields’ to both the federal and all other provincial/regional governments. The wording of this section provided a highly contentious distinction as it granted the federal government shared management of only ‘present fields’, thereby blocking its authority over the country’s vast yet to be discovered, or yet to be in production, fields. Al-Ali (2014, p. 96) emphasises that such a distinction “was unheard of internationally, and … has since created enormous problems”. In addition, Article 112:2 effectively obliged both the federal and regional/provincial governments to open the country’s oil reserves to the big oil companies by decreeing that they must “develop the oil and gas wealth in a way that achieves the highest benefit … using the most advanced techniques of the market principles and encouraging investment”.

Together, the clauses of Article 112 effectively secured foreign control over a majority of Iraq’s oil: firstly, since regional governments would have weaker bargaining power than the federal government, which embodied the necessary institutional capabilities that the regions lacked and also the power of consolidated sovereignty, Article 112 effectively secured inferior terms for the Iraqi people in deals with oil companies (Muttitt, 2005, 2011). Indeed, even before the final constitution had been approved, the Kurdistan Regional Government (KRG) had already begun signing PSAs in spite of central government warnings. During TAL negotiations in June 2004, the KRG signed an agreement with a Norwegian company, DNO. In 2009, Peter Galbraith, the notorious US adviser whose legacy of radicalising Kurdish negotiators’ positions
extended into the permanent constitution-making process where he gratified his personal role in denying the central government a taxation role, was revealed to have had a personal business interest in DNO; this personal business interest earned him up to $100 million (Al-Ali, 2014; Glanz and Gibbs, 2009; Mutti, 2005; Visser, 2010).

The oil fields that were currently in production, or ‘present fields’, amounted to just seventeen of the eighty known fields, representing only 40 billion of Iraq’s known 115 billion barrels of known reserves. This meant that Article 112 effectively opened 64% of known Iraqi oil to unfavourable deals and control by private oil companies. Furthermore, this percentage was expected to rise to 81% once the widely believed 100 billion barrels of yet to be discovered reserves were found, and to 87% if the Oil Ministry’s prediction of 200 billion barrels of unknown reserves materialised (Bishop and Shah, 2008; Energy Information Administration, 2005; Juhasz, 2006; Mutti, 2005; Zunes, 2009). At the time, Iraqi Vice-President Abdul Mahdi acknowledged, “this is very promising to the American investors and to American enterprise, certainly to oil companies” (Abdul Mahdi, 2004; quoted in Docena, 2005a, p. 14; quoted in Zunes, 2009, p. 103). Given that oil accounts for over 95% of the Iraqi state’s revenue, such prodigious foreign control over oil would effectively translate into a foreign stranglehold on the Iraqi state. Finally, since the constitution devolved a majority of the central government’s authority to regions, it effectively encouraged provinces to form into regions so as to acquire this authority. Most notably, they were particularly incentivised to do this so as to gain authority over all non-present oil fields. In this regard, the constitution preserved the TAL’s self-interest-based secessionist pressures that were generated by its establishment of ‘disputed territories’, thereby sustaining Kurdish ambitions to merge oil-rich Kirkuk and, one day, achieve full independence. In addition, it did not restrict the number of provinces that could merge into regions, thereby permitting for the formation of super-regions, such as the Shia super-region envisioned by SCIRI, and also did not require that their borders be adjoining (Al-Ali, 2014; Iraqi Constitution, 2005). Finally, Article 138 re-emphasised the ethno-sectarian quotas, thereby causing it to become “consequentially entrenched in popular consciousness”. The article imposed a tripartite ‘Presidency Council’ system until 2010, which became “one of the greatest obstacles towards the formation of viable cabinets” (Ismael and Ismael, 2015, p. 131).
US Imperial State-Building of Iraq: Establishing anaemic budgetary processes and institutions for a weak but seemingly strong state.

Another budgetary-related mechanism that further secured US interests in Iraq was corruption; Whyte (2007b, p. 164) reminds us that “Virulent and institutionalized corruption in Iraq has extended the neo-colonial reach of the U.S., sustaining a much broader strategy of domination aimed at securing the political and economic compliance of future Iraqi governments”. Among other effects, the institutionalisation of corruption in Iraq weakened state capacity to provide public services and undergo investment projects, compelled the opening of the oil industry to foreign capital, fuelled sectarian conflict and the radicalisation of ethno-sectarian identities, generated a political economy of violence and enabled billions of dollars of wealth to be transferred from the public sector to dominant capital groups (Al-Ali, 2014; Cooper and Catchpole, 2009; Savage, 2013a, 2013b, Whyte, 2007a, 2007b). Whilst corruption did exist under the Saddam regime; prior to the first Gulf War, “it was dangerous for civil servants (and even most ministers) to engage in corruption … “ (Al-Ali, 2014, p. 191), as “a significant number of officials who were convicted of corruption-related crimes were executed” (p. 192). Furthermore, whilst the thirteen years of US-led sanctions did undermine Iraqi state capacity, thereby fostering increased corruption, since the 2003 invasion, corruption radically expanded and intensified (Al-Ali, 2014; Savage, 2013a). By 2006, corruption was so powerful that Stuart Bowen, the US SIGIR, described it as the ‘second insurgency’ (quoted in Al-Ali, 2014, p. 189). This section will show the juxtaposition between the US objective of state-building a weak Iraqi state structure and its establishment of anaemic budgetary processes and institutions; dysfunctional budgetary processes and institutions facilitated the institutionalisation of corruption and fiscal malfeasance, whilst also diminishing state capacity and extending the imperial reach of the US within Iraq.

CPA reforms to rules governing the budgetary system, as shown in chapter 3, considerably decreased the possibility of securing corruption-related convictions, as they created new institutions that significantly increased bureaucratic obstacles at a time of staff shortages and rapid public expenditure (Al-Ali, 2014). In addition, the normal rule of law with regards foreign misconduct in Iraq was lifted through both CPA Order 17 and Bush’s Executive Order 13303. The CPA deliberately navigated around and
obstructed the application of proper accounting, accountability and auditing mechanisms. Accordingly, CPA-era configurations of budgetary processes and institutions effectively created liminal space for corrupt practices, such as embezzlement, bribery and fraud, to flourish and become institutionalised within the Iraqi state, thereby facilitating the transfer of billions of dollars in Iraqi oil revenue from the public domain to dominant capital groups (Chwastiak, 2009, 2013, Whyte, 2007a, 2007b). Also, the existence of rampant corruption during the CPA’s reign served to undermine Iraqi state sovereignty and facilitate the expansion of US influence so that it became embedded within the Iraqi state. For example, whilst bombs achieved the destruction of Iraq’s existing infrastructure, it was corrupt CPA budgetary processes that facilitated for predominantly US multinational corporations to completely replace existing Iraqi and European systems with US design and technology, thereby subjugating the state to impoverished dependency on mostly US know-how (Chwastiak, 2009; Schwartz, 2007; Zunes, 2009). In addition, corrupt contracting practices, such as little contract oversight, insufficient incentives for proper job completions and insufficient measures of performance and auditing, generated a ‘reconstruction gap’, which left the Iraqi state with incomplete and often incompetent infrastructure and, therefore, undermined capacity to provide basic citizenry services (Whyte, 2007a, 2007b).

During the transition period, after the CPA’s handing over of sovereignty to the interim Iraqi government in 2004, it was through corrupt budgetary processes that the US was also able to retain a dominant role over a subordinated Iraqi sovereignty and to secure the opening of the Iraqi oil industry. Since CPA-era corruption had enabled a rapid and opportunistic disbursement of the majority of Iraqi oil revenue, the Iraqi state was left largely subjugated to the controlling influence of the US over the expenditure of Iraqi aid and donor funds (Savage, 2013a, 2013b). This subjugating control occurred although the act of channelling donor funds through the indigenous national budget is considered to be one of five fundamental policies for effective state-building and for the promotion of good governance through the development of effective public budgeting (Carnahan and Lockhart, 2008; Castillo, 2008, 2011; Savage, 2013b). Nevertheless, the US decided to retain command of these funds, thereby creating a parallel budgetary system and undermining state capacity. As a result, the Iraqi state remained largely reliant on US disbursals and US management of projects, which undermined its fiscal
autonomy and fostered a relationship of Iraqi state dependency on donor funds and on
the US’s overarching command. Most importantly, since the Iraqi state was left with
insufficient funds to itself invest in the development of its own national oil companies
so as to generate increased revenues and achieve budgetary independence, it was
fiscally pressured to open its oil sector to foreign capital investments (Le Billon, 2005;
Muttitt, 2011, 2005). Indeed, in 2004, the British Foreign and Commonwealth Office
issued a Code of Practice for the Iraqi oil industry that summed this reality: the
restoration of oil production would cost billions and, “Given Iraq’s needs, it is not
realistic to cut government spending in other areas, and Iraq would need to engage with
the International Oil Companies (IOCs) to provide appropriate levels of Foreign Direct

During this stage of occupation, US accounting regulations facilitated what Whyte
(2007b, p. 163) describes as “a system of ‘clean corruption’ in the allocation of
reconstruction funds”: the complexity of accounting regulations, which were written in
over 2,000 pages of rules in English and required paperwork to be completed using
specific accounting terminology, provided structural advantages to Anglo-American
firms over their Iraqi counterparts, whilst also enabling the US to appear to provide
equal access to all. Accordingly, the US procurement system facilitated the US’s
control over entry into the Iraqi market and to again divert capital accumulations to
mostly US dominant capital groups. The US used this control to maintain an import-
driven Iraqi economy, rather than nurture indigenous production capabilities, and to
divert funds to cover administrative, military and security costs of the occupation (Le
Billon, 2005; Whyte, 2007b). This resulted in a trickle-down of US funds that left the
indigenous economy largely unstimulated, its unemployment exacerbated and state
capacity to provide adequate basic citizenry services deficient, thereby agitating societal
instability and decreasing state credibility (Le Billon, 2005). Moreover, Whyte (2007b,
p. 163) explains that even when “funds have been targeted to Iraqi business, the U.S.
has retained control over the recipients” (Whyte, 2007b, p. 163). As such, the US
procurement system enabled the US to effectively replace “Saddam’s nepotism with a
new structure of elites and a system of patronage and favouritism” that was more
accommodating to US interests (Le Billon, 2005; Savage, 2013a; Whyte, 2007b, p.
164).
Another budgetary mechanism that was utilised by the US to secure its imposed neoliberal regime during the transition period was through both debt relief and debt burdening mechanisms. After over thirty years of being excluded from Iraq, and in absence of a legitimate elected Iraqi government, both the IMF and the World Bank were able to extend loans to the country in 2004, and the appointed interim Iraqi regime also sought entry into the WTO, thereby subordinating state sovereignty to the conditions and controls of the Bretton Woods institutions (Dominick, 2004; Sen and Chu, 2005). Such institutional leverage was also deepened through debt relief agreements undertaken by both the Paris Club of Creditors, a 19-member cartel of the world’s major creditors who were owed approximately $39 billion, and the US who was owed approximately $4 billion. This was because the cancellation of a majority of these Saddam era debts was conditioned upon the Iraqi state’s gaining approval of a ‘stand-by arrangement’ (SBA) from the IMF by fulfilling key aspects of its 2004 Emergency Post Conflict Assistance (EPCA) debt program. Together, the debt arrangements included provisions for the privatisation of all SOEs, the ending of food subsidies, the liberalisation of food and oil prices and the creation of a climate conducive for large flows of FDI, including in the oil industry (Dominick, 2004; Klein, 2007; Looney, 2006; Sen and Chu, 2005; Whyte, 2007a). As Nobel Prize winner Joseph Stiglitz stressed, whilst such policies may arguably be good for some countries they cause disastrous effects on others, including increased instability, conflict and undermined democratic institutions, which is what resulted in Iraq (Looney, 2006; Stiglitz, 2000, 2004). Moreover, the debt relief agreements, which were navigated by the US and ‘negotiated’ with an appointed interim Iraqi government, essentially shifted Iraq’s debt from a few countries of the Paris Club to the international institutions that were more acquiescent to US dominance and influence. In effect, “the Paris Club members took advantage of the opportunity to impose conditions that could bind the successor government in Baghdad to policies of free-market fundamentalism” (quoted in Looney, 2006, p. 40). Accordingly, debt was utilised as a tool to secure dominant power and capital interests by forcing Iraq to maintain its surrender of sovereignty over its economy even after the election of a legitimate government (Klein, 2007; Le Billon, 2005; Looney, 2006; Whyte, 2007b).
In the period after the election of a legitimate Iraqi government, the US utilised a discourse that epitomised the importance of building Iraqi budgetary capacity to justify its imposition of a policy that further institutionalised corruption within the Iraqi state. In 2007, US officials reasoned that in order to strengthen Iraqi state credibility and legitimacy, and also to reduce US aid costs, the Iraqi state needed to rebuild its capacity to deliver basic public services and be weaned from the donor-dependent mentality (Savage, 2013a). A 2006 report by the DoD raised the concern: “under-spending of the capital budget threatens to slow the pace of reconstruction and limit investment in oil infrastructure” (Department of Defense, 2006, p. 19). Accordingly, the US Congress passed a law that established eighteen benchmarks that sought accountability for appropriations to Iraq by measuring progress of US capacity-building programs. The ‘17th Benchmark’ was a performance measure of how successfully Iraq spent money: it measured Iraqi success at “allocating and spending $10 billion in Iraqi revenues for reconstruction projects, including delivering of essential services on an equitable basis” (US Congress, 2007, sec. 1314(b)(I)(A)(xvii)). Budget execution and rates of investment spending became overriding metrics in assessing US progress in building Iraqi state capacity, and were closely monitored through the White House’s ‘Benchmark Assessment Reports’. However, since accounting performance measures limit knowledge to only that which can be quantified, the metric only focussed on Iraq’s spending of $10 billion of its money without considering qualitative factors, such as accountability and transparency. Consequently, “In many cases, getting the Iraqis to spend their budgets proved more important than either how effectively they spent the funds or the sustainability of their investments” (Savage, 2013b, p. 8).

In effect, the ‘17th Benchmark’ allowed the US to again transform Iraq into liminal space where corrupt practices could flourish. Since post 2003 US state-building of budgetary capacity in Iraq had undertaken reforms that weakened state mechanisms to combat corruption, and US engagements had already institutionalised corruption within the Iraqi state, the US’s fervent application of the ‘17th Benchmark’ generated incentives that countered normative good governance objectives of developing credible accounting, accountability and auditing systems necessary to combat corruption. Indeed, in emphasising spending in the midst of Iraqi liminal oversight capacity, “Corruption, patronage, and rentierism are promoted because the drive to spend funds
as quickly as possible encourages faulty contract and procurement processes” (Savage, 2013b, p. 11). Conceding this, Minister for Economic Affairs and Coordinator for Economic Transition in Iraq, Charles Ries, concluded, “An exclusive focus on budget execution … sort of says, well we just want them to waste money, and if they waste money but spend all their money, it would be a good thing” (quoted in Savage, 2013a, p. 158). Iraqi oversight institutions were not only overwhelmed by the size and rapidity of imposed spending, but the situation was also exacerbated by the new state structure, which established a system of fiscal decentralisation. Since provincial governments were still being developed, they lacked adequate capacity to develop and execute capital budgets, which lead the US GAO to warn against the implications of decentralising capital budgeting to the provinces (Savage, 2013a). In effect, not only did the 17th Benchmark facilitate a new wave of virulent and institutionalised corruption in Iraq, reminiscent of the CPA era, where billions of dollars of Iraqi wealth would be transferred to the dominant capital group, but its imposition in the midst of a newly decentralised state structure also expanded corruption’s reach within Iraqi space and scale. In sum, it contributed to the development of alternative agencies and dynamics that abated efforts at building state-centred budgeting processes. This created additional liminal spaces for corrupt practices to flourish in, and also generated an overall state incapacity to administer full sovereignty over Iraqi territory (Carnahan and Lockhart, 2008; Savage, 2013a).
Conclusion

The focus of this chapter has been to demonstrate the US’s socio-political re-engineering of Iraq. It has shown that this was a necessary component of the neoliberal re-territorialisation project in Iraq, and also demonstrated accounting’s roles within it. The chapter demonstrated that US imperial interests, including those pertaining access to and control over Iraqi oil, necessitated a weak Iraqi state with spatial/scalar arrangements that dispersed authority across diverse sites and heterogeneous agents. The US utilised the ‘artificial state’ narrative to politicise sectarianism and the accounting-based ‘good governance’ rubric to justify the ‘solution’: to fragment state authority along a tripartite ethno-sectarian federalisation of Iraq. Ethno-sectarian quotas were applied in establishing the Interim Governing Council, the Constitutional Preparatory Committee, the Transitional Iraqi Government, within the Transitional Administrative Law and the Permanent Iraqi Constitution’s Presidency Council, and throughout Iraqi state institutions.

Whilst Iraqi society did have ethno-sectarian differences, the notion of a spatial reconfiguration of authority, outside of accommodating Kurdish aspirations for territorial autonomy, was considered taboo by a majority of Iraqis. Furthermore, a majority of Iraqis favoured a strong centralised government and a Scandinavian-type welfare state system that upheld notions of social justice. Nevertheless, the US was able to impose its requirements by centring its endeavours on two main strategies, both of which predominantly revolved around the manipulation of budgetary arrangements. The first, being the divide and conquer strategy, divided Iraqi society by sharpening ethno-sectarian cleavages. Most importantly, a discriminatory revenue-sharing scheme, which aligned authority over oil reserves with ethno-sectarian territorial configurations, was embedded within the TAL and the permanent Iraqi constitution. This served to radicalise notions of group identity, their pursuit of self-interests and, thus, their acceptance of the new spatial/scalar configurations. This outcome confirms Wildavsky’s (1986) assertion that there exists an intimate interplay between budgeting and ‘politiking’ that can either establish strength out of unanimity or weakness out of dispute. Moreover, the divide and conquer strategy was chosen because it was most cost-effective: it enabled the fragmentation of the Iraqi opposition, thereby reducing the
eco-political costs of fighting a large-scale insurgency. The strategy also maintained the US as an empire in denial as its roles in societal disenfranchisement were masked behind plausible deniability. Finally, it granted the US a position of dominance that enabled its overriding influence in the constitution-making process so as to state-build that which was conducive to its interest with a minimum of resources and force.

The second strategy utilised by the US was its state-building of anaemic budgetary processes and institutions, and the institutionalisation of corruption so as to weaken Iraqi state capacity. Whyte (2010, p. 136) reminds us that “Power is … extended through the deliberate creation of an anomic state”. Indeed, Iraqi state dependency upon foreign capital and the subordination of its sovereignty to the US was a direct by-product of the creation of a society absent social norms and values. Corrupt budgetary practices were fostered by the US during both the CPA-era and during the ‘clean corruption’ phase after their handing over of sovereignty. During the former, $50 billion in reconstruction contracts were awarded to 150 US corporations, thereby subjugating the state to enforced foreign debt dependency and transferring billions of Iraqi wealth to dominant capital groups (Herring and Rangwala, 2006; Whyte, 2007b, 2007a). Meanwhile, the latter phase deepened this dependency as ‘clean corruption’ enabled the US to create a parallel budgetary system that generated “its own sets of loyalties and dependencies that undermines the state’s legitimacy, conflicts with state funding priorities, encourages the state to remain dependent on donor contributions, and deters efforts at building state capacity” (Savage, 2013a, p. 8). In addition, the US shifted Iraqi debt to the Bretton Woods institutions, thereby securing its influence, and further binding successor Iraqi governments to policies of free-market fundamentalism.

After an elected Iraqi government gained sovereignty, another stage of virulent corruption was realised through the US’s obligating the Iraqi government to make excessive and rapid expenditures whilst the state suffered from the anaemic budgetary processes and institutions. Accordingly, an extended liminal space was created for corrupt budgetary practices to flourish, thereby further weakening state capacity and permitting transfers of wealth. Moreover, since the new state structure commanded fiscal decentralisation, the created corruption was extended across a broader swath of
Iraqi space and scale. This extended the imperial reach of the US upon Iraqi sovereignty, and secured compliance of future Iraqi governments. Accordingly, this chapter has confirmed the CAS concept’s essential imperativeness of accounting technology to the construction and re-inforcement of power structures that serve the interests of imperial elites.

The destructive repercussions on the Iraqi state and society from the US’s utilisation of these budgetary mechanisms to realise imperial interest cannot be exaggerated. By premising Iraqi state-building upon the accentuation of ethno-sectarian cleavages, Iraqi society has suffered from excessive disunity and violence. Indeed, “following the artificial state narrative to its logical conclusion leads to one place, and that place is not peace in the Middle East but rather the violence of ethnosectarian cleansing” (Pursley, 2015a). In addition, the US has created a dysfunctional, corrupt, underpowered and deprived system of government that threatens the unity and territorial integrity of the country. In analysing the final draft of the Iraqi constitution, world leading constitutional scholar, Professor Yash Ghai, condemned the constitution that he believed Could sharpen even further the divisions within Iraq and pose a serious threat to the unity and territorial integrity of the country. There are also technical deficiencies in the draft, which are to some extent tied to key substantive provisions and will be hard to remedy. We have serious reservations whether the [draft constitution] as it stands can be fully and effectively implemented, without grave danger to state and society (quoted in Al-Ali, 2014, p. 99).

Whilst the post-2005 elected Iraqi governments have been plagued with massive corruption, internal discord and ethno-sectarian competitions for power, they have nevertheless acknowledged the destructive capabilities, especially the secessionist pressures, of the new constitution. Accordingly they have attempted to steer away from its full implementation. For example, the governments have generally pursued policies to re-centralise government powers, resisted the full implementation of IMF requirements and have so far successfully repelled the establishment of new federal regions other than that of the Kurds (Alkadiri, 2010; Looney, 2006; Visser, 2007b, 2010). Also, in the 2010 elections, a majority of Iraqi society belied the underpinnings
of the supposed ‘artificial state’ narrative by granting electoral success to cross-sectarian parties promoting broader nationalist agendas (Alkadiri, 2010). However, such progressive indications continue to be obstructed by the post-2003 Iraqi establishment that permits corrupt, “entrepreneurial politicians beholden to homogenized and narrow groups as well as foreign patrons …” (Ismael and Ismael, 2015, p. 217) to continue playing “Russian roulette with each other, using rules laid down by a flawed constitution …” (Al-Ali, 2014, p. 102). In addition, the rise of the so called Islamic State of Iraq and Syria (ISIS) and its capture of much of Sunni-majority western Iraq in 2014 not only enacted “a de facto partition of the country …”, but also re-radicalised ethno-sectarian identities, and enabled the KRG to gain control of oil rich Kirkuk and consider a referendum for independence (Le Billon, 2015, p. 68). ISIS’s emergence is a testament to the collapse of Iraqi state authority resulting “not as a causal factor of the 2014 deterioration, but as a consequence, of the failures of the post-2003 Iraqi state” (Ismael and Ismael, 2015, p. 217). Ultimately, the US’s fragmentation of Iraqi political authority, its accentuation of ethno-sectarian cleavages and its limiting of Iraqi state capacity have meant that “the prospects of maintaining a unified Iraq do not look good” (Anderson, 2007, p. 160).

A central issue that resonates with regards the creation of liminal spaces of exception in Iraq, which facilitated the conditions necessary for de-territorialisation effects, such as the collapse of the Iraqi state, rampant corruption, the destruction of Iraqi collective memory and the radicalisation of ethno-sectarian cleavages leading to ethnic cleansing and civil war, was the critical shortage in the US’s deployment of troops and resources during the invasion and occupation of Iraq. Whilst mainstream narrative attributed this failure to mere overall ineptness in the US Military’s planning for Iraq; in actuality, it was the DoD’s civilian command, namely SECDEF Rumsfeld, who ultimately held power with regards resource allocation decisions. Since the civilian command’s decisions were not based upon military expertise, rather neoconservative ideological directions of the Bush administration, the following chapter will demonstrate the role of accounting technologies in building a power structure within the DoD that permitted the primacy of neoconservative ideology over military expertise prior to, and during the 2003 Iraq War. This further substantiates the CAS concept’s assertion that accounting
plays an intrinsic role in the building and re-inforcing of power structures that enable the restructuring and management of space for capitalist imperialist interests.
CHAPTER SIX

Planning, Programming and Budgeting, and Political Competition Schemes in the Department of Defense.
Introduction

The previous chapter demonstrated the US’s socio-political re-engineering of Iraq and accounting’s role within these processes. Central features that accompanied these re-territorialisation processes were the escalation of ethno-sectarian violence and the destruction of Iraq’s collective memory. Whilst destruction from the war and from the eco-socio-political de-territorialisation processes were a direct cause of such violence, numerous commentaries agree that another more subtle, yet fundamental, reason for the breakout of such devastation was the critical shortage in troop levels, and their resources, that the US committed to post-war Iraq (Dennison, 2006; Friedman, 2004; Gordon & Trainor, 2006; Hersh, 2003; Office of the Special Inspector General for Iraq Reconstruction (SIGIR), 2008; O’Hanlon, 2004; Patrick, 2006; Ricks, 2006; Rieff, 2003; Slavin & Moniz, 2003; Swansbrough, 2008; Talmadge, 2006; Woodward, 2006; Yingling, 2007). Inadequate troop levels failed to control Iraq; to secure its porous borders; to establish law and order; and to provide a secure environment for successful reconstruction, humanitarian aid efforts and for economic growth. Also, they failed to win the ‘hearts and minds’ of Iraqi civilians; to stop the epidemic mnemocide of Iraq’s collective memory; to protect Iraq’s intellectual capital; and to guard weapons depots, including the alleged WMD had they existed. Limited troops also failed to withhold the development of resistance through insurgency; to stop the arming of insurgency and the development of terror groups; to adapt to the demands of counter-insurgency; and to withhold the development of a sectarian-based civil war and ethnic cleansing. Indeed, the US’s assignment of inadequate troop levels to Iraq represented the breaking point.

The extent to which the shortage in troops was a critical component in the overall failure of the US’s OIF is accentuated when results consequential to it, namely the apparent collapse of the Iraqi State, the adjoining opaque partitioning of Iraq and the rise of the new ‘global threat’, ISIS, are holistically evaluated. CPA chief, Paul Bremer, emphasised the gravity of this shortage, proclaiming “The single most important change … would have been having more troops in Iraq at the beginning and throughout” (quoted in O’Hanlon, 2004). Indeed, there was a profound discrepancy between the military command’s previously established requirement for an average troop force of
425,000, and the 130,600 force that was eventually deployed by SECDEF Rumsfeld in his initiation of the Iraq war. This chapter investigates the means through which the DoD’s civilian command, namely SECDEF Rumsfeld, was able to gain power over the Pentagon’s most senior generals to the extent that he was able to bypass their expertise and knowledge and, instead, impose the Bush administration’s ideological-based decisions upon the planning for war. According to a senior general, “All the Joint Staff people now … churn out products to make the Secretary of Defense happy … They don’t make military judgements – they just respond to his snowflakes” (quoted in Croci & Verdun, 2006, p.122). Rumsfeld’s ‘snowflakes’ were a series of unsigned short notes containing orders, questions or thoughts, which he regularly circulated throughout the department so as to keep track of what was being done (Hersh, 2003; Woodward, 2006). According to another senior general, “Rumsfeld was into everyone’s business. No one was immune” (quoted in Woodward, 2006, p.29).

According to the CAS concept, accounting plays an intrinsic role in the building and re-inforcing of power structures that enable the restructuring and management of space for capitalist imperialist interests. As such, this chapter will demonstrate the accounting means through which Rumsfeld was able to impose the Bush administration’s ideological beliefs over the knowledge and expertise of the Pentagon’s generals during planning for the Iraq war. It begins by briefly examining the historical role of the PPBS in establishing the level of power of the SECDEF over decision-making within the DoD, and its effects. The following section will move to trace the reforms that had been enacted within this system prior to the arrival of the Bush administration; it will show the effects of these reforms upon reconfigurations of power and ideological primacy within the DoD. This is followed with a demonstration of the neoconservative ideological underpinnings of the Rumsfeld era, and how accounting was harnessed to legitimise and justify his undertaking of reforms to the PPBS so as to afford neoconservative ideology primacy within the DoD. The final section of the chapter will detail Rumsfeld’s reforms to this system so as to facilitate his domination over funding decisions and his realisation of power and control. Overall, the chapter will provide an accounting for the operation and outcomes of the budgetary process within the DoD during Rumsfeld’s rein, and will expose the ideological/political instrumentality of accounting in promoting distinct interests. Since the shortage in troops also served to significantly reduce the economic
costs of the war, invasion and occupation of Iraq, the chapter also demonstrates accounting’s inherent purpose of projecting a feasible perception of imperial projects, as per the CAS concept.

Troop Shortages: Military ineptness or power plays?

The miscalculation of appropriate troop levels has been attributed to the overall ineptness in the military’s planning for post-war Iraq, known as Phase IV of Central Command’s (CENTCOM) OIF. Indeed, the DoD’s report, Operation Iraqi Freedom: Strategic Lessons Learned, concedes that “late formation of Department of Defense [Phase IV] organizations limited time available for the development of detailed plans and pre-deployment coordination” (quoted in Rieff, 2003). Similarly, the most recent UK Report of the Iraq Inquiry, known as the Chilcot Inquiry, acknowledged that there was an “absence of credible US plans for the immediate post-conflict period … Overall, planning is at a very rudimentary stage” (Committee of Privy Counsellors, 2016, pp.83–84). In the wake of such revelations, the DoD’s leadership, namely SECDEF Donald Rumsfeld and the Pentagon’s generals, have together been accorded significant blame for the ongoing post-war Iraqi debacle (Friedman, 2004; Gordon & Trainor, 2006; Hersh, 2003; Office of the Special Inspector General for Iraq Reconstruction (SIGIR), 2008; Patrick, 2006; Ricks, 2006; Rieff, 2003; Swansbrough, 2008; Woodward, 2006; Yingling, 2007). However, since the US’s DoD is a bureaucratic establishment, which encompasses multiple organisational processes and regulations specifically engineered to prevent mistakes, the grave miscalculation of committing inadequate troop levels to Iraq appears perplexing and compels further examination.

CENTCOM had already conducted extensive planning for a war and occupation of Iraq since the 1990s, and an Iraqi war contingency plan, known as OPLAN 1003-98, was complete. The original version of this plan recommended a necessary troop level of up to 500,000 soldiers (Swansbrough, 2008). In 1999, CENTCOM commander Marine General Anthony Zinni updated this recommendation after conducting a series of war games known as ‘Desert Crossing’, which amounted to a feasibility study of ‘worst
case’ and ‘most likely’ scenarios of a post-war Iraq, to explore the requirements for post-war reconstruction of Iraq. The result of Desert Crossing’s After Action Report drew a pessimistic conclusion regarding possible outcomes of a post-war, regime changed Iraq, most of which eventually did materialise after the 2003 invasion (CENTCOM, 1999). According to General Zinni, the report recommended a minimum troop force of 400,000 for the invasion so as to “get in there right away, to flood the towns and villages … We knew the initial problem would be security” (quoted in Slavin & Moniz, 2003). After Zinni’s retirement in 2000, and six months before the inauguration of President Bush, Army General Thomas Franks assumed command of CENTCOM and adjusted OPLAN 1003-98, initially calling for a necessary deployment level of 385,000 troops (Gordon & Trainor, 2006). Meanwhile, in a briefing by Marine Major Jeff Kojac of the National Security Council (NSC), Kojac used statistics from previous post-war peacekeeping operations in Bosnia and Kosovo, which both had a population distribution resembling that of Iraq, as a model for predicting troop level requirements for a post-war Iraq. Accordingly, Kojac was able to estimate that Iraq would need 364,000 troops based on the Bosnia scenario and 480,000 troops based on that of Kosovo (Swansbrough, 2008). As the above reports demonstrate, in actuality, CENTCOM had extensively planned and repeatedly updated troop level requirements for deployments in Iraq many years before the US’s eventual 2003 war and occupation. The combined average of these reports stipulated a necessary overall deployment of approximately 425,000 troops so as to provide for successful peacekeeping duties. This historical background of CENTCOM studies explains why, just before the initiation of OIF during a February 2003 hearing of the Senate Armed Services committee, Army chief of staff General Eric K. Shinseki’s reply to an enquiry regarding his professional assessment of troop level requirements in Iraq was: “something on the order of several hundred thousand soldiers …” (quoted in Swansbrough, 2008, p.142).

In spite of the existence of such a consensus within the US’s military command with regards knowledge of conditions and, thus, troop requirements for a post-war Iraq, such expertise was bypassed and excluded during pre-war planning for the 2003 war. Indeed, Rumsfeld “believed that large ground forces with their ponderous artillery, numbers, logistics and associated ‘dinosaur’ generals were a thing of the past” (Patrick, 2006, p.161). As such, “On at least six occasions … when Rumsfeld and his deputies
were presented with operational plans … he insisted that the number of ground troops be sharply reduced” (Hersh, 2003). Rumsfeld had positioned himself at the centre of decision-making and was, therefore, successfully able to impose the Bush administration’s ideologically-based perceptions, such as that of the need for minimal ground forces, onto military planning. Indeed, a series of now declassified briefing slides of military plans for war with Iraq show General Thomas Franks, who had initially updated troop requirements in OPLAN 1003-98 to 385,000 just six months before the arrival of the Bush Administration, reducing this quantity to just 270,000 by 2002 (Battle & Blanton, 2007). Moreover, at Rumsfeld’s repeated requests, Franks continued reducing his requirements pertaining to the quantity of troops deployed in Iraq up to the early months of 2003, just before the initiation of war in March (Gordon & Trainor, 2006; Hersh, 2003; Patrick, 2006). Meanwhile, General Shinseki, who had testified to the need of ‘several hundred thousand soldiers’, was severely rebuked in the hearing by Deputy Secretary of Defense Paul Wolfowitz, who anticipated a force of less than 100,000 and called the general’s assessment “widly off the mark” (quoted in Swansbrough, 2008, p.142). Rumsfeld then further humiliated General Shinseki by later announcing his replacement a year and a half before his scheduled retirement, effectively demonstrating his superiority in the difficult relationship between the military command and their civilian counterparts within the DoD (Swansbrough, 2008; Valelly, 2010).

The extent of Rumsfeld’s unprecedented interference in operational planning was emphasised when he decided to reject the Time-Phased Force Deployment List (TPFDL), which is a computer-generated spread-sheet of all resources needed for the theatre of war, and instead insisted that CENTCOM planners consult him for such requirements (Gordon & Trainor, 2006; Hersh, 2003; Patrick, 2006). Such a decision cemented Rumsfeld’s unprecedented role as a civilian leader who was able to bypass the Joint Staff and organisational processes, and assert his control over decisions regarding timing and flow technicalities of Army and Marine troops at the combat zone. By doing so, he reduced the previously detailed plans that had been prepared by CENTCOM to a “‘hit or miss’ shambles in which nothing could be predicted with any assurance” (Patrick, 2006, p.162). As a result, and as late as February 2003, the question of troop levels that were necessary to stabilise post-war Iraq had not yet been
resolved (Slavin & Moniz, 2003). One month later, at Rumsfeld’s behest, the invasion of Iraq was initiated with a ground force averaging only 130,600, and an occupying force that peaked to just 157,800 during President Bush’s ‘surge’ scheme in 2007 (Belasco, 2009, p.13). According to a hearing before the Committee on Foreign Relations of the US Senate, chaired by Richard Lugar (United States Congress Senate Committee 2003, 2003, p.66), When the capital city of Iraq fell on the 9th April 2003, “Only three brigades of about 6,000 soldiers were in Baghdad … controlling just 15% of a city with a population of more than 5 million”.

In order to understand how SECDEF Rumsfeld was able to force the committing of such a grave military error upon the military commanders of the Pentagon, the following section will provide a historical overview of the power structures that the PPB system affords within the DoD, and its effects.

**The Introduction of PPBS: McNamara wins power, but loses the Vietnam War**

The introduction of PPBS into the DoD can be traced back to the 1960s when a ‘revolutionary’ system for public sector decision-making was introduced by then SECDEF, Robert S. McNamara under President John F. Kennedy. The system was considered ‘revolutionary’ as it sought to introduce economically rational discourse into the DOD by applying economic analysis to governmental expenditure decisions. The system equated efficient decision making with that which could instrumentally relate quantitative inputs with desired outcomes, thereby centring decisions upon the efficient management of resources. Weidenbaum (1967, p.167) explains:

> For military programs, ordinarily the benefits or results cannot be expressed in dollar terms. However, the end objective, such as the capability to destroy X number of enemy targets under stipulated conditions, can be expressed in quantitative terms. And, more important, the alternative methods of achieving the objective – Y bombers versus Z missiles or some combination – can be priced out and a least cost solution arrived at.
The PPBS effectively broke the defense budget down into programs, each containing multiple facets that spanned traditional service lines, and compared them based on cost-effectiveness. Consequently, the system’s requisite for final decision-making was for a top-level official, the Secretary of Defense, who would base decisions upon a holistic analysis of these comparisons when setting the final budget. The centrality of the SECDEF’s role as the ultimate decision-maker within the PPBS was highlighted by Schilling (1968, p.27), who conceded that “PPBS … works best for an aggressive master; and … where the master wants the machinery to produce his decisions without his own participation, the value of PPBS is likely to be modest and, depending on the people, may even be negative”. In this way, accounting was harnessed to achieve political power gains for civilians over their military counterparts as McNamara was finally able to shift power over resource allocation decisions in the DoD to the SECDEF, thereby, using the PPBS as a means to gain control over DoD decisions through his domination over their funding (Chwastiak, 2006, 2001, 1999; Funnell & Chwastiak, 2015a; Kaufmann, 1964; Sanders, 1973; Schelling, 1971; Stubbing, 1986; Wildavsky, 1967). Indeed, Wildavsky (1967, p.390) explains that “A more useful tool for increasing (a chief executive’s) power to control decisions vis-a-vis his subordinates would be hard to find”.

By basing decision-making upon quantitative information, McNamara’s PPBS was also able to impose the rhetoric of quantification upon organisational discourse throughout the DOD. Budgeting and planning for force structure, previously prescribed through military officer expertise, became a product of the PPBS’s technique of systems analysis, which “reduced weapons systems, troops, infrastructure, etc. to those qualities which could be quantified and instrumentally related to a particular objective” (Chwastiak, 2006, p.34), and were performed by the “‘whiz kids’ in the Office of the Secretary of Defense (OSD)” (Jones & McCaffery, 2008, p.139). Sanders (1973) and Chwastiak (2006) highlight how such a shift further enhanced McNamara’s power as the military was obliged to present its budgetary requests in his language, addressing his style of decision making, thereby further undermining their influence. Finally, as the PPBS equated truth to only that which could be quantified, decisions based upon the
system enjoyed an aura of objectivity, neutrality and scientific truth as they appeared to adhere to an economically rational management style facilitated by the ‘system’, not humans. As such, McNamara’s authority to intrude in decisions that were previously made by DoD generals was legitimated as the prerequisite of military expertise was exchanged with PPBS knowledge; McNamara’s decisions appeared apolitical, as products of scientific truth through quantitative analysis rather than personal choice. Highly impressed by McNamara’s successes within the DoD, President Johnson later called for the adoption of the “very new and very revolutionary system of planning and programming and budgeting throughout the vast federal government – so that through the tools of modern management the full promise of a finer life can be brought to every American at the lowest possible cost” (quoted in Weidenbaum, 1967, p.164).

Behind PPBS’s perceived objectivity, neutrality and efficiency, however, hid extensive ethical dimensions, moral effects and technical complexities bearing problematic implications. Since PPBS’s ontological mindset effectively reduced world issues into technical problems to be solved through instrumentally rational quantitative analyses, “war, starvation and intrigue simply became potential solutions” (Chwastiak, 2006, p.35) to world issues. Decision makers became distanced from the realities and consequences of their decisions as propositions of moral meanings, such as considerations of the social bearings of decisions, were disregarded. Indeed, Chwastiak (2006) showed how the PPBS’s problem-solving design led the Kennedy Administration to view the Vietnamese nationalist revolution as a technical problem threatening US world order, and the subsequent Vietnam War as simply the most efficient, instrumentally rational solution, regardless of resulting loss in life and destruction. Such a marginalisation of rationalisation is an essential component for the creation and maintenance of the ‘Other’. It is through the introduction of dehumanising techniques that “… a distance between the designers and the victims of destruction” is instituted (Chwastiak, 2006, p.34).

Accounting techniques were perceived as being able to methodically arrange the chaotic act of war, “leading to the belief that … war could be won by the proper management of resources” (Chwastiak, 2006, p.30). The PPB system’s resulting limiting of problem
solving to only quantifiable inputs with desired outputs, deemed budgetary requests that were based upon subjective or qualitative justifications, such as judgement-based expert opinions, experiences and intuitions of military officers, as irrelevant and, thus, invisible (Chwastiak, 2006, 2001; Kaufmann, 1964). This managerial model of warfare led US leaders to only consider those aspects of defense problems that could be counted, whilst all others, such as human emotions and Vietnamese eco-socio-political and historical considerations, were dismissed as being irrational. Accordingly, there was a marginalisation of US leaderships’ rationalisation that bore a gap between their perceptions and the true holistic Vietnamese reality, including the experiences of US troops on the ground. This gap deceived US leadership who accordingly based their decisions on fallacious conceptualisations, analysis and monitoring, and bore contradictions that not only depleted prospects of US success in the war, but also became a trigger for the eventual breakdown of command. Soldiers who felt increasingly disenfranchised from leadership and burdened by performance measures that awarded increases in their production of death, eventually revolted against their very conscription (Chwastiak, 2006, 2001). Colonel Robert Heinl confirmed that “The morale, discipline and battleworthiness of the U.S. Armed Forces are … lower and worse than at any time in this century” (Heinl, 1971, p.327), causing the US Armed Forces to suffer what Campbell (1998, p. 358) described as “the organizational equivalent of a ‘near-death experience’”. Overall, the system hid the true complexities of war, and contributed to the eventual failure of the US’s Vietnam War venture.

Halberstam (1992, p.248) describes McNamara’s claim that his emphasis on statistical instrumental relations instigated efficiency in the management of resources and would bring about victory in war as a “vast unwitting and elaborate charade” that institutionalised and legitimised “a hopeless lie”. Indeed, Chwastiak (2006, p.26) concludes that “In the end, the Vietnam War would be the longest, most cost-ineffective and appalling war ever fought by the U.S.”. McNamara’s PPBS provided civil command with the means to perpetuate its ideological beliefs and attain power over decision making within the DoD through its control of the budgetary system. Historically, this is not the first time that civilian leadership has sought to maintain control and power over the military through financial regulations and accounting techniques. During the constitutional conflicts between the British Parliament and its
monarchy in the 17th century, Funnell (1990, 2005) showed that the civilian Parliament harnessed accounting as a tool to control the role of the army as an ally of the monarchy against the Parliament. Accounting was employed to impose the ‘constitutional identity’ of the British Army in relation to Parliament, which, as propagated by the War Office Cost Accounting Committee of 1918, “demanded the supremacy of parliament, mostly through ‘a ruthless and dominant Treasury …’, in all matters related to the granting of finance to the military and accounting for approved expenditures” (Funnell, 2005, p.309). Civilian leadership safeguarded against constitutional threats and ensured the perpetuation of their ideological beliefs by harnessing an accounting system that “had been designed and used … to control the loyalties and activities of the army …” (Funnell, 1990, p.319). However, the magnitude of Parliament’s control over army finance and budgets was so great that it created an army that was financially ignorant as well as, more importantly, ill-prepared and inefficient. Such administrative failures ultimately led to the army’s meagre performance in the Crimean War (1854-6) and humiliating defeat in the South Africa War of 1899 (Funnell, 1990, 2005, 2006; Funnell & Chwastiak, 2015b).

**Tracing Significant Reforms in the PPBS: Budgetary control and the reconfigurations of power**

In the 40 years since the introduction of PPBS into the DoD by SECDEF McNamara, three significant reform initiatives were undertaken that influenced the system and, most notably, reconfigured power structures within the DoD. Wildavsky (1961, p.183) explains how,

> Far from being a neutral matter of ‘better budgeting’, proposed reforms inevitably contain important implications for the political system, that is for the ‘who gets what’ of government decisions.

Melvin Laird, who succeeded McNamara as SECDEF during the Vietnam War, brought the first significant reforms in 1969. The reforms sought to counter McNamara’s use of the ‘scientific approach’ to gain control of the DoD’s decision-making process. Laird de-emphasised the role of systems analysis, returned to an emphasis on budget ceilings
for services to freely program within, and instilled decentralisation of power by giving military leadership a more influential role in budgetary development and the selection of force levels (Feltes, 1976; McCaffery & Jones, 2004). In effect, Laird pursued a participatory management regime through which he empowered the military leadership throughout the budgetary process so as to gain their cooperation in the reduction of both the defense budget and troop strength in Vietnam, which fell from 549,500 in 1969 to 69,000 in 1972 (Laird, 2003). He conceded “I have no business being involved in how many 20mm guns should go on a destroyer … I must let the Services take a greater role” (quoted in McCaffery & Jones, 2004, p.9). Overall, the overarching result of Laird’s reforms was the shifting of military planning back to military services and the reduction of systems analysis’ role, thereby de-emphasising the centralisation of decision making to the SECDEF (Feltes, 1976; McCaffery & Jones, 2004).

The Goldwater-Nichols Act of 1986 brought in the second significant reforms to the PPBS. Congress passed this Act primarily in response to then Chairman of the Joint Chiefs of Staff (CJCS) General David Jones’ persistent calls for reform, which had also previously been sounded by Presidents Truman and Eisenhower. Jones (1982) criticised the budgeting system as ‘lacking in discipline’, complaining that the decentralised resource allocation process permitted the military services departments to take control of the budget. This was because the budget was primarily focused on the procurement of the military service programs, leaving the Joint Chiefs of Staff (JCS) with an amalgamation of service needs that lacked both coherence and overall cross-service assimilation. The result was an augmented defense budget that “was driven by the desires of the services (usually for more programs and money), rather than by a well-integrated JCS plan” (McCaffery & Jones, 2004, p.12). Jones (1996, p.27) refers to the way in which

The lack of discipline in the budget system prevents making the very tough choices of what to do and what not to do. Instead, strong constituencies in the Pentagon, Congress, and industry support individual programs, while the need for overall defense effectiveness and efficiency is not adequately addressed.
In response, Goldwater-Nichols was passed, most notably delegating more power to the CJCS by identifying important phases within the PPBS where the JCS would intervene to set requirements and review plans. The Act established the national command authority to run from the President to the SECDEF, to the unified commanders-in-chief (CINCs), thereby increasing the unified CINCs war fighting and command authority, including authority to partake in the calibration of force size (McCaffery & Jones, 2004; Thompson & Jones, 1994). This authority was further enhanced by the establishment of unified CINCs leading role, over individual military departmental and services CINCs, within the budget chain of command to the Pentagon, thereby requiring individual military budget proposals to be reviewed by unified CINC, and giving it a greater role within the budgetary process. CJCS was also delegated responsibility to advise the SECDEF with requirements in the PPBS as identified by both the unified and individual CINCs, and also to assess individual military budgets, including the submission of alternative recommendations when needed, in accordance with overall unified CINC needs (McCaffery & Jones, 2004). In 1995, SECDEF Perry evaluated that Goldwater-Nichols had “dramatically changed the way that America’s forces operate by streamlining the command process and empowering the Chairman and the unified commanders” (Locher, 1996, p.15).

The overall result of the above two significant reforms to the PPBS was political in nature, pertaining to power structures within the DoD, whereby civilian decision-making authority was significantly reduced, with greater authority given to the military command within the DoD. McNamara’s centralisation of power, which had allowed his ideological conceptualisations to dominate the DoD’s decision-making process and to discount military expertise and judgement, was significantly reversed as the establishment of a decentralised decision-making structure granted the military command a more influential role in the PPBS, thereby empowering them with greater decision-making authority and eventually giving them ideological primacy within the Pentagon. Indeed, up until the commencement of the Bush Administration’s tenure, critics had been decrying what they perceived to be a Pentagon that was ideologically captured by a doctrine that had been chartered by military chiefs who were “wimps in uniform” (quoted in Campbell, 1998, p.357; Kegley & Wittkopf, 1996, p.392). The doctrine, known as the Powell Doctrine and also termed the ‘doctrine of reluctance’ by
critics, was condemned for its imposition of excessive limitations on the US’s use of force, which they believed made it impotent in both addressing post-Cold War threats, and in supporting modern day US foreign policy objectives.

The doctrine, named after General Colin Powell, was an amalgamation of the Weinberger Doctrine of 1984, formulated by SECDEF Caspar Weinberger with the advice of his then assistant General Powell, and General Powell’s own subsequent preferences that he integrated whilst holding the highest military position in the DoD, Chairman of the Joint Chiefs of Staff. The Weinberger Doctrine had surfaced as a result of the learning process that followed the US military organisation’s ‘near-death’ experience of the Vietnam War. It formally solidified what Colonel Harry Summer, who was assigned by the US Army to analyse the war’s failures, had determined in his book, *On Strategy: A Critical Analysis of the Vietnam War*, to be the fundamental lessons learned. The book, and its lessons, had a major influence throughout the DoD; it had been distributed throughout the Army, incorporated into the curriculum of its educational institutions and had also even been circulated within the White House. Most notably, it sought to prevent any repetition of the Vietnam War debacle by outlining a suite of preconditions for the use of military force, including the identification of clear political and military objectives, the proper sizing of forces to achieve the objectives, assurance of public and Congressional support, and that force be used as a last resort only after all political avenues had failed (Weinberger, 1985). The Powell Doctrine emphasised these Weinberger’s conditions, also favouring “major conventional combat operations” and emphasising “overwhelming force, exit strategies, and clear, attainable objectives, not to mention the need for broad international support” (Kaplan, 2008, p.3).

The doctrine was especially loathed by some US civilian leaders who viewed its effect, the profound reluctance to use force, having “a profound impact … upon the American military, U.S. foreign policy, the American political system, and the global strategic environment” (Campbell, 1998, p.363). The political pendulum of power with regards to these issues had been taken away from civilian leadership and been firmly pushed into the hands of their military counterparts. Indeed, the doctrine had successfully been
used by the Pentagon to block the introduction of US ground troops in Central America during the 1980s, “despite the strong desires of some civilian policy-makers in the State Department and the Reagan White House for direct U.S. military intervention” (Campbell, 1998, p.365). When George H. W. Bush contemplated using force against Saddam Hussein, the first major war since Vietnam, General Powell voiced serious reservations and called for economic sanctions to be applied first. Once the decision of war had been finalised, Powell strongly endorsed the Weinberger Doctrine by committing overwhelming force to a limited, achievable and popular, UN-sanctioned, Congressionally supported objective of expelling Hussein from Kuwait, which he won decisively and exited quickly (Campbell, 1998; Record, 2007). Colonel Summers (1992, p.74) had himself noted how the doctrine had enhanced the democratic character of US foreign policy by acting as a restraint upon the war powers of an ‘imperial presidency’, and by compelling the need for wider Congressional and military support: “The generals have already curbed the president’s powers, quietly and indirectly, but more efficiently than have all the congressional critics of Executive War”.

The highly successful implementation of the Powell Doctrine during the Gulf War, which brought about minimal US causalities and was largely funded by other nations, was said to have ‘cured’ the US of the ‘Vietnam Syndrome’, being public detestation of overseas US military involvements (Campbell, 1998; Record, 2007). As such, it was carried into the Clinton Administration’s two post-Cold War terms in the 1990s, where it gained strength and hegemony within US foreign policy. During the Clinton Administration’s second term, however, Secretary of State, Madeleine Albright voiced frustration with Powell’s ideology, imploring “What’s the point of having this superb military you’re always talking about if we can’t use it?” (Dobbs, 1996, p.A01). Although the Clinton Administration did increase its forceful interventions into conflict areas, such as Somalia, Haiti, Bosnia and Serbia, the doctrine’s effects were still evident in the Administration’s hesitation, indecision and obsession with force protection, which led to those interventions being limited in nature (Campbell, 1998; Hoffman, 1995; Preble, 2009; Record, 2007; Stevenson, 1996). With the commencement of the Bush Administration, however, Clinton era hesitation and indecisiveness with regards the use of force disappeared as the Administration was captured by neoconservative ideology, which necessitated an aggressive foreign policy and risk taking; the use of
pre-emptive force and the immersion into ‘multiple theatre wars’ in pursuit of US interests and a unipolar international order in favour of US world hegemony (Bush, 2002; Dorrien, 2004; Fukuyama, 2006; Mearsheimer, 2001; Schmidt & Williams, 2008). Hindering the Administration’s application of this forceful and risky ideology, however, was the non-ideologically compatible DoD’s ‘doctrine of reluctance’.

According to Wildavsky (1992, p.xi), when there exists deep political ideological disagreements, these differences are “played out through the budget”. As such, it became imperative that the new Administration’s SECDEF regain civilian superiority over the DoD’s budgeting process and, thus, neoconservative ideological primacy over that of the military command. Indeed, Bush’s SECDEF Rumsfeld sought to realign the pendulum of power within the DoD in favour of his civilian command by revisiting and reforming both the PPB and management systems. By exploiting the same approach of his late predecessor, McNamara, Rumsfeld sought to re-impose his overall authority upon decision-making, foist his management style upon military command and, through a new emphasis on performance measures and auditing, to compel the execution of the Bush administration’s neoconservative conceptions throughout the DoD.

**Rumsfeld’s Ideologically Driven ‘War on Bureaucracy’**

Donald Rumsfeld, a Navy S-2 Tracker pilot, had a career divided between politics, notably becoming the youngest SECDEF ever at the age of 43 under Gerald R. Ford, and the business world, where he ran the pharmaceutical company G. D. Searle for almost a decade, before returning to politics as SECDEF under the Bush Administration. In the economic realm, Rumsfeld was a neoliberal enthusiast, having been a regular attendee of seminars at the Chicago School of Economics, and referring to Milton Friedman as his personal “good friend” (Rumsfeld, 2002a). As such, he believed in laissez-faire economic liberalisation principles, such as decentralisation, outsourcing, deregulation, privatisation and free markets, which aim at enhancing the role of the private sector in the economy and minimising state intervention (Dumenil & Levy, 2004). His reputation within the political realm was one of high intellect and
intimidating character, a “ruthless little bastard” as described by President Nixon (Kaplan, 2008, p.2). Rumsfeld was an earnest neoconservative, being one of ten top Bush Administration officials who were members of the ideology’s notorious think tank, the Project for the New American Century (PNAC). As such, he firmly believed in PNAC’s underlying ideology of US exceptionalism, the active pursuit of US world hegemony and a forceful vision for US foreign policy: most notably, the use of unilateral pre-emptive force so as to enforce a global Pax Americana unrestrained by international law (Dorrien, 2004; Fukuyama, 2006; Ryan, 2010; Scott, 2007). With regards Iraq, he was amongst the early advocates for both forceful Iraqi regime change and the presence of permanent US forces in the Gulf, which were both in line with PNAC’s aims to challenge “regimes hostile to US interests and values” (Abrams … Wolfowitz, 1997), and to establish “a substantial American force presence in the Gulf” (Donnelly et al., 2000, p.14). He was a signee of the 1998 open letter initiated by PNAC to President Bill Clinton calling for the removal of Saddam Hussein, and supported all subsequent PNAC memos and letters in this regard, as well as the Iraqi Liberation Act signed into law by Clinton in 1998 (Ryan, 2010).

PNAC’s insistence on forceful Iraqi regime change was an offshoot of its neoconservative global Pax Americana ideology. Apart from its calling for the active pursuit and maintenance of US interests, including those pertaining energy resources, the ideology also rejected balance-of-power politics and was committed, instead, to the maintenance of a unipolar international system. Mearsheimer (2001, p.163) explains that the neoconservatives believed this would be achieved by operating according to the ‘bandwagoning’ logic: weaker states would choose to join forces with a more powerful state “because the adversary will take what it wants by force anyway and inflict considerable punishment in the process”. Indeed, whilst advocating for the war on Iraq, leading neoconservatists, Robert Kagan and William Kristol (2003, p.247), indicated that

once Iraq and Turkey – two of the three most important Middle Eastern powers – are both in the pro-western camp, there is a reasonable chance that smaller powers might decide to jump on the bandwagon.
Neoconservatives believed that the US’s flexing of military might, rather than diplomacy, was a necessary prerequisite for the realisation of its interests and world hegemony. Accordingly, PNAC resident fellow Reuel Marc Gerecht (2001) emphasised the need to

re-instill in our foes and friends the fear and respect that attaches to any great power … Only a war against Saddam Hussein will decisively restore the awe that protects American interests abroad and citizens at home.

PNAC’s 2000 report, *Rebuilding America’s Defenses*, ascertained this desire and argued for the imperative need to sustain an overfunded defense budget so as to grant the US capability to “fight and decisively win multiple, simultaneous major theatre wars” as a “core mission”, and to reorder the international system in favour of US interests (Donnelly et al., 2000, p.iv). Indeed, Halper and Clarke (2004, p.26) argue, “from its early beginnings, a proclivity toward the use of force has been an identifying badge of the neo-conservative ideology”. The report considered current US defense planning as “an empty and increasingly self-referential exercise, often dominated by bureaucratic and budgetary rather than strategic interests”; therefore, it called for the matching of “U.S. military forces and resources to a viable American strategy” (Donnelly et al., 2000, p. 1). PNAC outlined their vision for this optimum match, narrating an American strategy that required a matching defence budget that represented no less than 3.5-3.8% of the US gross domestic product (GDP), and an end to the alleged ‘procurement holiday’ in nuclear force planning. The resulting transfers of wealth to the defense domain would insure the superiority of US forces by funding increases in their quantity, to enable multiple deployments throughout the world, and to enhance their qualitative capabilities through a ‘transformation process’ that exploited the ‘Revolution in Military Affairs’ (RMA).

RMA entailed a two-stage process; the first involved the maximisation of “the value of current weapons systems” (Donnelly et al., 2000, pg. v) by ‘wisely managing’ weapons systems and “figuring out the right moments to halt production of current-paradigm weapons and shift to radically new designs” (Donnelly et al., 2000, p. 51). The second stage involved the production of “more profound improvements in military capabilities” so as to improve overall efficiency and effectiveness (Donnelly et al.,
In effect, RMA sought to exploit technology and the efficient management of resources to produce more value for money, that is fighting and political power. Mearsheimer (2005, p.2) explains that neoconservatives “believed that the United States could rely on stealth technology, air-delivered precision-guided weapons, and small but highly mobile ground forces to win quick and decisive victories”. This vision lay in stark opposition to that of the well-manifested Powell Doctrine. Indeed, PNAC acknowledged that its ‘revolutionary’ changes would face extensive opposition from domestic politics, industrial policy and the requirements of current missions: “the process of transformation …”, it proclaimed, “is likely to be a long one, absent some catastrophic and catalysing event – like a new Pearl Harbor” (Donnelly et al., 2000, p.52).

In 1999, then Governor and Presidential candidate George W. Bush, whose brother Jeb Bush was also a member of PNAC, sounded PNAC’s rhetoric, calling for the creation of “the military of the next century” by piloting a “revolution in the technology of war” where forces are “agile, lethal, readily deployable, and require a minimum of logistical support” (Bush, 1999). Such a transformation, he emphasised, was a principal requisite for the sustenance of power in a highly globalised world, and for securing unilateral pre-emptive capabilities against unconventional, highly mobile enemies. Once in office, Bush reaffirmed his commitment to this neoconservative conception of the US military in his Bush Doctrine, which is regarded “essentially, a synonym for neoconservative foreign policy” (quoted in Schmidt & Williams, 2008, p.194). Bush had promised to give his future SECDEF a ‘broad mandate’ “to challenge the status quo and envision a new architecture of American defense for decades to come” (Bush, 1999). Indeed, upon becoming Bush’s SECDEF in 2001, Rumsfeld was quick to announce his ideological allegiance to the neoconservative RMA vision, proclaiming the ‘modernisation’ of the DoD “a matter of life and death” (Rumsfeld, 2001, p.2). On the 10th September, at the kickoff to the 2001 DoD Acquisition and Logistics Excellence Week, he declared to an audience in the heart of Pentagon that the death of Americans would be the consequence of inefficiencies in both the DoD’s PPB and management systems, which together brought into bear a Pentagon bureaucracy that posed “a threat, a serious threat, to the security of the United States of America” (Rumsfeld, 2001, p.1). “Every dollar squandered on waste is one denied to the warfighter” he decried,
Waste drains resources from training and tanks, from infrastructure and intelligence, from helicopters and housing. Outdated systems crush ideas that could save a life. Redundant processes prevent us from adapting to evolving threats with the speed and agility that today’s world demands … In this period of limited funds, we need every nickel, every good idea, every innovation, every effort to help modernize and transform the U.S. military (Rumsfeld, 2001, p.2).

The crux of Rumsfeld’s argument that justified and legitimised the need for his imposition of transformational change was based on accounting discourse: that waste and inefficient processes within the DoD were adversaries; a security threat that would cost US lives. Hence, he elevated the need for reform to that of national security; the efficient management of resources, the elimination of waste and the transformation of the DoD would ‘protect’ “hardworking people of America and the tax dollars they earn” (Rumsfeld, 2001, p. 2). He described how ‘decades old’ financial systems had led to an estimated $2.3 trillion in untraceable transactions, and assured that his reforms were “about professionalism … respect for ourselves, about how we feel about seeing GAO reports describing waste and mismanagement and money down a rat hole” (Rumsfeld, 2001, p. 8). In effect, Rumsfeld harnessed accounting rhetoric pertaining to the proper management of resources to justify and legitimise change. Accordingly, he declared an initiative to kerb mismanagement and “transform … the way we conduct our daily business” (Rumsfeld, 2001, p. 2). “We must employ the tools of modern business” (p. 7), he ascertained, so as to become “Like the private sector’s best-in-class companies” (p. 6). As such, he announced major neoliberal initiatives, including the outsourcing of all non-cove activities, privatisation and downsizing administrative staff. To assist and guide such reforms, he also announced the establishment of a ‘Defense Business Board’, which comprised of elites of the business world, so as to “tap outside expertise as we move to improve the department’s business practices” (Rumsfeld, 2001, p. 4).

Although Rumsfeld’s rhetoric unambiguously framed the DoD within the bounds of a ‘business’, thereby elevating the prominence of the bottom line in what he described as a ‘war on bureaucracy’, he also paradoxically conceded that his reforms were not “in the end, about business practices, nor is the goal to improve figures on the bottom line”, rather, “a campaign to shift Pentagon resources from the tail to the tooth” (Rumsfeld,
Therefore, just like his predecessor, SECDEF McNamara, “surely did not use PPBS and other techniques of financial management merely to cut waste and improve efficiency or to save money …”, rather to take “advantage of his central role in the defense-budgeting process to exercise … his authority over military policy” (Schilling 1968, 29), Rumsfeld was to utilise reforms in order to impose his ideological strategy of a capability-centred US military machine. As such, the ultimate goal was not efficient resource management and the reduction of waste, rather, to control the ideological-base of military policy and to achieve the organisational efficiency necessary to qualify the US military to fulfil its role as defender and server of US interests according to neoconservative agenda.

Indeed, although organisational efficiency did improve during Rumsfeld’s tenure (McCaffery & Jones, 2004; Walker, 2005) and the US military did embark on multiple, simultaneous major theatre wars, including in Afghanistan and Iraq, numerous reports have confirmed decreased DoD waste management capabilities and overall increases in waste, fraud, cronyism and corruption (Committee on Government Reform, 2006; Committee on Oversight and Government Reform, 2007; Editorial, 2008; Hedgpeth, 2008; Schwellenbach, 2009; The Center for Public Integrity, 2003; The Industrial College of the Armed Forces, 2010). Whilst the Bush Administration almost doubled the Pentagon’s budget between 2000-2008, Rumsfeld failed to correspondingly increase personnel in the DoD’s Inspector General (DOD’s IG) office to provide the necessary oversight. Instead, he maintained a static number of auditors during his tenure. As a result, “An auditor previously responsible for vetting $642 million in defense contracts must now somehow deal with more than $2 billion worth” (Editorial, 2008, p.A. 20).

According to the Center for Public Integrity, such a shortage in DoD’s IG auditors created a 76% drop in the number of contracting fraud and corruption cases sent by DoD investigators for potential criminal prosecution during the Bush administration (Schwellenbach, 2009). A May 2008 DoD IG report revealed that of the $8.2B in DoD spending that was inspected, the Pentagon failed to adequately account for $7.8B paid to contractors in Iraq—a staggering 95% failure rate. Moreover, $1.4B (17% of that inspected) did not meet minimal requirements (The Industrial College of the Armed Forces, 2010, p.14).
Similarly, in the US House of Representatives’ Committee on Government Reform’s report, *Dollars, Not Sense* (2006), it was found that procurement spending within the DoD increased by 102.3% in the period between 2000-2005, rising from an initial $133.5 billion to $270 billion. This growth in contracting was accompanied by widespread mismanagement due to awarding non-competitive contracts, inadequate contract oversight and a reliance on the awarding of abuse-prone contract types, such as cost-plus, monopoly and middlemen contracts (Committee on Government Reform, 2006). Furthermore, contract officials from the Program Management Office of the DoD, who provided oversight on DoD spending in Iraq, were also severely understaffed. According to the report (2006, pp.31–32), the DoD “had only 110 to 120 employees on the ground in Iraq to oversee $18.4 billion in contracts”, compared to the Army Corps of Engineers that “has 30,000 employees to administer an annual budget of $14 billion …”. Moreover, in the same committee’s following year report it found “that the worrisome trends identified last year have worsened significantly” (Committee on Oversight and Government Reform, 2007, p.i). According to Hedgpeth (2008), the accumulated effect of such deficiencies was a Pentagon accounting that, by 2008, could not adequately trace almost $15 billion worth of contractor purchases in the Iraq reconstruction effort.

Whilst Rumsfeld harnessed accounting rhetoric pertaining to efficiency, in actuality, resource mismanagement within the department increased rapidly. Ironically, nevertheless, Rumsfeld could essentially exploit the 76% reduction in auditor reported cases of fraud and corruption as evidence of a surge in efficient financial management practices. In addition, by exploiting rhetoric that conjoined the need for surges in the defense budget to achieve national security with an emphasised need for efficient financial management to reduce waste and increase accountability, Rumsfeld both justified increased transfers of wealth into the defense realm, whilst also legitimising the process by which such wealth would be spent. Moreover, the use of such rhetoric positioned his neoconservative policies on an elevated moral/ethical platform over those of the DoD’s existing ideology, as it promoted a narrative that his policies were a form of liberation from the existing ideology’s wastes, deficiencies and inefficiencies. Accordingly, Rumsfeld underscored that waging an “all-out campaign to shift Pentagon’s resources from bureaucracy to the battlefield” was not an attack on the
people of the Pentagon, rather an effort to ‘liberate’ it, to free its men and women from their ‘frustrations’ with the system, to ‘fix it’, and to “save it from itself” (Rumsfeld, 2001, p.2). Rumsfeld reasoned his reforms as being a source of liberation, a means of emancipation from the confines of the current ideological grasp that bore organisational processes and regulations that were

engineered to prevent any mistake, and by so doing, they discourage any risk … risk aversion is not America’s ethic … it must not be ours. Those who fear danger do not volunteer to storm beaches and take hills, sail the seas, and conquer the skies (Rumsfeld, 2001, pp. 3-4).

Finally, Rumsfeld, just like PNAC’s report of the preceding year, acknowledged the gravity and, thus, difficulty of accomplishing this vision: “there will be real consequences from, and real resistance to, fundamental change. We will not complete this work in one year, or five years, or even eight years … Some say it’s like turning a battleship. I suspect it’s more difficult” (Rumsfeld, 2001, p. 7).

Rumsfeld’s ‘Transformational’ Reforms

Under the pretext of enhancing efficiency, reducing costs and cutting waste, Rumsfeld’s ‘transformational’ reforms followed two paths, both having an overall effect of providing the SECDEF with greater authority and decision-making power over military policy. The first involved an ‘overhaul’ of the DoD’s 40-year old internal PPBS, which he described as “a relic of the Cold War … one of the last vestiges of central planning on Earth” (Rumsfeld, 2001, p. 4). The second path involved an attempt to pass the Defense Transformation Act for the 21st Century (DTA), which sought to grant the DoD greater autonomy from the controls of Congress so as to enable SECDEF to unrestrictedly implement neoliberal principles such as downsizing, outsourcing and privatisation without Congress’ oversight. Both paths of Rumsfeld’s ‘transformational’ reforms and their effects will be discussed below.
1. Overhauling the defense budgeting process: From PPBS to PPBES

Rumsfeld’s changes to PPBS began on the 2nd August 2001, with a memo that explained that the PPB process would be collapsed; both the programming and budgeting phases would now operate concurrently so as to provide a streamlined process that would reduce redundant bureaucracy, costs and speed decision-making. This change was built upon the acknowledgment that a high degree of reciprocal interdependence between the two functions existed and, thus, that the PPBS’s existing consecutively phased process was inefficient and “was not producing the outputs desired by Secretary Rumsfeld quickly enough” (McCaffery & Jones, 2004, p.45). The imposition of this new concurrent process created substantial interdependence between units, requiring them to work collectively to problem-solve and to realise outputs desired by SECDEF more quickly and efficiently. In addition, Rumsfeld set up the Senior Leaders Review Group (SLRG), which comprised of all senior leaders in the DoD, civilian and military, which “aimed to function like a corporate board, with SECDEF being its chairman” (McCaffery & Jones, 2004, p.39). SLRG’s role was to provide early review of the programming/budgeting process and “to evaluate and integrate major issues at the start of the process”, thereby providing SECDEF with earlier influence over the programming/budgeting process (McCaffery & Jones, 2004, p.39). Meanwhile, whilst military departments and CINCS were given a tool, the Program Change Proposals (PCP), to affect changes within the programming/budgeting phase, Rumsfeld controlled their frequency by imposing a set dollar threshold that a proposal had to exceed before being considered, and by requiring any proposal to include suggested offsets to cover its costs. McCaffery and Jones (2004, p. 47) explain that “This is meant to be a zero-sum game. Changes have to be accompanied by offsets or billpayers”. In so doing, Rumsfeld was able to enhance his power by obliging the military to present budgetary requests in his language of cost-effectiveness and efficiency, addressing his style of decision making and, thereby, undermining their influence.

McCaffery and Jones (2005, p. 158) explain that the impact of Rumsfeld’s August 2001 “memo was dwarfed by the events of 11 September 2001 and subsequently … when
business-as-usual was resumed, budget process players found that the game had changed”. Indeed, Rumsfeld exploited the 9/11 attacks as an opportunity to promptly press for greater change and, rapidly consolidated his authority over military policy. During a speech in January 2002, Rumsfeld expressed further impatience with the PPBS, criticising its production of “100 percent of a budget for a single year, and it comes back having been altered by 21 percent, with thousands of earmarks” (quoted in McCaffery & Jones, 2004, p.38). Therefore, he rationalised a need for the simplification of the process, which would reduce costs and time associated with its annual implementation. Accordingly, the PPBS was divided into biennial programming/budgeting ‘on-year’ and ‘off-year’ cycles: the budget would be prepared using the full PPBS during the ‘on-year’, whilst the ‘off-year’ cycle would “not introduce major changes to the defense program, except as specifically directed by the Secretary or Deputy Secretary of Defense” (Secretary of Defense, 2003a, p.5). As such, the OSD would set the budget during the ‘off-year’ using existing budget estimates, allowing only a ‘discrete number’ of changes to be performed to reflect ‘real world changes’ and align programs with SECDEF’s overall defense strategy (McCaffery & Jones, 2005, 2004; Secretary of Defense, 2003a). Whilst the biennial cycle was a cost-effective alternative to the implementation of the full PPBS annually, most importantly it augmented the OSD’s authority over its military counterparts as it enhanced the systematic mechanism for top-down planning and the allocation of resources, thereby centralising management and policymaking. SECDEF could take advantage of his central role in the defense budgeting process to exercise his authority over military policy.

In addition, the ‘off-year’ cycle was utilised to focus on a newly initiated ‘execution’ phase, where comptrollers and budget officials monitor and control execution of programs and funding, and accounts are reconciled with appropriations and spending (Jones & McCaffery, 2008; McCaffery & Jones, 2005). To reflect the inclusion of this new phase, the redesigned PPBS was accordingly altered to become the Planning, Programming, Budgeting and Execution System, or PPBES in 2003. Whilst budgetary execution was traditionally delegated to military departments, “the revised process provides OSD with greater opportunity to examine and critique the budget execution decisions of the military departments and services”, thereby allowing SECDEF greater
authority over military spending, and providing further resistance to the autonomy of service departments (McCaffery & Jones, 2005, p.156). Indeed, management audits, performed by the OSD and its military departments’ OSD Inspector General offices, in addition to those performed by other external and internal agencies, were performed regularly to the extent that it led “some command-level and Pentagon officials to complain that they are nearly ‘audited to death’” (Jones & McCaffery, 2008, p.167). The addition of this phase was a sign of Rumsfeld’s purported heightened concern with accounting, monitoring and control of spending so as to insure efficiency and accountability within the DoD. In actuality, Rumsfeld also utilised these accounting techniques to increase his influence, whereby he could identify underutilised funds that could be subsequently shifted to areas of higher priority, in accordance with his ideological requirements. Indeed, the addition of this phase was an example of “strategic budget behaviour …”, as it signified an attempt by Rumsfeld “to gain and sustain a significant degree of discretion and flexibility in execution of their budgets” from congressional oversight (Jones & McCaffery, 2008, p.168). As such, it was an “inevitably political as well as managerial” affair as Rumsfeld aimed to gain more independence from budgetary congressional oversight and, thus, increase his delegated power within the DoD (p. 168).

To further enhance his control over budgetary execution, Rumsfeld also implemented performance-based budgeting (PBB), which focussed the budget on the costs of achieving outcomes, rather than on administrative and production related details of programs. PBB was driven by the concept of effects-based capabilities, which reiterated a core initiative within PNAC’s RMA that called on the efficient management of military capabilities to profoundly improve them and achieve desired end results. As such, PBB offered a means for realising this initiative by forcing the alignment of desired capability outcomes with the most cost-effective appropriation of resources. Most importantly, PBB reviews provided Rumsfeld with quantitatively measurable goals that would enable performance measurement and management, and the promotion of accountability for results, thereby further enhancing his authority. Rumsfeld did this by establishing a Program Assessment Rating Tool (PART) in 2002, which scored programs using multiple criteria to establish the degree of their compliance with budget submission requirements. In this regard he admitted: “The old adage that you get what
you inspect, not what you expect … that what you measure improves, is true. It is powerful, and we will be measuring” (Rumsfeld, 2001, p. 8). Indeed, Jones and McCaffery (2010, p.496) report that, since PART’s implementation in 2002, “by 2003 … virtually all departments and agencies were complying with … budget submission requirements”. Whilst PART’s provisioning of effective performance management and enhancement to SECDEF’s control was apparent, Gilmore and Lewis (2005) concede however, that the extent by which PART improved department efficiency and effectiveness was uncertain.

Finally, Rumsfeld was able to consolidate his overarching authority over the PPBES and, thus, military policy, by also entrenching his influence into the planning phase. Rumsfeld’s overhaul of this phase came after a post-Cold War period of ambiguity with regards justification of US military budgetary needs due to the absence of a distinct adversary to plan against. However, “The terrorist attack of September 11, 2001 ended this period of doubt and confused reflection”, bringing to bear a novel archenemy that encompassed a wide range of global agile threats instead of the “old bipolar geographic analyses that focused on the USSR, potential enemies in Asia or elsewhere” (McCaffery & Jones, 2005, p.168). Correspondingly, this new global disorder rationalised Rumsfeld’s demand for the implementation of a capabilities-based approach that would ‘profoundly improve’ and efficiently manage US capabilities so as to enable the US to simultaneously address a wide variety of threats, rather than the theatre-based approach that only focussed on defeating a specific adversary (Rumsfeld, 2002b). Rumsfeld described the existing process as a ‘train wreck’:

What happens in the Department of Defense – and it runs me up the wall – is each service comes up with their things … and how in the world do you get those four things into a single fighting force at the end? It’s a train wreck … every year when you’re trying to do a budget. It’s just a meat grinder trying to pull things together … And we’re going to fix that. I’ll be the meat grinder” (quoted in Walker, 2005, p.2).

The existing approach had empowered each Service department with the autonomy to formulate its own vision of war fighting and, accordingly, to generate capability requirements to fulfil this vision. Only near the end of the process were the independent
proposals integrated. This process was criticised as being a form of bottom-up ‘bureaucratic stovepiping’, which gave rise to a procedure, the attempt to integrate the independent proposals and then budget accordingly, that was both resource and time inefficient (Rumsfeld, 2002b; Walker, 2005). Capabilities-based planning, primarily a business approach that was widely credited for the success and growth of large corporations like Wal-Mart, shifted the focus in planning from inputs to outputs. Its central principle was that a capability was advantageous only if it cost-effectively enhanced the business as a whole by adding value to the end customer. Likewise, Rumsfeld’s capabilities-based planning methodology sought to provide the most cost-effective enhancements to joint military capabilities, which would add value to the end-user combatant. This would be achieved through an analysis of a range of capabilities against differing threat variables, and then making choices based on cost-effectiveness and value to war fighting, end-user combatants. As such, and as depicted on the right hand side of Figure 1 below, Rumsfeld’s capabilities approach inverted the existing paradigm; the planning process now began with a top-down allocation of war fighting vision and strategic direction, which was to be jointly followed by all service departments. Subsequently, joint capability requirements would be derived and service departments would then be tasked with the development of these requirements.

![Capability-Based Approach](attachment:figure4.jpg)

Figure 4: Capabilities-Based Approach (Walker, 2005, p.2).
This inversion effectively enforced Rumsfeld’s management style upon the service departments as it imposed a shift to top-down planning that focussed on the realisation of cost-effective outputs rather than inputs and, thus, centralised decision-making. Although this shift was articulated as being revolutionary, it actually represented a return to SECDEF McNamara’s basic principles of PPBS, where he “used capabilities-based, systemic analyses to inform his decision-making, and then implemented these civilian-controlled decisions that spanned policy and program” (Walker, 2005, pp.3–4). Indeed, the most major outcome of this approach was Rumsfeld’s heavy involvement in decision-making from the early stages of the planning process, rather than later in the cycle. According to business management studies, such top level control and authority is intrinsic to the capabilities approach as leveraging capabilities requires a panoply of strategic investments across SBU’s and functions far beyond what traditional cost-benefit metrics can justify … building strategic capabilities cannot be … left to operating managers, to corporate staff, or … to SBU heads. It is the primary agenda of the CEO. Only the CEO can focus the entire company’s attention on creating capabilities that serve customers (Stalk et al., 1992, p.63).

Figure 2 highlights the extent of Rumsfeld’s acquired influence within the new process model, with all grey shaded areas representing the SECDEF’s areas of influence. In addition to these areas, SECDEF also chaired the overarching Strategic Planning Council, which provided overall assessments and drive during the planning process.
Within this process model, SECDEF provides the services with the Joint Programming Guidance (JPG), which directs their implementation of decisions reached during the enhanced planning process. This document is fiscally constrained, meaning its delegated guidance is quantitatively costed to demonstrate that it is “fiscally executable”, and also to provide a basis for future performance management through budget and performance grading of services’ programs and budgets (Walker, 2005, p.13).

2. The defense transformation act for the 21st century

Whilst Rumsfeld transformed the internal PPBES, he also attempted to gain greater autonomy from Congress through the passing of the DTA. During a 2003 hearing before a Committee on Armed Services in the House of Representatives, Deputy Secretary of Defense Paul Wolfowitz, who was also a core member of PNAC, presented a statement to promote the bill. Using rhetoric that echoed that of Rumsfeld and the PNAC 2000 report, Wolfowitz utilised a backdrop of the September Attacks to warn of
“a new era, possibly the most dangerous era this country has ever confronted”, of “shadowy terrorists and their networks” (Wolfowitz, 2003, p.20). Escalating these threats was an inefficient DoD management system, which kept the department “bogged down … in the micro-management and bureaucratic processes of an earlier era” (Wolfowitz, 2003, p.20), and withheld taxpayers from “getting the value that they could from their defense dollars” (Wolfowitz, 2003, p.22). Accordingly, he presented the dire necessity to transform “not just the way we deter and defend, but also the way we conduct our daily business” (Wolfowitz, 2003, p.19), pressing Congress to empower the department with the “freedom to move resources, shift people and acquire new weapons more rapidly” (Wolfowitz, 2003, p.20). Indeed, Rumsfeld had complained of an existing defense authorization bill that required the DoD to submit 26,000 pages of justification and over 800 reports to Congress each year with regards budgetary requests and execution. Not only did he consider such requirements as time-consuming, costly to observe, and a security impediment as they doubled the time needed to produce a new weapons system, but they also represented an overarching means of control over his decisions (Rumsfeld, 2003). As such, Rumsfeld essentially pressed Congress to delegate authority for budgetary execution, and the managerial flexibility to implement neoliberal business practices such as downsizing of headquarter staffs; reduction of physical assets by closing excess bases; expanded authority for competitive outsourcing of non-core activities; the elimination of arduous rules that limited small corporate dealings with the DoD; privatisation of utility services for military housing and health care delivery; and more flexible rules for the management of the acquisition-related process and personnel (Francis & Walther, 2006; McCaffery & Jones, 2005, 2004; Rumsfeld, 2001). He “put special emphasis on the importance of more horizontal, decentralized structures that share and leverage the information necessary for effective and timely decision-making …” (quoted in Kaplan, 2008).

Overall, the DTA would further delegate authority and power to Rumsfeld through provision of flexible management authority and delegation of budgetary execution authority. Notably, although Rumsfeld had repeatedly emphasised the importance of budgetary oversight to provide accountability and transparency and to achieve efficiency and the elimination of waste, he simultaneously sought to reduce Congress’ budgetary oversight over the DoD by eliminating DoD’s obligation to provide it with
budgetary reports. Believing that the Congressional budget process should mainly focus on ‘macro’ rather than ‘micro’ management issues, leaving specific details to the executive of the department, DTA proposed to eliminate DoD reporting requirements within five years, including the Selected Acquisition Reports that provided costing and budgetary execution information to Congress and to the GAO. Such reports were critical for Congress and the GAO in conducting budgetary oversight responsibilities over the DoD. Furthermore, DTA’s proposed reforms to personnel management would authorise the SECDEF to freely rewrite the employment conditions of 700,000 DoD civilian employees, without Congressional oversight. Indeed, in a letter written by Representatives David Obey and John Spratt (2003, p.2) of the Appropriation Committee and Budget Committee respectively, both argued that the DTA would concede “unprecedented reduction in Congressional oversight and accountability, and in some cases unlimited increases in the powers of the Secretary of Defense”.

Accordingly, although Congress did pass a new Defense Authorization Act of 2003, which included substantial sections from the DTA including those pertaining authority to outsource, privatise, downsize and reduce physical assets, it was reluctant to provide SECDEF with all the discretionary powers he had sought (Jones & McCaffery, 2008; McCaffery & Jones, 2004, 2005).

Rumsfeld had already realised one of his requests for discretionary power within the DoD regardless of Congressional approval. Rumsfeld had eliminated 31 of the 72 acquisition-related advisory boards under the pretext of decentralising the acquisition process so as to cut down “some 17 levels of bureaucracy …” between “a line officer’s to my desk”, and “now budget based on realistic estimates” (Rumsfeld, 2001, p.4). This change was designed to centralise SECDEF’s influence over decisions on major acquisitions by allowing him to decide outside of the PPBES, and before decisions were made elsewhere within the Pentagon (McCaffery & Jones, 2004). Such an exemption empowered him with the means to realise the requirement of PNAC’s RMA, being to ‘wisely manage’ weapons systems by forcing cancellation of some projects, whilst shifting production to other ‘radically new designs’. Indeed, by 2003, Rumsfeld had already succeeded in cancelling the Army crusader heavy-artillery system and in consolidating the B-1 bomber force in spite of strong opposition from the Pentagon, Congress and industry (McCaffery & Jones, 2005, 2004, Rumsfeld, 2001, 2002b).
Meanwhile, he had also authorised the development of “‘bunker-buster’ nuclear weapons and …” made “‘star wars’ a national priority” (Pilger, 2002).

Conclusion

After revealing that the US’s assignment of inadequate troop levels to Iraq represented the breaking point element in the development of a most evident Iraq War fiasco, this chapter questioned how the DoD, with its multiple organisational processes and regulations that are specifically engineered to prevent mistakes, could commit such a grave miscalculation. The chapter showed that, although the DoD’s CENTCOM already possessed a comprehensive plan for an invasion and occupation of Iraq, and its senior generals had already established the need for several hundred thousand troops, all such military expertise and knowledge was overruled by the civilian leadership of SECDEF Rumsfeld, who imposed the Bush administration’s neoconservative ideological beliefs over military knowledge and initiated the war with less than a third of the troops recommended.

According to Wildavsky (1961, 1992), when there exists political ideological disagreements, these differences are sorted in the budget, which ultimately determines who gains sovereignty over decision-making; that is, financial control equals power. Indeed, by showing the historical role of accounting, specifically that of the PPBS, in delegating decision-making authority and power within the DoD, this chapter exposed the ideological/political instrumentality of accounting in the promotion of distinct interests. The chapter showed how civilian leadership has historically either used the PPBS to establish its ideological dominance over the DoD’s decision-making process, or to delegate a substantial amount of that authority to the military command. In order to gain power with the DoD, the chapter demonstrated how SECDEF Rumsfeld utilised accounting rhetoric to justify and legitimise his imposition of reforms to the budgeting process, and how he also capitalised on the disaster of 9/11 to press for rapid change. Accordingly, he was able to impose his reforms, thereby bringing about an overall outcome that firmly entrenched his pre-eminence over the DoD’s PPBES, and provided him with the means to permeate neoconservative ideological conceptions throughout the
department. This was because PPBES afforded a systematic mechanism for top-down planning and the allocation of resources, thereby centralising management and policymaking. Moreover, it provided the organisational tools for the centralisation of legal authority into the OSD and for resisting the autonomy of the service departments. In addition, Rumsfeld was able to further enhance his authority by pressing Congress to pass the DTA.

As a result of Rumsfeld’s successful domination over the DoD, the Powell Doctrine was effectively dismissed. Also known as the ‘doctrine of reluctance’ by its critics, this school of thought had successfully withheld the US from embarking into risky military interventions by establishing stringent restrictions and guidelines for the planning for war, such as the use of overwhelming force, exit strategies, and clear, attainable objectives. In exchange, what Thomas Friedman (2004) describes as ‘the Rumsfeld Doctrine’: ‘Just enough troops to lose’, was employed. This doctrine was primarily built upon neoconservative ideology, which had been encapsulated within PNAC’s 2000 report, *Rebuilding America’s Defenses*. The report had proclaimed as an essential requisite that the US undertake multiple, simultaneous major theatre wars so as to maintain supremacy and global domination. Richard Perle, a founder of PNAC and consultant of President Bush, eloquently articulated this ideology, announcing:

> No stages, this is total war. We are fighting a variety of enemies. There are lots of them out there. All this talk about first we are going to do Afghanistan, then we will do Iraq … this is entirely the wrong way to go about it. If we just let our vision of the world go forth, and we embrace it entirely and we don’t try to piece together clever diplomacy, but just wage a total war … our children will sing great songs about us years from now (quoted in Cooper, 2006, p.50).

In order to permit realisation of this ‘total war’ strategy, PNAC called for a surge in the defense budget and an end to the ‘procurement holiday’, so as to exploit the RMA. In effect, neoconservatives believed they could win multiple, simultaneous theatre wars by relying on technology, air-delivered weaponry and small, highly mobile and nimble ground forces. In accordance with this ideology, the Bush administration substantially increased the defense budget, whilst its SECDEF Rumsfeld exploited his newly-acquired influence and authority within the DoD to enact the transformational
alterations prescribed by the RMA, including that of smaller ground forces in war. Indeed, Talmadge (2006, p.16) acknowledged that

Rumsfeld’s hour of greatest influence probably came during his extensive revisions of the plans for Operation Iraqi Freedom in 2003. Over the objections of his generals, Rumsfeld dramatically whittled the ground forces brought to bear against the Iraqi regime.

Accordingly, this chapter confirmed the CAS concept’s assertion that accounting plays an inherent role in the building and re-inforcing of power structures that enable the restructuring and management of space for capitalist imperialist interests. It also demonstrated how it was utilised by US political elites to project a perception of feasibility and efficiency with regards their management of the war, invasion and occupation of Iraq. The following chapter will further elaborate upon and strengthen these chief accounting purposes of the CAS concept by analysing the effects of the PPBES on visibilities and decision making during the US’s occupation of Iraq.
Chapter Seven

Accounting for Unjust War
Introduction

The previous chapter analysed the historical role the PPBS played in calibrating power structures within the DoD and in redefining “the normative and cognitive facets of the defense political process” (Chwastiak, 2001, p.501). The chapter then exposed how SECDEF Rumsfeld utilised a conjunction between rhetoric of fear pertaining to multiple lurking threats, and accounting rhetoric pertaining to the proper management of resources and the reduction of waste, to elevate efficiency’s importance to that of national security and to legitimise the imposition of new reforms to the PPBS. Once the disaster of the 9/11 attacks occurred, Rumsfeld was able to transform the attacks into an ‘opportunity’ to press for rapid imposition of change. As such, the chapter exposed the budgetary means through which Rumsfeld was able to afford himself power within the DoD, thereby providing the Bush administration’s neoconservative ideology a superior platform within the decision-making process, and altering the perspective of defense scrutiny to conform to its agenda. Since neoconservative ideology believed the US would need to wage multiple theatre wars simultaneously so as to retain its global position of dominance and safeguard its national interests, Rumsfeld sought to apply the RMA in conjunction with neoliberal principles, such as privatisation and outsourcing, so as to generate sufficient capabilities to cover such ventures. In doing so, he bypassed the generals and the PPBS’s TPFDL and, instead, imposed his vision of an Iraq War and occupation that would be waged through the utilisation of streamlined forces that were supported by overwhelming air force. Accordingly, the chapter exposed how Rumsfeld’s PPBES afforded him the power to initiate the US war, invasion and occupation of Iraq with less than a third of the average troop levels that had been projected by military experts.

This chapter will elaborate on this knowledge by re-visiting the PPBE system so as to further demonstrate its effects in building power structures that facilitated the restructuring and managing of Iraqi space for US imperial interests. Also, it will further corroborate accounting’s essential purposes of devaluing Iraqi space and of projecting a feasible perception of the imperial project. Overall, the chapter will demonstrate that the PPBES brought to bear an unjust war that contributed to the eventual failure of OIF. Firstly, it will show that PPBES’s mindset restructured everything into a problem to be
solved; this mode of reasoning permitted the discounting of qualitative considerations, such as morals and ethics, and instead focussed leadership thoughts on a mechanical form of problem-solving. In addition, the chapter will show that PPBE’s cause-effect mindset equated truth with that which could be quantified and instrumentally related to an output, thereby enabling critical qualitative indicators to be negated form visibility. Importantly, this mindset will be shown to have led US leadership to perceive victory as being contingent upon achieving cause-effect relationships; these incentivised US troops to increase both their capture rate of potential insurgents and their generation of intelligence, regardless of qualitative considerations such as justice and human rights. As such, injustices were generated through the operationalisation of mass-incarceration and torture systems in Iraq. Also, the chapter will exhibit the unjust effects that materialised due to the critical shortage in US troops, such as the laissez faire Rules of Engagement (ROE) that permitted the excessive use of force. It will demonstrate that the combined effect of resulting troop vulnerability, their perception of all Iraqis as objects of fear and hate, and the laissez faire ROE was the devaluing of Iraqi life and the inciting of unjust killings of civilians from a distance.

Whilst US political elite projected a perception that the PPBES would increase feasibility and economic efficiency within coercive exertions of US power, this chapter will show that, contrary to this perception, dubious contracting practices and mismanagement led to waste, fraud, contract abuse, and colossal transfers of wealth from the public domain to dominant capital groups. Furthermore, whilst the political elite benefited from decreased public accountability and the legally grey zone in which private contractors operated in Iraq, vast injustices transpired as the country was turned into a ‘free-crime zone’ for civilian employees who committed acts of abuse, torture, kidnap, murder, human trafficking and rape. These acts of injustice were exacerbated when US leaders sought to further reduce their eco-political costs by outsourcing the Iraqi government and ethno-sectarian militia units. Such outsourcing, which was primarily motivated by accounting’s cost-saving logic, facilitated grave injustices to transpire, such as torture, mutilation, killing, ethnic cleansing and civil war; all of which threatened the future territorial integrity of Iraq as a unified country.
PPBE, Rationality and the Representation of the Iraq War as a Rational Solution

SECDEF Rumsfeld’s neoconservative ideological underpinnings led him to believe that the application of neoliberal business practices within the DoD would achieve an economically rational management of resources that would permit the waging of multiple, simultaneous wars with success (Rumsfeld, 2001a). Fundamental to this belief is the use of statistics to instrumentally relate inputs with desired outputs, break down costs and achieve cost-effectiveness. The degree to which Rumsfeld was committed to the implementation of quantitative instrumental rationality within the DoD is apparent from his initiation of the new ‘execution’ phase within the PPBS, which utilised PBB to focus on costs to achieve outcomes, and his emphasis on the employment of performance measurements. Echoing this mindset, Rumsfeld monitored the progress of the Iraq War, invasion and occupation through quantitative measurements that could be instrumentally related to the goal of victory. During a radio interview in 2005, Rumsfeld elaborated on how he instrumentalised metrics as indicators of progress:

Well, we've got literally dozens of ways we do it. We have a room here, the Iraq Room where we track a whole series of metrics. Some of them are inputs and some of them are outputs … We track, for example, the numbers of attacks by area. We track the types of attacks by area … we track a number of reports of intimidation, attempts at intimidation or assassination of government officials, for example. We track the extent to which people are supplying intelligence to our people so that they can go in and actually track down and capture or kill insurgents … No one number is determinative … We probably look at 50, 60, 70 different types of metrics, and come away with them with an impression (‘Secretary Rumsfeld Interview with National Public Radio’s Steve Inskeep for “Morning Edition”’, 2005).

Accordingly, the primary instruments utilised for operational assessments and evaluations during OIF were PPBE’s quantitative MoPs and MoEs, which were used to relate inputs with desired outputs. As a result of this reliance on quantitative representations, visibility was predominantly afforded to only technical aspects of decisions, whilst masking qualitative factors, such as those pertaining morals, ethics,
human rights and justice. As such, the PPBES served to simplify complexities and to reduce multi-dimensional representations of reality into one-dimensional orderly existences. This marginalisation of reality fostered a problem solving mindset that narrowed the scope of military reasoning and distanced subjective considerations or qualitative-based judgements from visibility.

The effects of this mindset are apparent from the outsets of OIF, in the way in which the Bush administration’s grievances with the Saddam Hussein regime were restructured and conceptualised. Chwastiak (2006, p.35) explains that PPBS restructured “everything into a problem to be solved and in so doing, war, starvation and intrigue simply became potential solutions”. Accordingly, the Kennedy Administration restructured the Vietnamese nationalist revolution as a problem, and the Vietnam War was presented as the rational solution (Chwastiak, 2006). Similarly, the Bush Administration restructured Iraq as a problem that threatened US interests and its desired world order, and forceful regime change was presented as the rational solution (Borger, 2004a; Donnelly et al., 2000; Pilger, 2002; Suskind, 2004). Indeed, US Secretary of Treasury Paul O’Neill recalls that, shortly after Bush’s inauguration during a January 2001 meeting of the NSC, “there was a conviction that Saddam Hussein was a bad person and that he needed to go” (quoted in Borger, 2004a). The problem of Saddam Hussein was objectified within the bounds of instrumentally rational reasoning to the extent that the qualitative dimensions of the solution of war, such as the US’s right to intervene in Iraq, and the ethical/moral dimensions of initiating a pre-emptive war were not scrutinised (Borger, 2004b; Suskind, 2004). Instead of questioning the solution of forceful regime change and occupation of Iraq, members of the NSC were preoccupied with “finding a way to do it. The President saying ‘Go find me a way to do this’” (quoted in Borger, 2004).

PPBES’s mechanical problem-solving mindset was also apparent in the way the Bush administration solved the problem of establishing legitimacy for the initiation of war. The necessity to fulfil requisites of the law on the recourse to force, know as jus ad bellum, was also restructured into a problem that required a rational solution (Ratner, 2002). Moreover, since the PPBES emphasises economically rational reasoning,
decisions that exploit even disasters so as to realise material gains are tolerated. Accordingly, when the 9/11 attacks occurred, US leadership conceptualised the attacks as an ‘opportunity’ to be capitalised upon so as to achieve desirable ends. Indeed, National Security Adviser Condoleezza Rice called on members of the NSC to “Think about ‘how do you capitalize on these opportunities?’” (quoted in Lemman, 2002, p.44), and President Bush declared, “Through the tears of sadness, I see an opportunity” (quoted in Harnden, 2001). A day after the attacks, Rumsfeld also heeded the opportunity, “Why shouldn’t we go after Iraq, not just al Qaeda?” he questioned (quoted in Woodward, 2003, p.49).

In a declassified 27th November meeting between Rumsfeld and CENTCOM commander Gen. Tommy Franks regarding planning for the Iraq War, Rumsfeld listed the establishment of a link between Saddam and the 9/11 attacks as a solution to the justification problem concerning the initiation of the desired war (Rumsfeld, 2001b). Other solutions listed by Rumsfeld included the establishment of a link between Saddam and a possible anthrax attack, an attack by Saddam on the Kurds in the north and a dispute over WMD inspections. Absent from such reasoning were the ethical/moral considerations regarding both the authenticity of such claims and the destructive effects that would be built upon them, which PPBES’s mindset contributed towards. Indeed, the UK’s now declassified ‘Downing Street Memo’ affirms that US decision-makers intentionally skewed information so as to provide justification for war that had been pre-decided, and that little consideration had been given to consequences:

Bush wanted to remove Saddam, through military action, justified by the conjunction of terrorism and WMD. But the intelligence and facts were being fixed around the policy … There was little discussion in Washington of the aftermath after military action (Rycroft, 2002, p.1).

Further substantiating this report were two other reports, issued by the Inspector General for the DoD in 2004 and 2007, concerning investigations into what has been described as “the shadow rightwing intelligence network” that was established in September 2002 and dismantled just after the invasion of Iraq in June 2003 (Borger, 2003b). Known as the Office of Special Plans (OSP), it had been tasked with the provisioning of alternative intelligence assessments against those of the Intelligence
Community (IC) - the CIA and its military counterpart the Defence Intelligence Agency (DIA). The OSP was accused of manipulating information so as to establish a link between Saddam, al Qaeda and the 9/11 attacks in the wake of the IC’s reporting of a lack of concrete evidence (Borger, 2003b; Coman, 2004; Committee on Armed Services, 2007; Inspector General US DOD, 2007; Sharpe, 2006; Sneigoski, 2008). The agency had been directly initiated by three staunch neoconservatives: SECDEF Rumsfeld, Deputy Secretary of Defense Paul Wolfowitz and Under Secretary of Defense for Policy Douglas Feith, who were also all members of the PNAC, thereby sharing its ideological goal of forceful Iraqi regime change. OSP was considered a shadow government agency. Most of its employees were contracted ‘consultants’ who had little or no experience in intelligence and were “off the official payroll and beyond congressional oversight” (Borger, 2003b). According to defence analyst, John Pike, this contracting system offered a means for Rumsfeld, Wolfowitz and Feith to “pack the room with their little friends” (quoted in Borger, 2003b). Nevertheless, the IG’s reports found that the DoD’s leadership gave OSP’s findings precedence over those produced by the professional expertise of the IC, and facilitated a privileging of OSP intelligence during presentations to executives at the White House (Borger, 2003b; Coman, 2004; Committee on Armed Services, 2007).

The two reports of the IG were discussed during a 2007 Senate Hearing before the Committee on Armed Services, where the acting Inspector General of the DoD, Tom Gimble, provided a briefing on the activities of the OSP prior to the war in Iraq. Gimble (Committee on Armed Services, 2007, p.2) informed the committee that the IG’s 2004 report had concluded that:

An alternative intelligence assessment process was established in the Office of Under Secretary for Policy, Douglas Feith, that was predisposed to find a significant relationship between Iraq and al Qaeda. His staff then conducted its own review of raw intelligence reports, including reporting of dubious quality or reliability. Drawing upon both reliable and unreliable reporting, they arrived at an ‘alternative’ interpretation of the Iraq-al Qaeda relationship that was much stronger than that assessed by the Intelligence Community and more in accord with the policy views of senior officials in the administration.
For example, Gimble referred to a meeting that had allegedly taken place five months before the 9/11 attacks between the lead hijacker and an Iraqi intelligence officer, which was considered by the OSP as ‘key’ evidence of Iraqi involvement, “despite the fact that the Intelligence Community was skeptical that the meeting ever happened …” (Committee on Armed Services, 2007, p.2). With regards the IG’s 2007 report, Gimble informed the hearing that the report found that the OSP “was inappropriately performing intelligence activities of developing, producing, and disseminating that should be performed by the Intelligence Community”; that such activities were authorised by the SECDEF; that OSP analysis was presented to executives within the White House without prior knowledge of the IC; and that such analysis was not vetted by the IC (Committee on Armed Services, 2007, pp.2–3). Most importantly, the report found that the OSP’s conclusion that there existed a cooperative relationship between Saddam and al Qaeda, “and shared interest in and pursuit of weapons of mass destruction (WMD) and some indications of possible Iraqi coordination with al Qaeda specifically related to September 11”, was not supported by the available intelligence (Committee on Armed Services, 2007, p.3). Gimble concluded,

> The bottom line is that intelligence relating to the Iraq-al Qaeda relationship was manipulated by high-ranking officials in the DOD to support the administration’s decision to invade Iraq when the intelligence assessments of the professional analysts of the Intelligence Community did not provide the desired compelling case. The IG’s report is a devastating condemnation of inappropriate activities by the DOD policy office that helped take this Nation to war (Committee on Armed Services, 2007, pp.3–4).

**PPBE and the Creation of Contradictions: Perceptions v. Reality**

Another consequence of the PPBES’ emphasis on quantified forms of instrumental reasoning was that it redefined the cognitive facets of defense knowledge and limited the scope of their discourse. As such, critical qualitative indicators were made invisible, thereby generating contradictions that created a gap between perceptions and reality. For example, in a declassified letter from Major General Glen Shaffer, the Director of Intelligence of the Military’s Joint Staff, in which he provided a report on the status of Iraqi weapons of mass destruction (WMD) programs, Shaffer made note that
a couple of weeks ago SECDEF asked me what we don’t know (in a percentage) about the Iraqi WMD program. We’ve struggled to estimate the unknowns, and the attached briefing sums up our best % sense. We range from 0% to about 75% knowledge on various aspects of their program (Shaffer, 2002, p.2).

As shown in this letter, the SECDEF obliged the Joint Staffs to present their knowledge in his language, quantitative metrics, and underscored his commitment to the domination of quantitative instrumental rationality. Also apparent, however, is that this obligation imposed a limitation to the scope of knowledge that the Joint Staff could present, as they ‘struggled’ to dismiss qualitative variables so as to translate their knowledge into strictly quantifiable terms. Since the question concerning the extent of Iraq’s alleged WMD program was subject to multiple qualitative judgements with regards intelligence, such as the variances in levels of reliability and authenticity, the attempt to represent the program in concrete probabilities was effectively flawed. Indeed, the Joint Staffs conceded within the report, “Our knowledge of the Iraqi nuclear weapons program is based largely – perhaps 90% - on analysis of imprecise intelligence” (Shaffer, 2002, p.5). Therefore, Rumsfeld’s requirement discounted from reality the fact that the matter was primarily judgement-based and, instead, obligated that it be predictable to the extent that it could be represented in concrete probabilities. This not only undermined the precision of the report and the knowledge upon which US leadership were basing a decision of war, but also imposed a redefinition of the cognitive facets of military knowledge, causing a degree of perplexity that was encapsulated in Shaffer’s (2002, p.4) articulation, “We don’t know with any precision how much we don’t know”.

PPBES’s limiting discourse also impacted the way in which US leadership measured progress in Iraq. As was displayed earlier, the primary instruments for operational assessments and evaluations during OIF were quantitative MoPs and MoEs, which were gathered and monitored in Rumsfeld’s ‘Iraq Room’. As such, aspects that were most reducible to quantification received most attention, whilst qualitative features were distanced from visibility. For example, since the number of Saddam’s Baathist regime leaders could be counted, the dominant means for the administration’s evaluation of its success rate during the initial phases of invasion was “by how many of those on its list
of the fifty-five most wanted members of the old regime – reproduced on playing cards – had been captured” (US House of Representatives, 2004, p.9730). However, the administration did not request progress on the establishment of law and order and the adequate provisioning of essential utilities to a greatly deprived and terrorised Iraqi populace. Such qualitative aspects of the invasion were critical to the success of OIF as they impacted on US capability to win the hearts and minds of Iraqis and, therefore, the stability of the Iraqi nation. By driving US leaders’ focus to be absorbed on the number of regime members caught, instead of on winning the hearts and minds of Iraqi citizenry, PPBES’s limiting discourse created a gap between perception and reality: US leaders perceived that they were succeeding, whilst, in reality, they were fuelling Iraqi antipathy towards the US occupiers.

PPBES’s flawed conceptualisation of the ‘enemy’, which perceives them as economically rational agents, led US leaders to consider early violent forms of Iraqi resistance as merely being desperate acts from members of Saddam’s dying regime. During the Vietnam War, the Vietnamese were also assumed to be economically rational agents who would weigh the benefits of fighting against associated costs, such as their deaths and further destruction of their country and, therefore, were expected to reach a rational decision of submitting to the will and overpowering weight of US strength (Chwastiak, 2006). A parallel assumption was made with regards the people of Iraq: throughout pre-war planning and the initial phases of invasion, top US leaders, including president Bush, vice-president Cheney and SECDEF Rumsfeld, repeatedly spoke of the expectation of a submissive Iraqi people who would welcome with open arms the US invaders as liberators (Friedman, 2004; Hersh, 2003). However, such an interpretation failed to consider the social and cultural reality of the Iraqi people who valued their right to self-determination more than their material assets and were, thus, willing to forgo all to resist and achieve independence. As such, what were initially perceived as finite attacks from only Baathist regime loyalists, were in actuality, the beginnings of a resistance/insurgency that included Iraqis from all its ethno-sectarian groups. Moreover, since the PPBES ignored factors impacting Iraqis as human beings and on the stability of the Iraqi nation, more Iraqis, who may have initially been unsure of US intentions, became convinced that the US was a foreign destructive force that was occupying Iraq only in pursuit of its self-interests and eco-geopolitical gains. This
increased the feelings of anger, distrust and patriotism within Iraqis that fuelled the ideological basis for their resistance/insurgency (Dominik et al., 2008; Jenkins, 2003; Osborne & Kriese, 2008).

The dominant measurements of OIF’s progress and success within the ‘Iraq Room’ included the number of insurgent attacks, number of informants, number of weapons caches seized and the number of insurgents caught, which later also developed into the notorious body count, the number of insurgents killed (Oppel, 2005; Oppel & Al-Neami, 2006). Such metrics were used by the DoD to provide a quarterly report, Measuring Stability and Security in Iraq, and were also used by the State Department to provide its weekly status reports on Iraq to Congress. However, Cordesman (2006, p.2), from the Center for Strategic and International Studies, described the use of such metrics as “deeply flawed”, because the resulting report did “more than simply spin the situation to provide false assurances. It makes basic analytical and statistical mistakes, fails to define key terms, provides undefined and unverifiable survey information, and deals with key issues by omission”. The use of quantitative data to report on Iraq’s multi-dimensional reality produced inaccuracies as it simplified complexities and claimed “that there is a world of objective reality that exists independently of human beings and that has a determinate nature or essence that is knowable” (Chua, 1986, p.606). Moreover, the use of statistics granted the reports’ representations a perception of absolute scientific truth, thereby negating the fact that its representations were primarily a construction of the researchers and their a priori assumptions. Accordingly, whilst the DoD’s quarterly reports enjoyed an aura of scientific truth due to their predominant reliance on quantitative data, the reports were not value-free, rather value-laden as they presented “a unique understanding of the state … by the reader of the accounts/text, through the medium of that text” (Cooper & Puxty, 1994, p.129). Indeed, US Congress members generally considered the reports “as unproblematically linked to the intentions of their authors …” and, therefore, failed to scrutinise the reports’ interpretations, hence, sustaining the forged gap between the reports’ constructed truths and the Iraqi reality (Cooper & Puxty, 1994, p.127).
For example, the metric regarding the number of insurgent attacks only concentrated on attacks that could clearly be attributed to insurgents, thereby dismissing from account sectarian/ethnic attacks, criminal kidnappings, and actions by the ‘death squads’. Here, this limited definition of attacks led US leaders to focus only on significant insurgent attacks as a measure of Iraq’s stability and security, thereby discounting from attention the overall pattern of increased sectarian violence and insecurity that led to the outbreak of civil war. Indeed, while the DoD’s first quarterly report of 2006 attributed 68% of attacks as targeting Coalition forces, other reports on Iraqi violence indicated that “Iraqis have become the primary target and suffer more than five times as many losses as Coalition forces, and this ratio might rise to 10:1 if all sectarian and ethnic violence were counted” (Cordesman, 2006, p.8). Similarly, while the report claimed that the locations of 80% of attacks were limited to only four of Iraq’s provinces, thereby providing an impression that attacks had significantly decreased and were confined to a minority of provinces, a different analysis of information showed that “50% of the population is experiencing a near constant threat including the key province of Baghdad” (Cordesman, 2006, p.8). As such, PPBES’s quantitative MoPs and MoEs were not impartial as they were guided by constructed limitations to their definitions and to their applications; quantification “can be utilized in activities that have desired ends …” (Wolk et al., 2016, p.37). Moreover, the result of this dominant reliance on statistics was that it generated a gap between the perceptions of US leaders and reality: US leaders focussed on a perceived targeting of US troops, rather than an actual escalation of overall violence in Iraq that was reconfiguring its eco-socio-political reality. As a result of this narrowing of discourse, remedial actions that could have been undertaken to counter the plunging Iraqi eco-socio-political reality and the failure of OIF, were never taken.

**Accounting for Injustice: Collective punishment and the operationalisation of mass-incarceration and torture systems**

In addition to the construction of a gap between perceptions and reality, and to the limiting of discourse, the dominant use of PPBES’s quantitative MoPs and MoEs also generated dysfunctional actions and injustices that contributed to the failure of OIF. For example, since PPBES’s mindset is built upon a cause-effect relationship, US
leadership conceived victory as being contingent upon producing a capture rate of Iraqi insurgents that was higher than their reproduction, thereby weakening the insurgency. Accompanying this cause-effect relationship was another that also linked increases in intelligence gathering, obtained through interrogations, to the weakening of the insurgency and its defeat. Accordingly, the number of people detained in counterinsurgency and the amount of intelligence generated became dominant MoPs and measurements within the military’s rewards system (Ricks, 2006; Sotire, 2009). However, the focus on these metrics brought about dysfunctional actions, as US troops became incentivised to produce both a high detainee rate and increased intelligence. As such, house raids, military patrols, checkpoints, cordons, searches, citizen round-ups and other coercive direct action tactics became rampant (Conetta, 2005; Ricks, 2006; Sotire, 2009).

Whilst the objective of such coercive tactics was to weaken the insurgency and realize victory, the following statistics demonstrate that they were dysfunctional as they incited a system of collective punishment that failed to quell the insurgency, rather, became a potential recruitment tool for the insurgency for those who encountered its injustices. In the period between 2003 and 2005, the Project on Defense Alternatives (Conetta, 2005, p.6) reported 8,000 raids had taken place, citizen round-ups had produced 80,000 detainees and military patrols were running at approximately 12,000 per week. With regards their effectiveness, an estimated 70% of house raids failed to generate anything of significance, and division and brigade units that could hold up to 1,300 detainees at a time generated a detainee turn-over rate of between 66-75%, who were released without charge within a few days (Conetta, 2005; Spinner, 2005; Wong, 2005). Remaining detainees were either sent to one of several overt US controlled prisons, such as the notorious Abu Ghraib prison or Camp Bucca (Taguba, 2004), or were held “in secret detention centers, CIA interrogation sites and other ‘ghost’ locations” (Paul & Nahory, 2007, p.34). Brigadier General Janis Karpinski, commander of prison guards in 2003, estimated that the overt prisons produced a prisoner turnover rate of between 4-6 months (Amnesty International, 2006a). Meanwhile, the International Committee of the Red Cross (ICRC 2004) reported that military intelligence officers estimated between 70-90% of prisoners were being held by mistake. With regards the covert incarceration centres, formal means of oversight and accountability were absent and conventional
metrics, such as the number of prisoners held and their turnover rate, have not been publicly disclosed (Blakeley, 2006; Khalili, 2015; Paul & Nahory, 2007). Certainly, the covert and secret nature of these facilities represent the “highest stage of development of the state of exception …” (Whyte, 2010, p.136), where “a detainee cannot be found, seen, heard, known or legally represented, then that detainee simply cannot exist” (Khalili, 2015, p. 94).

The above statistics provide an insight into the scale of the US’s capture, arrest and imprisonment of Iraqi people. Overall, because of routine daily releases and new arrests, US forces deprived hundreds of thousands of Iraqis of their freedom and exposed them to the harsh prison system (McCoy, 2014; Mottern & Rau, 2008; Paul & Nahory, 2007). Furthermore, the scope of people who these tactics were administered upon was intentionally broadened to include wider families, friends and even whole neighbourhoods of suspected insurgents, as a form of collective punishment and deterrence (Amnesty International, 2006a; Borger, 2003b; Conetta, 2005; Filkins, 2003; International Committee of the Red Cross, 2004; Paul & Nahory, 2007; Ricks, 2003). The PPBES facilitated this behaviour as US military leaders used its metrics to justify a ‘get-tough strategy’, which they alleged decreased insurgent attacks, increased intelligence and increased numbers of insurgents captured. The strategy was built upon a “conviction that only a tougher approach will quell the insurgency and that the new strategy must punish not only the guerrillas but also make clear to ordinary Iraqis the cost of not cooperating” (Filkins, 2003). As such, there were instances where whole towns were incarcerated in barbed-wire fences that left only one US-run checkpoint to control the (out)inflow of people; whole buildings from where attacks had been launched were bulldozed to the ground; all men aged 18 to 65 were ordered to get ‘identification cards’ that assigned them a number and was in English; and curfews of up to fifteen hours a day were applied (Borger, 2003a; Filkins, 2003).

The PPBES’s MoPs and MoEs contributed to the nurturing of a nation-wide, mass incarceration system, which transformed all Iraqis into potential detainees, and US troops into the manufacturers of Iraqi detainees. Furthermore, as processed prisoners were identified through an Internment Serial Number, and were counted on either the
National Detainee Reporting System, the Biometric Automated Toolset System or on a “self-created ‘change sheet’” (Taguba, 2004, p.23), PPBES eased the operation of this system as it effectively dehumanised the Iraqi people by reducing them “to quantified objects, thus eliminating their troublesome qualities of humaneness… “ (Rosenberg, 1983, p.12). Funnell (1998, p.436) recognised that “The enduring metaphor for the Holocaust is that of the operation of an efficient machine … processing millions of people … to produce corpses”; correspondingly PPBES facilitated the metaphorical treatment of hundreds of thousands of Iraqi people as factory inputs, to be processed as quickly and cost-effectively as possible through the US’s mass-incarceration ‘machine’ to produce outputs, being intelligence and more captives. Indeed, the sheer scale and design of both the US’s overt and covert transnational incarceration sites that were established to punish Iraqi people and others in their WoT brought together the elements of a modern-day production line, with “assembly line efficiency, people and objects as aggregate numbers, an emphasis upon process, routine, and petty rules” (Brown, 2005, p.983). The production line metaphor was exemplified in 2008 when the US Army solicited bids for a company to operate a ‘Detainee Property Warehouse’. The task description not only exhibited the process’ lack of accountability for detainees, but also, it effectively encapsulated the mundane operation of a production system that disregarded qualitative human consequences of detention and fostered a culture of neglect, dehumanisation and unworthiness of Iraqi victims. With regards the warehouse, the bid stated:

> It stores the property of approximately 60,000 detainees, of which their status is unknown. Some of the property belongs to detainees that are still being held in theatre, while some of the property is of released, deceased, unknown, or escaped detainees. The contracted personnel will identify the status of each detainee to determine the disposition of the property (Mottern & Rau, 2008).

A direct consequence of the operation of this ‘machine’ was the emboldening of a pattern of brutal actions by US troops towards the Iraqi people that were premised upon a mindset that sought retribution, domination and punishment. Indeed, in the wake of the 9/11 attacks, President Bush constructed a narrative, the ‘axis of evil’, which elevated the US to “the greatest force for good in history” (Bush, 2002b), while dehumanising the enemy by positioning them as the desensitised evil other (Creed, 2013). Furthermore, Bush repetitively used word choices within his speeches that
served to humiliate and dehumanise the ‘Other’ that, when reinforced by an “interlocutor positioned in a place of authority and power shapes new ethics and norms that sanction violence, both physical and verbal, fuelling cycles of both” (Creed, 2013, p.36; Hartling & Miller, 2005; Lindner, 2004, 2001). Finally, although Bush alleged to seek justice through the waging of war, his use of “militant and aggressive tone and speech … throughout the 9/11-Iraq War narratives … constructed not a discourse of justice, but a narrative of retribution and revenge” (Creed, 2013, p.37). Following from Minow (1998, p.10) that vengeance is a “notion of equivalence that animates justice” however, it generates acts that can greatly transcend those commissioned by the scales of justice; Bush’s narrative of retribution and revenge effectively broadened the scope of aggression and violence perceived as acceptable forms of punishment.

Within this largely hostile political context of the Iraq War, PPBES’s facilitation of acts of collective punishment and the operation of a mass incarceration machine demonstrated its ability to convert political hostility and provocative speech into practical actions. Accordingly, accounting’s role as a technology of government that provides the “mechanisms through which authorities … have sought to shape, normalize and instrumentalize the conduct, thought, decisions and aspirations of others in order to achieve the objectives they consider desirable” is exposed (Miller & Rose, 1990, p.8). Moreover, by dehumanising Iraqis into numbers to be counted, disregarding qualitative considerations such as human rights and justice, and providing incentives for the mass extrajudicial capture, interrogation and detainment of the Iraqi people, accounting’s role as a technique that mediates social relations, and that encourages action from a distance is exemplified (Bauman, 1989; Foucault, 1991; Funnell, 1998; Funnell & Chwastiak, 2015; Miller & Rose, 1990; Neu, 2000a, 2000b; Preston et al., 1997; Said, 1993). Ultimately, accounting’s facilitation of the operation of the ‘machine’ signified a mechanism that implicitly endorsed further violations of human rights and the production of injustices, as it legitimised a broadening of the scope of aggression and violence perceived as acceptable forms of retribution, revenge, punishment, control and domination of the ‘evil’ Other from a distance.

In the case of house raids, as PPBES’s MoPs and MoEs underscored the quantity of insurgents caught whilst rendering qualitative considerations invisible, the ICRC (2004,
p.6) reported “a fairly consistent … pattern of brutality by members of the CF [Coalition Forces] arresting them”. The pattern was mostly of heavily-armed, English-speaking troops raiding homes at night, breaking down doors through kick-downs, shotguns or explosives; corraling women and children into one room, while flexicuffing, hooding and arresting men, including the elderly, handicapped and sick. Household items, mattresses and the contents of cupboards and drawers were then clattered on the floor while troops searched the premises for anything of significance. Treatment included pushing, insulting, punching, kicking, striking with rifles and taking aim with rifles. Those arbitrarily arrested were taken away in whatever attire worn, including in their underwear, to be exposed to extrajudicial confinement in detention centres, the location of which, was most often not communicated to family members (Beaumont, 2003; Carlson & Weber, 2012; Conetta, 2005; Greenberg & Dratel, 2005; Hendawi, 2003; Hudson, 2003; International Committee of the Red Cross, 2004; Loyd, 2004; Osborne & Kriese, 2008; Paul & Nahory, 2007). Loyd (2004) and Conetta (2005) report that mistaken addresses and identities led to common occurrences where troops would attack up to two incorrect homes before making a correct raid of a night. In addition, amongst those who suffered arbitrary arrest and extrajudicial detention in prisons were women and juveniles: by 2006, hundreds of children, as young as ten years of age, had been incarcerated with many displaying symptoms of serious trauma as a result of their incarceration experiences (Paul & Nahory, 2007; UN Integrated Regional Information Networks, 2006).

The pattern of brutality and violence was also echoed with regards the interrogation of Iraqi detainees. The PPBES created an incentive for the increased production of intelligence through its MoPs and MoEs, and its discourse on efficiency and cost-effectiveness also requisitioned that intelligence production be as quickly and cost-effectively as possible. Since US leaders perceived increased and speedier production of information from detainees as being contingent upon the extent of manipulation of “the detainee’s emotions and weaknesses to gain his willing cooperation” (Secretary of Defense, 2003b, p.5), counter-resistance techniques that were otherwise illegal and equated to torture were authorised (Bush, 2002a; Sanchez, 2003; Secretary of Defense, 2003b; Taguba, 2004; Working Group, 2003). Initially, the techniques were authorised by Rumsfeld, as per advice of a working group of executive branch lawyers that he set
up, which recommended detainees of the WoT be interrogated “in a manner beyond that which may be applied to a prisoner of war who is subject to the protections of the Geneva Convention” (Working Group, 2003, p.3). Since president Bush had earlier declared Al Qaeda and Taliban captives ‘unlawful combatants’ and, thus, not covered by the Geneva Convention’s protections for prisoners of war (Bush, 2002a), Rumsfeld issued a memorandum that authorised the use of twenty four previously unlawful counter-resistance techniques (Secretary of Defense, 2003b) and appeared to endorse severity in their application; objecting to a Pentagon lawyer’s advice on stress positions, he scrawled in handwriting on the lawyer’s memorandum, “However, I stand for 8-10 hours a day. Why is standing limited to 4 hours?” (Haynes, 2002, p.1). In addition, he “dismissed concerns about torture and insisted that minors held in Guantanamo Bay were ‘not children’” (Burkeman, 2006). Just five months later, General Ricardo Sanchez, commander of US forces in Iraq, issued guidelines for the interrogation of Iraqi detainees and authorised techniques that were almost a verbatim copy of those authorised by SECDEF Rumsfeld (Sanchez, 2003). Although Sanchez claimed ‘modifications’ had been made to the techniques so as to comply with the Geneva Convention that applied to Iraqi detainees, ambiguity with regards both the scope of the modifications and the definition of ‘unlawful combatants’ left “thousands of Iraqis at the mercy of their captors” (Paul & Nahory, 2007, p.45). In a report by Human Rights Watch (2006, p.2), one military interrogator testified that they had attended briefings by lawyers regarding detainee abuse, “on why this is necessary, why this is legal, they’re enemy combatants, they’re not POWs, and so we can do all this stuff to them and so forth”.

Following from Neu (2000a, p.282), “It is through the alteration of accountability relations that governments seek to encourage action at a distance …”, a primary effect of the constructed ambiguity surrounding the application of ‘counter-resistance techniques’ on Iraqi detainees was to alter accountability relations and apply a state of exception that would permit greater efficiency in the production of intelligence in Iraq, as established elsewhere in the WoT. Indeed, a memorandum issued by a US Army Military Intelligence (MI) officer in Iraq in August 2003 notes, “The gloves are coming off gentleman regarding these detainees, [Redacted] has made it clear that we want these individuals broken” (Redacted, 2003, p.3). Not only did this state of exception,
manufactured by the highest levels of authority in US leadership, permit a transformation in the legal standing of Iraqi people, but it also facilitated the manifestation of a broader scope of criminal transgressions against them as legitimate means for increased and quicker productions of intelligence. Indeed, not only were Rumsfeld’s counter-resistance techniques employed upon Iraqi detainees by interrogators (Human Rights Watch, 2006; Paul & Nahory, 2007; Senate Armed Services Committee, 2008), but a report by Major General Antonio Taguba into alleged detainee abuse, the Taguba Report, also found that MI interrogators would “insinuate to the guards to abuse the inmates” so as to set favourable conditions and hasten the process leading to a prisoner’s ‘willing cooperation’ (Taguba, 2004, p.19). Sergeant Javal Davis testified that “The MI staffs … have been giving [the guards] compliments … statements like, ‘Good job, they’re breaking down real fast. They answer every question. They’re giving out good information …” (Taguba, 2004, p.19). The applauded techniques included punching, slapping and kicking, keeping detainees naked for several days, videotaping and photographing naked detainees (both sexes). Other techniques included forcing groups of male detainees to masturbate themselves while being photographed/videotaped, forcibly arranging detainees in sexually explicit positions for photographing, arranging male detainees in a pile and then jumping on them and putting leashes around detainee’s neck and having a female soldier pose for a picture. Apel (2005) explains that the use of pornography was intentionally administered to devastate the predominantly Muslim-Arab mindset that would be especially humiliated by sexual exploitation. In addition, the pornography served to establish a “necessary emotional distancing and dehumanization of the Other …” (Apel, 2005, p.93). Indeed, “The photos were meant to add to the shaming as well as provide souvenirs” (Apel, 2005, p.93). Other techniques that were applauded included the use of military dogs for inducing phobia, pouring phosphoric liquid on detainees, rape of (fé)male detainees and children, sleep deprivation, prolonged stress positions, near-drowning/waterboarding, intolerable noise, electric shocks, and death as a result of torture, abuse or murder (Amnesty International, 2006b; Harding, 2004; Human Rights Watch, 2006; Paul & Nahory, 2007; Taguba, 2004).

Whilst US leadership initially alleged such acts were not a sign of systemic abuse, Taguba concluded “numerous incidents of sadistic, blatant, and wanton criminal abuses
were inflicted …”, and “This systemic and illegal abuse of detainees was intentionally perpetrated …” (Taguba, 2004, p.16). Within the operationalisation of this system of brutality, accountability mechanisms were implicated as they were intentionally manipulated to manufacture a state of exception in the quest to realise increased productions of intelligence. Indeed, an investigation into detainee abuse by the Senate Armed Services Committee concluded,

The abuse of detainees in U.S. custody cannot simply be attributed to the actions of ‘a few bad apples’ acting on their own. The fact is that senior officials in the United States government solicited information on how to use aggressive techniques, redefined the law to create the appearance of their legality, and authorized their use against detainees (Senate Armed Services Committee, 2008, p.xii).

Furthermore, a pattern of impunity where whistle-blowers “faced significant obstacles at every turn when they attempted to report or expose the abuses” (Human Rights Watch, 2006, p.2); “punishment for bad behaviour too little and too late …” (Human Rights Watch et al., 2006, p.29); and high ranking officials and senior officers are yet to be held accountable (Human Rights Watch et al., 2006; Paul & Nahory, 2007), reinforced the acceptability of this fractured space. Since such alterations to accountability mechanisms at the macro level effectively devalued the legal standing and perceived worth of detainees, lapses in accountability mechanisms at the micro-level of detainee management also echoed. For example, access to detainees by lawyers, families, human rights groups, UN experts or army criminal investigators was exceedingly restricted, leaving detention facilities with very limited independent oversight (Amnesty International, 2006b; Human Rights Watch, 2006; Paul & Nahory, 2007). This lapse in conventional accountability relations enhanced the conditions needed for the generation of acts of retribution, domination and punishment under the legitimising guise of generating more intelligence. In effect, insufficient monitoring provided an environment where “angry and battle-weary officers and soldiers have seriously abused detainees, as have CIA and Military Intelligence interrogators” (Paul & Nahory, 2007, p.45).

PPBES’s discourse on cost-effectiveness, which led to shortages in the supply of troops and resources, also served to exaggerate the conditions leading to abuse and neglect as it
created an environment where prisons were filled beyond capacity, undemanned and short on resources; “This imbalance has contributed to the poor living conditions, escapes and accountability lapses” (Taguba, 2004, p.25). Most notable of the reported accountability lapses was that concerning detainee accountability; the report found “inaccurate detainee Internment Serial Number (ISN) counts, gross differences in the detainee manifest and the actual occupants of an individual compound, and significant confusion of the MP Soldiers” (Taguba, 2004, p.23). This finding not only reveals gross inaccuracy in US accounts of those subjected to incarceration under its occupation of Iraq, but also further exposes the means through which accounting and accountability mechanisms facilitated a process of incarceration that devalued Iraqis to the extent of being rendered unworthy of account. Under such context, detainee abuse, torture or even death became unproblematic as the system normalised a demeaning form of unaccountability where even a detainee’s numeric existence could be disregarded. Indeed, Taguba (2004, p. 24) noted that there were several unreported cases of escape “that were probably ‘written off’ as administrative errors or otherwise undocumented”. Furthermore, he found “there is no indication that accounting errors or the loss of a detainee in the accounting process triggered any immediate corrective action …” (p. 23); in fact, “There was no indication that the journals were ever reviewed by anyone in their chain of command” (p. 24).

Accounting for Injustice: Inciting civilian killings from a distance.

The perception of the war by US leaders through the lens of PPBES meant that they believed that the efficient management of inputs of the war would lead to the desired outputs. Whilst Rumsfeld’s relatively small forces, buttressed by air power, achieved victory during the initial combat phase of OIF by conquering Baghdad in just a few weeks (Dennison, 2006; Talmadge, 2006), Rumsfeld’s quest to minimise costs through the deployment of minimal troops brought about further contradictions and injustices that contributed to the collapse of OIF.

For example, from the onset of the invasion, senior generals complained from a critical shortage in supplies and reinforcements that left troops with insufficient numbers of tanks and armoured vehicles, and left supply lines overextended and vulnerable to
attacks (Friedman, 2004; Hersh, 2003). Since the insurgency relied heavily on the use of improvised explosive devices (IEDs), snipers and RPG teams to attack military vehicles, shortages in armoured vehicles led US troops to reinforce their vehicles with improvised armour from what they could salvage from scrap materials (Burns, 2004; Schmitt, 2004; Sonnenfeldt & Nessen, 2004). When questioned by a soldier on why US troops didn’t have sufficient resources, Rumsfeld famously replied, “It’s a matter of production and capability of doing it … you go to war with the army you have – not the army you might want or wish to have …” (Sonnenfeldt & Nessen, 2004). Furthermore, shortages in troops left even the capital, Baghdad, unsecured; the lack of control over whole neighbourhoods and cities gave insurgents sanctuary to co-ordinate easily, position strategically and plant IEDs ubiquitously (Filkins, 2006). The constant fighting transformed whole neighbourhoods into ruin, which greatly debilitated the civilian ‘hearts and minds’ aspect of counterinsurgency efforts and contradicted reconstruction objectives. Meanwhile, shortages in resources exacerbated the situation, as troops were unable to effectively safeguard themselves against constant attacks. As such, the soldiers cultivated feelings of insecurity and vulnerability that, when combined with the political elites’ manufactured sense of retribution and revenge, led troops to perceive the entire Iraqi population as objects of fear and hatred (Filkins, 2006; Jespersen, 2013; Paul & Nahory, 2007). Accordingly, many troops converted such feelings into “a grim attitude of resolve and a defiant lack of concern for Iraqis … the Iraqis were all guilty. And they all deserved to die” (Jespersen, 2013, p.22). Indeed, Filkins (2006, p. A5) reported on the ‘habits of minds’ that were present on posters or sheets of paper hung up by marines in their quarters in the city of Ramadi; whilst “Most are unprintable”, one read “Be polite, be professional and have a plan to kill everyone you meet”, whilst another “that got a lot of laughs: ‘Kilo Company: killed more people than cancer’”.

The conversion of feelings of fear and hate into a defiant sense of Iraqi unworthiness was further exacerbated by lax rules of engagement (ROE) set by US senior commanders (Burns, 2005; Conetta, 2005; Paul & Nahory, 2007). Since troop and resource shortages left marines vulnerable to attacks, US leaders sought to decrease the political costs of war - the number of US deaths and injuries - by establishing permissive ROE “to insure a swift and unhesitating use of force and to minimize their own casualties” (Paul & Nahory, 2007, p.65). Although the military maintains a policy of ROE confidentiality, Conetta (2005, p. 10) explains that the basic ROE for marines
was that posted on the bumpers of their vehicles, “Keep back 50m or deadly force will be applied”. Indeed, each of Human Rights Watch, the American Civil Liberties Union and Amnesty International individually reported concerns regarding permissive ROE resulting in a rapid escalation of force, violence and indiscriminate civilian killings (American Civil Liberties Union, 2006; Amnesty International, 2004; Human Rights Watch, 2003; Paul & Nahory, 2007). For example, embedded photographer Chris Hondros described a night street patrol he attended on the 18th January 2005 in Tal Afar where an officer ordered troops to halt an oncoming sedan by firing three shots into the air, 100 yards away in the dark. However, the car kept approaching so,

Half a dozen troops fired a least 50 rounds, until the car was peppered with bullets and rolled gently to a stop against a curb. ‘I could hear sobbing and crying coming from the car, children’s voices’, Mr. Hondros said … one of the rear doors opened, and six children … tumbled into the street. They were splattered with blood … the parents of four of the children lay dead in the front seat. Their bodies were riddled with bullets, and the man’s skull had smashed (Burns, 2005, p.A11).

A similar pattern of ‘accidental’ civilian killings at roadblocks, checkpoints, during house-raids and air-strikes surfaced throughout Iraq, with the US frequently confirming that troops were following ROE (Brown, 2006; Human Rights Watch, 2003; Knickmeyer, 2005; Meštrović, 2008; Oppel & Al-Neami, 2006; Paul & Nahory, 2007; Rubin, 2006; UN Integrated Regional Information Networks, 2005). Human Rights Watch repeatedly criticised the unnecessary deaths of civilians that were a result of the failure of Coalition forces to take basic safety precautions, such as putting clear warnings at a distance in Arabic, forming physical barriers to force vehicles to slow down, utilising bright lights and the use of rubber cones (Human Rights Watch, 2005, 2003). In effect, by relaxing the rules regulating the right to kill Iraqi people, senior US commanders officially devalued Iraqi life, thereby manipulating accountability mechanisms and eases the process through which troop fear, vulnerability, inexperience, mistake or hate could be converted into killings. A US marine captured this depiction: “Iraqi civilian lives are not as important as U.S. lives, their deaths are just the cost of doing business” (Ricks, 2009, p.7). As a result of this mindset, acts of outright murder could escape notice as the killings could simply be accounted for as a cost of alleged Iraqi ‘threatening behaviour’ or ‘insurgent attack’ and, therefore, justifiable under ROE. For example, on 12 March 2006, four soldiers attacked the home of the al-Janabi family, two daughters aged five and fourteen, and their parents.
The soldiers gathered the parents and the five year old in one room and murdered them, then proceeded to each rape the fourteen year old, Abeer, before killing her and burning her body to conceal the crime. The soldiers had initially attributed the attack to Iraqi insurgents (Jervis & Stone, 2006; MacAskill & Howard, 2007; Mail Foreign Service, 2010; Paul & Nahory, 2007; Whitmire, 2006). In another incident, soldiers murdered twenty-four civilians, including women, children and the disabled, when they went home to home on a killing rampage. Initially, they claimed “they were under a concerted attack by insurgents”, therefore their actions were a “justifiable use of lethal force” (Paul & Nahory, 2007, p.69). Later, however, it was discovered that their actions were a form of revenge for the killing of one of their comrades in a roadside bomb (Jespersen, 2013).

The shortage in troops and resources also led commanders to apply other techniques and technologies that would provide an efficient victory. One such technique was known as ‘grazing’ or ‘suppressive’ fire, where soldiers would shoot directly into and around buildings they were ordered to clear prior to their entry (Meštrović, 2008). A similar tactic was also applied from the air where “planes often rake the ground with high calibre cannon-fire” (Paul & Nahory, 2007, p.68). Furthermore, Air Force ROE permitted ‘surgical’ air strikes to destroy whole buildings/structures deemed ‘enemy’ targets, thereby causing the indiscriminate killing of tens of thousands of civilians, including women and children (Knickmeyer, 2005; Meštrović, 2008; Oppel & Al-Neami, 2006; Paul & Nahory, 2007; UN Integrated Regional Information Networks, 2005). Destruction of the ‘enemy’ from the air was deemed efficient such that the number of air strikes in Iraq rose five-fold between January to November 2005 alone. By March 2007, airstrikes averaged 48 daily (Knickmeyer & Aldin, 2006; Paul & Nahory, 2007). In addition, the killing of Iraqis from the air was further mechanised, and eco-political costs reduced, through the use of unmanned predator aerial drones, which enabled distant drone operators to bring death and destruction by means of a computer joystick (Begley, 2015; Brown, 2013; Cohn, 2015; Pilkington, 2015; Seahill, 2016). Finally and as previously discussed in chapter three, accounting discourse also rationalised the US’s use of WMD in the form of chemical weaponry, such as Napalm, White Phosphorus and DU, as US leadership perceived them to be economically efficient mechanisms for achieving the instrumentally related goal of increased ‘enemy’ deaths, and thus victory. A similar conception also justified the use of cluster bombs.
Although such techniques and technologies violated the Geneva Conventions as they caused mass and often pre-emptive, indiscriminate killings of civilians not engaged in hostility, accountability mechanisms were altered whilst accounting discourse seeking efficiency in combat provided justification, regardless of moral/ethical considerations (McNeal, 2014, 2011).

Mirroring this mindset at the local level, local commanders did not hesitate to order frequent use of deadly force; indeed, some utilised ‘enemy’ killings as a measure of performance (MoP). Captain del Gaudio explained, "We go out and kill these people … I define success as continuing to kill the enemy to allow the government to work and for the Iraqi Army to take over" (Filkins, 2006, p.A3). Reports surfaced describing the use of ‘kill counts’ by local commanders to encourage competition among their soldiers to increase their production of ‘enemy killings’ (Daragahi & Barnes, 2006; Paul & Nahory, 2007). Furthermore, ROE ambiguity, stemming from its failure to clearly define and clarify meanings, such as ‘enemy’, exacerbated the situation. For example, in May 2006, Operation Iron Triangle was undertaken against a target named Objective Murray. During the operation, four Army soldiers “killed one elderly person whom they perceived as an enemy, took four prisoners, and then killed three of the four captured prisoners” (Meštrović, 2008, p.19). The four soldiers were accused of murdering the three Iraqi prisoners, but not of murdering the elderly man as he was perceived as an ‘enemy’ although he was not actively taking part in hostilities. Furthermore, the soldiers claimed their killing of the three captives was legitimate as they had simply been following the ROE. Indeed, upon learning that the soldiers had taken prisoners,

     The first sergeant on the mission, Eric Geressy, asked over the field radio why the soldiers had bothered … since the new ROE stipulated that all military-aged males on the scene should have been killed … Minutes after he broadcast this question … the soldiers killed three of the four prisoners (Meštrović, 2008, p.15).

Whilst the application of such techniques of death and destruction were perceived to be forms of efficiency that would create victory; in actuality, they brought to bear contradictory effects as “the more the US relied on such surgical police actions, the more insurgency and hostile action toward US soldiers increased” (Meštrović, 2008, p.17). Nevertheless, as PPBE discourse equated truth to only that which could be
quantified, such qualitative consequences were ignored, thereby contributing to the failure of OIF. Instead, the notorious Vietnam-era ‘body count’ seemed to be revisited as the military, seeking to provide the public with measures of success and assurance, began to provide media outlets with regular statistics of ‘terrorist/insurgent/rebel’ kills. During ‘Operation Matador’ of May 2005, the New York Times’ headline read: “100 Rebels Killed in U.S. Offensive in Western Iraq” (Oppel, 2005).

Accounting and the Outsourcing of Injustice

Outsourcing injustice to private military corporations
Accounting is a value-laden technology as its discourses play a role in mediating social relations in accordance with dominant capital and power interests, and can be harnessed to encourage (in)action from a distance (Bauman, 1989; Eagleton, 1990; Foucault, 1991; Funnell, 1998; Funnell & Chwastiak, 2015; Miller & Rose, 1990; Neu, 2000a, 2000b; Preston et al., 1997; Said, 1993). As was demonstrated, SECDEF Rumsfeld utilised accounting discourse to underscore the military’s ‘need’ to achieve business-like efficiency through the application of neoliberal principles. In so doing, he justified the outsourcing of Private Military Contractors (PMCs) so as to decrease the need for US troop deployments and, thus, reduce the eco-political costs of warfare (Rumsfeld, 2002, 2001a). In reality, however, as the salary of a corporate mercenary in Iraq was between 7 to 12 times that of an experienced Army corporal; and dubious contract awarding and mismanagement practices led to waste, fraud and abuse in federal procurement; the practice of outsourcing PMCs increased costs rather than achieved cost-reductions (Bergner, 2005; Chwastiak, 2007a; Committee on Government Reform, 2006; Committee on Oversight and Government Reform, 2007; Gutman, 2004).

PMC use accelerated during the 2003 Iraq War; the ratio of PMCs to troops was one in six, up from approximately one in fifty eight during the 1991 Gulf War (Avant, 2004). Following from Chwastiak’s (2007, p. 22) evaluation that “If PMCs will add to the financial costs of war, not subtract from them, the payback from privatizing war must lie elsewhere”; Rumsfeld’s accelerated outsourcing exposes accounting’s role in serving the interests of dominant capital and power groups, whilst generating injustices to society. Indeed, the DoD’s accelerated use of PMCs served dominant capital group interests by facilitating significant transfers of wealth from US taxpayers to burgeoning
dominant capital groups, such as the security-industrial complex (Minow, 2005). According to a report by the US House of Representatives Committee on Government Reform (2006, p.5), between 2000 and 2005, “The department with the largest growth in contract spending in dollar terms is the Department of Defense”, which grew by 102.3% or $136.5 billion. A subsequent report by the same committee the following year, 2006, found for that year alone procurement spending by the DoD had increased by a further 10% or $27.6 billion, now being “over 72% of the total federal procurement budget” (Committee on Oversight and Government Reform, 2007, p.3). Dubious trends that led to waste, fraud, and contract abuse, such as the awarding of non-competitive contracts and contract mismanagement also increased during this period. Overall, the DoD’s accelerated outsourcing of PMCs granted private contractors unprecedented accumulations of capital, whilst facilitating a rapid and colossal transfer of wealth from the public to the private sector (Committee on Government Reform, 2006; Committee on Oversight and Government Reform, 2007; Minow, 2005).

In addition, the accelerated outsourcing of PMCs served the interest of dominant power groups as it provided a crucial means for the political elite to manage the state’s production of injustices in Iraq in an effort to reduce their legal accountability and political costs (Chwastiak, 2007a; Jamieson & McEvoy, 2005). For example, half the interrogation and all translation services within US detention centres in Iraq were outsourced to private corporations, such as Titan Corporation and CACI (Singer, 2005). After CPA Order 17 extended immunity from the Iraqi criminal system to private contractors, the political elite benefited from the legally grey zone in which these private contractors operated in Iraq as civilian employees were allegedly involved in the abuse and torture of detainees, yet were beyond conventional accountability measures associated with both military personnel and Iraqi laws (Ante & Crock, 2004; Borger, 2004b; Chwastiak, 2007a; McKelvey, 2006; Niman, 2004; Pugliese, 2005; Singer, 2005). As such, privatisation benefited the political elite as it increased the production of intelligence, whilst setting them apart from both the political costs and legal accountability associated with criminal acts of abuse/torture undertaken on their behalf. Moreover, since accounting affords superiority to the profit motive, introducing the profit motive to interrogations ensured that the production of intelligence was the only relevant consideration for such corporations, regardless of qualitative issues such as human rights and justice. Accordingly, questions pertaining the human ramifications of
abuse/torture techniques were not considered, as acts of torture simply became an element within the business’s production line that led to a successful business transaction and the generation of profits. In actuality, accounting’s emphasis on profitability incentivised such corporations to inflict abuse/torture in order to enhance their performance, please their client and increase profits.

Also, the outsourcing of PMCs brought about kidnap, murder, human trafficking and rape, as Iraq was turned into a ‘free crime-zone’ (Chwastiak, 2007). Not only were PMCs immune from both local Iraqi laws and those covering US military personnel, but also the US government failed to properly provide managerial accountability of PMC operations in Iraq, thereby facilitating conditions for unaccountable crime (Bergner, 2005; Miller, 2006; Pugliese, 2005; Singer, 2007, 2005). Furthermore, the profit-motive exacerbated this situation as, unlike the military’s scrupulous recruitment procedure, PMCs were incentivised to broaden the scope of acceptable recruits so as to increase their employee numbers and, thus, workload capacity. As such, disreputable applicants, such as former assassins from apartheid South Africa, people with criminal records and ex-soldiers and police from repressive regimes, were employed and deployed to Iraq (Chatterjee, 2004; Chwastiak, 2007a; Yeoman et al., 2004). According to a Special Forces operator, some PMC employees were in Iraq just because they “‘really want to kill somebody and they can do it easier there … [not] everybody is like that, but a dangerously high element’” (quoted in Chwastiak, 2007a, p.30). By positioning possibly notorious PMC employees with guns in a war zone, and granting them immunity for their actions, permissive conditions were established for the materialisation of criminal actions.

According to Chwastiak (2007), Khalili (2015) and Rutherford (2005), the accelerated use of PMCs is a rational development of imperialist tactics. Modern-day imperialism bypasses the territorial expansion of nation states, rather focuses on the extension of US sovereignty overseas and the expansion of neoliberal markets; therefore, it is in growing need for a denationalised army of mercenaries to fight for its cause. Indeed, by outsourcing government functions to PMCs, the political elite are able to bypass conventional modes of democratic accountability, such as Congressional limitations and press inquiries, as PMCs are democratically unaccountable (Chwastiak, 2007a; Singer,
Hence, political interferences in decisions of war and violence are decreased, thereby facilitating further initiations of imperialistic wars. In Iraq, the Bush administration counterbalanced troop shortages by outsourcing between 20,000 and 30,000 PMC employees, whilst not being held legally accountable for their actions and, as PMC deaths/injuries were largely invisible from public oversight, benefitting from reduced political costs (Singer, 2004, 2005, 2007). Furthermore, the Administration was able to appease the public by decreasing the war budget since PMC costs were primarily accounted for in the reconstruction budget (Gutman, 2004). Notably, the reconstruction budget is a part of the discretionary budget, which is the “part of the federal budget that the President has the most control over …” (Committee on Oversight and Government Reform, 2007, p.2). Certainly, the Bush administration was able to construct “a regime of invisibility in the age of liberal empire …” (Khalili, 2015, p. 103) by utilising the “unaccountable mercenary force that operates with immunity … to exert whatever level of coercive force is deemed necessary to achieve the desired results” (Chwastiak, 2007, p. 31).

**Outsourcing injustice to the foreign ‘Other’**

As the political cost of operating the systematic process of intelligence production through torture increased, especially in light of the Abu Ghraili torture scandal of early 2004, the US sought to enhance its ‘regime of invisibility’ by advancing its utilisation of proxies to transform Iraq “into interstitial landscapes of uncertainty and complexity where who may act and whom may be held responsible for that action is not always apparent” (Khalili, 2015, p.103). As such, the US also began to outsource its process of intelligence production to the Iraqi government, thereby putting criminal abuse at a deniable distance, whilst also decreasing the associated economic costs, such as the utilisation of US troops and resources. The US transferred hundreds of existing prisoners over to Iraqi government-run prisons, thereby extinguishing its legal liability for detainees, whilst US personnel retained overall influence and control by providing training, direction and being present during interrogations (Amnesty International, 2006b; Leigh & O’Kane, 2010; Parker, 2007; Paul & Nahory, 2007). In response to revelations of US personnel presence during acts of torture at Iraqi prisons, SECDEF Rumsfeld absolved US liability by explaining that soldiers were not legally obliged to intervene when witnessing torture/abuse by foreign perpetrators (Milbank, 2005; Paul &
Nahory, 2007). Indeed, soon after the Abu Ghraib scandal, a military ‘fragmentary order’, FRAGO 242, was issued in June 2004 that institutionalised non-interference; the order relinquished the requirement to investigate violations of the Laws of Armed Conflict, such as the abuse of detaineees, so long as they didn’t involve US forces personnel (Khalili, 2015; Leigh & O’Kane, 2010; Wikileaks Iraq War Logs, 2005b). Even after the order was modified a year later with the issuing of FRAGO 039, it only required the reporting of Iraqi-on-Iraqi abuse through ‘operational channels’, and if “the initial report confirms US forces were not involved in the detainee abuse, no further investigation will be conducted unless directed by HHQ [higher headquarters]” (quoted in Khalili, 2015, p.98; Wikileaks Iraq War Logs, 2005a). As such, the US was able to maintain the production of intelligence through a system of abuse and torture by reconstructing its state crime into a foreign state’s criminal misconduct, whilst reducing both its economic and political costs. In addition, because the US’s role was that of the powerful state that dictated action to the subordinated violence workers of the Iraqi government, this proxy relationship served “to extend and deepen the domination and control of the powerful state” (Khalili, 2015, p. 103).

Another means through which the US sought to implement notorious counterinsurgency tactics whilst narrowing the scope of popular accountability and economic costs was through its arming and training of a new Iraqi military, police force and ‘Special Police Commandos’ paramilitary force. The PPBES intrinsically supported and facilitated this strategy through its MoPs and MoEs: a significant metric used for measuring OIF progress, and regularly cited as a measure of success by top Bush administration officials, was the number of trained Iraqi forces. Moreover, accounting logic pertaining cost minimisation also served to legitimise and justify the application of this strategy, as increases in armed and trained Iraqi forces would translate into decreased deployments of US forces, resources and costs. Finally, the strategy was also facilitated by the motivation to decrease political costs of war as the US could “leverage relatively small numbers of their own forces to dramatically increase the counterinsurgency effectiveness of indigenous forces”, thereby outsourcing resulting injustices to the foreign ‘Other’ (Nagl, 2010, p.160). Indeed, many scholars have conceptualised this strategy as a technique of modern imperialism as imperialist-armed and trained indigenous forces offer a means for the imperial centre to exert control and maintain
order over the periphery from a distance (Blakeley, 2006; Gill, 2004; Kaplan, 2005; Khalili, 2015; Nagl, 2010). Kaplan (2005, p. 48) explains:

Imperialism [is] less about conquest than about the training of local armies. Reliance on American techniques and weapons systems, and the relationship established between American officers and their third world protégés, helped give the US the access it needed around the globe.

Whilst counterinsurgency tactics undertaken by US-armed and trained Iraqi forces of the Iraqi Ministry of Interior and Army were notorious, (Davies et al., 2010; Forte, 2011), it is the tactics and effects of the paramilitary ‘Special Police Commandos’ units that are most significant. In 2004, in the wake of the Abu Ghraib scandal and an escalating insurgency that was claiming over fifty US lives a month, the Pentagon decided to pursue the ‘Salvador option’ in Iraq to achieve victory (Carr, 2010; James Steele: America’s mystery man, 2013; Leigh & O’Kane, 2010; Maass, 2005; Mahmood et al., 2013; Tepperman, 2005). During El Salvador’s twelve year civil war, the US armed and trained the Salvadoran military and “allegedly supported the use of right-wing paramilitaries and death squads to liquidate the leaders of the rebellion” (Tepperman, 2005, p.11). Similar methods had previously been deployed by the US in Vietnam. In Latin America, US supported death squads appeared in Brazil, Uruguay, Colombia, Chile, Peru and Guatemala, causing widespread extrajudicial killings, torture and deliberate civilian targetings and mass relocations, thereby coming to be known as Central America’s Dirty Wars (Carr, 2010; Chomsky, 2002, 2001, Chomsky & Herman, 1979a, 1979b). The US strategy proved efficient as, whilst the militias and death squads killed, tortured, raped and intimidated their opponents, political interests were achieved and US troop deployments, casualties and costs were minimised. Furthermore, the acts were undertaken at a distance so that US accountability was diminished to that of plausible deniability. Indeed, In light of the strategy’s effectiveness at the time, SECDEF McNamara declared that

Our primary objective in Latin America is to aid, wherever necessary, the continual growth of the military and paramilitary forces, so that together with the police and other security forces, they may provide the necessary security (quoted in Carr, 2010, p.86).
In Iraq, US leaders, influenced by PPBE’s mindset, applied the ‘Salvador Option’ in order to fill the power vacuum from insufficient troops, to decrease costs, and to achieve an efficient victory. Indeed, following Commander General David Petraeus’ advice: “Do not try to do too much with your own hands” (Petraeus, 2006, p.3), elite commando units comprising Shia militiamen and Kurdish Peshmerga, were armed and trained by American Special Operations Forces and two most notable veterans of counterinsurgency training during the ‘dirty wars’, retired Colonel James Steele and retired Colonel James Coffman, so as to pursue the Sunni insurgency (Carr, 2010; Dimaggio, 2008; Dreyfuss, 2003; James Steele: America’s mystery man, 2013; Maass, 2005; Madlena et al., 2013; Mahmood et al., 2013; Tepperman, 2005). According to Mahmood et al (2013), the major aim of the new commando units was to “halt a nascent Sunni insurgency in its tracks by extracting information from detainees”. Indeed, speaking of his El Salvador experience, Colonel Steele had emphasised the efficiency derived out of prioritising intelligence gathering during counterinsurgency:

in an insurgency the principal focus has to be on human aspects … That means getting people to talk to you … That has been the emphasis for the last two years, and it has paid off … when you get the human intelligence working, the technical indicators really do help … you get a fusion and a synergistic effect (Prisk & Manwaring, 1988, p.314).

In order to ‘get the human intelligence working’, a network of secret detention centres were established throughout Iraq where horrific acts of torture were rampant and death through torture was often (Carr, 2010; Dimaggio, 2008; Leigh & O’Kane, 2010; Maass, 2005; Madlena et al., 2013; Mahmood et al., 2013; Sengupta, 2005). In addition, since the US-installed sectarian-based political system generated a Shia-dominated government, the US’s additional provisioning of arms and funding to a predominantly Shia-based militia against the politically disenfranchised Sunni population not only summoned the atrocities of the death squads of Central America’s dirty wars, but also rapidly drove the country into civil war (Carr, 2010; Dimaggio, 2008; James Steele: America’s mystery man, 2013; Mahmood et al., 2013; Tepperman, 2005). As former CPA adviser, Larry Diamond, had earlier warned, “If militias ‘start picking off prominent… Sunni leaders … then one of the possible ultimate nightmares – ethnic civil war – becomes much more plausible” (quoted in Tepperman, 2005, p.14). Despite this result being highly plausible from the outset, PPBES’s mindset rationalised the
initiation of a deadly sectarian militia, which would terrorise the Sunni population and generate a civil war, as simply being an efficient means to outsource collective punishment and deterrence. An unnamed US officer explained this mindset: “the Sunni population is paying no price for the support it is giving to the terrorists … From their point of view, it is cost-free. We have to change that equation” (quoted in Davies, 2010, p.251).

At the height of the civil war three years later, atrocities were rampant and killings generated approximately 3,700 bodies on Iraqi streets per month (O’Hanlon & Campbell, 2008). Although Iraqi space was previously non sectarian, rather a tribal society where sectarian inter-marriages and mixed-populated cities were the norm (Cockburn, 2006, 2015; Izady, 2003; “Robert Fisk: Somebody is trying to provoke a civil war in Iraq,” 2006; Telhami, 2005; Weidmann and Salehyan, 2013), sectarian warfare led to ethnic cleansings throughout mixed populated neighbourhoods, thereby literally disintegrating the unified Iraqi space into partitioned mutually-exclusive enclaves. Cartographer Dr. Michael Izady of Columbia University demonstrated these effects in the following two maps, which show the ethnic composition of Baghdad’s landscape pre-2003 invasion, and at the peak of the civil war in late 2007:
Figure 6: Baghdad, Iraq, Ethnic Composition in 2003 (Izady, 2003).

Figure 7: Baghdad, Iraq, Ethnic Composition in late 2007 (Izady, 2007).
In 2007, after civil war and ethnic cleansing waged relatively unrestricted for almost three years, the Bush administration announced a ‘surge’ of over 20,000 troops to quell the violence, known as Operation Imposing Law (Weidmann & Salehyan, 2013). A major strategy of US military planners was to divide Baghdad into several zones and build a security wall to separate ethnic communities, which they described as “one of the centrepieces of a new strategy by coalition and Iraqi forces to break the cycle of violence” (quoted in Weidmann & Salehyan, 2013, p.54; Wong & Cloud, 2007). Since violence dropped in 2008, US leaders hailed the ‘surge’ and its ‘wall’ as a colossal success (McCain & Lieberman, 2008). However, Agnew et al (2008) and Weidmann and Salehyan (2013) dismiss the proclaimed effectiveness of the limited increase in troops, because “a vicious process of interethnic cleansing” (Agnew et al., 2008, p.2295), which led to “Ethnic unmixing and the establishment of relatively homogenous enclaves were responsible for declining violence in Baghdad through reducing contact” (Weidmann & Salehyan, 2013, p.55). Indeed, the above maps authored by Izady (2003; 2007) confirm that by the time the US deployed its surge in troops in 2007, ethnic cleansing was almost complete, thus, the ‘wall’ only served to reinforce the status quo of an already partitioned Baghdad along sectarian lines. This led Weidmann and Salehyan (2013, pp. 62-63) to confirm the culpability of accounting:

resources would have been better used if sufficient forces were in place from the start. In the future, policy makers must exercise extreme caution before engaging in military occupations, and do so only if they are willing to devote overwhelming resources to contain an insurgency.

**Conclusion**

This chapter has provided an accounting for unjust war. It has demonstrated that accounting and accountability discourses and mechanisms do not operate as objective scientific truths that are independent of social influences, rather, they are essential technologies of dominant power groups, which facilitate their shaping, normalizing and instrumentalising of society in ways that permit the realisation of that which they perceive as desirable. Indeed, these technologies provide the political elite with techniques that can overtly/covertly be applied to facilitate the generation of desirable representations, (in)actions, outcomes and transfers in wealth to dominant capital
groups from a distance (Bauman, 1989; Chwastiak, 2007a, 2006; Foucault, 1991; Funnell, 1998; Funnell & Chwastiak, 2015a; Miller & Rose, 1990; Neu, 2000a, 2000b; Preston et al., 1997; Said, 1993). This chapter accentuated these relationships by exposing the roles that accounting and accountability discourses and mechanisms played in bringing about a war simply because it was desired by the US’s political elite, and in their generation of injustices against the Iraqi people from a distance.

Firstly accounting normalised the “war by transforming it from a horrific potentiality to a series of problems to be solved” (Chwastiak, 2001, p.501). Indeed, whilst rationalising the war, the Bush administration was able to dismiss from discussion any qualitative considerations and instead reconstruct their grievances with the Saddam Hussein regime into a problem that would rationally be solved through outright war. In a similar way, they were able to reconstruct their need to satisfy requirements of the law on the recourse to force into a problem, thereby rationalising the use of skewed intelligence as a rational solution. As such, accounting’s problem-solving mindset facilitated the Administration’s initiation of a pre-emptive war and occupation based largely upon inaccurate and unjust reasons. Secondly, the PPBES equated truth to that which could be quantified and instrumentally related to an output. However, this chapter demonstrated that without analysing metrics in conjunction with the multi-faceted qualitative dynamics of reality, what was perceived as progress and success was, in actuality, counterproductive. As such, a gap between US leaders’ perceptions and reality transpired that caused their attention to be diverted away from critical influencers, such as the establishment of law and order and the provision of basic civilian needs, which contributed to the failure of OIF.

Thirdly, since PPBES’s mindset is built upon a cause-effect relationship, US leadership conceived victory as being contingent upon achieving cause/effect relationships that would lead to a reduction of insurgents and, therefore, victory. Accordingly, the metrics measuring the number of captured insurgents and the quantity of intelligence generated became dominant determinants of progress and performance. As a result, collective punishment mechanisms were justified, a nation-wide mass-incarceration machine came into operation, and torture was legitimised, all of which served the counterproductive purpose of traumatising Iraqi civilians, and becoming a recruiting tool for the
insurgency (Conetta, 2005; Ricks, 2006; Sotire, 2009). Fourthly, the PPBES’s discourse on the efficient management of resources and cost-effectiveness effectively masked underlying neoconservative ideological motivations, whilst bringing about a radical reduction in troop and resource deployments. The reduced capabilities exacerbated lawlessness and left troops vulnerable to increased insurgent attacks. In response, US leadership established laissez fair ROE that devalued Iraqi life and brought about injustices, such as unnecessary civilian killings and outright murder. Similarly, techniques and technologies that provided efficiency in combat by increasing ‘enemy’ deaths whilst minimising US casualties, such as ‘suppressive’ fire, ‘surgical’ air strikes and the use of WMD, were justified as economically rational means for the realisation of victory. Whilst such techniques of death and destruction did provide efficiency in combat, they were also counterproductive as they caused mass indiscriminate killings of civilians and destruction that debilitated the ‘hearts and minds’ aspect of counterinsurgency.

Finally, accounting discourse on efficiency was utilised to justify the outsourcing of PMCs so as to decrease the economic costs of warfare. However, since dubious contracting practices and mismanagement led to waste, fraud and contract abuse, Rumsfeld’s accelerated outsourcing actually increased costs whilst facilitating significant transfers of wealth from the public domain to dominant capital groups, thereby exposing accounting’s interested nature. Meanwhile, whilst dominant power groups benefited from the legally grey zone in which PMCs operated in Iraq, the civilian population suffered vast injustices, such as abuse, torture, kidnap, murder, human trafficking and rape, as PMC employees transformed Iraq into a state-sanctioned free-crime zone. Moreover, since US leaders’ mindset sought even greater efficiency in warfare and less political costs, their decision to outsource the mass-incarceration and torture systems to the US-trained Iraqi government was perceived as rational, thereby bringing about additionally horrific injustices upon the Iraqi people.

Perhaps the war’s ultimate injustice transpired when accounting discourse rationalised the US’s implementation of the ‘Salvador Option’ in Iraq as an eco-politically rational decision. An investigative documentary, co-produced by the Guardian and the BBC,
described this decision as “How the US administration funded a deadly sectarian paramilitary force to fight those threatening the American presence. It was a decision that helped fuel a sectarian civil war that ripped Iraq apart” (*James Steele: America’s mystery man*, 2013, pt.1:43-2:00m). The irrationality of bringing civil war and partitioning to a country that was to be liberated was captured by Brown (2005, p.976), who described the creation of such states of exception as “the kind of ‘unanticipated event’, dramatic, poignant, and ugly all at once, in which the ‘normality of the abnormal is shown for what it is’ – terror as usual”.

Chapter Eight

Conclusion
The central research objective of *The Political Economy of Accounting and the 2003 Iraq War* has been to explore the relationships between the socio-ecopolitical dimensions of accounting and US exertions of imperial power upon Iraqi space. More broadly, it has revealed the interested roles of accounting in contemporary constructions of the socio-ecopolitical dimensions of space for capitalist imperial interests. In doing so, not only has the thesis demonstrated the rich and fundamental intersections between questions of space and accounting, thereby revealing the extent to which accounting technologies were intrinsic to the US’s attempted conquering of Iraqi space, but also developed an understanding of why this exertion of power unfolded.

Whilst the concept that accounting performs interested roles within imperial spatial expansions was, until recently, considered implausible, contrasting academic contributions of late have mostly sought to counter this impression by demonstrating the roles of accounting within distinct processes or practices of historical empires, particular those of the British Empire. Accordingly, there have been no thorough analyses of a capitalist imperial project in its entirety, which would enable a comprehensive understanding of the roles of accounting, not only within distinct processes/practices, but also in overall objectives of imperial projects. This would enable a confirmation of how various accounting dynamics, played out during various stages and processes of a project, combine to perform fundamental overall roles that essentially contribute to the accomplishment of the overall objectives of an imperial project. By focussing on the case study of the 2003 Iraq War, this thesis sought to address this gap in knowledge by targeting a specific contemporary imperial project and exploring the central research objective within the project’s temporal stages of pre-invasion, invasion and occupation. As such, it is the first trans-disciplinary study that attempts to investigate in considerable detail the interplay between capitalism, accounting and the recent imperial attempt to socio-ecopolitical re-territorialise Iraqi space.

In order to garner a guiding general conception of why and how capitalist imperial projects are enacted, the thesis utilised the Captialism’s Accountings of Space (CAS) concept, which applied an accounting expansion to Harvey’s (1985, 1998, 2001, 2004,
Historical Geography of Capitalism theory. Harvey’s theory explained that capitalism’s crisis of over-accumulation necessitates the repetition of the ‘spatial fix’, a process of geographic expansion and restructuring that effectively de-territorialises and re-territorialises space in a way that eliminates barriers to the accumulation process. CAS expanded upon this theory to develop an understanding of the position of accounting within this intersection of space and capitalism. CAS embraces an ontological view of accounting and space that does not recognise their existence as being merely physical, static and objective, rather as being socially constructed, with their socio-ecopolitical dimensions being influenced by capitalism. Within this tripartite relationship, accounting is a technology that is appropriated by capitalism in ways that make it essential for the development of space as per the requirements of the spatial fix. Moreover, whilst the malleability of accounting facilitates the production of counter-accounts that can challenge capitalist interests, accounting is generally inundated by capitalism to an extent that both the occurrence and effects of counter-accounts can be contained and distorted. Chiefly, the CAS concept establishes that accounting plays three primary roles within capitalist spatial de-territorialisation and re-territorialisation projects. Firstly, accounting provides indispensable contributions to a narrative of (de)-valuation of space that provides the ‘scientific’ rationale for capitalist spatial expansion/restructuring. Secondly, within accounting techniques lay the primary means for the manipulation of the socio-ecopolitical costs of such projects, thereby empowering capitalist elites with the ability to project feasible or ‘profitable’ representations to decision makers and the general populace. Finally, the socio-ecopolitical dimensions of accounting power make it a profound tool for the building and reinforcing of various power structures that work to facilitate the restructuring and management of space for capitalist interests. Accordingly, CAS exposes the rich and fundamental intersection between accounting’s roles, and the contouring of space for capitalist interests.

By applying an accounting expansion to the historical trajectory of capitalism, the thesis was able to evaluate several accounting dynamics that traverse the progression of capitalism through space and time. Accordingly, it was able to establish a preliminary methodical understanding of why and how capitalism’s progression through space and time led to Iraq 2003, whilst also confirming that “The evolution of modern accounting
consists essentially of a series of pragmatic responses to the needs of capital” (Funnell, 2001, p.187). The thesis established that the hegemonic power bloc of the time, that is the US state and dominant capitalist groups, required the extension of neoliberal capitalist ideology and imperatives globally. This required the creative destruction of opposing eco-political regimes and their re-territorialisation through an amalgamation of US imperial radiance, which included the use of accounting, accountability and auditing techniques, and through the US’s MIC, which has been importantly sustained and augmented through accounting technologies. The capture of Iraqi space was of great strategic significance to the US hegemon bloc as it would enable the realisation of its greater interests, including benefits reaped from the extension of its neoliberal regime within the Middle Eastern region. By incorporating the region into its orbit, the US Empire would extend its eco-political reach, increase its power, secure the interests of its regional allies and, most notably, gain access and leverage over the region’s most significant and eco-politically strategic oil resources. Since Iraqi space remained defiantly opposed to being incorporated within this orbit, it was degraded with imperial rules of difference that devalued it as being a ‘bad governance’ space and a ‘geography of fear’ within Bush’s ‘axis of evil’. This devaluation was critical in legitimising and justifying a ‘necessary’ forced de-territorialisation of Iraq’s existing socio-ecopolitical landscape, and its re-territorialisation with the opposing neoliberal eco-political alternative.

According to the CAS concept, narratives of devaluation cannot materialise without the omnipresence of both the quantitative and social dimensions of accounting technology, as they provide the ‘scientific’ mechanisms through which a valuation of space can be achieved. Indeed, this thesis demonstrated that the narrative of Iraqi spatial devaluation was largely facilitated through accounting means. Accounting, which is embedded in neoclassical economics that seeks to measure societal well-being as a measure of economic policy, provided the underlying logic of neoliberalism’s assessment of state legitimacy as a measure of its economic efficiency. According to this logic, a state’s effectiveness in operating as a ‘competitive state’ that efficiently allocates resources, minimises waste and facilitates the unhindered pursuit of self-interest and capital accumulation positively correlates with the extent of its adherence to notions of freedom, democracy, prosperity and global wealth and security. The thesis
demonstrated that both the Bush Administration and President Bush’s 2002 US National Security Strategy sanctified this logic, using it as an essential determinant in their assessment of foreign space and in their appointment of imperial rules of difference upon it. With regards Iraqi space, several examples were documented showing how the Bush Administration repeatedly equated their assessments of a corrupt and economically inefficient Iraqi eco-political regime with a consequent Iraqi space that lay within the ‘non-integrating gap’. This facilitated a branding of Iraqi space as a ‘bad governance space’ and a ‘geography of fear’; a space that generated socio-ecopolitical repressions and dangers that not only affected the Iraqi people, but also threatened the world over. Such branding facilitated the hyping of tensions and fears, and an overall acceptance of the Bush Administration’s notorious WMD accusations with little scrutiny, thereby justifying the 2003 war and invasion. As such, the thesis confirmed that accounting logic was key in the devaluation of Iraqi space, which was a fundamental precursor for the initiation of de-territorialisation and re-territorialisation processes. This also confirmed that accounting is a significant tool of legitimisation and justification of imperial rules of difference, which are used to facilitate imperial interests.

Also essential within the narrative of devaluation of Iraqi space were accounting performance and efficiency measures, which were utilised in the appraisal of the existing Iraqi regime. Since accounting employs a quantitative instrumentally rational mode of thought, it enabled a discounting of qualitative socio-ecopolitical dimensions of Iraqi space, whilst focussing instead on quantitative capitalist-based measures that only assessed the state’s efficiency in the production of value or ‘proper commerce’. Accordingly, central qualitative dynamics of historical, social and eco-political significance, such as the historical eco-political performance of the existing regime, the effects of successive wars and the radically punitive sanctions that left Iraq with an estimated $383 billion in financial obligations, devastated public service infrastructure and a largely impoverished population, were deemed invisible in the appraisal of Iraqi state efficiency. As such, accounting transformed the socio-ecopolitical complexities of Iraqi space into a technical zone of control and calculation that was devoid of critical qualitative considerations. Had such considerations been included within a narrative of valuation, the perceived present inefficiencies would have been situated within a
broader context that would have reasoned their existence and their resulting effects of decreased Iraqi state capacity. Such an outcome would have largely discredited the US’s devaluation of Iraqi space within the limited bounds of its proclaimed ‘space of fear’, bringing into visibility broader sources and causes of Iraqi problems that could, thereafter, have been addressed and remedied through peaceful means.

Accounting’s perceived production of value-free, objective and scientific knowledge is another imperative means through which a narrative of devaluation of Iraqi space was formulated. This was exemplified in the thesis by showing outcomes from the use of capitalist-based accounting measures to appraise an Arab socialist-based regime, especially in the appraisal of Iraq’s efficiency in managing its stupendous oil resources. Capitalism’s ideological conceptions of state performance, efficiency and value-creation fundamentally oppose those of socialism: whilst capitalism is built upon notions of private ownership, capital accumulation and maximisation of profit, socialism focuses on measures of collective ownership and social equity. Since capitalist-based accounting representations will necessarily identify inefficiencies according to capitalism’s underlying ideology, the use of them in the assessment of Iraqi efficiency allowed its socialist-based processes to be readily devalued. Qualitative elements of ideological differentiation, such as socialism’s consigning value to the nationalisation of oil resources whilst devaluing privatisation, and its valuing the prioritisation of budgetary spending on social services over investments that increase efficiency in the oil industry, were wholly discounted from account. As such, the thesis demonstrated that accounting representations constructed a valuation of Iraqi space that was not objective and value-free. Instead, framed in concurrence with capitalist conceptions and, thus, value-laden. Nevertheless, since accounting’s representation were perceived to be a form of scientific knowledge, the constructed devaluation of Iraqi space became entrenched within public consciousness by becoming accepted as a form of absolute truth and, thus, not reasonably subject to sceptical critique.

In a similar way, within accounting’s capitalist-based representations of ‘problems’ there will necessarily be a reflection of ‘solutions’ that also follow the capitalist value system. Indeed, within accounting’s representation of the Iraqi spatial problem was also
reference to the required solution of dominant power and capital groups, that is the need to bring ‘state-ending’ to the ‘inefficient’ indigenous socialist state and to commence building of the ‘efficient’ neoliberal alternative. As such, accounting not only played an instrumental role in the construction of a narrative that devalued the existing socio-ecopolitical territorialisation of Iraqi space but was also essential in guiding towards an alternative ‘solution’ narrative by espousing value to the neoliberal territorialisation alternative. Accordingly, the thesis was able to demonstrate how accounting was utilised to serve the interests of US political elites by making their decision to wage war, invade, dismantle and reconfigure Iraqi space appear to be a result of an objective, scientific mechanism; a product of fair and impartial numbers, not of eco-political interests.

By shedding light on these multiple processes and roles of accounting in the (de)-valuation of space, the thesis was also able to identify their combined role in the transformation of Iraq into a space of exception. Accounting’s various contributions to the devaluation of Iraqi space, which centred on Iraq’s perceived failings to execute proper commerce, ultimately echoed the ideological pretexts that historically justified applications of the res nullius and terra nullius principles. Under the guide of these principles, Iraq’s perceived eco-political failures, especially its failure to properly ‘cultivate’ its oil resources, rendered its existing territorialisation primitive and valueless, thereby warranting the disregarding of its existing juridical apparatuses and the regarding of it as a clean slate to territorialise. Indeed, this thesis demonstrated that the CPA’s actions in Iraq pointed to an underlying terra nullius-like approach to Iraqi space. CPA chief, Paul Bremer, was described as the new dictator of Iraq as he suspended the country’s constitutional order and marginalised indigenous ideology, agency, interests and juridical apparatuses, whilst effecting rapid and radical impositions of neoliberal eco-political territorialisation; a ‘settler’s contract’ that served the interests of the hegemon bloc rather than the indigenous population. Accordingly, accounting was shown to have provided the primary ideological perception through which Iraqi territorialisation was ultimately devalued to a terra nullius-like status, the modern space of exception, which was a decisive outcome required for the pending rapid de-territorialisation, appropriation, exploitation and re-territorialisation of Iraqi space for imperial interests. In addition, deficient accounting and accountability
practices were shown to have intrinsically contributed to this outcome as they were utilised so as to further transform Iraq into a liminal space for corrupt transactions to flourish, thereby facilitating capitalism’s annihilation of space by time as they accelerated transfers of Iraqi wealth and the accumulation of capital. Finally, whilst KPMG’s audit of the CPA showed the potential of accounting to produce counter-accounts by identifying some of these accounting/accountability deficiencies, the scope of their investigations was shown to have been limited and the effects of their findings to have been contained by the overriding power of the capitalist hegemonic bloc. This overriding power was again demonstrated through Bremer’s imposed reforms to the indigenous Board of Supreme Audit. The reforms, which included the imposition of bureaucratic hurdles, inconsistent methodologies and incompetent recruitment mechanisms, had the combined effects of radically reducing the Board’s powers, capabilities and effectiveness, thereby serving to obstruct and contain future effects of Iraqi counter-accounts.

The transformation of Iraq into a space of exception was also a crucial precursor to the devaluation of the socio-political dimensions of Iraqi space, such as Iraqi collective and institutional memory, history, heritage, intelligentsia, and ultimately to Iraqi life. This was largely demonstrated through the US’s policy of intentional indifference towards the de-territorialisation of Iraqi socio-political space: whilst the Iraqi Ministry of Oil was accorded value indicated through US protection, remaining Iraqi political institutions, cultural, historical, educational and health facilities were left completely unsecured, signifying their perceived insignificance and devaluation. Indeed, SECDEF Rumsfeld notoriously dismissed the resulting de-territorialisation, in the form of widespread destruction, looting and arson, as simply being part of the ‘price’ of liberation and that ‘stuff happens’. In a similar manner, what the UN High Commissioner for Refugees described as ‘systematic’ violence and targeted assassinations of Iraqi intelligentsia, was a reality that was left largely unchallenged throughout years of US occupation. Not only did this US indifference facilitate the systematic nature of these attacks, as they continued relatively unobstructed and amidst scant prospects of accountability, but it also facilitated the mass departure of thousands of surviving Iraqi intellectuals who feared for their safety as a result of intentional
campaigns to degrade Iraq’s unifying culture and to deplete the Arab socialist-based intelligentsia tied to it.

The apparent unworthiness of Iraqi socio-political capital, as indicated through the US’s decision not to preserve and protect this in contravention of UN Security Council Resolution 1483, was shown to be a result of US policy that was legitimised and justified through accounting mechanisms. Accounting’s emphasis on cost-minimisation and its efficiency-related logic were shown to have significantly founded SECDEF Rumsfeld’s decision to deploy insufficient quantities of US troops to Iraq. Thus, the US political elite used the resulting shortage in troops as justification for US failure to uphold law and order in Iraq. Under this guise, their decision to leave the majority of Iraqi socio-political capital unsecured was not a result of a policy of intentional indifference due to the devaluing of Iraqi social space, rather a product of calculations pertaining to the ‘economy of risk’; a necessary balance between limited troops and US strategic interests. In this way, US failings were simply unfortunate results of miscalculations that led to policy failures, not expected consequences from a policy of failure.

An important contribution of this thesis, achieved through its analysis of the roles of accounting within multiple stages of a specific imperial project, is that it enabled a broad and panoramic examination that permitted the identification of modes through which separable accounting processes/practices can interrelate and combine to serve multiple overall accounting purposes within imperial projects. Indeed, whilst the above mentioned processes/practices were shown to have combined to serve an overall crucial role of devaluing Iraqi space, some of these also interrelated with another prime purpose, recognised in CAS as accounting’s unique capability to manipulate the socio-ecopolitical costs related to the implementation of an imperial project. For example, accounting was identified as having played two essential roles in the devaluation of Iraq’s historical capital: its contributions to a US policy of indifference towards its destruction, and it being a source of legitimisation and justification of this policy. In addition, the thesis demonstrated that these processes of devaluation also combined to facilitate a reduction in both the eco-political and social costs of the project as a whole.
For example, had Iraq’s main cultural heritage sites, such as Ur, Babylon and Samarra been appropriated value within accounting representations and reports, the US’s building of military bases at these locations, which destroyed thousands of years of historical data and material, would have been deemed economically infeasible due to the incalculable cost of property, plant and equipment. Similarly, had accounting reports appropriated value to the qualitative costs of war, invasion and occupation, the US’s policy of indifference towards the destruction of Iraqi historical capital would have been deemed infeasible due to its ensuing upsurges in the costs of the project. As such, the thesis showed how accounting technologies are essential tools to imperial elites as they are appropriated in multiple, intertwined ways that serve their broader interests and further their overall power objectives.

Accounting’s fundamental role in the manipulation of the socio-ecopolitical costs of an imperial project was expanded upon in the thesis. Firstly, the thesis demonstrated the immense political significance of this role by showing that the bottom line of an imperial project held considerable power to either propel or deter the initiation of an imperial project. Clausewitz’s accounting-based concept of ‘political commerce’, which is the dominant ideology underlying US foreign policy, was shown to have directed decisions regarding US exertions of power within the narrow realm of quantitative forms of instrumentally rational reasoning. Under this logic, imperial exertions of power were considered to be forms of business-like investment in US hegemonic power and, thus, related decisions were to be contoured within the bounds of accounting measures pertaining costs, efficiency and profitability. In addition, a profitable bottom-line, in the form of minimised costs and maximised benefit was recognised as a decisive factor in influencing public preferences and, thus, overall consent or dissent. In this way, the immense political significance of accounting logic and techniques, which could be instrumentalised by political elites to manipulate costs and to project a favourable bottom-line, was acknowledged. Indeed, the thesis demonstrated how accounting techniques have historically empowered the ruling elite with the ‘magician’s trick’: the means to under-cost expenditures of imperial power by not only manipulating the degrees of visibility of economic costs, but also by obfuscating social costs into the realm of invisibility. The thesis demonstrated the ways
through which this fundamental CAS purpose of accounting was exhibited within the US’s project to batter down the defiant doors of Iraqi space.

According to Clausewitz dogma, imperial exertions of power are continuations of politics by other means. Thus, the thesis recognised the need to broaden its temporal scope so as to incorporate an analysis of all major US imperial footprints upon Iraqi space, thereby acknowledging these as fundamental continuations of the imperial project in its entirety. This enabled identification of an initial means through which accounting was appropriated to serve the interests of imperial elites, being the use of accounting to maintain an ‘empire in denial’ by casting ‘scientific’ doubt upon anti-imperial effects within the populace. By using accounting in a way that failed to account for the costs of the imperial footprints on Iraq en masse, the existence of an overall imperial project targeting Iraqi space was ‘scientifically’ denied. Instead, accounting was utilised to afford each imperial footprint a representation of isolation; this contributed to the narrative of the political elite, which ascribed detached justifications that directed interpretations away from imperial motivations, thereby, quelling dissent, affording legitimacy and facilitating the garnering of popular support.

Another accounting mechanism that was utilised to dramatically reduce reported costs was the use of cash-based accounting within official budgets. Since cash-based accounting enables the narrowing of representations of costs to only immediate expenditures, unlike the accrual accounting alternative that reports liabilities when they occur regardless of when cash transactions take place, its use facilitated a significant under-costing of the US’s imperial expenditures of power. For example, the thesis showed that hundreds of billions of dollars in health related expenditures, such as the long-term treatment of injured or disabled veterans and their long-term disability entitlement payments, were hidden from visibility as they were not reported in the cash-based official budgets for both the Gulf War and 2003 Iraq War. Similarly, official budgets failed to report costs pertaining to future expansions, repairs and refits that would be required for the military to return to pre-war capabilities, the extra depreciation costs for damaged or rapidly expended equipment due to war, and war veteran’s eligibility for educational and home loan benefits.
The ability of accounting to narrow the definition and representations of costs also served a CAS accounting purpose by enabling a reduction or outright dismissal of a variety of war-related costs from official budgets, including budgetary, social and macroeconomic costs. For example, whilst US safety and environmental regulations valued human life at between $7-8 billion, the war’s death gratuity was reported at only $500,000. Moreover, US expenditures on research into treatments for the Gulf War Syndrome, expenditures resulting from excess rates of birth defects and abnormal health problems in the children of war veterans, opportunity costs from foregone productivity, and relative increases to broader national security costs like Homeland Security costs, were dismissed from official war budgets. In a similar way, hundreds of billions of dollars in costs pertaining to the use of economic sanctions as a coercive form of imperial power, such as losses to the export sector, job cuts, forgone investments and disrupted oil markets, were shown to have been dismissed from official budgets and, thus, from public awareness. Finally, US political elites were shown to have manipulated projected costs by exploiting taxation and borrowing mechanisms, and concealing their resulting costs. Instead of financing war through revenue from increased taxes, the elite were able to defer the fiscal effects of war from the populace by lowering taxes and instead, selling US Treasury Bonds. Accordingly, the political elite sought to deceive the populace by projecting a ‘war for free’ representation through impalpable war costs. Meanwhile, the cash-based accounting techniques either deferred or outright concealed long-term debt costs, including the long-term cumulative interest payments and losses from both forgone investments and job-cuts. Had accounting reports brought into visibility a multi-dimensional definition of costs, outlays of imperial power would be much less tolerated, and the emancipatory potency of accounting much more apparent.

Substandard government accounting and accountability practices in both federal and DoD budgets also served the interests of the capitalist hegemonic bloc. Deficiencies within these systems were shown to have facilitated for limited transparency, and inept and misleading representations that ultimately sustained the MIC and permitted vast transfers of wealth from the public to private capitalist blocs, which enabled the progression of imperial ventures. The extent of deficiencies was encapsulated in SECDEF Rumsfeld’s announcement that defective accounting practices within the DoD
alone had led to $2.3 trillion in untraceable transactions as of September 2001. The thesis demonstrated how such deficiencies played a major role in facilitating the magician’s trick with regards Iraq. For example, a key technique for under-costing the 2003 Iraq War was through a failure to separate operation funds from overall baseline funds, which permitted war-related costs to become ‘institutionalised’ within the DoD’s base budget. As a result, hundreds of billions worth of war-related incremental costs, such as various procurements of extra weaponry, increased recruitments of DoD civilian employees, increased base and bonus active duty payments, and increased military constructions were obfuscated and rendered relatively undetectable within the base budget. Moreover, deficient budgetary practices that lacked proper scrutiny and oversight facilitated transfers of wealth as Congressmen and Senators exploited politically favoured ‘emergency appropriation’ bills to fund defense equipment unrequested by the DoD. As such, deficient government accounting and accountability practices served as legitimate processes through which profound waste, corruption and transfers in wealth to dominant capital groups, as well as favourable under-costing of imperial power outlays and the sustenance of the MIC, were facilitated. The subservience of accounting to elitist interests of the capitalist hegemonic power bloc was, therefore, further confirmed.

The thesis was also able to demonstrate how the under-costing imperative of imperial elites was justified and pursued within the DoD through accounting rhetoric pertaining to cost-minimisation and efficiency. SECDEF Rumsfeld was shown to have evoked this rhetoric throughout the stages of the 2003 war, invasion and occupation to justify his quest to minimise actual and perceived costs. Meanwhile, the DoD’s PPBE accounting system was shown to have served this purpose by facilitating a decision-making process that was devoid of qualitative considerations like morals, ethics, justice and troop morale. Instead, it centred upon an economically rational mindset and quantitative-based instrumental reasoning. A major example of the effects of this was presented through Rumsfeld’s decision to deploy minimum troops to Iraq; he sought the least quantity deemed capable of realising US interests. Whilst a primary objective of the decision was to radically reduce the quantitative costs of the imperial project upon Iraq, increases in critical qualitative costs, such as the resulting deficit in troop capabilities to achieve law and order, increased safety and security dangers, increased
US deaths and injuries, and decreased troop morale, were hidden from perception. Similarly, the decision to delay delivery of sufficient quantities of armoured vehicles was perceived by Rumsfeld as a necessary form of economic rationality, a matter of efficiency in production and capability and also a means of decreasing immediate costs within cash-based accounting reports. However, this form of quantitative instrumental reasoning enabled a disregarding of the resulting qualitative costs, such as subsequent increases in troop deaths and injuries, and the resulting decrease in troop morale. Also, cash-based accounting was shown to have further contributed to these effects as it enabled a corresponding discounting of quantitative costs that would ensue as a result of these decisions. For example, future expenditures arising from increased troop deaths and injuries, such as death gratuities, the long-term treatment of injured or disabled veterans and their long-term disability entitlement payments, were hidden from visibility.

The thesis also identified the socio-ecopolitical costs that materialised upon Iraq, thereby also bringing into perspective the de-territorialisation processes that were realised. Whilst these were extensive and severe, the US’s failure to account for them not only served to further devaluate Iraqi space and its people as per the CAS concept, but also to under-cost the project, thereby enabling the pursuit of their interests with minimal costs and relative impunity. Recognising this, the thesis sought to account for the ‘unaccounted for’; by bringing into visibility the costs to Iraq from each US imperial footprint, not only were the tremendous human, environmental and eco-political costs collated, thereby exhibiting the potential for resistance and emancipatory change, but also the existence of an overall imperial project to de-territorialise Iraq was confirmed. This is because each of the three footprints was shown not to have been a regular exertion of power; rather, each was a severe incarnation of its kind that wrought unnecessary radical destruction to Iraq’s existing spatial configurations. The 1991 Gulf War commanded “the heaviest bombing campaign in the history of war …” to that date (Ismael & Perry, 2014, p.95); the ensuing economic sanctions were “the most severe ever imposed” (Nordhaus, 2002, p.53); and the 2003 Iraq War utilised ‘Shock and Awe’, which was the military version of free-market fundamentalism’s annihilation of space by time. The sequence of continued and needless use of excessive coercive force, with a mutual outcome of largely de-territorialising Iraqi space, confidently pointed to
the existence of shared underlying motivations other than the disconnected justifications publicised in the mainstream. The thesis’ analysis, informed by the CAS concept, brought into motion the US’s gradual transformation of Iraqi territorialisation: from being an Arab welfare state approaching standards comparable to developed countries in the mid-1980s, to a relatively desolate and largely de-territorialised space with a ruptured social fabric; a clean slate ready for neoliberal re-territorialisation. As such, it was able to confirm the CAS concept: there existed an underlying imperial project that was persistently advanced so as to batter down Iraq’s defiant doors to neoliberal territorialisation.

The ways through which Clausewitz’s accounting-based ‘political commerce’ dogma and the PPBE accounting system were utilised by eco-political elites to facilitate and justify these exaggerated exertions of coercive imperial power were also identified in the thesis. Clausewitz’s political commerce conception was shown to have guided three different US presidents in their decision to continue the imposition of the ‘genocidal’ sanctions over a thirteen-year period. Under this conception, sanctions were recognised as a continuation of politics by other means; determinants affecting a decision to exert this form of power, instead of others, centred within the bounds of economically rational considerations pertaining to cost and benefit. The thesis explained that whilst accounting rhetoric pertaining to the ‘efficiency’ of the Pentagon’s precision smart bombs had been utilised to justify the excessive bombing campaign of the 1991 Gulf War, US political elites of the time were reluctant to continue the assault and forcefully dislodge the Iraqi regime, as this would have engendered ‘incalculable’ eco-political costs. Instead, sanctions offered an exceptional alternative to the military war and its effects; they were a low-costing and silent form of warfare that brought about immense destruction to the Iraqi economy, ‘institutionalised’ acute poverty and undermined the Saddam regime. The perception of US leaders that sanctions were an almost costless and invisible alternative was largely afforded by accounting techniques that minimised quantitative representations of costs and wholly disregarded from account the tremendous social costs. Indeed, the Congressional Budget Office encapsulated these functions not only through its pointing to the high feasibility of this foreign policy tool, but also through its endorsement of the imposition of severe sanctions for greater gains. The office reported that costs to the US from the imposition of sanctions were minimal,
especially when imposed upon small developing economies like Iraq. Meanwhile, benefits to the US, in the form of realisation of its interests, would increase the more costly that sanctions became to targeted countries. Accordingly, the thesis demonstrated accounting’s roles in transforming the decision-making process regarding the employment of genocidal sanctions into a mechanical affair, thereby also confirming its potency in encouraging unethical behaviour. Both accounting’s cost-minimisation logic and techniques focussed the attention of decision-makers on economically rational considerations pertaining cost and benefit, whilst divorcing them from the immensely corrupt qualitative ramifications of their decisions.

The US’s decision to employ the 2003 Shock and Awe military campaign, which primarily aimed to expose Iraqi space to the non-nuclear equivalent of both the physical destructions and psychological terrors and traumas experienced from the Hiroshima and Nagasaki atomic bombs, was shown to have been founded upon the perceived efficiencies of shock therapy. Subjecting Iraq to the rapidity and degree of physical destruction that corresponded to nuclear warfare was assessed as not only being the most eco-politically cost-effective means to realise rapid capitulation of Iraqi space to US power, but was also considered to be the most efficient means to psychologically manipulate the Iraqi people; it was considered to be a form of shock therapy that would prime the indigenous population for rapid submission, exploitation and adaptation. Moreover, the PPBE accounting system was shown to have been a pivotal tool that was used to facilitate resources for the project, to justify the use of excessive weaponry including WMD, and to manage the post-invasion occupation within the binds of economic rationality and free from qualitative considerations, such as morals, ethics, justice and human rights. Overall, the roles of accounting in contributing to a favourable representation of the US’s employment of shock therapy upon Iraqi space also confirmed the CAS concept’s final essential purpose for accounting within imperial projects, being its building and reinforcing of power structures that enable the restructuring and management of space for capitalism. Indeed, the US’s use of Shock and Awe to psychologically manipulate the Iraqi people was an attempt to build a power structure that would enable the restructuring and management of Iraqi space for capitalism. Similarly, accounting’s roles in the destruction of Iraq’s collective memory served this purpose by contributing to the dislocation of shared historical, cultural and
socialist underpinnings of Iraqi society and the rupturing of the cohesiveness of its social fabric. These delivered power to the US in its attempt to re-engineer the collective mindset and the building of the individualist-based, fragmented spatial order of neoliberalism.

Accounting’s role in the rupturing of Iraq’s social fabric also served to ease the implementation of a divide and conquer policy, which was an instrumental tool that afforded the US the power to state-build its new Iraq. The thesis demonstrated that the US’s choice to implement this policy accorded with Clausewitz’s accounting-based measures by providing an efficient, low-eco-political-cost solution to the US’s opposition to a largely united Iraqi resistance front. In this regard, the thesis demonstrated the power afforded by budgeting mechanisms. Discriminative revenue-sharing arrangements were utilised by the US to undermine the indigenous socio-political fabric by using oil wealth to empower ethno-sectarian local elites and to situate them in competition both amongst each other and against state authority. Moreover, these discriminative arrangements, along with their resulting sharpening of ethno-sectarian identities, effectively incentivised the Iraqi ethno-sectarian elite to maximise their self-interest. This self-interest led them to actively direct their local populations into accepting an imperial constitution that built a tripartite ethno-sectarian federalisation that was most conducive to imperial interests. Moreover, US funding mechanisms, which drove heterogeneous sites and agencies to entrench imperial ideology within Iraq in an attempt to re-engineer the collective mindset of Iraqi society, also reinforced this policy of assimilation. Finally, the sharpened ethno-sectarian identities and their inter-competition in the midst of US failure to uphold law, order and security radicalised individual identities and fomented mutual mistrust, which served to legitimate the artificial state narrative used by imperial elites to justify and legitimate their foreign intervention into Iraqi state-building, and the denial of local autonomy. Moreover, accounting’s role in transforming acts of US contractor nepotism and corruption within local elections, which furthered the denial of local autonomy and social division, was demonstrated as it was shown to have transformed such acts into commodities and, thus, merely business opportunities for capital groups.
The thesis has demonstrated how the use of discriminative revenue-sharing arrangements, accompanied by a plethora of other accounting-influenced effects, such as US failure to uphold law and order, assimilation policies and acts of electoral corruption, served the combined interests of the US’s capitalist hegemonic bloc. The discriminative revenue-sharing arrangements provided a cost-effective and vital means to divide the Iraqi populace and to rapidly establish an imperial relationship of power and control over a weak Iraqi state formation that devolved Iraqi state spatial/scalar configurations of authority across diverse sites and heterogeneous agents. Not only did these configurations serve US eco-political interests by drawing Iraqi space into its reigning orbit, especially with regards power over Iraq’s strategic oil resources, but they also facilitated the ability of dominant capital to finally fracture Iraq’s doors and to commence exploitation at multiple spatial/scalar endpoints. Moreover, accounting’s reduction of decision-making to quantitative-based instrumental reasoning was shown to have excluded from visibility the enormous qualitative costs of this strategy, including the rapid transfer of Iraqi wealth, the disintegration of Iraqi social fabric and the possible developments of civil war, ethnic cleansing and fragmentation of Iraq’s territorial integrity through resulting self-interested secessionist pressures. Overall, accounting’s profound roles and effects in building and reinforcing US power structures over Iraqi space so as to facilitate the attempted re-territorialisation of Iraq’s socio-ecopolitical underpinnings was confirmed.

Another key source for the US’s building of imperial power structures in Iraq was through its deliberate establishment of anaemic Iraqi budgetary processes and institutions, which facilitated the institutionalisation of corruption and fiscal malfeasance, whilst also diminishing state capacity. This had the effect of extending the reach of the capitalist hegemonic bloc, and ultimately served to sustain a broader strategy of domination aimed at subordinating future Iraqi governments to imperial interests. For example, the thesis demonstrated how dysfunctional CPA-era budgetary processes and accounting/accountability techniques created liminal space for corrupt practices to flourish and become institutionalised within the Iraqi state. This facilitated the transfer of vast Iraqi oil revenue from the public domain to dominant capital groups, and sanctioned structural advantages to western firms entering the Iraqi economy. Moreover, the structural advantages facilitated the replacement of Iraqi and European
systems with predominantly US design and technology, thereby subjugating the state to impoverished dependency on mostly US know-how. During the transition period, the US utilised its created deficit in Iraqi revenue, wrought by rampant corruption, to extend its power through Iraq’s consequent reliance on US and international donor funds and debts. Importantly, Iraq’s revenue deficit also empowered the West to fiscally pressure Iraq to further open its oil sector to foreign capital investments so as to increase production efficiencies and repay debts. The thesis also demonstrated how the US procurement system enabled the US to effectively reinforce a favourable system of patronage and favouritism in Iraq during later years of the occupation. Finally, this was shown to have been complemented in 2007 with the US’s passing of the ‘17th Benchmark’, which served to sustain corruption in Iraq by generating incentives that deterred the development of credible accounting, accountability and auditing systems, thereby reinforcing US power gains reaped from their deliberate upholding of a corrupt Iraqi state.

Another power structure that was of especial interest in this thesis was that created within the DoD and that permitted the primacy of the Bush administration’s neoconservative ideology over military expertise prior to, and during the 2003 Iraq War. Since the central underpinnings of neoconservatism’s ‘total war’ ideology led to an essential requisite that the US undertake multiple, simultaneous major theatre wars so as to maintain supremacy and global domination, the Bush administration’s bypassing of the existing Powell Doctrine’s ‘doctrine of reluctance’ within the DoD was imperative. Moreover, the ideological requisite for ‘total war’ necessitated a reliance on small, highly mobile and nimble ground forces so as to extend US capacity to undertake multiple wars simultaneously, instead of the Powell Doctrine’s use of overwhelming force. Indeed, the chapter demonstrated in the lead up to the 2003 Iraq War that the DoD’s civilian command, namely SECDEF Rumsfeld, was able to bypass military expertise and its extensive prior planning. Instead of deploying the military command’s average troop requirement of 425 000 troops, SECDEF Rumsfeld initiated war on Iraq with only 130,600 troops. The significance of this decision becomes salient when situated within the context of the CAS concept, as the deficiency in quantities of troops was a central source of facilitation and justification for much of the post-invasion’s de-territorialisation processes, as well as for the establishment of post-invasion power
structures. Since the CAS concept identifies accounting as an imperative source for the building of power structures, the thesis sought to identify accounting’s role within the DoD’s power play.

The thesis confirmed Wildavsky’s (1961, 1992) concept that power is afforded through financial control. Rumsfeld was shown to have utilised accounting rhetoric to elevate the significance of efficiency in the management of resources, the reduction of costs and the elimination of waste, to national security. This enabled him to justify the need for a ‘war on bureaucracy’ and for transformational change, most notably in the DoD’s budgetary system, the PPBS. His reforms to this system inverted the existing model by creating a systematic mechanism for top-down planning and the allocation of resources, thereby centralising management and policymaking. Moreover, it provided the organisational tools for the centralisation of legal authority into the OSD and the resistance of the autonomy of service departments. Therefore, the reformed PPBE system served the ultimate purpose of delivering a power structure to the SECDEF over military policy. In addition, Rumsfeld was shown to have complemented this authority by using accounting rhetoric pertaining to efficiency and cost-minimisation to press Congress to pass the DTA. The bill would delegate to him authority for budgetary execution, and the managerial flexibility to implement neoliberal business practices, such as downsizing and privatisation, that would ultimately serve the underlying neo-conservative agenda. Overall, the thesis showed that Rumsfeld’s reforms didn’t serve the proclaimed purpose of improving the DoD’s efficiency in resource management. Instead, they were shown to have been crucial in enabling transfers of wealth to dominant capital; in affording Rumsfeld the means to impose neo-conservative strategy within the DoD that ultimately facilitated a realisation of the neo-conservative objective of achieving ‘state-ending’ in Iraq; and in under-costing the eco-political costs of the project.

Finally, the thesis further analysed the effects of the PPBE accounting system and identified several other means through which it served the overall accounting purposes of the CAS concept. For example, the use of the PPBES’ MoPs and MoEs for operational assessments and evaluations detached US leadership from the qualitative
effects of their decisions by fostering a quantitative-based cause-effect and problem-solving mindset. Not only did this transform Iraqi people and space into numbers to be gathered, monitored and controlled, thereby contributing to their devaluation, but it also empowered US leadership to operationalise injustices against them as these were assessed as being most efficient in serving US interests. For example, since metrics regarding the capture rate of insurgents was conceived to be an indication of US success and affecting decreases in insurgent attacks, troops were incentivised to maximise the number of people detained in counterinsurgency, regardless of human rights, justice, and the imperative objective of winning the hearts and minds of the Iraqi populace. This mindset incited a system of collective punishment, whereby hundreds of thousands of Iraqi citizens were rounded up in the production line of the US’s mass incarceration ‘machine’ in a ‘get-tough strategy’ that aimed not only to punish members of the insurgency, but also to intimidate the broader Iraqi society into submission and assimilation. Moreover, PPBES’ dehumanisation of Iraqi people by quantifying their existence, served to embolden a pattern of brutality towards them that helped subordinate their existence to US dominance and supremacy. As such, accounting’s role in mediating social relations and encouraging actions from a distance for imperial interests was demonstrated.

Another example of the empowering effects of the PPBE system that facilitated US management of Iraqi space was demonstrated through its influences on US intelligence gathering. MoPs and MoEs led US leadership to believe that increased productions of intelligence would lead to decreased insurgent attacks, decreased costs and ultimately deliver victory. Moreover, the PPBES’s cost-minimisation and efficiency-maximisation logic requisitioned that intelligence production be as quickly and cost-effectively as possible. Therefore, it served to justify and legitimate the decision of US leadership to utilise torture as an efficient means to rapidly break the psychological will of detainees and realise intelligence gains. The thesis showed that this strategy was complemented by lapses in conventional accountability mechanisms, such as inaccurate detainee Internment Serial Number (ISN) accounts, which further devalued the Iraqi population and enhanced the conditions needed for acts of retribution, domination and punishment. Finally, since troop and resource shortages left marines vulnerable to attacks, US leadership sought to decrease eco-political costs by sanctioning permissive ROE that
empowered US troops with relative impunity, devalued Iraqi life and facilitated civilian killings from a distance. In a similar way, the cost-minimisation motive led US leadership to sanction the use of techniques and technologies that provided efficiency in combat by increasing ‘enemy’ deaths whilst minimising US casualties, such as the use of ‘suppressive’ fire, ‘surgical’ air strikes and WMD. Such techniques were perceived to provide efficiency in combat; absent from US leadership’s view, however, were the qualitative effects, such as mass indiscriminate killings of civilians and wide-spread destruction that together debilitated the ‘hearts and minds’ aspect of counterinsurgency and occupation.

The US’s outsourcing of PMCs was shown to have also been primarily justified by accounting-based logic pertaining cost-minimisation and the realisation of efficiency gains. Whilst the thesis demonstrated that these objectives were not fulfilled as deficient contracting practices and mismanagement led to acts of fraud and waste that ultimately served dominant capital groups, it showed that PMC-use also served the interests of US political elites as it empowered them with a means to manage the production of injustices for imperial interests in Iraq at a distance and with relative impunity. Indeed, the Bush administration counterbalanced troop shortages by outsourcing 20,000-30,000 PMC employees. The use of a denationalised army of mercenaries facilitated a regime of invisibility as US sovereignty was extended across space, yet its imperial effects were masked through plausible deniability. Furthermore, the emphasis of accounting on profitability served to reconstruct the resulting state crimes into a commodity. This reconstruction transformed acts of PMC abuse, torture and murder into mundane, profit-realising activities within their business cycle. Therefore, PMC-use facilitated for US political elites the means to bypass conventional modes of democratic accountability, to realise neoconservative ideological requisites of further initiating imperialist wars, and to decrease consequential political costs by maintaining an empire in denial. Additionally, since PMC economic costs were primarily accounted for in the reconstruction rather than war budget, accounting was again appropriated by imperial elites to project an under-costed and feasible deception of war and occupation.
Finally, the thesis demonstrated that the US was also able to counter its troop shortages by funding, arming and training indigenous Iraqi forces for imperial interests. This enabled the building of power structures that subjugated Iraqi forces to impoverished dependency on US military expertise and equipment. Accordingly, indigenous forces were transformed into extensions of the empire’s regime of invisibility as they offered another means for the imperial centre to exert control and maintain order over the periphery from a distance. Moreover, since increases in armed and trained Iraqi forces translated into decreased expenditures of US troops, resources and their associated eco-political costs, the US’s appropriation of indigenous forces for its interests served to project a feasible perception of war and occupation. Also, the PPBE system was shown to have incentivised an expansion of these proxy forces as its metrics were utilised to account for the number of Iraqi forces trained, and these were instrumentally related to US victory in Iraq. Finally, indigenous forces were also utilised in the production of injustices for imperial interests in Iraq, such as in the use of torture to gather intelligence. Also, the thesis demonstrated that elite commando units comprising Shia militiamen and Kurdish Peshmerga were armed and trained by the US, as they constituted eco-politically efficient means of bringing an end to the Sunni insurgency. Accordingly, imperial interests were realised, whilst US accountability for the resulting acts of murder, torture, rape, ethnic cleansings, and the eventual breakout of civil war, remained at a distance of plausible deniability. The empire remained in denial.

In view of the above-developed conclusions, *The Political Economy of Accounting and the 2003 Iraq War* has extensively confirmed the central underpinnings of its capitalism’s accountings of space concept by verifying them in and through the Iraq War case study. In so doing, it has realised its central research objective of exploring the relationships between the socio-ecopolitical dimensions of accounting and US exertions of imperial power upon Iraqi space. Furthermore, it has provided solutions to its two primary questions of why, and the accounting means surrounding how, this imperial exertion of power was executed upon Iraqi space. In conclusion, the thesis has delivered a broader understanding of the interested roles of accounting in contemporary constructions of the socio-ecopolitical dimensions of space for capitalist imperial interests, thereby demonstrating the rich and fundamental intersections between space, capitalism and accounting.
### Appendix 1

Enlargement on Categories of Sources of Data

**Official Governmental Sources:** including the Commission on Wartime Contracting in Iraq and Afghanistan, the Committee of Privy Counsellors, the Committee on Government Reform, the Congressional Budget Office, the Congressional Research Service, the Coalition Provisional Authority Inspector General, the Department of Defense, the Department of Defense Inspector General, the Office of the Special Inspector General for Iraq Reconstruction, the Research Advisory Committee on Gulf Veterans’ Illnesses, United States General Accounting Office, US Congress, US Department of Energy, US Department of Veterans Affairs, US House of Representatives, US Senate Select Committee on Intelligence, US State Department, USAID, and from the Committee on Government Reform. Reports and regulations of the Coalition Provisional Authority were also utilised, and data was gathered from the Iraqi Constitution. Data was also gathered from the National Security Strategy of the United States of America and from declassified letters and documents from within government institutions.

**Official Communications:** including US governmental Press Releases, Presidential State of Union Addresses, Public Papers of the Presidents and speeches of top leaders within the Bush administration.

Non-Governmental Organisations: including Amnesty International, Human Rights Watch, Christian Aid, GRAIN, the Red Cross, the International Crisis Group, Iraq Body Count, Iraq Survey Group, the National Priorities Project, the Nuclear Policy Research Institute, Revenue Watch, Research Unit for Political Economy, The Center for Public Integrity, the Project for the New American Century, and Wikileaks.


Trans-disciplinary Journal Articles and Books

Private Accounting Firms: such as auditing reports by KPMG.

News Media Sources: including television and radio material, interviews, documentaries and newspaper and magazine articles.
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