

Is U.S. Picking Russian To Loot Iraq's Economy?

by Rainer Apel

The Russian Liberal politician Boris Nemtsov revealed in Moscow on Sept. 8 that the United States is recruiting Boris Yeltsin's former tsar for economic shock therapy, deregulation, and privatization, Yegor Gaidar, to provide "expertise" for a postwar economic policy in Iraq. George W. Bush has decided to seek Gaidar out of the conviction that "Gaidar is the world's sole specialist who knows how to recover a country's economy," Nemtsov said.

Gaidar, with a group of fellow technocrats who had been trained in the 1980s at London "free-trade" think-tanks, pioneered the brutal shock therapy that looted and ruined the Russian economy and completely discredited Yeltsin, beginning with Gaidar's term as prime minister in 1992.

After Nemtsov's announcement at the party congress of the Union of Right Forces, Gaidar confirmed that he has received an invitation from the Temporary Administration of Iraq. According to *Izvestia* on Sept. 8, Gaidar himself clarified that the Americans are concerned not even so much with reconstruction, as with creating a different type of economy in Iraq, than what it had before: "They are facing the problem of a collapsed totalitarian regime with a high level of state participation in the economy."

Strana.ru noted, "The American offer to Gaidar has a certain logic. Truly, there is probably no specialist in the world today, more experienced in privatizing the oil sector of an entire country. . . . Reform of the oil industry was one of the first undertakings of the first-wave reformists [in Russia], led by Gaidar." The USAID has been prescribing "shock therapy" for the Iraqi economy, wrote commentator Sergei Pletnov, with "mass privatization of Iraqi industry." Of course, "It is well known that the privatization of Russian oil resulted in the concentration of the sector in the hands of a few monopolists; hence the Americans should have no problem making use of Yegor Gaidar's experience. After that, Iraq will also need the people who thought up Russia's loans-for-shares auctions" (the privatization swindles by which the Russia's oligarchs' fortunes were amassed).

Gaidar said he is leaving for Iraq on Sept. 19, leading what amounts to a Mont Pelerin Society international hit squad: According to *Izvestia*, he will be joined by former Bulgarian President Petar Stoyanov and Estonian ex-premier and "young reformer" Mart Laar. In 1997, Stoyanov surrendered Bulgaria's sovereignty under a "currency board" scheme modelled on British colonial times.