The Bush administration has no love for unions anywhere, but in Iraq it has a special reason for hating them. They are the main opposition to the occupation’s economic agenda, and the biggest obstacle to that agenda’s centerpiece—the privatization of Iraq’s oil. At the same time, unions have become the only force in Iraq trying to maintain at least a survival living standard for the millions of Iraqis who still have to earn a living somehow in the middle of the now four-year-old war.

This summer, Iraqi popular anger over starvation incomes and oil rip-offs boiled over. On Monday, June 4, the largest and strongest of Iraq’s unions, the Iraqi Federation of Oil Unions (IFOU), launched a strike to underline its call for keeping oil in public hands, and to force the government to live up to its economic promises. Workers on the pipelines that carry oil from the rigs in the south to Baghdad’s big refinery stopped work.

This was a very limited job action which still allowed the Iraqi economy to function. Nonetheless, Iraqi Prime Minister Nouri al-Maliki responded by calling out the army and surrounding the strikers at Sheiba, near Basra. Then he issued arrest warrants for the union’s leaders. On June 6, the union decided to postpone the strike plans for five more days. Facing the possibility that a renewed strike could escalate into shutdowns on the rigs themselves, or even the cutoff of oil exports, the source of the income stream that keeps his regime in power, Maliki blinked. He agreed to the union’s principal demand—that implementation of the oil law be delayed until October, while the union gets a chance to pose objections and propose alternatives.

This will undoubtedly get Maliki in trouble in Washington, where his government will be accused of weakness, incompetence, and a failure to move on the oil law, one of the key political benchmarks it is under pressure to achieve. In Iraq, however, Maliki faces a fact that U.S. policymakers refuse to recognize—the oil industry is a symbol of Iraqi sovereignty and nationalism. Handing control to foreign companies is an extremely unpopular idea.

Some of the oil workers’ demands reflect the desperate situation of workers under the occupation. They want their employer—the government’s oil ministry—to pay for wage increases and promised vacations, and give permanent status to thousands of temporary employees. In a country where housing has been destroyed on a massive scale and workers often live under primitive conditions in dilapidated structures, the union wants the government to turn over
land for building homes. Since 2003, the Oil Institute, a national technical training college for the industry’s workers and technicians, has miraculously continued holding classes and training technicians. Yet the ministry won’t give work to graduates, despite the war-torn industry’s desperate need for skilled labor. The union demands jobs and a future for these young people.

Fighting for these demands makes the union popular, and enhances its nationalist credentials. Iraqis see it defending the interests of the millions of workers who have to make a living and keep food on the table for their families. On the other hand, the U.S. authorities, which imposed a series of low-wage laws at the beginning of the occupation, look to ordinary Iraqis like an enemy bent on enforcing poverty.

But one demand overshadows even these basic needs—renegotiation of the oil law that would turn the industry itself over to foreign corporations. And it is this demand that has brought out even the U.S. fighter jets, which have circled and buzzed over the strikers’ demonstrations. In Iraq, the hostile maneuvering of military aircraft is not an idle threat to the people below. This standoff reflects a long history of actions in Iraq, by both the Iraqi government and the U.S. occupation administration, to suppress union activity.

Iraq has a long labor history. Union activists, banned and jailed under the British and its puppet monarchy, organized a labor movement that was the admiration of the Arab world when Iraq became independent after 1958. Iraq’s oil industry was nationalized in the 1960s, like that of every other country in the Middle East. The Iraqi oil union became, and still is, the industry’s most zealous guardian. Saddam Hussein later drove its leaders underground, killing and jailing the ones he could catch.

When Saddam fell, Iraqi unionists came out of prison, up from underground, and back from exile, determined to rebuild their labor movement. Miraculously, in the midst of war and bombings, they did. The oil workers union in the south is now one of the largest organizations in Iraq, with thousands of members on the rigs, pipelines, and refineries. The electrical workers union is the first national labor organization headed by a woman, Hashmeya Muhsin Hussein.

Together with other unions in railroads, hotels, ports, schools, and factories, they’ve gone on strike, held elections, won wage increases, and made democracy a living reality. Yet the Bush administration, and the Baghdad government it controls, has continued to enforce a Saddam-era law that outlawed collective bargaining, has impounded union funds, and has turned its back (or worse) on a wave of assassinations of Iraqi union leaders. Following the June strike, Iraq’s oil minister ordered officials of the state oil industry to refuse to recognize or bargain with the IFOU.

President Bush says he wants democracy, yet he will not accept the one political demand that unites Iraqis above all others. They want the country’s oil (and its electrical power stations, ports, and other key facilities) to remain in public hands.

The fact that Iraqi unions are the strongest voice demanding this makes them anathema. Selling the oil off to large corporations is far more important to the Bush administration than a paper commitment to the democratic process. And the oil workers’ union has now emerged as one of the strongest voices of Iraqi nationalism, protecting an important symbol of Iraq’s national identity, and, more important, the only source of income capable of financing the country’s post-occupation reconstruction.

The administration and those U.S. legislators trying to impose the oil law might take note that they are requiring the Maliki government to betray one of the few reasons Iraqis have for supporting it—its ability to keep the oil revenue in public hands.

With a no-bid, sweetheart contract with occupation authorities in hand, Halliburton Corporation came into Iraq in the wake of the troops in 2003. The company tried to seize control of the wells and rigs, withholding reconstruction aid to force workers to submit. The oil union struck for three days that August, stopping exports and cutting off government revenue. Halliburton left the oil districts, and the Oil Ministry regained control.

The oil and port unions then forced foreign corporations, including Seattle-based Stevedoring Services of America and the Danish shipping giant Maersk, to give up similar sweetheart agreements in Iraq’s deepwater shipping facilities. Muhsin’s electrical union is still battling to stop subcontracting in the power stations—a prelude to corporate control. The occupation has always had an economic agenda. In
2003 and 2004 occupation czar Paul Bremer published lists in Baghdad newspapers of the public enterprises he intended to auction off. Arab labor leader Hacene Djemam bitterly observed, “War makes privatization easy: first you destroy society; then you let the corporations rebuild it.”

The Bush administration won’t leave Iraq in part because that economic agenda is still insecure. Under Washington’s guidance, the Iraqi government wrote a new oil law in secret. The Iraq study commission, headed by oilman James Baker, called it the key to ending the occupation. That law is touted in the U.S. press as ensuring an equitable division of oil wealth. Iraqis see it differently. They look at the means it sets up for welcoming foreign oil companies into the oil fields, and the control it would give them over setting royalties, deciding on production levels, and even determining whether Iraqis themselves get to work in their own industry. Iraqi unions charge it will ensure that foreign corporations control future exploration and development, in one of the world’s largest reserves, through so-called production sharing contracts that favor multinational oil corporations. Such contracts have been rejected by most oil-producing countries, including those of the Middle East.

In May, Hassan Juma’a Awad, president of the IFOU, which had been banned from the secret negotiations, wrote a letter to the U.S. Congress. “Everyone knows the oil law doesn’t serve the Iraqi people,” he warned. The draft law “serves Bush, his supporters and foreign companies at the expense of the Iraqi people.” The union has threatened to strike if the law is implemented.

After Muhsin and IFOU general secretary Faleh Abood Umara toured the United States in June, Leo Gerard, president of the United Steel Workers of America, which represents U.S. oil workers, backed up the Iraqis’ demand. In a July 31 letter to key Congress members, Gerard warned that “the oil privatization law now under consideration by Iraq’s government is designed to benefit the multinational oil companies; not the Iraqi people. ... Iraq’s oil is a national resource that should not be privatized [or] used as any kind of ‘benchmark’ of the Iraqi government’s success or failure.”

Like all Iraqi unionists, Juma’a says the occupation should end without demanding Iraq’s oil as a price. “The USA claimed that it came here as a liberator, not to control our resources,” he reminded Congress.

Congressional opponents of the war can only win Iraqis’ respect if they disavow the oil law. Gerard told those representatives that “the views of this labor movement should be heard much more clearly in Washington than they have been to date,” and noted that “they believe strongly that sectarian strife will ease, and that unions will be able to act with substantially more freedom when the U.S. military presence has ended.” The steel workers, he said, wanted Congress to “oppose the privatization of Iraq’s oil resources, correct the inequities present in Iraqi labor policy, and continue to support an end to the U.S. military presence in Iraq.”

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