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# RECASTING THE IRAQI BUREAUCRACY IN THE US IMAGE: THE CASE OF THE MINISTRY OF OIL

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## ABSTRACT

*For a variety of reasons, the fall of Saddam Hussein's regime has ushered in a new era in the management of Iraq's most important ministry. Needless to say, the temptation to introduce advanced management techniques and practices similar to those in operation in the US requires greater deliberation than is publicly admitted. This article probes and assesses the empirical context of the US administrative control of Iraq's Ministry of Oil. Additionally, a series of implications that might guide future empirical investigations and help managers strengthen administrative capacity are put forward. The article is structured around four major topics: (1) An overview of the Iraqi state, (2) Strategic and critical tasks in the Ministry of Oil, (3) the Bush administration's oversight, and (4) Possible pitfalls to be avoided. The authors conclude that progress toward building Iraqi bureaucratic capacity is more likely to be attained if the new administrators are careful to avoid time tested mistakes.*

## Introduction

Previously, Iraq's civil service functioned in accordance with the Civil Service Law and Cadre Law (1962), mainly derived from British and Arab traditions. Iraqi civil servants fell into at least nine grades and included employees of semi-government and parastatal organizations. Under Hussein, the largest ministry was that of the Interior. Like the civil service in former British protectorates and colonies, including Egypt and Kuwait, the administration of the civil service schemes of service was centralized. Employment was open to all Iraqi citizens and recruitment was in theory based on merit competitive exams (*Merriam, 1991, p.282*). In fact, before the Gulf War of 1991, Iraq's bureaucracy was reasonably modern and efficient by developing country standards. But it was not grounded in the national constitution. Although Iraqi Basic Law was first promulgated in 1925 and revised over and over again, no administration respected it. The latest revision, in 1990, provided for a Saddam Hussein dominated political process (*Al Fadhal, 2000*). As a result, there is no tradition of checks and balances and hence the relative salience of discretionary power within national administrative institutions.

The lack of relative bureaucratic autonomy impacted on staffing, planning, and other public management practices. The militarization of society and state under Hussein did not necessarily preclude the growth of Weberian hierarchical structures and competence ethos. To some extent, some Iraqi ministries were a bastion of well-qualified bureaucrats—even though there were strong correlations between Ba'ath party memberships and a civil

servant's promotion prospects. With Saddam Hussein as the party secretary –general, refusal to join the party would often result in serious disciplinary consequences (*Human Rights Watch, 1994*). Ministries such as defense and its affiliates including the Military Medical Command, the Ibn Sina State, Al-Qa'qa State and the Al- Nasr Al-Adheem State Companies had extensive competence in weapons building and other defense matters. Importantly, too, Iraqi's Ministry of Oil had considerable latitude in technical decision making. Indeed, United Nations Chemical inspectors found records of highly qualified personnel at sites such as the Al-Dawrah refinery, belonging to the Ministry of Oil. Without doubt, the latter ministry has assumed importance in the wake of its visibility in the reconstruction of Iraq following the April 2003 violent overthrow of Saddam Hussein's regime by a combined force of U.S. and Britain.

In spite of its relative stability, the national Iraqi bureaucracy was not generally an effective agent of positive national development. However, the Ministry of Oil generally adapted to harsh external and internal environmental situations of the past decade. The agency continued to deliver the promise of Hussein's tight control of the state and contributed to the entrenchment of a regime considered by many observers as both brutal and regressive. There are other ministries that supported regime consolidation and survival. From a purely practical and functional view, all government ministries were partners in regime consolidation. Needless to say, as in all countries, government ministries are ranked according to their strategic importance. For Iraq, arguably, the most strategically important ministry is that of oil. Strategic ministries are those that are central to the management of key sectors of the economy (*Kiggundu, 1989, 261*).

Small wonder then, that after the fall of Baghdad in April 2003, U.S. forces rushed to secure oil fields and the capital's oil ministry. Leaving other ministries such as Education and Irrigation, universities, museums, hospitals, and businesses to be looted and burned. Hundreds of troops were also placed inside and outside the Ministry of Oil and that that the interior. The later was secured primarily for purposes of security and intelligence gathering. Considering that the post Saddam Hussein reconstruction process lies on the shoulders of the U.S., to what extent will the vital public oil bureaucracy be managed to effectively generate revenues and other resources required for Iraq's long term sustainable development? The purpose if this paper is to explore and probe the dynamics of the public oil bureaucracy and ensuing reforms that might be introduced against the backdrop of Iraq's social, economic, and political realities. The final part of the paper provides insights into possible challenges to be faced by U.S. planners and managers of this vital administrative agency.

### **Methodology**

Articles published in major news outlets, recently declassified government documents, and interviews are the primary base for our study. Additionally, content analysis is extrapolated from translated official statements from public officials involved in the reconstruction of the post Saddam Hussein Iraq. We searched for articles published before and after the war in Iraq. There has been a substantial increase in the number of empirically oriented papers published since the first Gulf War. We employed an open structured approach to identify research themes in the discussions on Iraq's national bureaucracy. As we proceeded, it

became apparent that there were at least four main study foci to organize the paper: (1) An overview of the Iraqi state, (2) Strategic and critical operating tasks in the Ministry of Oil, (3) the Bush administration's management and policy oversight, and (4) Possible pitfalls to be avoided when introducing management changes.

While empirical based articles published in cognate fields such as political science, business, history, and cultural anthropology are omitted; some references are made to the literature in those fields. In the study of the state, for example, there is a sizeable literature dealing with behavior of Iraq's vast public bureaucracy. Political science literature, for the most part, conceptualizes state behavior in terms of actions of civil servants (*see Evans, Rueschmeyer and Skocpol, 1985*).

### **The Iraqi State is unlike US**

Students of comparative administration have always known that public administration U.S. style is the exception rather than the rule. The American model should never be treated as an exemplar for all other countries. For the most part, the difficulties arise from differences in the ecology of public administration. Since John Gaus and later Fred Riggs, seminal work on the ecology of public administration systems, we have always known that public administration can only be understood in its political context (*Gaus, 1950; Riggs 1961; 1968, p. 73*).

Saddam Hussein's Iraq is characterized as a dominant party rather than military state (*Heady 1991, p. 284*). The profile of politics is very much based on Stalinist style control of the Iraqi masses. Under Hussein, the General Security Directorate, Iraq's internal intelligence agency or secret police had a monopoly of information about the country's wealth including its mineral resources. Iraqi intelligence apparatus were essential in smuggling oil and managing kickbacks for Saddam's cronies in the wake of UN ban of Iraqi oil sales that followed the Gulf War in February 1991. Recent evidence suggests that the Iraqi intelligence bureaucracy was extremely diligent and filled away important correspondences in a systemic fashion in spite of the fact that the bureaucrats lacked modern computers for indexing files. Significant intelligence was equally entrusted on key Ba'ath leaders whose long term hegemonic agenda included using the country's oil wealth to promote pan Arabism and the Arabization of Kurdish lands (*Human Rights Watch Report, 1884*). The Ba'ath Party was technically not a state bureaucracy but since its control of the state apparatus in 1968, it framed the ideological and mission statements within which the Ministry of Oil and other vital public organizations functioned and operated. Indeed, government memos discovered after the collapse of the Saddam Hussein regime indicated that public officials often issued memos in the name of the party, revolution, or republic. Thus, civil servants could be technically absolved of any and all personal responsibility for possible misconduct and abuse of discretion and official power.

Saddam Hussein became Iraq's president in 1979 and began to implement some of the party's ambitions including his own. Needless to say, Iraq invaded Iran in 1980, Kuwait in 1990, and thereafter suppressed Iraqi Kurds (*Khaled Salih, 1995,p.36*). Politically, Iraq remains an unstable enclave precisely because the country has an unsettled Kurdish

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population seeking greater autonomy or statehood as well as deeply seated religious schisms between minority Sunni and majority Shia Muslims. To contain these divisions, Saddam's reign was absolute and too strong (*Gunter 1993; McDowall, 1996, p.359*).

Because the broad security bureaucracy was repressive, the dictates of the ruling elite determined the management of the vast oil revenues. For obvious spatial reasons, the Ministry of Oil was structurally deconcentrated. But, in the troubled Kurdish claimed oil-producing areas around Kirkuk and Mosul, central control was ensured through the command of Oil Protection army division forces the *Qiyadet Quwat Himayet al-Natt*.

Apart from the political, the ecology of public administration includes an economic and social component. The social structures and environment in Iraq is equally, challenging. The country's psyche is rooted in deep Islamic traditions and cultures with very different ideas on ethics and obligations to the public, family, and God in matters of resource management and profiteering.

Currently, public administration occurs within a globalizing world with a highly neo-liberal environment embracing various privatization and deregulation regimes. Oil will remain the mainstay of the Iraqi government for the future. Oil provides more than 60% of Iraq's GDP and 95% of its hard currency earnings. In spite of oil earnings, Saddam's bureaucracy was performing poorly due to misplaced priorities and several years of war and UN economic sanctions. The country's GDP for 2001 was estimated to be at about one third the level in 1989 (*Cohen and O'Driscoll, 2003*).

Because of Iraq's policies of nationalization of the oil industry, extensive central control of the economy, massive expenditures in weapons programs, political corruption, wars with Iran, Kuwait, and the Kurds, its foreign debts rose to over \$ 140 billion. The economic implications of the second Gulf War in 2003 have yet to be factored into the calculations of Iraq's total debt. But it is quite obvious that the oil industry requires the best plans and management to be able to provide revenues for reconstruction and economic development. Without doubt, therefore, the Ministry of Oil is at the center of Iraq's economic revival and survival.

### **Strategic and Critical Operating Tasks in the Ministry of Oil**

Because of the centrality of oil in Iraqi national life, the Ministry of Oil assumes heightened importance. The fact that most of the oil industry is regulated provides sufficient bureaucratic difficulties. Under Saddam Hussein, managers of key oil producing state companies were said to be corrupt. He appointed the council of ministers and their deputies who theoretically had executive authority but in reality simply endorsed decisions of Saddam Hussein and his Revolutionary Command Council (RCC).

Besides, policy management was compromise by the lack of checks and balances in the administrative system. Iraq's judiciary was not independent, thereby hindering processes that check and limit abuses of the vast senior level discretionary power. Critical Operating Tasks (COTS) such as ministry staffing, planning, and development were therefore jeopardized and contributed to overall decline in efficiency and accountability. After the UN imposed sanctions on Iraq, ministry accounting systems became obsolete and so did

the country's ability to modernize its oil extracting systems. There were, however, improvements in delivery systems especially in the construction of pipelines to Syria and Jordan. However, marketing concessions to its Arab sister nations eliminated rationalization of management plans and overall competitiveness. For example, in 2000, Iraq and Jordan signed concessionary oil deals (*Jordan Times, November 34, 2000*). Although there was desire from both governments to normalize trade outside the UN embargoes, Jordanian authorities expressed considerable concerns about Iraq's failing oil bureaucracy. Jordanian officials regarded Iraq's Ministry of Oil, especially its oversight of marketing and coordination with the Aqaba Ports authority as being riddled with high handling costs and "bureaucracy." This is explicable by the fact that Iraq's oil infrastructure never completely recovered from the eight-year war with Iran.

Besides, since 1993, Iraq's accounting systems were ignored as key regime figures profited from illegal smuggling of oil thereby undermining UN sanctions and oversight of the later introduced food for oil programs allowed since 1995 for supporting humanitarian objectives. The UN set the prices for Iraqi oil, but all exploration, extraction, refining, pipelines, ports, and utilities were controlled through Saddam's civil service patronage and cronies. A chaotic unaccountable system provided avenues for rent seeking and corruption. Junior employees in Iraq's Ministry of Oil and the affiliated state refineries are on record as complaining that officials pocketed proceeds from oil revenues (*Youssef, 2003*).

The country has affiliation in the Bretton Woods institutions. Needless to say, significant rules for the global economy are imposed through the World Trade Organization (WTO)-World Bank- International Monetary Fund (IMF) networks. Under the current globalizing world, Iraqi trade in oil was hampered by its non membership in the WTO and lack of participation in policy reforms as prescribed through the World Bank and IMF financial and monetary systems. For example, Iraq's nationalization programs defeated the public choice rationale informing the neo-liberal trade regime that dominates contemporary global capitalism. Without affiliation with global financial institutions, administrative reforms would require reorganization and engineering to provide learning environments for skills and knowledge for reintegration into the world economy. Importantly, Iraq cannot possibly ignore the realities of the global trend toward state decline (*Riggs 2002: Shields and Evans, 1998: Thurow, 1996, p. 138*).

The Saddam years, shielded Iraqis from that reality. The point is that future reforms in public management must recognize that it is not only the authority of the statist Ba'ath party that is passé, but indeed, we are already living in a *syntropic* world (Riggs, 2002). Framing broader policy reforms in globalist rhetoric shields Western reformers from accusations of neo-imperialism.

### **The Bush administration's vision and strategic plan**

The announcements that the U.S. would, in the interim, manage the affairs of Iraq's reconstruction and development inevitably falls on the skill and resourcefulness in managing the vital oil infrastructure. Even though the U.S. maintains a large military force in the country, its civilian administrators working in collaboration with Iraqi self-rule governing councils face the challenge of creating a political environment for the civil

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service to function. Besides ensuring security for the oil infrastructure, huge administrative capital is required for upgrading communication networks, facility upgrades and maintenance and overall training in the use of new communication facilities. The U.S. plan to jumpstart post-war Iraqi oil operations with a management team that would incorporate both American and Iraqi officials must first overcome the political questions. In the interim, the Bush administration regards the civilian administrators appointed to oversee oil operations as a short term measure. In the long run, the administration plans to transfer authority and oversight of oil operations to a constituted internationally recognized Iraqi authority. The Bush administration envisioned a situation in which an Iraqi chief executive officer (CEO) would head a multinational board of upto 16 persons. The majority would be qualified Iraqi citizens –including vetted experts who had served under Saddam Hussein. But there would also be exiled Iraqis as well as Europeans and Americans. The group would oversee all operations at Iraq’s oil ministry, from the rehabilitation of production facilities, to export contracts and refining for domestic fuel needs. The administration would provide oversight over Iraqi oil exports as in public trust. The former, is potentially risky in light of the nationalistic perceptions that the U.S. is perceived as merely being interested in the control of Iraqi oil and wealth.

Since Iraqi ministries have for several years been managed in non-Western traditions, it is inconceivable that U.S. led administration would work within Arab-Iraqi bureaucratic norms and practices. Attempting to change bureaucratic behavior in the near future is likely to be met with resistance. In many ways, Iraqi bureaucrats like their counterparts elsewhere will most likely act in self-interest and will resist external management power. As Kotter argues, any management that tries to control others solely by directing on the basis of power will be resented (*Kotter, 1993, pp. 8-24*). Without doubt, the interim administration has to install confidence in the 55,000 employees of the Ministry of Oil. Framing the U.S. occupation as a moral imperative must be buttressed by partnerships and empowerment of Iraqi civil servants. Otherwise, organizational reforms are unlikely to receive employee support.

Problems must be anticipated if any success is to be achieved in reshaping the Iraqi civil service to serve the Iraqi people as opposed to the Ba’ath party elite. Historically, U.S. reconstruction initiatives in other parts of the world met with different degrees of success. Arguably, for Japan, U.S. occupation benefited from General Douglas MacArthur’s skillful ability to balance the interests of both labor and capital and to create a social environment conducive to electoral democracy. Unlike Japan, Iraq does not have a comparable tradition of pre-war party politics and insulation of the bureaucracy from its dictatorship (*Pempel, 1998, p.98*). Besides, MacArthur was able to foster dependency relations with Japanese civil servants in the mission to create a conducive climate for the private sector’s growth. It is the sense of symbiotic interdependence between managers and the oil bureaucracy that will enable Iraq to reconstruct for sustainable development.

Still, mere imposition of American bureaucratic values and norms in the neighboring Islamic Iran was disastrous during the Shah Mohammed Reza Pahlavi’s U.S. supported dictatorship. During 1953-68, U.S. technical assistance to Iranian ministries and police (SAVAK) failed because U.S. managers were ignorant of Iranian objectives and administrative systems. It seems that U.S. planners concentrated on ministries deemed as

crucial in the promotion of U.S. interests. Planners failed to factor in the dynamics and interconnectedness of the various administrative units. Moreover, there was the attrition from the civil service to the private sector when oil revenues rose as a result of the 1973 increases. Salaries were low and therefore civil servants were not motivated enough to perform optimally. The import, therefore, is that a U.S. supported administrative cadre that does not take into consideration the unique circumstances of the Muslim world will face resentment and failure just as was the case in Iran (*Seiz, 1980; Sherwood, 1980; Siffin, 1980; Montgomery, 1980*). The lesson from Iran, as Sherwood states, is to post to Iraq advisors with reasonable knowledge of the Iraqi culture. Besides, the Iranian case illustrated that technical collaboration is preferred to technical assistance. Should the Agency for International Development (AID) be required to manage some of the Ministry of Oil capacity building projects in Iraq, then it might also draw on previous experience in neighboring Iran. As Sherwood suggests, AID must also remain apolitical. Lessons from Iran also indicate that U.S. advisors needed to systematically frame the problems of the Oil bureaucracy. As all managers know, identification and articulating the bureaucratic problem(s) is the first step toward solving it. Currently, little is understood about the ills facing the Iraqi Ministry of Oil. Emphasis is still on issues of political economy and control of information processing. Again, relative success is possible if the political environment is conducive to the implementation of administrative and managerial reforms (*Montgomery, 1980*).

#### **Pitfalls ahead: Seven administrative sins that must be avoided**

Assuming that the political environment in the post Saddam Hussein Iraq is stable enough for the oil bureaucracy to function, and meet its strategic missions as well as perform critical operating tasks. There will be some dos and don'ts that should interest public managers –especially those from the advanced countries and Iraqi exiles who must take charge of Iraq's most strategic ministry. The list is not exhaustive or a complete check list but rather an advisory note to help in the reconstruction of Iraq. The order of the list is arbitrary and does not indicate the relative importance of each variable.

##### **1. The U.S. bureaucracy as the ideal?**

To explain, examine the assumptions of the Bush administration in the pre-2003 war diplomacy. When the United Nations Monitoring and Inspections Commission (UNMOVIC) stated in its numerous reports to the Security Council that Iraq had not given a full account of its past chemical weapons programs, several White House and State Department officials interpreted the omissions to be part and parcel of Saddam Hussein's strategy of hiding vital information. The general failure to provide a full disclosure of the whereabouts of past documents was construed to be a material breach of UN resolutions demanding Iraq's disarmament. Whether the documentation that verified Iraq's compliance was deliberately missing or not is irrelevant from our perspective. Rather, we contend that deliberations missed an important piece of the equation. A diagnostic assessment of the management of Iraq's civil service in general might have resolved the puzzle. Stated differently, strong evidence suggests that the decline in management ethos, and ensuing poor record keeping and other mundane administrative procedures in all government ministries were at the heart of the problem. This does not minimize any

contrary evidence supporting administrative incompetence and maladministration. Obviously, after decades of war and diplomatic and trade sanctions, there was bound to be weaknesses in civil service procedures. Evidence suggests that the Iraqi civil service was inefficient and ill performing by measures of comparable Middle Eastern bureaucracies. The point is, were Western analysts leaving out the important variable of the peculiarity of Iraqi administrative bureaucracy and system? We argue that understanding these dimensions is vital to any post Hussein administrative reforms.

Furthermore, the Iraqi oil ministry cannot be structured along the lines of the Department of Energy. But the Department of Energy- with its more than 115, 000 employees spread across 35 states has some useful lessons to offer. The department succeeded in promulgating an encompassing mission statement –that includes national security and efficiency in renewable energy and safe disposal of wastes. Still, the department has very high standards of technical and managerial and research know-how that Iraq could borrow. The department has one of the best –developed databases on energy logistics and has sophisticated computer modeling techniques designed to facilitate decision making processes. Modernizing the Iraqi oil infrastructure with management upgrades and initiating operations with state –of-the art systems will be beneficial to all stake holders. On of the important lessons to be shared is the department of Energy’s environmental programs which include clean up and safety operations.

## 2. Iraq and New Public Management

It is most likely as has been evident in pronouncements of senior Bush officials and conservative Think Tanks that there will be efforts to introduce “New Public Management” into Iraqi bureaucracies. New public management is about privatization and contracting out. It seeks to inject private sector business practices into government operations. Doing so, disregards the theoretical and ideological underpinnings of the reform process. Most likely, Iraqi public sector reforms require grounding in “reform coalition discourses” rather than U.S. style management schools of thought. Regional differences in public sector reform ideologies are well articulated in Wollman’s extensive work (*Wollman, 2003*).

Iraq has a long tradition of nationalization and state ownership of commanding heights of its political economy. Besides, several years of trade embargoes and wars denied it the opportunity to develop a strong modern private sector. If privatization is desirable, it should be monitored as away of prevention corruption (*Prager, 1994,p.176*). Therefore, to demand immediate bureaucratic reforms and benchmarking is recipe for failure. Of course, Iraqis have great competence is managing their own bureaucracies; the Interim administration’s plan must incorporate a gradualist approach to introducing some of the new public management thinking. Besides, how could one possibly run the Ministry of Oil as a business when Iraqi supply has entered into concessionary oil agreements with its Arab neighbors-Syria and Jordan. Still, Iraq’s Ministry of Oil cannot function as a business enterprise when nearly all public goods including security, infrastructure, and education depend on oil revenues? At a minimal, Osborne’s metaphor *steering* and *rowing* has to be combined with Denhardt’s dimension of *service* (*Osborne and Plastrik, 1997; Denhardt and Vinzant, 2000*).



### 3. Perils of ignoring capacity building

It has been said over and over again that Iraqis' must manage their own oil resources. Several years of economic and political upheavals constrained the Ministry of Oil from increasing the skill base particularly in management and technical fields. Few Iraqis were able to acquire the requisite management skills for handling oil resources in a globalizing world. In recent history, AID developed and acquired relevant experience in training for development (TFD) initiatives. Applied in the 190s and 1990s, the AID TFD model in the Philippines and Kenya proved successful in identifying future leadership in all sectors of the economy.

Through TFD, competitive scholarships were awarded to the most qualified government and private sector individuals who could then be trained in the best schools in the USA and then return to head institutions in their home countries.

An AID contracted out program, would eliminate the possibility of nepotism and fraud in awarding federally funded scholarships. Thus, the greatest sin at this stage of Iraqi reconstruction is to ignore training and capacity building for both the private and public sectors.

### 4. Avoiding overlaps and policy confusion

Experience shows that whenever several major powers are focused on a specific country, a tendency for policy confusion and management oversight will inevitably arise. Clearly, Iraq is attracting massive attention from major powers and the international financial institutions. All manner of aid packages will continue to be made available to the Iraqi government. Besides, the Ministry of Oil will be subject to several studies and recommendations from hundreds of consultants sponsored by different local and foreign interests and stakeholders. Iraq has experience with similar practices and operations. The difference now is that a more diffused policy environment exist. Moreover, the administrative ecology has substantially changed. The challenge is to organize ministerial policy management teams that can be responsible for ensuring that aid conditionalities and reforms are met without jeopardizing jurisdictional territoriality. With several multiple players such as Iraqi business ventures, Ministries of Finance, Foreign Affairs, Interior, Nationalized Oil Companies, Iraq's Central Bank, the IMF and World Bank, American Corporations, the European Union (EU), the United Nations, OPEC, bilateral agencies from France, Japan, USAID, and the Pentagon, among others, the concept of lead agency will evolve to ensure that management of different tasks is efficiently coordinated. Consultative donor and inter agency meetings are vital for resolving some of the inevitable turf battles. Consultative forums are also a good way of managing problems associated with redundancies and overlapping responsibilities.

### 5. The ghost of nation building

One of the sins that managers of Iraqi ministries including that of Oil should avoid is disregard the nation building task. Several decades ago, Milton Esman observed that part of the function of bureaucracies in developing countries was nation building (*Esman*,

1972). A causal look at the political ecology of Iraq's public administration and management affirms the truism. Through recruitment and participation in other national endeavors, the Ministry of Oil is an instrument for promoting both development and nation building. Previous Republican rhetoric that engagement in nation building is not a foreign policy option must be discarded. Realities from many developing countries point to the effect that government ministries are nation building tools and that is something to work with and not undermine.

Nation building tasks involve hiring and training people from all regions of the country and ensuring that they work together in government ministries. Because of the spatial expanse of the oil infrastructure, it is ideally suited for this function. The caveat is that an enabling legal framework is essential. As Al Fadhal proposed, Iraq needs a new set of laws to manage complex societal and economic interactions (*Fadhal, 2002*). More importantly, the pervading Ba'athist nationalistic extremism is incompatible with present day realities of globalization.

#### 6. Images and Symbols of Iraqi Institutions

Symbols matter in politics as well as in all professional endeavors. Because of the symbolism attached with the figure of Saddam, the new administration has already begun replacing the former president's images in Ministry wall pictures and calendars. It seems that managerial safe ground is not to replace Saddam's images with those of his successors. Rather, the goal of enhancing professionalism will entail moving beyond symbolism and promoting institutional capabilities. Support for professional associations and redrafting of codes of conduct might energize ministry employees. The marked absence of professional associations in the Ba'ath Party controlled regime meant the reduced level of professional growth and failure to create conditions for rallying common organizational ethos. As Al Sayyid warned, the growth of professional associations and civil society organizations in the Arab world must always confront informal and formal organizations (*Al Sayyid, 2000, pp. 68-70*). The reason for such an eventuality is that the earliest voluntary associations were always grounded in religious overtures. The caveat is that the vast majority of Iraqis are Muslims and it's unwise to hang pictures of American "liberators" on ministry walls. In a nutshell, cultural sensitivity and diversity training are essentials for confidence building.

#### 7. Investing in organizational power

Considering Iraq's recent history, inevitably, any post Saddam Hussein administration is about power relations with the Iraqi people. At the bureaucratic level, the worst sin is to ignore the expertise of the Iraqi officials, especially those in the vital oil sector. As Banfield stated, organizational managers should invest power where it yields the highest positive returns (*Banfield, 1965*). That means that management will be required to shelve domination and delegate to Iraqi managers who quite often are better prepared to handle organizational and legal challenges confronting such a large and important ministry. It is the empowered Iraqi officials who are best placed to rejuvenate their oil sector. They stand the best chance of understanding divisional redundancies established for purposes of rent seeking by officials of the former regime. It is an abuse of Iraqi expertise if the new

administration insubordinates highly qualified individuals to Western managers. Moreover, the principles of equal pay for equal work are as applicable to Iraqi ministries as they are to Western bureaucracies. Any differentials in perks must be completely and fully justified.

Furthermore, every society has its own management vocabulary besides the peculiar organizational cultures. There are far too many concepts and ideas that cannot be replaced with English terms. At the same time, the introduction of electronic government operations and sophisticated software will result in the need for greater information sharing and re-education. While we know that decade long embargoes devastated the country's ability to import modern office equipment, Iraqi officials still managed to acquire a variety of high tech information archival, retrieval, and management systems. But there was hardly any room for organizational innovation. Even without the unfavorable socio-economic environments, Iraq's bureaucracy fitted into the regional characterization of being lethargic, inflexible, and non-innovative (*Jreisat, 2001*). Relatively speaking, senior and middle level state operatives showed flexibility in absorbing newer technologies than the lower level cadres who for the most part were resistant to any major changes. The onus is upon expatriate managers of Iraqi oil to learn and employ these whenever possible.

### **Conclusion**

From an empirical perspective, the emerging changes in the management of Iraq's Ministry of Oil offer an important case for the application of new management techniques in a semi-modern globalizing and developing country bureaucracy. The literature is rich in offering examples of problems associated with imposition of Western bureaucratic models in other cultures. More importantly, public management practitioners serving in non-western environments inevitably face peculiar challenges including the unstable political and economic ecologies. The results could be predicted. Yet, if certain assumptions are taken into consideration, the possibility of reforms and rejuvenation of Iraq's strategic ministries is an achievable long-term goal. While debates among theorists and practitioners on the possibilities of recasting Arab bureaucracies in the images of Western management and administrative systems will continue, commitments that emerge will have significant implications for the Middle East as a whole. Most likely, successful administrative developments in Iraq will be emulated regionally. The actions that the U.S. led administration takes in reshaping the Ministry of Oil will depend on a set of assumptions and principles primarily mooted in Western philosophies. Our assumption is that the U.S. administration seeks to facilitate the modernization, democratization, and reform the Iraqi bureaucracy and to manage its oil ministry on a trustee basis. To do so, we suggest a number of key areas of concern. Most importantly, the administration should pay attention to issues of stakeholder coordination and capacity building. At any rate, our assessment is that recasting Iraq's most important ministry in the image of American institutions has serious limitations and requires considerable skill and strategy.

Finally, from a theoretical point of view, the Bush administration's bold move to occupy Iraq and establish an interim administration is likely to rejuvenate administrative development and comparative administration discourses. Certainly, there will be increased concerns for the transplanting of Western management systems on a predominantly large Islamic society. While not unprecedented in substance, the sheer magnitude of the

endeavor will generate possibilities of theory building. A recapitulation of the development, reconstruction, and modernizing administrative apparatus within a globalized world will no doubt ensue. Perhaps, for Middle Eastern public administration, the unfolding systemic adjustment era, is a paradigm shift. Reforming Iraqi bureaucracies is therefore a rich laboratory for further comparative public administration and management theory refinement and development.

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