

United States Senator

BOB BENNETT

Joint Economic Committee

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Bennett Hosts Leading Economic Experts at Hearing on How to Transform Iraq's Economy

*Private Property Rights and Entrepreneurship
Critical to Long-term Economic Prosperity*

Washington, D.C. – Senator Bob Bennett (R-Utah), chairman of the Joint Economic Committee (JEC), held a hearing today to discuss key economic principles for “Transforming Iraq’s Economy.” The hearing served to push the focus of the debate away from the short-term management of Baghdad and towards the implementation of policies that can ensure a long-run and prosperous free-market economy in Iraq and for the Iraqi people.

“The desire to replace a brutal tyranny and harsh dictatorship with a functioning, stable government that is ready to join the world and participate as a true partner in the world economic structure has enormous implications for the United States and our economy – even bigger for the world at large,” said Bennett. “A peaceful, stable, economically viable Iraq will transform the Middle East, if we are successful. If not, we will pay a price that is almost incalculable at this point.”

Bennett welcomed witnesses to the hearing who each have a unique perspective on building struggling economies and encouraging entrepreneurship. Documented property rights, a growing entrepreneurial class, a stable financial system and trade with other countries is the foundation to achieving these goals. Currently, Iraq does not have the legal framework to recognize private property rights and therefore its citizens do not have the ability to build personal capital and can not adequately participate in a market economy.

According to Hernando de Soto, President of Peru’s Institute for Liberty and Democracy, “Creating a property system is more than just building a system to record ownership; it is the cornerstone of the rule of law and the market economy. A property system has to be designed so that it can integrate all of a nation’s assets and provides the framework of rules that allow people to exchange goods and services in the expanded market.”

Bennett pointed out that most discussion on rebuilding Iraq’s economy is focused on oil wealth and that any future discussion should recognize that there are many other opportunities. For instance, Iraq has a great deal of water and fertile land that has a promising potential for agricultural use. He added that the United States’ efforts to assist the development of an economically stable Iraq is “timely, dangerous, expensive, but overwhelmingly worth all the challenges.”

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