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SPECIAL CASE

by

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Political Economy of Human Emergencies: Iraq as a Special Case

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Most of the discourse on Iraq since the formal ending of the Gulf War in February 27, 1991 tended to focus on the economic embargo which the United Nations Security Council (UNSC) had imposed in the aftermath of Iraq's invasion of Kuwait on August 2, 1990. This concern with the six year old embargo is not surprising given its catastrophic effects on the people of Iraq, their economy and the prospects for its recovery.

In a July 1993 special alert issued by the Food and Agriculture Organization (FAO) and the World Food Programme (WFP) it was stated that :

...it is a country whose economy has been devastated by the recent war and subsequent civil strife, but above all by the continued sanctions since August 1990, which have virtually paralyzed the whole economy and generated persistent deprivation, chronic hunger, endemic undernutrition, massive unemployment and widespread human suffering (1993: 1).

A more recent study had this conclusion:

The moral, financial, and political standing of an international community intent on maintaining economic sanctions is challenged by the estimate that since August, 1990, 567,000 children in Iraq have died as a consequence

(Zaidi and Smith-Fawzi 1995: 1485).

More recently the discussion narrowed the focus of its concern on UNSC resolution (Res.) 986 of April 1996 which authorized the sale of \$2 billion worth of oil over a six month period. According to the text of the resolution the UNSC was moved by the serious nutritional and health situation of the Iraqi population, and by the risk of a further deterioration in this situation hence the need for a temporary measure to provide for the humanitarian needs of the Iraqi people.

Interestingly, the UNSC had expressed similar concerns four years earlier when it passed Res. 706 and Res. 712 in August and September 1991 respectively . It should be noted that the Iraqi government itself rejected all three resolutions (but accepted Res. 986 in May 1996) on the pretext that the resolutions constituted an infringement of its sovereignty.

Yet the implications of the consequences of the sanctions for the future of Iraq should be looked at in conjunction with the implications of some of the major economic, political, social, and demographic changes which had taken place in Iraq during the decades of the 1980s and the 1990s. These changes together with the sanctions will determine whether Iraq will continue to be a "humanitarian" case well into the next century.

Before analyzing the impact of the factors leading to the current crisis the first part of this essay will provide a brief political/economic history of Iraq and address some of the structural forces which ravaged Iraq in the decade leading up

to the present crisis.

Oil and the Rise and Decline of the Iraqi Economy

It can be said that between 1950, when oil exports became an important component of Iraq's national output and 1980 when Iraq invaded Iran, the economy had experienced steady growth. This trend was accelerated in the decade of the 1970s due to the 1973/74 oil price explosion and the unprecedented rise in Iraq's oil revenue- from a mere \$20 million in 1950 to the staggering figure of \$26.3 billion in 1980. Concomitant with this change was the rise in the oil sector's importance in Iraq's GDP which increased from 3 percent to 56 percent during the same period.

In the meantime per capita GDP in real terms (1980 prices) increased from \$654 in 1950 to \$4083 in 1980. But by 1989 per capita GDP had collapsed to \$1470 to fall again to \$868 in 1990 (Alnasrawi 1994: 152). The question which we will attempt to answer is what are the factors which account for this unprecedented collapse.

1. The Destructive Impact of the Iraq-Iran War

When the government of president Saddam Hussein decided to launch the war against Iran in September 1980 the Iraqi economy was on the threshold of another decade of economic growth.

The immense increase in oil revenue enabled the government to increase spending simultaneously on infrastructure, goods producing sectors, social services, imports, and the military. This high level of spending was reflected in significant rise of economic indices to high levels.

The war-caused destruction of oil facilities such as loading terminals, pumping stations and refineries resulted in a sharp decline in from 3.4 million barrel per day (MBD) in August 1980 to .9 MBD in 1981. This in turn resulted in Iraq's oil revenue to collapse from \$26.1 billion in 1980 to \$10.4 billion in 1981 or by 60 percent.

For a country that has grown so dependent on a single export the change in oil income forced the economy to cope with a number of serious problems. These included inflation, suspension or severe reduction in development spending, rise in the share of military personnel in the labor force, rise in the number of foreign workers, reduction in non-military imports, erosion of per capita income and living standards, contraction in non-military public spending, an examination of the role and size of the public sector and state owned enterprises and, exhaustion of foreign exchange reserves and the slide for the first time into foreign debt.

2. Militarization of the Economy and the Burden of Military Spending

One of the most significant changes to take place in the Iraqi economy in the decades of the 1970s and the 1980s was the massive shift of labor from the civilian economy to the military and the sharp increase in military spending and military imports.

In 1970 Iraq had 2.9 per cent of its labor force or 62,000 persons in its armed forces. But by 1980 the share of Iraq's labor force drafted into the armed forces increased to 13.4 per cent or 430,000. And by the time the war with Iran ended in 1988 the government was employing more than 21 per cent of the labor force or 1 million in the armed forces.

A very serious effect of this development was its financial claim on Iraq's resources. In 1970 the Iraqi government spent less than \$1 billion on its military or 19.4 percent of the GDP- a high ratio by world standards. By 1975 it increased military spending to \$3.1 billion or 22.8 percent of GDP. By 1980 it raised military spending by more than six folds of the 1975 level to \$19.8 billion or 38.8 percent of GDP. Another way of measuring the burden of military spending is to relate it to the country's oil revenue. In 1980 the government appropriated 75 percent of oil revenue to military spending. Such spending increased sharply afterward to absorb between 117 percent and 324 percent of oil revenue between 1981 and 1988. In other words in the decade of the 1980s the government spent several times the country's entire oil revenue on the war effort. In relation to GDP the government spent between 23 percent and 66 percent of the country's GDP between 1980 and 1988 on the war with Iran.

Iraq's explicit and implicit economic losses that can be imputed to its war with Iran were estimated to be \$452.6 billion (Mufid 1990: 133). By way of comparison these losses represent 254 percent of all the oil revenue which Iraq received since it became an oil exporting country in 1931 and 104 percent of its GDP during the period of the war-1980-1988.

Impact of Sanctions and War: An Assessment

There are three distinct yet interrelated exogenous forces which left their lasting impact on the Iraqi society. These are the embargo which the UNSC imposed on Iraq in August 1990; the six week Gulf war of 1991; and the continuation of the embargo.

1. The UN Embargo: August 1990-January 16, 1991

The Iraqi invasion of Kuwait on August 2, 1990 was followed four days later by the imposition by the UNSC in its Res. 661 of a comprehensive system of sanctions on all exports and imports except supplies intended strictly for medical purposes, and, in humanitarian circumstances, foodstuffs. This embargo was transformed into a blockade when on August 25 the UNSC adopted Res. 665 which called upon member states deploying maritime forces to the area to halt all inward and outward maritime shipping in order to inspect and verify their cargos and destinations. This general authorization to use force to implement the embargo was further tightened when the UNSC adopted on September 25 Res. 670 banning all air transport with Iraq.

Furthermore, the UNSC decreed in its Res 666 of September 13 that it alone or acting through its Sanction Committee, will determine whether humanitarian circumstances have arisen.

It is clear from these resolutions that the intent of the UNSC was to use starvation and famine as potential weapons to starve the population and force the government into submission given the fact that Iraq imports 70-80 percent of its food needs. As Lawrence Freedman and Efraim Karsh concluded: the determination of Washington to prevent anything from getting through into Iraq appeared to support that interpretation (1993: 191-93).

To blunt the double impact of scarcity and inflation the government introduced a food rationing system effective September 1, 1990. The carbohydrate-based public rationing system provided 1199 calories or 37 percent of the average calorie intake in 1987-1989

(FAO: 1993).

Although the UNSC recognized the prospects of a humanitarian emergency it failed to act to forestall its occurrence.

2. The Air War and the Economy

The impact of the intensity and the scale of bombing (January and February 1991) was assessed, by a special UN mission to Iraq immediately after the war, as follows:

It should, however, be said at once that nothing that we had seen or read had quite prepared us for the particular form of devastation which has now befallen the country. The recent conflict had wrought near-apocalyptic results upon 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 sometime 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 (UN 1996: 186-8)

This vast scale of destruction should not be surprising in light of the fact that the initial plan of bombing had focused on 84 targets but was expanded in the course of the war to include 723 targets (House Armed Services Comm: 1992: 86).

3. Estimates of War-Related Human Losses

Civilian losses during the war were estimated to range between 24,500-32,600 Iraqis (Kainker 1991: 345; Hiro 1992: 371). But in the month long uprising against the government which followed the war it

was estimated that between 20,000 and 100,000 civilians lost their lives. In addition it was estimated that 15,000 to 30,000 Kurds and other displaced persons died in refugee camps and on the road and that another 4,000-16,000 Iraqis died of starvation and disease (Murphy 1991).

If we add to these figures the figure of 82,000 of soldiers killed we arrive at an estimated total of 145,000-260,000 Iraqis lost their lives during the war and the uprising.

In addition to these losses the May 1991 Harvard Study Team Report projected that some 170,000 under the age of five would die as a result of food and health conditions brought about by the war.

Evolution and Effects of the Sanctions Since the End of the War

The end of the Gulf did not see an end to the sanctions. The UNSC decided to keep the sanctions until Iraq comply with a number of conditions that the UNSC introduced after Kuwait had been secured and its ruling family was returned to its position of power.

1. Continuity and Change in the Sanction System

On April 3 Res. 687 was adopted. The resolution, which formalized the cease-fire and affirmed all UNSC previous resolutions, set out the requirements for the lifting of the embargo. These requirements include boundary settlement, elimination of Iraq's weapons of mass destruction (WMD); Iraq's unconditional undertaking not to acquire or develop nuclear weapons or nuclear-weapons-usable materials as well as any subsystems or components or any research, development, support or manufacturing facilities; the adoption of a plan for the future ongoing monitoring and verification of Iraq's compliance with the

nuclear ban; the establishment of a compensation fund financed by Iraq to settle claims against Iraq; the demand that Iraq adhere scrupulously to its foreign debt obligations and; repatriation of all Kuwaiti and third country nationals. The resolution lifted, however, the qualifier to import foodstuffs (UN 1996: 29-33).

The Sanctions Committee which so far has denied the existence of urgent humanitarian needs in Iraq could not hold to this position for too long in light of reports tendered by UN missions and other international organizations and groups.

One such UN mission offered a one year estimate of \$6.8 billion to cover minimum needs including \$2.2 billion for power generation, \$2 billion for the oil sector imports, \$500 million for health, \$300 for essential agricultural needs, \$180 for water and sanitation, and \$1.62 billion for food imports (UN 1996: 273-79).

These recommendations converged with the UN's own needs for funds to finance its operations in Iraq. This convergence led the UNSC to authorize the export of \$1.6 billion (of which the sum of \$666 million was to finance UN activities in Iraq) of oil over a six month period under Res 706/712 of 1991.

UNSC's lack of interest in providing a minimum level of humanitarian assistance was matched by the Iraqi government's lack of interest in relieving the plight of its own people when it rejected the provisions of the resolutions.

The failure to implement resolutions 706 and 712 increased the pressure on the financial resources of the UN and led to steep deterioration of the Iraqi economy and sharp decline in the living

conditions of the people as attested to by UN agency reports (FAO/WFP 1993). To cope with these conditions the UNSC decided in April 1995 to adopt Res 986 to allow Iraq to sell \$2 billion over a six month period to finance the purchase of humanitarian goods and various mandated UN activities. In other words the core of the scheme of 707/712 remains the same. Given Iraq's current population of 21.8 million the allocations for imports under Res. 986 amount to \$12 per person per year.

Again, the Iraqi government refused to accept the resolution but had, under the impact of worsening living conditions, to reverse its position and reach an agreement with UNSC over implementation in May 1996.

2. Shattered Society and Crippled Economy

The long term disaster which the war imposed on the population was described by Harvard Study Team (HST) as follows:

Although the allied bombing may have caused relatively little direct damage to the civilian population, the destruction of the infrastructure has resulted in devastating long-term consequences for health. We normally consider civilian casualties to be only those that are direct result of injury during the war, but this definition deserves revision (The New England Journal of Medicine 1991: 980).

It should be stressed that there has been no shortage of findings, warnings and appeals from international agencies and groups about the plight of Iraqis since the HST report was published. Thus an FAO/WFP Crop and Food Supply Assessment Mission reported in its

Special Alert of July 1993 the following:

- Iraq is a country whose economy has been devastated by the recent war and subsequent civil strife, but above all by the continued sanctions since August 1990, which have virtually paralyzed the whole economy and generated persistent deprivation, chronic hunger, endemic undernutrition, massive unemployment and widespread human suffering
- a vast majority of the Iraqi population is living under most deplorable conditions and is simply engaged in a struggle for survival; but with increasing numbers losing out in this struggle every day a grave humanitarian tragedy is unfolding.
- the mission noted the prevalence of the commonly pre-famine indicators such as exorbitant prices, collapse of private incomes, soaring unemployment, drastically reduced food intakes, large scale depletion of personal assets, high morbidity levels, escalating crime rates and rapidly increasing number of destitute people.
- a massive starvation in the country has so far been averted by the provision of low-cost food under the public rationing system which meets one half of the needed caloric intake. But a collapse of this system would spell a catastrophe for the majority of the Iraqi population.
- the nutritional status of the population continues to deteriorate at an alarming rate due to the embargo-induced hyperinflation and collapse of real income
- large numbers of Iraqis have now food intakes lower than those

of the populations in the disaster stricken African countries (1993: 1-3).

Delegates who participated in missions to Iraq both in 1991 and 1995 to report on nutritional status and mortality of children had these observations to make:

- the situation in the country had significantly deteriorated since our visit in 1991.

- all sectors of society, aside from Saddam Hussein's inner circle, were affected

- among children under five there has been a five-fold increase in mortality compared to the period before the sanctions. The sustained mortality has resulted in a half million child deaths related to the war and the sanctions occurring over the past five years.

- at this level of of malnutrition and excess mortality among children under the age of five Iraq is increasingly becoming a concentration camp with the economic sanctions imposed by UNSC effectively serving as the barbed wire (Fawzi and Zaidi 1996: 13-14).

Again in 1995 an FAO mission report provides the following:

- for Baghdad, a highly advanced city, the prevalence of underweight children, 29 percent, is comparable with children from Ghana at 27 percent and Mali at 31 percent. For stunting, prevalence rates are similar to estimates from Sri Lanka at 28 percent and the Congo at 27 percent. The prevalence wasting in Baghdad is comparable with estimates from Madagascar at 12

percent and Burma at 11 percent.

-the monthly average of deaths of children under five years increased from 593 in 1989 to 4,475 in the January-July 1995 period. Selected causes of this dramatic rise in death include respiratory infections, diarrhoea/gastroenteritis, and malnutrition (FAO 1995:42).

-major surgical operations have been reduced to 30 percent of pre-sanction levels. Hospitals and pharmacies continue to suffer from lack of life-sustaining drugs, other medicine and medical equipment and accessories (Ibid., 18).

-the health and nutrition situation in Kurdistan was made worse by the embargo which the government imposed on the three self-ruling governorates (Ibid., 19).

-lack of spare parts and inputs inflicted further deterioration on the quality of water and sewage treatment plants thus aggravating public health conditions in the country. The ministry of health estimates that nearly 110,000 persons have died annually between August 1990 and March 1994 as a direct result of sanctions (ibid., iii).

- continued lack of spare parts and inputs in the agricultural sector compounded the difficulties of this sector causing decline in its productivity and output. The report estimates for example that an amount of \$2.7 billion would be necessary to import basic foods to meet shortages anticipated for 1995/96 (ibid., ii)

-the continued siege of Iraq and the collapse of its currency vis-a-vis the dollar caused prices to rise phenomenally. Thus

the price of wheat flour in August 1995 was 11,667 times higher than in July 1990 and 33 times higher than in June 1993. The prices of other items increased in the order of 4000-5000 compared to July 1990 and 30 to 60 times compared to June 1993 (Ibid.).

-in contrast to this hyperinflation household incomes have collapsed for a large majority of the people-about 70 percent (ibid.).

-the situation of famine has been prevented largely by an efficient public rationing system (Ibid.).

The Privileged Groups

It is true, of course, that without a food rationing system the plight of the population would have been much worse. Yet it is important to point out that the ruling regime has followed certain important policies which tended to divert resources from the society at large to the benefit of certain groups.

It is important to reiterate the fact that the food rationing system does not cover the Kurdish population in the north who are forced to meet their needs from the open market at exorbitant prices. The government was found also to interfere with the flow of food to the inhabitants of the southern marshes as well (UN 1996: 401). Another of form discrimination to reward supporters and penalize political opponents was the manner in which the infrasture was repaired which tended to favor certain cities over others.

The government also enacted special measures designed to extend fiscal benefits to certain elite groups and individuals including

military personnel who had received medals and citations in the Qadisiyyah of Saddam (the official name of Iraq-Iran war in Iraq, and the Mother of all Battles (the official name of the Gulf war); Baath party officials who had received special citations; police and security personnel and a special group of individuals designated as friends of the president (Tariq Al-Shaab 1996).

4. The Unique Case of Iraq's Humanitarian Emergency

Iraq is one of the richest countries outside the small cluster of industrialised countries with the second largest oil reserves in the world. The question, therefore, is how and why Iraq became a case study of humanitarian disaster.

In the context of humanitarian emergencies in the second half of this century the case of Iraq is a special one in that the emergency did not result from some sort of natural or environmental disaster such as flood or drought. Nor did it result from an extended civil war and serious internal migration.

In the case of Iraq humanitarian emergency arose as a direct result of decisions taken and continue to be taken by two political centers of power. One such center is the UNSC under the leadership of the U.S. government and the other is the government of Iraq under the personal control of Saddam Hussein.

When Saddam Hussein took the decision to invade Kuwait the UNSC reacted by imposing a comprehensive embargo and blockade against Iraq. Since Iraq was utterly dependent on the world market for its oil export and for its imports of foodstuffs, consumer goods, inputs and capital goods the embargo did not take a long time to make itself

felt. The sudden lack of food and medicine created serious humanitarian problems forcing the government to resort to a food rationing system which provided about one half of the daily caloric needs.

This deprivation was compounded by the effects of the 1991 bombing and the uprising. Although the war secured its aims, the UNSC did not remove the sanctions. Instead, it levied new conditions for the removal of the sanctions. In the meantime the population was caught between a regime distinguished for its vicious human rights abuses and a world body that was not prepared to take action against the regime for invading Kuwait. This meant that the UNSC was not willing to accept responsibility for the humanitarian disaster which has plagued the people.

It is interesting to note that in its Res 688 of April 5, 1991 the UNSC condemned the Iraqi regime for its repression of the population and expressed the hope that "an open dialogue will take place to ensure that human and political rights of all Iraqi citizens are respected." The problem with this resolution is that it contains a central contradiction in that the Iraqi regime will cease to exist as soon as it recognizes and respects human and political rights in Iraq. And the regime has no intention of committing political suicide. Surely, UNSC is aware of the nature and the intentions of the Iraqi regime. As Graham-Brown noted; "US officials have stated that they do not consider that the current Iraqi government can remain in power if it complies with the requirement to end repression of its civilian population (1995: 3-5).

But to keep the sanctions in place until Iraq complies with all relevant resolutions, as the US and UNSC demand, means that the sanctions will be retained for a long time to come-certainly as long the current regime is in power. In the meantime Iraqis will continue to ask why should they be made to suffer for the policies of their ruler or for the domestic and/or foreign policy considerations of the US, the UK or any other veto power wielding member of the UNSC.

Nor regional considerations should be excluded as part of the explanation for the continuation of the system of sanctions. One such consideration is the potential effect of the return of Iraq's oil on Saudi Arabia. On the eve of its invasion of Kuwait Iraq was producing 3.3 MBD while Saudi Arabia's output was 5.3 MBD. Since the imposition of sanctions Saudi oil output has been above 8 MBD. If the return of Iraq's oil to the market means that Saudi oil will have to return to its relative position within the overall OPEC output quotas then the kingdom's oil revenue will decline sharply- a prospect neither the Saudi government nor its Western suppliers would wish to see. If the Saudis insist that their current output remain intact and other OPEC members refuse to adjust their levels of output then a glut in the market will be created causing prices to fall. A third alternative would to be allow Iraq's oil to come to the market gradually through phased lifting of the sanctions- a complicated and lengthy process.

An Observation on the UNSC and the Population of Iraq

Article 54 of Protocol I of the 1949 Geneva Convention and Relating to the Protection of Victims of International Armed Conflicts provides the following:

1. Starvation of civilians as a method of warfare is prohibited.
2. It is prohibited to attack, destroy, remove or render useless objects indispensable to the survival of the civilian population, such as foodstuffs, agricultural areas for the production of foodstuffs, crops, livestock, drinking water installations and supplies and irrigation works, for the specific purpose of denying them for their sustenance value to the civilian population or to the adverse Party, whatever the motive, whether in order to starve out civilians, to cause them to move away, or for any other motive (Provost 1992: 602).

It is clear from these provisions that what has been done to the population of Iraq before and during the war is counter to the letter and spirit of these provisions. Worse still the sanctions regime is still in effect almost six years after the end of hostilities and after the war aim has been secured. Moreover, the UNSC must be well aware of the predictable effects of the sanctions on food supplies in Iraq. Indeed numerous UN and UN agency and other international missions have documented the ruinous impact of the sanctions on the nutritional and health conditions of the population. Even in those cases when it was recommended that Iraq be allowed to export enough oil just to import enough foodstuffs to meet its requirements the UNSC failed to act.

The indifference of the UNSC to the plight of the people is typified in the February 5, 1992 statement by the president of UNSC following the Iraqi government's refusal to accept the provisions of Resolutions 706/712 allowing the sale of \$1.6 billion of oil over a

six month period:

The members of the Council...underscore that the Government of Iraq, by acting in this way, is forgoing the possibility of meeting the essential needs of its civilian population and therefore bears the full responsibility for their humanitarian problems (UN 1996: 391).

Thus in one sentence the UNSC absolved itself of any responsibility toward the people of Iraq. The question which has not been answered after six years of sanctions and more than half million deaths is whether the indifference of the Iraqi government to the plight of its people can justify the UNSC's own violations of the human rights of an entire population. But the Iraqi government's failure to comply with UNSC resolutions should not give the UNSC a license to abrogate its independent obligations to respect the human rights of the Iraqi people. In other words the UNSC has effectively given itself the liberty to impose collective punishment on an entire population for the decisions of its leader (Center for Economic and Social Rights 1996: 33-38).

It is important to keep in mind that in the case of Iraq the destructive impact of the sanctions regime has been intensified because of the war damage to the infrastructure and has disproportionately affected children. As was stated earlier hundreds of thousands of children died because of the sanctions. Such a tragic loss of life constitutes an outright violation of the most fundamental human right- the right to life, the supreme right from which no derogation is permitted even in time of public emergency.

Moreover, the Convention on the Rights of the Child requires states parties to it to respect rights of children and outlines states' obligations toward them including the following: 1) every child has the inherent right to life; 2) states shall ensure the survival and development of the child; 3) states recognize the right of the child to the enjoyment of the highest attainable standard of health by taking appropriate measures to diminish infant and child mortality, to ensure the provision of necessary medical assistance and health care, to combat disease and malnutrition and to ensure appropriate pre-natal and post-natal health care for mothers; and 4) states recognize the right of every child to a standard of living adequate for the child's physical, mental, spiritual, moral and social development (UN 1995: 335-39).

By keeping the sanctions against Iraq one is compelled to conclude that the UNSC and its members have violated each and every one of these rights and obligations.

In its UNsanctioned Suffering the Center for Economic and Social Rights concluded its study by stating that: every child has the inherent right to life and calls on all states to ensure to the maximum extent possible the survival and development of the child and to take appropriate measures to diminish infant and child mortality. Given the clarity of the language of the Convention and the death of hundreds of thousands of children it is difficult to think of a more grave breach of child rights than we have seen and are seeing in Iraq—thanks to a political dispute between the Iraqi government and the UNSC (1996: 35-39.).

Concluding Remarks

The humanitarian emergency which has been going on in Iraq is the result of a series of man-made disasters. After having enjoyed nearly three decades of growth the economy was subjected to the impact and the consequences of the Iraq-Iran war of 1980-1988. This was followed by the effects and the consequences of the invasion of Kuwait which were symbolized by the nearly total blockade of Iraq's economic interaction with the world economy. The Gulf war superimposed another set of destruction and devastation on the country which added to and intensified and amplified the impact of the sanctions.

Contrary to presumption and expectations the sanctions, which had been imposed in August 1990, were retained by the UNSC and are still in effect, six years after the aim of the war was secured.

It is difficult to see when and how the sanctions will be lifted. In the meantime death, starvation and underdevelopment will plague Iraq and its people for a long time to come.

TABLES

1. Oil Indicators, GDP and Population 1950-1990
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Table 1
Oil Revenue, Oil Output, Gross Domestic Product
and Population 1950-1990

Year	Oil Revenue (ID billion)	GDP (ID billion)	Oil Revenue to GDP (Percentage)	Oil Output (Million Barrels per Day)	Population (Million)
1950	.005	.196	3	0.14	5.2
1955	.074	.413	18	0.70	6.1
1960	.095	.601	16	0.97	6.9
1962	.095	.695	14	1.0	7.3
1964	.126	.805	16	1.3	7.8
1966	.140	.941	15	1.4	8.3
1968	.203	1.1	18	1.5	8.9
1970	.214	1.3	16	1.5	9.4
1972	.219	1.5	15	1.5	10.0
1974	1.7	3.4	50	2.0	10.8
1976	3.1	5.4	57	2.4	11.5
1978	3.7	7.2	51	2.6	12.4
1980	8.9	15.8	56	2.6	13.2
1982	3.4	13.1	26	1.0	14.1
1984	3.0	14.8	20	1.2	15.4
1986	2.2	14.9	15	1.9	16.5
1988	3.5	17.4	20	2.7	17.6
1989	4.6	20.0	23	2.8	18.1
1990	2.9	23.9	12	2.1	18.9

Source: Government of Iraq, Annual Abstracts of Statistics; OPEC, Annual Statistical Bulletin; Central Bank of Iraq, Annual Report; International Monetary Fund, International Financial Statistics Yearbook; United Nations, National Accounts Statistics: Analysis of Main Aggregates, 1980-1989, New York, 1991.

Note: GNP for the period 1950-1958; GDP for 1960-1989. ID, Iraqi Dinar, equals \$2.80 between 1950 and 1968; \$2.79 in 1969; \$2.78 in 1970; \$2.96 in 1971 and 1972; \$3.38 in 1973-1981; and \$3.21 since 1982.

Table 2

Average Growth Rates of Selected Economic Indicators, 1970-1989

	1970-80	1980-85	1985-89
GDP	11.7	-8.1	-1.7
Government Consumption	13.6	-1.3	-4.4
Private Consumption	13.2	-7.6	-4.6
Gross Fixed Investment	27.6	-0.3	-1.5
Export of Goods and Services	4.4	-8.8	-1.1
Imports of Goods and Services	22.5	-8.2	-2.9
Agriculture	1.4	6.3	-6.7
Industry	10.2	-7.3	11.4
Manufacturing	13.4	0.3	-3.1
Construction	28.4	-7.8	-16.2
Domestic Trade	16.8	1.3	-10.8
Transport and Communication	19.9	-12.4	1.8

Sources: United Nations, National Accounts Statistics: Main Aggregates and Detailed Tables, 1989, Part I (New York, 1991); United Nations, National Accounts Statistics: Analysis of Main Aggregates, 1988-1989, (New York, 1991).

Table 3

Gross Domestic Product and GDP per Capita
in Constant 1980 Prices, 1950-1993
(U.S. Dollars)

Year	Population (Million)	GDP (\$ Billion)	Per Capita GDP (\$)
1950	5.2	3.4	654
1955	5.9	6.4	1085
1960	6.9	8.7	1261
1965	8.1	12.7	1568
1970	9.4	16.4	1745
1975	11.1	30.0	2703
1979	12.8	54.0	4219
1980	13.2	53.9	4083
1982	14.1	42.8	3035
1984	15.4	35.1	2279
1986	16.5	29.1	1764
1988	17.6	30.9	1756
1989	18.3	26.9	1470
1990	18.9	16.4	868
1991	19.6	12.3	627
1992	20.0	11.1	555
1993	20.6	10.0	485

Source: Derived from United Nations, National Account Statistics; International Monetary Fund, International Financial Statistics; Arab Monetary Fund et al, Joint Arab Economic Report, World Bank, World Tables, A.M.S. Ali and H.A.J. Ganabi "Political Economy of Inflation in Iraq 1988-1992," Arab Economic Journal No. 1 (Autumn 1992).

Note: Data for 1990-1993 are author's estimates. Other analysts estimated that Iraq's GNP declined by 50 percent in the two years following the invasion of Kuwait. See MEED, June 26, 1992, p. 24.

Table 4

Estimates of labor earnings in Iraq (August 1991), compared with various benchmarks

	Estimate (ID/month)	Index
Nominal monthly earnings, unskilled labor (public sector)	260	100
"Effective" monthly earnings, unskilled labor (public sector)	468	180
Monthly earnings of unskilled labor in India (in calorie-purchasing-power equivalent)	482	185
Value of the Indian poverty line in terms of "calorie-purchasing-power equivalence"	667	257
Value of the "destitution line" which the government of Iraq used before August 1990 to identify households eligible for social security payments	835	321
Value of the average 1990 food basket	1010	388
Value of precrisis real earnings of unskilled labor (public sector)	4022	1547

Source: Dreze and Gazdar. (1992): 936

Table 5

Cereal Production in Iraq
(million tons), 1990-1995

<u>Year</u>	<u>Production</u>
1990	3.5
1991	2.7
1992	3.0
1993	3.2
1994	2.8
1995	2.5

Note: Cereal includes wheat, barley, rice (paddy) and maize.

Source: FAO, Evaluation of Food and Nutrition Situation in Iraq, Rome, 1995.

Table 6

Purchase Prices by the State for Basic Agricultural
Products 1989 - 1995 (ID/ton)

<u>Crop</u>	<u>1989</u>	<u>1991</u>	<u>1994</u>	<u>May 1995</u>
Wheat	270	800	35,000	105,000
Barley	180	500	20,000	60,000
Rice	500	1,700	75,000	150,000
Maize	550	700	17,000	75,000

Source: See Table 5

Table 7

Food Shortages in Iraq 1995/96
(Selected Items)

<u>Commodity</u>	<u>Shortages Percent of Total Requirement</u>
Wheat flour	69
Rice	78
Pulses	58
Vegetable Oil	66
Red Meat	58
Poultry Meat	90
Fish	92
Eggs	92
Milk	93
Sugar	90
Baby Milk	100

Source: See Table 5

Table 8

Open Market Prices of Basic Food Items in Iraq, August 1995
compared with July 1990 and June 1993

Food Item	Increase in June 1993 over July 1990 Prices (times)	Increase in August 1995 over July 1990 Prices (times)	Increase in August 1995 over June (times)
Wheat flour	355	11,667	33
Rice	71	4,767	58
Vegetable oil	106	4,500	43
Cheese (local)	40	1,250	31
Fish	11	240	21
Milk powder	81	4,375	54
Lentils	73	2,000	28
Potatoes	24	1,500	62
Sugar	149	5,500	37
Tea	96	1,500	16
Red meat	12	193	17
Poultry meat	23	833	37
Eggs (30 eggs)	22	1,111	50
Baby milk	332	5,562	17

Source: See Table 5

Table 9

Per Capita Monthly Food Ration Under the Public
Rationing System (kg), 1993 and 1995

Commodity	1993	1995 Since 24 September 1994
Grain flour	9.000	6.000
Rice	2.250	1.250
Vegetable oil	0.500	0.625
Sugar	1.500	0.500
Tea	0.075	0.100
Baby milk *	1.800	1.800
K/cal value per capita per day excluding baby milk	1,654	1,093
as % of 1987 -1989, average calorie availability	53%	34%

* Baby milk is provided for infants 0-1 years (four tins weighing 450 grams each for each infant). The estimated number of infants in Iraq is 1 million, of whom 0.826 million in Central and south Iraq. The quantity provided meets about 50 percent of the baby's need.

Source: See Table 5

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