

1 Famine conditions in Iraq since the 1990s

The UN Security Council imposed economic sanctions against Iraq in August 1990 in response to Iraq's military invasion of Kuwait. The sanctions banned all trade with Iraq, virtually isolating its economy from the rest of the world. There was a limited lifeline through Jordan, but this was a mere trickle compared with Iraq's historical dependence on foreign trade for its basic sustenance. Prior to the imposition of sanctions 60–85 per cent of Iraq's food consumption used to be imported, and the export sector accounted for up to 90 per cent of the GDP.

Tested against current standards of economic liberalisation, the Iraq of 1990 was not a market-friendly economy: there were internal restrictions, state controls and a war-oriented command system. But at the same time, Iraq's economy was not autarkic. It was highly dependent on international trade, and Iraq was ahead of the pack in terms of its interaction with global markets. An understanding of the impact of sanctions against Iraq, therefore, can provide a glimpse of what to expect from external shocks to a national economy within a globally integrating market system.

It was suspected from the outset that Iraq would face severe food shortages as a result of the sanctions. A country that had relied heavily on food imports had been virtually cut off from the rest of the world. Iraq has, indeed, faced famine conditions since 1990. There have been dramatic declines in food availability and consumption, and there have dramatic increases in mortality rates. The number of excess deaths due to non-combat causes during this period has been estimated at anywhere between 200,000 and 1 million people.

The sanctions and their impact on the population of Iraq have been sources of political controversy from the very outset. The governments of the USA and Britain have interpreted comments on the humanitarian impact of sanctions as political opposition to their policy on Iraq. For a number of years now, however, humanitarian agencies have been united in declaring their concern about conditions in the country.

It was only in 1999, almost a decade after the imposition of the sanctions, that a UN agency finally

Pre-modern, Modern and Post-modern Famine in Iraq

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conducted a large-scale statistical survey of the country. A study by UNICEF found that the under-5 child mortality rate had increased from 56 to 131 per thousand since the imposition of sanctions. This meant 75 extra deaths per thousand children and, at a very conservative estimate, around half a million extra deaths among children between 1991 and 1999. Given the fact that prior to 1990 there had been a declining trend in mortality rates – a trend that might have continued – the real magnitude of excess mortality was likely to have been even higher.¹

The Iraqi famine, however, is the result only partially of ‘food availability’ or even ‘food entitlement’ failures. Rather, following Sen’s typologies, the Iraqi famine is substantially about ‘capability’ failure.² ‘Pre-modern’ famine refers to the breakdown of modern administrative and market institutions, leading to a sharp decline in local food availability. Situations where food entitlement failures occur within the context of functioning modern institutions have been labelled as ‘modern’ famine. ‘Post-modern’ famine refers to excess mortality in spite of protected food entitlements but due to non-food crises: notably, the stresses of macro shocks on relatively sophisticated health and social welfare systems. Iraq represents one of the most disastrous examples of the famine of the future – where essentially policy-induced macroeconomic shocks in a globally integrated economy can lead to dramatic increases in mortality over sustained periods of time.

2 Functioning modern economy and government

Pre-sanctions Iraq was a country of untargeted food subsidies. The government subsidised the prices of most imported commodities, including food, through the partial maintenance of a highly overvalued exchange rate. While the import of most other commodities faced quantitative restrictions, which were administered through the regulated issue of import licences, the government itself was the main importer of staple food items such as wheat-flour. The subsidy was administered by the Ministry of Trade, through its monopolistic control of food imports.

In August 1990, the untargeted general subsidy on wheat-flour was replaced with a ration system.

Wheat-flour and other food items were still subsidised, but the government relinquished its monopoly over the import of food and allowed the private sector to import food at the market exchange rate. Subsidised food was now available in limited quantities through the government ration system. From August 1990 onwards, therefore, there was a dual market for staple foods – one with highly subsidised prices and rationed quantities, and the other an unregulated open market. Much of the Iraqi population has continued to rely on a combination of these two sources of food since then.

The food ration system was organised quickly to replace the generalised price subsidy. The fact that this system was controlled by the Ministry of Trade emphasised its origins in the generalised import price subsidy of the pre-sanctions period. The system has functioned efficiently, and its operation has been improved over time. It was supported by an efficiently managed food procurement system. The ration system was supplemented with a well-functioning market for imported food. There have been restrictions and regulations, particularly those relating to the ability of local farmers to sell staple foods in the open market, but by and large the market system has worked without too much government interference.

Iraq presents the case of a government and market economy that have functioned effectively internally, despite facing severe external military, political and economic pressures. Perhaps even more surprisingly, the government and market systems as they relate to food have functioned without undue interference or predation from a ruling elite that has otherwise proven itself to be both intrusive and predatory. It is in the context of modern and effective governmental and market systems that Iraq has witnessed dramatic increases in mortality. The Iraqi crisis, therefore, is quite unlike other famines of the late twentieth and early twenty-first centuries, which have been associated with breakdowns in administrative and market systems. Even though its origins are to be found in war, the Iraqi crisis is structurally similar to the crises in countries such as Argentina, Indonesia and Russia which have experienced macroeconomic free-fall leading to dramatic increases in poverty, morbidity and excess mortality.

3 Three phases of the sanctions

The sanctions regime can be divided, broadly, into three phases: (1) August 1990 to March 1991 – total ban on imports and exports; (2) April 1991 to December 1996 – total ban on exports, but exemption of food, medicines and designated humanitarian supplies from the import ban; and (3) January 1997 till now – ‘food-for-oil’ agreements allowing Iraq to export oil in return for restricted imports of designated humanitarian supplies.

From August 1990 until April 1991, there was a strictly enforced total ban on all external trade. Iraq was not allowed to import or export anything, with the exception of a small trickle of trade with Jordan – an exemption agreed by the UN Security Council to gain Jordan’s compliance with the overall aims of the sanctions.

The war between Iraq and the American-led coalition began in January 1991 and ended in March. There were large-scale rebellions in the north and the south of the country that took the shape of a civil war. Foreign military intervention in the north led to the creation of a Kurdish enclave, while in the south the civil rebellion and conscript mutiny were brutally suppressed by the Iraqi regime. Towards the end of March, some semblance of order had been restored to the entire country – with the northern part achieving partial autonomy from Baghdad, and the southern part having been militarily ‘pacified’. Pockets of resistance continued for some time in the southern marshes for some time thereafter, but these did not present a major threat to the military and civil order of the main population centres.

In March and April 1991, there were several missions into Iraq for the assessment of humanitarian conditions. These included two influential UN-led missions, which reported to the Secretary-General. There were also new UN Security Council resolutions that led to a modification of the sanctions regime. The main change was that Iraq was now allowed to import food and medicines and other designated humanitarian supplies.

The new resolutions also included a provision for export exemptions in order to allow Iraq to regain the ability to pay for essential imports.

Negotiations on these ‘food-for-oil’ (FFO) arrangements remained stalled for several years, until 1996, when Iraq and the UN finally agreed on a FFO deal, which once again modified the sanctions regime. The original FFO was highly restrictive, in terms of both the value of oil that Iraq was allowed to export, as well as the procedures for approving imports financed by the foreign exchange thus earned. Subsequent negotiations led to some loosening on both counts, with the result that Iraqi exports reached the limits of the country’s productive capacity.

4 The ration system and the market under sanctions

The ration system and the open market have functioned with varying degrees of effectiveness, since August 1990, in meeting the food needs of the Iraqi people. The ration system has been well organised and its coverage in government-controlled areas has been widespread. However, the extent to which the ration system actually met the population’s food needs varied from time to time, depending on the economic resources available to the government. In 1991, for example, the ration provided the equivalent of around 1,400 kcal per person per day. By 1996, six years into the sanctions, the caloric value had dropped to around 1,200 kcal. These two amounts represented, respectively, around two-thirds and three-fifths of recommended minimum requirements. Since the FFO agreements in 1996 and their successive liberalisation since, the amount of food available through the ration has increased to cover basic minimal nutritional requirements.

The open market has existed alongside the ration system. The benchmark prices for staple foods in the market are set close to the cost of importing these foods from neighbouring countries, using the unofficial exchange rate, which varies according to anticipated changes in Iraq’s external economic environment. There has been an inflationary tendency in Iraq since 1991, when the government began raising nominal wages of public sector employees by resorting to monetary expansion. The value of the currency declined to historically low levels in 1995, resulting in historically high open market dinar prices. Since the FFO, the open market exchange rate for the Iraqi dinar has

fluctuated in response to perceptions of the outlook for economic reintegration with the outside world. Improvements in the value of the dinar led to lower relative prices for food.

The market has been relatively robust and efficient. Transport and communication between different parts of government-controlled Iraq have functioned well, and market prices in various population centres have fluctuated within narrow margins. On the other hand, the market has provided food security to the Iraqi people only to the extent that there is purchasing power, which in turn has depended upon the macroeconomic scenario.

5 'Pre-modern' famine: food availability crises

There have been crucial periods and places in Iraq where the modern administrative and market systems broke down, leading to food availability crises. One such period was around January to March 1991, during which there was excess mortality directly resulting from combat, but also due to the widespread disruption of existing systems caused by the war and civil conflict. There were refugee crises in both the northern and southern parts of the country. Public as well as private systems of food delivery broke down. During this period, conditions of 'pre-modern', food availability-driven famine existed over large parts of Iraq. There were reports of hunger and starvation, of people reducing their number of meals or subsisting on simple staples alone, or even relying on famine foods such as edible matter in reed stalks.

Those regions where the war and civil conflict were particularly severe also experienced greater hardship in food availability. The Kurdish areas of northern Iraq already had a long history of military repression and economic disruption. Similar conditions prevailed over large parts of the south. Order was restored, however, through brutal military action in which many civilians were killed and injured. The re-establishment of government control was quickly followed by the resumption of the food ration system and the restoration of the market.

6 'Modern' famine: food entitlement failures

War and civil conflict caused acute food availability crises across the country in general, and in areas of fighting, such as the north and the south in particular. For most of the time, and over much of the country however, government and market systems of food delivery have functioned relatively well in the period since August 1990. In the early part of the sanctions period the government relied quite heavily on the stockpiles of food that had been accumulated in anticipation of the crisis. As the sanctions wore on, the ability of the government to sustain the ration system came under increasing stress.

From 1991 onwards, there were attempts to revive the agricultural sector that had suffered a decade of neglect during the Iran–Iraq war. There were strong economic incentives for people to return to farming, and to some extent the efforts of the government were rewarded. There was an increase in the number of people employed in the agricultural sector, increases in farmed area, and some increase in domestic food output.

Economic conditions continued to decline however, and this was reflected in small declines in the amount of the food ration. Real wages had fallen dramatically – by a margin of around 90 per cent between 1990 and 1991 – and they fell again, by around 40–50 per cent of their 1991 values, up to 1996. In 1996 the purchasing power of an Iraqi office worker, for example, had declined to just around 2–3 per cent of its 1990 value. Government transfers in the shape of the subsidised monthly ration, which was available at nominal prices, amounted to around three-quarters of the purchasing power of the office worker's family. The collapse in the real value of private incomes meant that the food entitlements of ordinary Iraqis were dependent on the ration system, and the ration system provided only partial protection against hunger.

It can be argued that the protection provided by the state ration was instrumental in preventing the onset of mass starvation in Iraq. Six years after the sanctions had been imposed, and five years after the end of the war, however, even this system was under severe stress. The war and civil conflict in

early 1991 was a period of serious hardship for most people. The restoration of administrative and market systems after this period had led to the alleviation of local food availability crises. By 1996 however, the government of Iraq as well as the private household economy were close to breaking point once again.

The government had held out against the ‘food-for-oil’ deal for many years, in the vain hope that sanctions might be lifted altogether. In 1996, faced with an imminent macroeconomic meltdown, the government of Iraq finally agreed to the terms of FFO. This led to some immediate relief both in the ration system – which was expanded – and in the market economy, where the value of the Iraqi currency appreciated.

7 ‘Post-modern’ famine: capabilities failures

The FFO agreement was a provisional measure aimed at allowing the provision of emergency supplies to Iraq. In the initial years its scale and operation were highly restrictive. Iraq was allowed to export only a fraction of its productive capacity and its import requests were subject to lengthy bureaucratic – and allegedly politically motivated – delays. Although the operation of the FFO was somewhat liberalised over the years, its one essential feature – that the government of Iraq does not have access to Iraq’s export earnings – has remained in place.

This implies that while Iraq is able to import certain commodities, such as food, selected medicines and other essential supplies, the FFO deal prevents any significant revival of domestic economic activity or the non-imported component of public services. In other words, the FFO allows for the importation of certain medicines, but does not allow the Iraqi government to use Iraq’s export revenues to retain the services of trained Iraqi doctors or paramedics at remunerative salaries. Even under the most benign conditions, the FFO only allows Iraq to be run as a relatively efficient refugee camp in which people get just about enough food to eat. The people living in this refugee camp are not allowed to import goods such as spare parts and raw material supplies that might be essential for running their enterprises. The

managers of the refugee camp, moreover, get virtually no budget for hiring local people or paying them a living wage.

The post-FFO scenario has led to anticipated improvements in food availability and entitlements. It has also thrown into relief, however, some of the binding causes of excess mortality in Iraq that have existed since August 1990. Iraq before 1990 was a repressive but welfarist state where people enjoyed high standards of nutrition, water supply, and public health. The welfarist interventions of the Iraqi state were responsible for notable improvements in life expectancy and declines in mortality. After August 1990 Iraq reverted to conditions of poor nutrition, water supply and public health. Successive changes in the sanctions regime led to improvements in food entitlements. But these improvements have not been sufficient to lead to the restoration of a relatively sophisticated urban economy and systems of public services.

The Iraqi people are relatively well fed now, after a long period of malnutrition interspersed with acute food availability crises, but they are still much poorer and much less healthier than they might have been under different sets of international and national policies. Their poverty and ill-health is a direct contributor to excess mortality.

8 The blame game

The successive sanctions regimes provide the context for Iraq’s economic engagement with the rest of the world. The period since August 1990 has seen drawn-out detailed negotiations between the Iraqi government and the UN Security Council over every minute change in the sanctions regime. The formal objective of the sanctions is to secure Iraq’s compliance with various resolutions of the UN Security Council dealing with Iraq’s demilitarisation. Both protagonists – the leading members of the Security Council and the government of Iraq – however, have treated the debate about sanctions as a struggle over their respective strategic goals, which have little to do directly with the formal objectives of the Security Council Resolutions. The government of Iraq’s detractors in the Security Council have viewed the sanctions as a way of keeping Iraq ‘in the box’, while the Iraqi government’s positions have been

geared to breaking its diplomatic, political and economic isolation.

The common factor in this struggle over the sanctions has been the attempt by the USA and its allies to limit as much as possible the government of Iraq's access to the country's actual and potential export earnings. This is an extremely severe condition, given that the state sector has historically been the main mechanism through which primary commodity producers have channelled export earnings into the domestic economy.

The debate on sanctions has evolved into a 'blame game' in which the two sides have well-established positions absolving themselves of responsibility. The typical position of Iraq's detractors can be stated in the following way:

The Iraqi government is repressive and cynical: it could put an end to the sanctions by co-operating with the UN Security Council, and by using available resources for welfare. The government uses civilian suffering for political advantage.

The government of Iraq's position, on the other hand, can be summarised thus:

The powerful states that dominate the Security Council have unstated and illegal political objectives in isolating Iraq. The Security Council resolutions are simply a convenient cover, and Iraqi civilians are the real victims.

Both positions are simplistic and do no justice to the political economy of sanctions. The Iraqi government is repressive, but also welfare-oriented, and the unstated political objectives of world powers are not entirely autonomous of the nature of the Iraqi government. The blame game is disingenuous because it conceals the fact that the prevention of excess mortality is not the primary concern of either party to the conflict.

9 Beyond the blame game

The blame game also conveys the impression that what has happened in Iraq is something quite peculiar to the nature of conflict in the Gulf, and that it has little bearing on humanitarian policy,

food security, and famine prevention elsewhere. While it is true that there are aspects of the Iraqi situation that are probably unique, it is worth noting that some of the key features of the crisis in Iraq are more widely applicable.

First, whatever the precise politics of the sanctions, and whatever side one might want to take in the 'blame game', the sanctions are, substantively, a severe macroeconomic shock. In particular, the sanctions represent the policy-induced economic isolation of a national economy from an otherwise integrating world economy. Unilateral and multilateral sanctions of various types affect a large number of countries. Their effects on individual countries are likely to be more severe the greater the overall integration of the global economy. Even a poor economy such as Afghanistan, which is, nevertheless, integrated into the world economy due to its dependence on remittances of migrant workers, can be vulnerable to policy-induced isolation such as restrictions on the operation of the informal foreign exchange system. If the tendency towards economic integration is inevitable, so too is the increased vulnerability of diverse economies to unilateral or multilateral acts of 'regulation'.

Second, the breakdown in relatively sophisticated economic and public services systems can give rise to dramatic increases in poverty, malnutrition, morbidity and mortality. Countries which have experienced improvements in economic and health conditions, can revert back to higher rates of malnutrition, morbidity and mortality in the face of sustained macroeconomic shock and decline. In these situations the quantum of excess mortality can be very high precisely because the initial conditions were relatively benign.

Third, unlike conspicuous food availability failures or even entitlement failures, which tend to be associated with natural disasters and wars, a 'post-modern' famine could occur quietly as a result of economic shock, and be revealed *post hoc* through the analysis of demographic data (for an example, see Garenne on Madagascar, in this *Bulletin*).

Other contributions in this volume have shown that it is far too soon to write an epitaph for the pre-modern and modern famines. Iraq, however,

provides a gruesome glimpse of the famine of the future – i.e. a famine in conditions where problems of development and modernisation find supposedly benign solutions in the shape of functioning states and markets. Iraq was a well-functioning (in terms of administrative functions) state, closely integrated with the world economy (through the export of oil) and with a domestic economy that was well-integrated internally. On the scale of modernisation Iraq was ahead of most developing countries; indeed, many developing countries would have regarded the modernisation of countries such as Iraq as a benchmark to be aspired to.

Notes

* This article draws heavily upon Drèze and Gazdar (1992), Gazdar and Hussain (2002), and Mahdi and Gazdar (2002).

1. UNICEF (1999); see also Garfield (2000).

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The excess mortality associated with the collapse of Iraq's economy and its welfare infrastructure is unique only in its scale and in the persistence of the sanctions regime. The economic collapse in Russia and its attendant rise in mortality is comparable. The 'post-modern' famine is not a chronologically determined event. The conditions of the global economy imply that 'post-modern' famine conditions will coexist with 'pre-modern' food availability crises as well as 'modern' famines due to entitlement failures. Even a relatively unsophisticated economy such as Afghanistan is sufficiently linked to global markets for political levers such as sanctions to dramatically affect the welfare of large numbers of people.

2. The 'capabilities approach' developed by Sen (1985) and operationalised by Drèze and Sen (1989) emphasises the role of non-food interventions, particularly in public health, in reducing mortality rates.

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