

# Study Team: Embargo against Iraq means 'acute poverty' and death

*An International Study Team organized by the Harvard University School of Public Health, Oxford University, and the London School of Economics has provided new evidence on the genocide being imposed on Iraq by continuing U.N.-imposed sanctions. The team, which was composed of 87 physicians, engineers, and other researchers, visited Iraq from Aug. 23 to Sept. 5. On Oct. 22, the team released a report, titled "Health and Welfare in Iraq after the Gulf Crisis."*

*This is the third and final part in a series of EIR excerpts from the report. (The first two parts appeared in our Nov. 15 and 22 issues.) It includes most of the concluding section of the team's "Income and Economic Survey."*

## Overview and discussion

**6.1. Selective overview of findings.** The following are selected conclusions that have a particularly important bearing on the current debate about sanctions.

1) The Iraqi economy is currently paralyzed by the lack of raw materials, spare parts, power supply, infrastructural services, and government revenue. The shortage of public resources has led to the withdrawal of crucial consumer subsidies and the deterioration of many public services. Agricultural activity and production are well below normal. Excess capacity in industry has resulted in large-scale layoffs. "Disguised unemployment" is widespread in the public sector. The demobilization of the army has further exacerbated the general problem of mounting unemployment in the industrial and tertiary sectors. A bloated "informal sector," providing extremely low real earnings, has become the main source of livelihood for millions of persons. The sustainability of this informal sector in the near future is threatened by the general erosion of purchasing power. . . .

**6.2. Concluding comments.** It is not our brief to defend a particular position in the current debate on economic sanctions against Iraq. However, our enquiry would be incomplete if we failed to take note of the implications of our findings for some important aspects of this debate.

Before entering this discussion, one general point deserves emphasis. The "effects of the sanctions" have often been analyzed in terms of what these sanctions do to aggregate commodity supplies—how far food supplies, or medical

supplies, or the supply of cement fall short of ordinary levels. What really matters, however, is how the sanctions affect the ability of consumers (or producers, in the case of raw materials and intermediate inputs) to acquire the commodities in question. "Effective sanctions" in that sense can be quite different from what sanctions look like on the basis of supply-centered analysis.

For instance, now that the embargo on food imports has been lifted, it is tempting to assume that there is no need to worry about the food situation in Iraq. Indeed, food seems to be readily available from neighboring countries, and in that sense "food supply" is no longer a problem in Iraq. However, as we saw again and again in this report, nutritional deprivation remains endemic, and may even be increasing. Effective sanctions on food remain, due to the crippling effects of general sanctions on economic activity and employment, despite the formal exemption spelt out in Resolutions 687 and the ready availability of food from neighboring countries. . . .

With this background, we offer a few concluding remarks on the issue of the future course of economic sanctions.

First, sustaining the public distribution system in Iraq is clearly the key to famine prevention in the short run. If the public distribution system runs out of supplies or breaks down for some other reason, widespread starvation is almost certain to result. The system works well, and it would be senseless to attempt to supplant it with a parallel distribution system administered by the United Nations or other international bodies, as has been suggested from time to time in public debates. Rather, the crucial need is to ensure that the government of Iraq has the financial means to sustain (or, even better, expand) the existing system of public distribution.

At a more general level, the pervasive involvement of the state in different aspects of the economy in Iraq is a fact that cannot be ignored. Whether one looks at food distribution, or employment generation, or prices and wages, or international trade, the government is the crucial actor. The cooperation of the government in the planning and implementation of relief efforts is essential.

Second, it is rather hard to understand why a narrow limit

should be imposed on Iraq's exports of oil, if—as specified in Resolution 706—the proceeds from oil sales are earmarked for the provision of essential “humanitarian” needs under close U.N. supervision. The government of Iraq has a proven ability, and strong political incentives, to expand public provisioning on a large scale—not only in the domain of food rationing but also in those of health care, education, water supply, sewage, sanitation, and power supply, among others.

Allowing this process to take place would not conflict with the current directives and stated aims of the embargo.

Indeed, paragraph 23 of Resolution 687 clearly empowers the Sanctions Committee (alias Security Council) to authorize “exceptions to the prohibition against the import of commodities and products originating in Iraq” when these are “required to assure adequate financial resources on the part of Iraq to carry out the activities under paragraph 29;” these activities refer not only to unrestricted purchases of food and medicines, but also to imports (under the “accelerated no-objection procedure”) of “materials and supplies for essential civilian needs as identified in the [U.N. Ahtisaari report] and in any further findings of humanitarian need by the committee.”

It may be recalled that both the Ahtisaari report of March 1991 and the Aga Khan report of July 1991 (which can surely be included under what Resolution 687 calls “further finding of humanitarian needs by the [sanctions] committee”) provided lists of materials and supplies for essential civilian needs covering a wide range of commodities. These included food, drugs, vaccines, medical equipment, fertilizers, pesticides, agricultural machinery and spare parts, generators, water treatment equipment, sewage disposal equipment, means of alternative communication, and the inputs required to regenerate essential domestic power supply, fuel production, and telecommunications.

It is, therefore, hard to reconcile the stringent limit of U.S. \$1.6 billion on oil exports imposed by Resolution 706 (of which less than U.S. \$1 billion will be actually available for humanitarian purposes) with the stated principles of the embargo. As was discussed in Section 2.2, this limit falls far short of even the most conservative of all the estimates of Iraq's humanitarian needs contained in recent reports submitted to the Secretary General at the request of the Security Council. . . .

Third, while public provisioning in Iraq can avert famine, epidemics, and other confined catastrophes, it cannot—on its own—usher the economic transformation that is required to eliminate hunger and achieve a significant reduction in poverty. As we saw earlier, the value of food rations at their current levels represents only about 20% of the current value of the pre-crisis food basket of the average Iraqi household. [See *EIR*, Nov. 22, p. 20.] Even an expansion of public distribution much beyond what can be realistically expected in the near future would fail to restore normal food intakes, let

alone bring real wages and incomes back to their pre-crisis levels (about 15 to 20 times as high as current ones).

The elimination of hunger and poverty in Iraq crucially depends on the regeneration of private incomes through economic activity and employment.

At this point, we should remember the pervasive linkages that bind the Iraqi economy with international trade. Imported raw materials and spare parts are crucial inputs in many sectors, from agriculture to most types of manufacturing. The supply of consumer goods, which give money wages their real value, depends overwhelmingly either on the processing of imported products (food, textiles, construction materials, etc.), or on direct imports. Even earnings from domestic labor services in the “informal sector” largely derive from the purchasing power generated in sectors closely linked with international trade. In the absence of international trade, the economy comes to a grinding halt—especially when the effects of sanctions are compounded by war-related destruction.

War and prolonged sanctions have caused such comprehensive damage to the Iraqi economy that it is now impossible to maintain these sanctions in their present form without perpetuating, and perhaps even accentuating, the state of acute poverty in which a large part of the population is now plunged. The debate about sanctions cannot ignore this simple truth.

Perhaps the issue of sanctions goes beyond the simple considerations of this final section.

Much would depend, however, on what one regards as the “humanitarian needs” of the people of Iraq. If their essential needs are deemed to consist only of staple food, as with farm animals, then it may be possible to argue that these needs can be met through ad hoc relief measures sustained by a limited exemption from the ban on oil exports (as proposed in Resolution 706), while the general paralysis of the economy continues to deprive millions of their ordinary means of living. But if the Iraqi people are considered to have an inalienable right to the necessities of life in a broader sense—including not only food but also clean water, health care, shelter, education, clothing, etc.—then it would be hard to reconcile the protection of this right with the continuation of the embargo in its present form. If humanitarian needs are those defined by our basic rights as human beings, they go much beyond what the Iraqi economy can deliver as things stand.

The implementation of the cease-fire resolution, which officially motivates the continuation of sanctions against Iraq, is a serious issue. The safe disposal of Iraq's weapons of mass destruction, demanded by this resolution, is a particularly legitimate concern (as is, indeed, the safe disposal of weapons of mass destruction everywhere). But it would be tragic if this concern unleashed the destructive power of another weapon of mass destruction—the effective withdrawal of food and other necessities from the Iraqi people.