

The Impact of Sanctions on Iraq

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ABOUT THE AUTHORS



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Brief Analysis

Economic sanctions are making Iraq poorer day by day. The Iraqi economy is being hollowed out. The diet of the Iraqi people has already suffered markedly, with a drop of at least 25 percent in calories consumed. Yet despite all this, it would be wrong to jump to the conclusion that the pain of economic sanctions will force Saddam Hussein to leave Kuwait.

The Economic Impact of Sanctions

On the food front, the most critical moment in 1991 will be in the late spring, before the June harvest of wheat and barley. The challenge of conserving stocks until the harvest is compounded by the need for additional food during the Muslim holy month of Ramadan which starts March 18. During Ramadan, Muslims fast by day but feast at night, so food consumption is well above normal. If Iraq can hold out until the harvest, it will probably be able to last until mid-winter 1991-92.

Of course, if any Iraqis do starve, the fault is Saddam's, since the international community has offered to provide food aid if Iraq agrees to supervision of distribution by international agencies -- a condition Saddam finds too humiliating to accept readily.

Iraqi industries are grinding to a halt; production is down 40 percent. But industry accounts for only 5-7 percent of GNP. Iraq is not an industrial country and a complete shutdown of all its industries would make for only scattered shortages. More important are the oil refineries, electrical generators, and water filtration systems, all of which appear to be functioning well.

Sanctions are weakening the Iraqi army. Iraq faces a quandary: either the army keeps up its maneuvers, in which case stockpiles of spare parts are depleted, or it stops maneuvers, in which case the soldiers lose their edge. Either way, the military's fighting ability declines daily. The air force has already suffered significantly. At some point in 1991, Iraq will have to begin cannibalizing some tanks in order to keep others running. By winter 1991-92, Iraq's tank force will be much less threatening than it is today.

In sum, twelve months from now, Iraq will run out of three vital goods: money to pay smugglers; bread from domestic supplies; and tank parts to keep a full tank force in the field.

The Political Impact of Sanctions

While sanctions are making Iraq poorer, the U.S. cannot be confident that they will cause Saddam to change his policies for three reasons:

- The sanctions cause a slow deterioration of Iraq's economy, not a dramatic crisis. The effect of sanctions is felt bit by bit, not in any one sudden shock. A good analogy is a car that gradually falls apart: one day the wipers break, the next week the windows won't roll down, the next week the trunk won't open, but the car still works, so it is not necessary to junk it. Iraqis are used to shortages and hardship. As goods disappear from the stores, they undoubtedly will complain, but they will adjust and go on with their lives.

Life in Iraq will become harder. But Iraqis can take comfort from comparisons with their poorer neighbors. Today, water is available everyday in Baghdad's poorest neighborhoods -- this is by no means the case in Amman. Electricity is vastly more reliable in Baghdad than in Damascus or Tehran. Even as the quality of public services declines in Iraq, life will probably remain as good if not better than in Jordan, Syria, and Iran.

- Saddam has shown that he cares more about his political goals than his own peoples' well-being. Saddam has systematically implemented inefficient socialist policies that have kept Iraq poor. For 2,000 years until the land reform of the late 1950s, Iraq exported food -- indeed, it was the granary of the Middle East. Under the agricultural policies of the Ba'ath Party, cereal production has actually declined. Saddam knows full well what is needed to make Iraqi agriculture boom. Twice in the last 15 years, when facing difficult circumstances, he loosened the socialist tourniquet on the farmers and the results were spectacular: cereal production more than doubled in one year. But Saddam then gradually re-imposed controls, because he cares more about keeping a tight grip than he does about economic prosperity. Given this track record, it seems overly optimistic to predict that Saddam will change his policies out of concern for the well-being of his economy or the suffering of his people.

- The rate of deterioration of the Iraqi economy has to be compared to the rate of decline in U.S. public support and international backing for intervention in the Gulf. Saddam has reason to think that American public support is weakening more rapidly than his economy. If Saddam believes that U.S. resolve is weakening and that the U.S. military will leave the Gulf before he pulls out of Kuwait, then he will sit tight even if Iraqis are on the edge of starvation.

Patrick Clawson is the editor of Orbis and a resident scholar at the Foreign Policy Research Institute. He was desk officer for Iraq and Kuwait at the International Monetary Fund in the mid-1980s. His most recent publications include two Washington Institute studies: Iraq's Economic and Military Vulnerabilities (Policy Focus #14, October 1990, with W. Seth Carus) and [Unaffordable Ambitions: Syria's Economic Crisis](http://www.washingtoninstitute.org/templateC04.php?CID=83) (<http://www.washingtoninstitute.org/templateC04.php?CID=83>). ❖

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