In the early twentieth century, the ethnically and economically disparate Ottoman provinces of Basra, Baghdad and Mosul (later combined to form Iraq) were among the least developed regions of the Ottoman Empire. Regions in Syria and Lebanon were comparatively more advanced. The riverine areas of these provinces were subject to intermittent famine, flood and plague, and the central government could provide security only in and around the major cities, leaving most of the population under the protection of various tribes (nomadic and settled).

Early development outcomes in Iraq were shaped by both internal and external forces. Traditionally, the agricultural land the tribes controlled were held in common, as the notion of private property appears to have been an alien concept to the tribal population. But in the latter part of the 19th century the Ottoman authorities, anxious to curtail tribal power and increase land revenue, introduced reforms that required the registration of agricultural land.

Land under tribal control was to be registered to individuals to use or lease for purposes of cultivation; importantly, these rights were heritable. The law’s requirements, including proof of actual possession of the land, were quite stiff, and in many instances the tribal leaders, as custodians of tribal land, were able to come forward and register the land in their name. In time, “a society of generally free tribesmen became transformed into one of groups of near-serfs” as “new landlords gained unprecedented legal and economic powers over their peasantry.”1 This established the foundations of agrarian power relations in Iraq in the 20th century.

Parallel to these developments, Iraq was being rapidly integrated into the international economic system as demand for Iraq's products - mainly dates, grains and wool - increased. The value of sea-borne trade tripled between 1880-84 and 1910-13, the British Empire being the destination of half the exports and the source of two-thirds the imports in 1912-13.

These social and trade relations were reinforced during and after the First World War as the British occupied Iraq. Seeking to check the power of the King they had installed in 1920, the British favored the tribal landlords; in time, the landlord class became one of the pillars of the monarchy.

Because of the influence of the landed class in government, agriculture was very lightly taxed (a condition which continued until the overthrow of the monarchy in 1958) and much of the government’s capital expenditures focused on flood control and irrigation. This brought new land under cultivation and allowed landowners to increase output at the public’s expense. From the point of view of this class, this was preferable to investing capital in land maintenance, even though land reclamation was often inexpensive.

The result was that while agricultural output grew in the first half of the 20th century, land productivity declined. As methods of production and working arrangements remained largely unchanged, it is unlikely that labor productivity in agriculture increased. In such circumstances, the material conditions of sharecropping peasants, who formed the vast majority of the rural population (and probably a slight majority of the total) remained very low and perhaps regressed in the first half of the 20th century, while the holders of land were enriched.

Despite the small tax base, expenditures on education and health increased substantially after the formation of the Iraqi state in 1921 and formal independence in 1932. This is reflected in improvements in human development
outcomes, although these outcomes and living standards in general were still quite low. Thus, in 1920-21, there were only 88 public primary schools and 3 public secondary schools in the entire country. This increased rapidly to 316 primary and 19 secondary schools in 1930-31 and to 735 primary and 44 secondary schools in 1940-41. Despite this expansion in public education, the illiteracy rate for the country as a whole was 89% in 1947, although this declined to 82% in 1957. Still, even in 1955, the net enrollment rate was 36% in primary education and only 8% in secondary education.

Likewise, health standards were low. Infant mortality rates in the cities of Baghdad, Basra and Mosul were estimated to be 244, 243 and 403 per 1000, respectively, in the period 1927-35; this declined to 162, 83 and 242 per 1000, respectively, in the period 1935-47. Health outcomes were undoubtedly lower in the countryside where, until the 1960s, the majority of the population lived.

Still, the expansion of education, especially in Iraq’s cities, was not without political consequences: it created a new literate and bureaucratic urban middle class dissatisfied with the existing power relations. By and large this class welcomed the military’s overthrow of the monarchy in 1958.

Although divided, the new military leaders effectively destroyed the economic and political power of the landlords through land reforms and abolition of parliament (in which landlords were influential). The new regime encouraged industrialization and placed more emphasis on the expansion of education and health services.

Education expenditures increased threefold in nominal terms and, in real terms, more than doubled between 1955 and 1960; as a percentage of GNP, these expenditures increased from 3.4% to 6.8%. As a result, the net enrollment rate increased to 67% in primary education and to 17% in secondary.

But deep divisions within the new ruling group ushered in a period of political instability. A fierce struggle for power ensued, first between pan-Arabs and the left, then within pan-Arabs themselves. Coups d’état and counter coups resulted in delays or shelving of development projects and there was rapid turnover of development personnel. The gains in terms of human development were consequently modest between 1960 and 1970.

This period of instability was ended when the fiercely nationalist and secularist Baath party (which came to power in a coup in 1968) began to consolidate power in the early 1970s, through a mixture of brutal internal repression and populist policies. Land redistribution was accelerated; education at all levels was nationalized in 1975 and henceforth became free of charge; a vigorous anti-illiteracy campaign was launched in 1978; medical services were extended, and there was a largely state directed drive towards industrialization.

This was helped in no small measure by a substantial rise in oil revenues. As a source of government revenues, oil became significant only after 1950 as output expanded and oil royalties agreements were renegotiated. Throughout the 1950s and 1960s, oil revenues were a significant part of government revenues. These revenues exploded in the early to mid 1970s as the oil sector was nationalized and the price of oil quadrupled.

The results, in terms of human development outcomes, were striking. Net enrollment at the primary level increased marginally from 48% in 1960 to 55% in 1970, but surged to 99% in 1980. At the secondary level, net enrollment increased from 19% in 1970 to 47% in 1980. At the same time, the anti-illiteracy measures succeeded in breaking the back of illiteracy, particularly in rural areas and for women where illiteracy was historically high. The illiteracy rate decreased from 53% to 27% between 1977 and 1987; for rural areas the rate decreased from...
75% to 40%. As a result, Iraq’s gains in terms of literacy were higher than any other Middle Eastern or Arab country in the period 1957 to 1983.

Parallel to this, health outcomes showed accelerated improvement. Life expectancy increased steadily from 50 years in 1960-65 to 61.4 in 1975-80. In comparison, life expectancy in 1978 was estimated to be 54 years in Egypt, 57 in Syria and 61 in Turkey. In Iraq, infant mortality (per 1000 births) declined from 139 in 1960 to 104 in 1975 to 78 in 1980. In Egypt and Turkey, the rate was 108 and 118, respectively, in 1978. Even in 1985, and in the context of war with Iran, infant mortality in Iraq was substantially lower than in other oil exporting countries, and in 1990, lower than the average in low and middle income Middle East and North African countries. Iraq, among the least developed regions in the Middle East in 1920, had by 1980 overtaken its neighbors.

At one level, Iraq's experiences in this period illustrate how oil revenues were successfully channeled into human capital formation. At another level, these development outcomes reflected the often contradictory desires of the Baath regime for rapid modernization, on one hand, and, on the other, for maintenance of political control and social stability. Thus, while improvements in living conditions conferred legitimacy for the regime, the Baath proved unwilling to implement its anti-illiteracy campaign until it had attained a monopoly in education and the mass media (achieved in the late 1970s). Even though its own party platform called for “eradicating” illiteracy and despite the presence of severe skilled labor shortages (which higher levels of literacy would greatly alleviate) the regime delayed implementation of the program until it was certain it could control the content.

Alas, the happy coincidence of favorable international conditions and generally enlightened human development strategy was shattered with the explosion of the Iran-Iraq war in 1980. The war, which lasted until 1988, was costly in human and material terms. GDP per capita declined by 9% per annum between 1980 and 1989 as Iraq went from being a creditor to debtor nation.

In this context, there was a perceptible deceleration in improvements in development outcomes and sometimes retrogression. Eager to avoid food shortages at time of war, the regime used its monopoly in foreign trade to import large quantities of food, especially grains; as a result, nutrition levels improved to unprecedented levels. Infant mortality declined from 78 (per 1000 births) in 1980 to 73 in 1985 to 65 in 1990. This is a notable achievement as it occurred despite large declines in incomes per capita and social spending; it was achieved, in part, through the reallocation of spending from expensive curative therapies to less expensive preventative medicine and extension of safe water and sanitation.

While there was a convergence of political interests and human development in health there was divergence in education. Net enrollment rates in primary education declined from 99% in 1980 to 94% in 1988 and in secondary education from 47% to 40%, as declining incomes compelled families to send more children into the labor force. At the same time, enrollment in higher education increased.

Although this ran counter to its education priorities (which favored primary and secondary education) the regime was unwilling to reorient its spending away from higher education and towards primary and secondary education because it feared that attempts to reduce university intake might lead to student disturbances in the urban centers of the country. This perhaps illustrates how no government, however repressive, is independent of social forces.

If the 1980s represented a period of arrested development, what followed was regression. Iraq’s invasion of Kuwait was followed by economic sanctions (in effect from August 1990 to 2003) and a war which, unlike the
The sanction resulted in a collapse in incomes per capita and widespread unemployment. Real incomes fell by 90% in the first year of sanctions and by 40% between 1991 and 1996. Given Iraq's high import dependence, especially on food grain, there was a sharp decline in per capita caloric availability, from 3150 Kilo-calories (Kcal) in 1990 to an average of 2300 Kcal for 1991-97, as the country found it difficult to pay for food imports. Moreover, the destruction of infrastructure resulted in a severe decline in the availability of safe water and sanitation. This affected the elderly and children in particular. There was a sharp rise in infant mortality and the proportion of children under five years old who were moderately to severely underweight increased from 9% in August 1991 to 22.8% in March 1998.

Initially, the regime reacted to the sanctions crisis by printing money, resulted in hyperinflation. By 1995, the limits of this policy had become apparent and the government introduced a macroeconomic stabilization program: some social programs were eliminated and the generosity of others reduced; education was no longer provided free of charge and enrollment rates at all levels declined. The government also utilized its considerable bureaucratic skills (often used for internal repression) to establish a largely efficient and equitable food rations program which provided roughly 50 to 60% of the daily caloric requirements.

The program likely averted famine and allowed the regime to present itself as defending the country against hunger brought about by encirclement from outside. Far from compelling compliance, the government used the sanctions regime to forge a link between its own fortunes and those of its subjects.

At one level, Iraq’s human development experience illustrates how internal and external constraints have defined its development patterns. Despite surpassing the region in 1980, Iraq at the beginning of this century finds itself roughly where it stood in beginning of the last century: as one of the less developed countries in the Middle East.

At another level, these patterns themselves give rise to constraints of their own. The preference for social justice and welfare enunciated (and for the most part genuinely aspired to) by successive Iraqi regimes has set the standard; any future government which does not deliver along these dimensions will likely face rejection. This in part explains why even today (after the suspension of sanctions) coalition authorities have been reluctant to discontinue the successful food rations program. Likewise, Iraq’s colonial past has cultivated a sense of fierce independence and explains the outrage with which most Iraqis greeted the recent suggestion that the country's oil resources be privatized.

Ignorance of (or disregard for) these constraints and the absence of any coherent plan - even short term - for human development has frustrated (and possibly wrecked) US efforts in Iraq. Instead of considering the complementary nature of various development activities, a piecemeal approach has prevailed. The US has built schools and tried to improve communications and basic services. But parents are disinclined to send their children to school if they are unsure their children will return safely, and security is unlikely to take hold when a good portion of labor, especially urban, remains unemployed. In this regard, the US decision to demobilize, and so disemploy, thousands of Iraqi soldiers (all trained to use weapons) is impossible to understand. Most damaging perhaps was the US inability or unwillingness to preclude or control the widespread (and predicted) lawlessness immediately after the overthrow of the Baath. Accustomed to repressive (but ordered) rule and promised freedom, the lifting of tyranny - for too many Iraqis - has come to be associated with a descent into anarchy. This is an unwelcome association as political realities, no less than economic, will be instrumental in shaping Iraq's future governance arrangements and development outcomes.
Endnote

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