

TRICKLING

In an oil-rich nation, Iraqis wait for

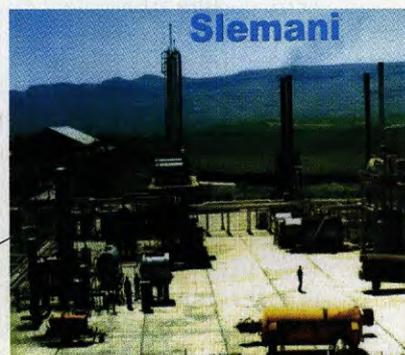
"Oil and gas are the property of all the people of Iraq," declares the country's new constitution. Yet three years after the U.S.-led invasion, Iraq can neither produce as much oil as it once did nor deliver adequate amounts of fuel to its citizens. Indeed, most Iraqis are finding that owning the world's second-largest proven oil reserves doesn't even allow them to fill their cars with gasoline. Drivers wait for hours at state-run stations, and their purchases—at higher prices than they paid under Saddam Hussein—are strictly limited. This ration book, issued in January by the government of Sulaimaniya in Kurdistan, is one of several methods now used in Iraq to restrict gas purchases. Although the booklet's design may convey a certain optimism about the prosperity that is meant to accompany freedom, the privations associated with the coupons inside tell an entirely different story.



The pages of this ration book belong to Farman Abdul Kareem Muhammad, a twenty-nine-year-old Iraqi Kurd. (His information and that of his 2001 Nissan are written here in Kurdish.) The booklet entitles Farman to fifty liters, or slightly more than 13 gallons, of gasoline a week—an amount that has cost Iraqis less than \$2 for much of the last two decades. But as part of a deal to receive a \$685 million IMF loan, Iraq's government agreed in December to slash longstanding gas subsidies, forcing a sudden fivefold jump in prices. The IMF contends that reducing state subsidies will encourage private investment and stimulate the economy, yet the oil contracts that foreign companies are expected to broker will likely enrich foreign investors and Iraqi insiders while leaving the population largely impoverished. Because the median per capita household income in Iraq has dropped below \$200 a year, the higher gas prices—which will keep on rising as subsidies continue to be scaled back—are also harshly felt in the short term.



This former sugar factory on the outskirts of Sulaimaniya, shown here on the ration booklet's back page, was converted into a small oil refinery in the 1990s. Kurdistan still does not have any major refineries, so almost all gasoline sold in the north comes from crude sent via pipeline into Turkey, where it is processed and then brought back into the country in tanker trucks. Every day at the border, trucks, often two or three across, form lines up to eighteen miles long as they wait to enter Iraq. Turkish truckers face different obstacles once inside Iraq: one hundred have been killed in the past three years, their cargo often stolen and their trucks burned. Despite widespread gas shortages, those affiliated with Kurdistan's two major political parties have their own specially designated pumps, where high-ranking officials can receive unlimited quantities of fuel any time they wish.



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NG DOWN

for their share, by Daniel Rothenberg

At state-run stations, attendants cut out one car coupon for every twenty-five liters of fuel they pump—the eight “cars” on this page make up a month’s ration. Yet Farman frequently must wait three to five hours at these stations, sometimes only to find that no fuel is left when he reaches the front of the line. Gas shortages are due in part to the nearly 300 documented attacks insurgents have launched against Iraq’s wells, pumping stations, shipping terminals, and its thousands of miles of pipeline. The country’s enormous black market also diverts gasoline and other oil products away from the state, yielding huge profits for government officials and other insiders involved in the trade. Although ostensibly illegal, black-market fuel can be purchased from dealers manning jerry cans along highways and at virtually every market in the country. According to the U.S. agency overseeing reconstruction, a third of all Iraq’s gas and diesel is smuggled across the border and sold in Iran, Kuwait, and other neighboring countries.



Only a small minority of wealthy Iraqis can actually afford the new BMWs, Mercedes-Benzs, and other luxury cars pictured on the ration booklet, whose images have apparently been downloaded from the Internet. But because these people are able to pay black-market prices, they don’t use ration cards or wait in long lines for fuel. For much of the rest of the population, however, government assistance is vital. Many Iraqis use a portion of their gas allocation to power small home generators, and 96 percent of households still receive goods through the distribution networks set up under the U.N.’s former oil-for-food program. Farman, whose job with a foreign company requires that he use far more than his weekly gas ration, has to buy additional fuel on the black market at many times the government price. Despite earning triple the average salary of an Iraqi civil servant, he spends a fifth of his paycheck on gasoline alone.



As a logo, this image seems perfectly suited to Iraq’s gas-rationing programs, since most Iraqis must feel that their share in the country’s immense oil fields reaches them only one drop at a time. One of the least explored of the oil-rich countries, Iraq could possess reserves that are twice their confirmed size, and experts looking beyond the present violence believe that production could easily triple in five years and steadily climb. This bounty would generate untold billions in added revenue, but current trends in Iraq suggest that little of it would be used to fund the country’s sustained economic and social development. Indeed, Iraq seems on the verge of succumbing to the same curse that afflicts many oil-rich, developing nations, where vast natural resources have led not to democracy and a more equitable distribution of wealth but to endemic corruption, autocratic rule, and, for much of the population, poverty. ■