

## **Food Rations Cut Hurting Poor**

**Author:** [Daud Salman](#)

The government has slashed subsidised food, despite rising poverty.

A government decision to cut food rations has hurt poor Iraqis who cannot afford high prices on the open market, say economists and Baghdad residents.

Despite rising poverty, the government has decided to cut the food ration budget from four to three billion US dollars in 2006, as the country shifts from a socialist to a free market economy.

The Iraqi government has provided subsidies on basic food items such as flour and sugar for decades. The United Nations expanded the programme when the country was under crippling economic sanctions.

However, subsidies have now been cut on staples including salt, soap and beans. Trade ministry spokesman Faraj Daud said the government will continue to supply Iraqis with free rice, sugar, flour and cooking oil.

The ministry claims that items that were once scarce during sanctions are now widely available on the open market and therefore do not need to be distributed by the government.

Approximately 96 per cent of Iraq's 28 million people receive food rations managed by 543 centres. The UN World Food Programme estimated in a 2004 report that one-quarter of the population is highly dependent on the rations, warning that without them "many lower-income households, particularly women and children, would not be able to meet their food requirements".

Daud, however, insists that the ministry has studied the impact of cancelling the subsidies and found it would not hurt families economically.

For Qadiryia Mohammed, a mother of eight with a disabled husband who cannot work, the cuts are devastating.

"We have no income and totally depend on the rations," said Mohammed, 48, from Baghdad's al-Karkh neighbourhood. "The cut on some items and problems with food distribution might force us to beg."

The ministry of labour and social affairs reported in January that more than two million Iraqi families are living below the poverty line and that poverty had risen by 30 per cent since the US-led invasion in April 2003.

Government figures show food prices jumped 26 per cent from December 2005 to January 2006, due in part to a general rise in inflation and high demand for meat and vegetables because of the bird flu outbreak.

Inflation has skyrocketed since 2003, and according to the IMF is expected to rise 15 per cent this year. The economy is expected to grow by 10 per cent.

Baghdad-based economist Munthir Hadi predicted that the food ration cuts, combined with a spike in inflation, "will increase number of poor families".

"The Iraqi citizen still totally depends on the state," he said. "It's not easy to apply globalisation theories. This requires more time."

The Iraqi government, backed by the United States and the IMF, is shifting to a free market economy after decades of Baathist socialist rule.

The country received a 685 million dollar IMF loan in December 2005 and in return promised economic reforms, including raising the price of subsidised fuel - a decision that led to protests - and scrapping the food rations programme, according to the Iraqi newspaper Azzaman.

The government and IMF did not make public details of the reforms.

Iraq's food rations have been problematic since last year. Their distribution by the ministry of trade - which was recently charged with having the highest level of corruption of any ministry - has been poor. Last December, its inspector-general was fired.

The government has since allocated 490 million dollars to compensate five million families for the shortfall. But payments are based on August 2005 prices and for some families that isn't enough.

"I can't afford 25,000 Iraqi dinars (14 dollars) for a canister of gas," said Mohammed. "The economic situation is hard and food ration is insufficient."

Daud Salman is an IWPR trainee journalist in Baghdad.

**Location:** [Iraqi Kurdistan](#)  
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