

I. INTRODUCTION

The Iran-Iraq War lasted for nearly nine years. It involved Iran and Iraq in some of the largest scale fighting in the history of the Third World, and involved virtually all of the major powers either in the political struggles surrounding the conflict, or in actual fighting in the Gulf. While it was primarily a land conflict, it also involved extensive naval fighting, strategic bombing, the use of surface to surface missiles, chemical warfare, terrorism, and the use of proxy forces.

At this writing, Iran and Iraq have agreed to a cease-fire and have been negotiating for a peace settlement for nearly a year. There still, however, is no way to predict whether both nations will agree to a meaningful settlement, or how long the cease-fire and any following peace settlement will last. The Iran-Iraq War threatens to be one of those structural conflicts which is the result of forces that lead to one war after another, and to "cold war" in the periods between the fighting.

As might be expected from a conflict with the scale and complexity of the Iran-Iraq War, the conflict provides many insights and lessons regarding strategy, tactics, command and control, operations, intelligence and technology and technology. It has involved the use of a wide range of advanced Western and Soviet weapons. Further, the war escalated to involve Western naval forces, long-range surface-to-surface missiles, and the extensive use of poison gas. More than any other war in recent times, it provides a warning of the cost of the proliferation of new weapons and military technologies.

1.1 The Cost and Intensity of the Conflict

The true cost of the Iran-Iraq War is almost impossible to estimate. It cannot be measured in terms of present losses, but rather in terms of the impact of the conflict on the future political and economic development of Iran, Iraq, and the neighboring nations that have had to invest in arms instead of their peoples and economies. It is clear, however, that the Iran-Iraq ranks with Vietnam and Korea as one of the longest and bloodiest conflicts since World War II, and has been one of the grimmest wars of attrition in modern times.

The Iran-Iraq War has not had the same devastating impact on the populations of Iraq or Iran as the Afghan conflict. As the Arab-Israeli conflicts have shown, there is no fixed correlation between large numbers of high technology weapons and military and civilian casualties. In fact, it is unlikely that the Iran-Iraq War has resulted in more than half the number of people killed in Pol Pot's attempt to consolidate power in Cambodia. Nevertheless, the results of the Iran-Iraq War have been tragic for both societies.

While no accurate estimates exist of the human and economic cost of the war, it is certain that it has produced hundreds of thousands of killed, as much as a million wounded, and over 80,000 prisoners of war. As Figure 1.1 shows, the Iran-Iraq War has produced anywhere from 500,000 to one million dead. It has produce from one to over two million wounded. It also has produced some 2.5 million refugees, and has cost two heavily populated developing nations at least two hundred billion dollars.

Other estimates of the financial cost of the war are even higher. One estimate of the cost of the war to Iran during 1980-1985 put the price as \$108.2

billion for the oil sector (of which \$23.4 billion was forgone revenue), \$30.3 billion non-oil GDP loss, \$23.4 billion on military expenditure, \$76.5 billion in fixed capital loss formation, and \$25.9 billion for destruction of facilities. A similar estimate of the cost of the war to Iraq reached \$120.8 billion for the oil sector (of which \$23.4 billion was forgone revenue), \$64 billion non-oil GDP loss, \$33 billion on military expenditure, \$43.4 billion in fixed capital loss formation, and \$8.2 billion for destruction of facilities.

Figure 1.1

Estimates of the Cost of the Iran-Iraq War:

1980 to 1988 - Part One 1

Iran		Iraq
A. Human Costs (Number of Lives)		
Casualties	1,050,000-550,000- 1,930,000	1,040,000
Wounded	600,000- 400,000- 1,200,000	700,000
Killed	450,000- 150,000- 730,000	340,000
Refugees	2,000,000	400,000
Prisoners of War	45,000	70,000
B. Economic Costs (Marginal Cost in \$ Billions)		
Arms Purchases	7	25
Oil Revenue	10	55
Pipelines	-	3
Transportation	1	9
War Risk Insurance	1	-
Petroleum Product Imports	5	-
Compensation to Families	10	4
Military Salaries	10	10
Repairs to War Damaged Facilities	5	3
Non-Oil GDP	20	50
Total	\$69	\$159

Source: Modified by the author from an unclassified CIA working estimate of April 15, 1988.

1. Does not include opportunity cost of failing to fund economic development and normal economic operations. Costs of the Iranian revolution and Iraqi operations against native Kurds are excluded. Estimates of direct marginal cost of the war exclude cost of damage to economic facilities and infrastructure not repaired. Tehran assessed damages suffered by Iran at \$309 billion for the first five years of war, of which \$160 billion was damage to the oil sector. Baghdad has not issued estimates of war costs, but damage sustained by Iraq was significantly less than that sustained by Iran. The graphics used in Part Two are derived by work by Dr. Abdullah Toucan.

Figure 1.1

Estimates of the Cost of the Iran-Iraq War:

1980 to 1988 - Part Two

1.2 The Strategic Implications of the Conflict

The Iran-Iraq War has also been one of the most strategically important conflicts in modern times. Unlike most Third World conflicts, the Iran-Iraq War has threatened the economic well being of virtually every other nation in the world. As Figure 1.2 shows, the war has directly affected nations whose oil reserves are larger than those of some continents. It has also affected the destiny of a region with more than 50% of the world's proven oil reserves. The flow of Gulf oil is critical to the stability of the economies of every Western state and every oil importing state in the Third World.

The Iran-Iraq War has presented the constant risk that Iran or Iraq could emerge from the war as the dominant power in the Gulf, and that the balance between Iran, Iraq, and the weaker southern Gulf states could be shifted to the point where a single power could dominate the region. At the same time, the success or failure of Iran's "Islamic fundamentalism" in defeating Iraq's secular socialism has had broad implications for the future of Islam and the entire Middle East. At various periods in the conflict, the risk of an Iranian victory has threatened to trigger a wave of shifts from secular to religious rule, and new patterns of hostility between Islam and both East and West.

1.3 The Internationalization of the Conflict

The Iran-Iraq War has had a far broader international character than most Third World conflicts. Within days of the war's beginning, outside nations began to sides. Both Iran and Iraq also struggled for financial alliances and source of arms. Both Iran and Iraq were able to win large scale external support and to obtain extensive supplies of imported arms. Iran's financial support was largely indirect.

Iran relied largely on its own finances, and its external reserves collapsed from \$14.6 billion in 1979 to \$6 billion in 1986/87. Nevertheless, Syria played a critical role in supporting Iran. Syria closed a key Iraqi pipeline to the Mediterranean early in the war, and seriously weaken Iraq's financial position. Syria also supported Iran with measures like sending its fighter aircraft over Iraq in order to divert the Iraqi Air Force away from the front. Syria helped Iranian and Kurdish agents blow up part of Iraq's oil pipeline through Turkey, and divert its flow into the Ceyhan River. While the pipeline was repaired within a week, the action cost Iraq six million dollars for each day it was out of operation and Syria continued to funnel support to the Kurds in Iraq until the cease-fire in 1988.

While many states sold arms to Iran, states as diverse as Israel, Libya, the PDRY, Syria, and Algeria provided aid or concessional arms sales as well. Libya helped spark the missile war between Iraq and Iran by sending Scud missiles to Iran via Syria, and nations like the PRC and North Korea entered the world arena as major arms sellers by becoming major suppliers to Iran.

Iraq, in contrast, had massive direct financial assistance from its neighbors. Saudi Arabia and Kuwait provided \$25 to \$50 billion dollars in financial grants and loans. France extended over \$5.0 billion in loans to finance military equipment. The U.S. aided with credits and Iraq by putting increasing pressure on its allies to halt any resupply of Iran. Egypt and Jordan provided weapons and supplies at critical moments in the war, and the USSR played a critical role when it resumed massive arms transfers to Iraq.

Volunteers from the military forces of other Arab nations supported Iraq in limited numbers. The Iraqi Army used cash incentives to recruit volunteers from other Arab countries to serve as Iraqi soldiers, and Iran has received a limited number of Shi'ite volunteers from Lebanon and some of the Gulf states.

The war also took on a new international character during its final phase, when the West and the USSR entered the Gulf in an effort to secure the flow of oil through the Gulf. This eventually led to major naval clashes between the U.S. and Iran, and a broad Western naval effort to secure the shipping routes of the Southern Gulf states. At the same time, the United Nations played a powerful role in the events that led to a cease-fire. What began as the struggle between two political leaders and two conflicting ideologies, ended as an international conflict and won that was only contained through a global effort to terminate the war.

This complex mix of forces not only makes the Iran-Iraq War exceptionally important, it means the war provides an exceptionally wide range of lessons. It not only provides important lessons about land and air conflict, it shows how ideology can radically influence the course of conflict in the Third World. It provides many lessons about technology transfer, and about the role of power projection by the West. Finally, it provides an important warning about the potential impact of missile conflicts and conflicts involving weapons of mass destruction.

Figure 1.2: World Oil Reserves - Part One

Region and Country Reserves_____	Estimated Proved Billions of Barrels	
Percent of World Total		
Gulf a	396.18	56.7
Bahrain	.17 .02	
Neutral Zone	(5.4)	.8
Iran	48.5 6.9	
Iraq	44.5 (65.0) b	6.4
Kuwait c	92.7 13.3	
Oman	3.5 .5	
Qatar	3.35 .5	
UAE	32.49 4.6	
Abu Dhabi	(30.5)	-
Dubai	(1.44)	-
Ras al Khaimah	(0.1)	-
Sharjah(.45)	-	-
Saudi Arabia d	171.7	24.6
Other Middle East	2.2	.3
Israel	.75 .1	
Syria	1.45 .2	
Total Middle East	398.38	57.0
Africa a	55.54	7.9
Algeria	9.0 1.3	
Angola	1.8 .3	
Egypt	3.2 .5	
Libya	21.1 3.0	
Nigeria	16.65	2.4
Western Hemisphere a	117.69	16.8
U.S.	27.3 3.9	
Mexico	48.6 7.0	
Canada	7.075	1.0
Venezuela	25.845	3.7
Western Europe a	24.425	3.5
Britain	13.59	1.9
Norway	8.3 1.2	
Asia-Pacific a	18.5299	2.7
Australia	1.5 .2	
Brunei	1.4 .2	
India	3.0 .42	
Indonesia	8.65 1.2	
Malaysia	3.5 .5	

Total Non-Communist 614.567 88.0

Communist 84.1 12.0

USSR 63.0 9.0

China 19.1 2.7

Other 2.0 .2

TOTAL WORLD 698.667 100.0

a. Breakdown by individual countries includes only major exporting or reserve holding countries

b. The current official estimate is 44.1 billion, which has not been revised because of the Iran-Iraq War but most U.S. officials now estimate Iraqi proved reserves at 65 billion or more.

c. Kuwait's reserves are probably in excess of 100 billion and Saudi Arabia is near 200 billion. The reserves for Kuwait and Saudi Arabia include half of the Neutral Zone.

d. Neither Kuwait or Saudi Arabia provide up to date estimates of proven reserves.

Source: Adapted from Oil and Gas Journal, December 1984 and December 1985. U.S. Department of Energy show a slightly higher percentage of total reserves in the Middle East. See DOE/EIA-0219(84), pp. 79-81, and Annual Energy Review, 1986, Washington, GPO, 1986.

Footnotes

- An April 1986 estimate of POW's was 60,000 Iraqi and 17,000 Iranian. Washington Times (April 26, 1986). Estimates of those killed sometimes exceed one million, but a November estimate of 250,000 Iranian and 100,000 Iraqi dead seems more likely to be correct. Time (November 24, 1986), p. 41.
- Japanese Institute of Middle East Economies, as cited in MidEast Markets, February 22, 1988.
- Japanese Institute of Middle East Economies, as cited in MidEast Markets, February 22, 1988.
- Cited in "Not Our War," The Economist (June 5, 1982), p, 58. Kuwait and Saudi Arabia have also provided massive financial support to Iraq and various Kurdish factions have also coordinated with the Iraqis or Iranians, while others have fought them; see "A War Without End," Newsweek (August 15, 1983), p. 33.