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# IRAN AT THE TIME OF COVID-19: BETWEEN MISINFORMATION, ECONOMIC DOWNTURN AND US SANCTIONS

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Iran has become the epicentre of the Covid-19 crisis in the Middle East. As reported by official figures, at the end of April the total number of confirmed cases has passed 90,000, with the overall death toll reaching 6,028<sup>i</sup>. However, according to the World Health Organization, the statistics reported by the authorities could represent only a small part of the actual number of infections and fatalities in the country<sup>ii</sup>. The disinformation campaign led by the Iranian political establishment about the real figures, would have been designed to conceal from citizens the government's negligence in facing the public health threat posed by Covid-19 in the first stages of its spread.

The government's deliberate choice to not impose from the beginning of February measures restricting movements of people, could be explained by political, religious and socioeconomic

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factors. Firstly, Teheran decided to not carry out a public awareness campaign on the dangerous extent of the virus in order to ensure a high turnout at the legislative elections, that were held in the country on 21 February. Secondly, being Iran a theocratic state that has based its political identity on religious practices and gatherings, the decision to suspend rituals was not immediately included among the measures to be taken in order to contain the spread of the virus.

Finally, the Iranian government's reluctance to not adopt strict measures is explained by the lack of financial means to support a mass quarantine and, consequently, a total economic lockdown and its social implications. In this economic and financial downturn scenario, the country has also to deal with a collapsing healthcare system which is no longer able to take care of all citizens in this pandemic crisis. The central role played by the US sanctions in the country's inability to fight the disease cannot be ignored.

## POLITICAL AND RELIGIOUS FACTORS: AN UNDERESTIMATION OF THE DANGER EXTENT

On 19 February, the first two death caused by Covid-19 are confirmed in the holy city of Qom but until the end of the same month, the Supreme Leader of Iran, Ali Khamenei, supported by the Principlists (the main right-wing and conservative political movement in the Iranian political scenario) defined the virus as a "ridiculous disease used as a good pretext" by imperialist powers to discourage people from voting in the parliamentary elections<sup>iii</sup>.

Hence, the government deliberately decided to not carry out a public awareness campaign on the dangerous extent of the virus in order to ensure a high turnout at the pools<sup>iv</sup>. In the city of Qom, the epicentre of the virus, the highest turnout was recorded. This information should not be underestimated, because of its implication in the spread of the contagion across the country.

Mohammed Hossein Bahreini, president of the Mashhad University of Medical Sciences, in an interview at the end of February (immediately removed), had declared that the presence of 700 Chinese clerical students in Qom, "prepared the ground for the spread of Covid-19" in Iran<sup>v</sup>. Furthermore, in the same days a MP from Qom stated that the first victim in this city came on 13 February and not on 19 February, as reported by the official authorities. Of course, this would suggest us that the government was already aware of the presence of the virus but he had preferred to say nothing to avoid creating alarmism and discouraging people from voting.

Despite the efforts undertaken, dissatisfaction and disillusion with the Iranian political elite because of the economic downturn; social discontent (that had one of its dramatic moments with the riots of November) and increasing distrust (especially after the Ukraine International airlines flight shot down), are all factors that explain us why this turnout has been the lowest one in the whole history of the Islamic Republic<sup>vi</sup>. However, we cannot understand Teheran's decision to not postpone the election's date, without considering the political importance of the first round of these legislative elections, as the first electoral appointment after the US withdrawal from JCPOA.

As a result of an election campaign highly uncompetitive where 7,000 candidates, mainly reformists and many of them already sitting MPs, have been disqualified by the Guardian Council of the Constitution (an appointed and constitutional mandated 12member council *de facto* subordinated to Ayatollah Khamenei), the Principlists (traditionally against an accommodating attitude to the West) gained the majority of the seats at the Majles<sup>vii</sup> (Iranian parliament).

It has been pointed out that religion too played a relevant role in preventing the government to immediately adopt a serious and strict policy against the pandemic. According to the German Institute for International and Security Affairs<sup>viii</sup>, Covid-19 has put the Islamic Republic in an uncomfortable position: for a state that has based its political identity on religion, the decision to suspend ceremonies, discouraging people from practicing rituals, was not included among the measures to be taken in order to contain the spread of the coronavirus. Moreover, according to the collective belief, holy sites like the shrine of the eight Imam Reza (in the city of Mashhad), and that of his sister Fatimah (in the city of Qom), are considered by believers spiritual and physical protectors against diseases, and not places where these ones can be spread.

Indeed, when on 16 March the government ordered to close these shrines, angry demonstrations took place in front of the two sanctuaries, with believers that tried to enter in. This last example shows us how the absence of a public awareness campaign on the dangerous extent of the virus has played a key role in Covid-19 spread. For instance, although the government had invited to avoid travelling and social interactions, almost one million Iranians decided to travel across the country to visit their loves for the festive season of Nowruz<sup>ix</sup> (the Persian New Year, celebrated this year on 20 March).

#### **SOCIOECONOMIC CONSIDERATIONS: LOOKING FOR A DIFFICULT BALANCE BETWEEN ECONOMIC INCOMES AND THE CONTAGION RISK**

The government's decision to not implement centralised and topdown measures (such as quarantine, closure of shops and business, ban on mass gatherings) since the beginning of the contagion, is strongly connected to socioeconomic considerations. Iran is in no position to put the country into a total economic lockdown because of the lack of financial means to support a mass quarantine<sup>x</sup>. What the country is facing, is a real dilemma. An economic lockdown for contrasting the pandemic spread would lead to a dramatic impact on Iran labour market, with the pauperization of a further 20% of the population<sup>xi</sup>. By contrast, giving more importance to economic considerations, the number

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of projected deaths is expected to increase dramatically. In this regard, during his speech on 20 Mars to celebrate the Nowruz day, in a message direct to US, the president Hassan Rouhani declared<sup>xii</sup>: "Today, the Iranian people are harmed by both the deadly Covid-19 and the callous US government policy of economic terrorism [..] even under the circumstances of the pandemic, the US government has failed to abandon its malicious policy of maxime pressure". A clear reference to Donald Trump's recent decision to impose new sanctions against the country.

It has to be stressed that after the US withdrawal from 2015 nuclear deal, many ordinary people have lost their jobs. Indeed, before the spread of Covid-19, the country labour market was already suffering from high unemployment rates but now the situation is bound to get worse. In fact, according to IMF projections, it will be a 6% drop in Iran's GDP due to the coronavirus pandemic.

Moreover, the Ministry of Economic Affairs forecasts that 15% of Iran's economy will be affected by the coronavirus, resulting in millions of job losses, especially among the unskilled workers employed in the informal sector<sup>xiii</sup>. Bearing these figures in mind, it easy to understand why the Islamic Republic, unable to afford a total economic lockdown, has preferred to implement several measures definitely controversial, in the hope of finding an equilibrium between economic incomes and the contagion risk.

Specifically, in the attempt to protect the most vulnerable social classes from the economic pressure caused by both the US sanctions and the coronavirus, the government had already ordered for the reopening of low-risk business (closed since mid-March, when the country, always according to official figures, arrived to 79,500 infections and 4,958 deaths) at the beginning of April<sup>xiv</sup>. On 22 April, with the reopening of the middle-risk activities, Iran has definitively entered phase two of its package of measures against the pandemic, even though 1300 new cases of infected were recorded and despite the projection made by the

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Minister of Health of a new wave of contagions in the next autumn and winter<sup>xv</sup>. By contrast, high-risk services as theatres, swimming pools, shopping centres and restaurants have still to wait.

Among the other governmental measures to be mentioned, Teheran declared the release of 70.000 prisoners, in the attempt to resolve the overcrowded prisons problem which is already cause of the transmission of diseases such as tuberculosis and hepatitis C. However, it should be pointed out that, according to the special UN Commissioner for Human Rights in Iran, no political prisoner was released<sup>xvi</sup>.

#### THE SOCIAL DIMENSION OF THE PANDEMIC CRISIS: THE CASE OF MINORITY ETHNIC COMMUNITIES AND HOMELESS CHILDREN

In addition to the economic recession, the government has also to face the social dimension of the pandemic crisis. For instance, in trying to help those households hit the hardest by the economic downturn, the government has approved 10 million rial interests-free loan for about 3 million lower-income families without permanent job<sup>xvii</sup>. Anyway, because of the high inflation and the high cost of the life, this package cannot improve the lives of these people. Covid-19 does not affect all individuals equally, and minority ethnic communities, that reside in Iran's border provinces, are one of the social categories more affected by the disease<sup>xviii</sup>.

In the East Azerbaijan, a province populated by a Azerbaijani Turk minority which represents only 4,8% of Iran's population, the death toll represents 5,8% of the total fatalities. Similarly, in the Ardabil province the number of fatalities among the Azerbaijan community reached 2,7% of the total deaths, even though this ethnic group constitutes only 1,5% of Iran's population. Socio-economic indicators explain why the death toll is so consistent in these areas: Iran's border provinces are poorer, the rate of unemployment is higher than in the central regions and, finally, there are fewer government services, included medical ones. It is important to underline that an increase of the contagion in these areas will inevitably have dramatic economic and social implications not only inside the country but also outside it, firstly for Iran's neighbours in the Caucasus and Central Asia.

Homeless children and their family (if they have one) constitute the other marginalized social category at great risk of contagion. Hussein Bahari, who represents a NGO that advocates for homeless kids, reported that nearly half a million children are looking for work in order to survive. This social category is unaware of the extent and the danger of the virus. Even if NGOs and other civil associations operate in these overcrowded disadvantaged neighbourhoods by distributing disinfectants and informing these people about the risk of Covid-19, "the number of children is so high that we have to say realistically we can't care for all of them", said Bahari<sup>xix</sup>.

### THE ROLE PLAYED BY US SANCTIONS IN THE IRANIAN HEALTHCARE SYSTEM COLLAPSE AND THE EUROPEAN RESPONSE

Iran healthcare system is not able to take care of all citizens, and is literally collapsing. The Foreign Minister Mohammad Javad Zarif, reflecting on the implications of the US sanctions upon this sector, talks in terms of "medical terrorism", stressing how "geopolitical reasons are prevailing on humanitarian exigences"<sup>xx</sup>. In Iran there are not enough kits (for example, only symptomatic patients have access to coronavirus test), ventilators, antiviral medicines, protective equipment for the medical staff and other life-saving supplies<sup>xxi</sup>. According to a report by Bourse & Bazar, since the introduction of the US sanctions, Europe's total exports of face masks, gloves and other medical supplies to Iran fell from 39 million euros to just 13 million in 2019<sup>xxii</sup>.

However, it should be noted that for the first time since its creation, the EU-Iran trading mechanism Instex, purposefully designed to allow Europeans to bypass US sanctions and continue trade with Teheran, has been activated in order to send humanitarian aids. In addition to Instex, the "Swiss Humanitarian Trade Arrangement" (SHTA), entered into force on February of this year, is another trading mechanism conceived for the sale of food, medicines and pharmaceutical products to Iran, prior authorization from the US Treasury Department<sup>xxiii</sup>.

Although medicines and humanitarian aids are not directly affected by the sanctions, it is simply impossible to ignore the central role that they are playing in the country's inability to fight this disease. Indeed, because of the economic isolation imposed by Washington after the US withdrawal from the 2015 nuclear deal, many international enterprises and foreign banks are discouraged by trading these goods and doing business with Teheran.

Iran needs access to loans, and \$50 million from the WB as well as \$1 million from the National Development Fund<sup>xxiv</sup>, are not enough to recover the country from the economic downturn and fight the disease. This is the reason why Rouhani asked IMF for a loan of \$5 billiard<sup>xxv</sup>. The Iran request has a strong symbolic dimension, being the first time that the Islamic Republic would prepare to renounce to a part of its sovereignty (an essential element of its foreign policy), accepting a foreign intervention in its domestic affairs. However US, that have quota majority inside this institution, are pressing the organization to reject Teheran's request.

It seems that Washington's strategy to continue the maxime pressure campaign against Teheran, aims to lead the country to more economic and political instability in order to reduce its influence across the region. Concerning the first of the two supposedly objectives (economic and political instability), it has to be stressed that the deterioration of the economic situation after the Covid-19 outbreak has failed to led to social unrest, at least for now. Moreover, the political debate inside the country seems to move to convergence on policies to contain the infection. It is interesting to note how this spirit of cooperation in a time of



exogenous crisis has always been part of the regime's strategic culture and an instrument for survival<sup>xxvi</sup>.

With regard to the second US political aim (the weakening of Iran's regional influence), even though economy is clearly a key factor in Iran political and military regional presence (notably in supporting Hezbollah in Lebanon and Hamas in Palestine), a good part of Teheran's aids to its allies comes from crude oil and military supplies and expertise<sup>xxvii</sup> (notably, through the IRGC presence in countries like Iraq, Syria and Lebanon).

Furthermore, economy is not the prominent factor of Iran's leadership in the Middle East: sectarian policies and ideological affinities are playing a key role too. We can see that in Iraq, after the 2003 US invasion; in Lebanon, during the civil war (1975-1990) and after the withdrawal of the Syrian forces in 2005, and in Syria, where the outbreak of the civil war has led to the spread of a sectarian narrative across all the Middle East area.

<sup>&</sup>lt;sup>i</sup>Worldometer Covid-19 Data. Last updated: May 01, 2020. Available at: <u>https://www.worldometers.info/coronavirus/country/iran/</u>

<sup>&</sup>lt;sup>ii</sup> Maysam Behravesh, "The untold story of how Iran botched the Coronavirus Pandemic", *Foreign Policy*, March 24, 2020. Available at: <u>https://foreignpolicy.com/2020/03/24/how-iran-botched-coronavirus-pandemic-response/</u>

<sup>&</sup>lt;sup>iii</sup> Shahir Shahidsaless, "Coronavirus is the ultimate test for Iran's social and political system", *Middle East Eye*, March 18, 2020. Available at: <u>https://www.middleeasteye.net/opinion/coronavirus-iran-qom-outbreak-change-social-political-landscape</u>

<sup>&</sup>lt;sup>iv</sup> Maziyar Ghiabi, "Coronavirus: how Iran could become guinea pig for herd immunity strategy", *Middle East Eye*, March 27, 2020. Available at: <u>https://www.middleeasteye.net/opinion/coronavirus-how-iran-could-become-</u> <u>guinea-pig-devastating-herd-immunity-strategy?fbclid=IwAR3AI3cnGW-</u> <u>XXhfbk0NupxOkg6jON\_W2oSDmtGW4TT\_RXO8STXSjR9kexAs</u>

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<sup>vi</sup> Arash Azizi, "Factbox: The outcome of Iran's 2020 parliamentary elections", Atlantic Council, February 26, 2020. Available at: <u>https://www.atlanticcouncil.org/blogs/iransource/factbox-the-outcome-of-irans-</u>2020-parliamentary-elections/

<sup>vii</sup> Arwa Ibrahim, "All you need to know about Iran's parliamentary election", Al Jazeera, February 20, 2020. Available at: <a href="https://www.aljazeera.com/news/2020/02/iran-parliamentary-election-200220144241061.html">https://www.aljazeera.com/news/2020/02/iran-parliamentary-election-200220144241061.html</a>

<sup>viii</sup> Kersten Knipp, "How the coronavirus has altered Iranians' view of faith", *Deutsche Welle*, April 23, 2020. Available at: <u>https://www.dw.com/en/how-the-coronavirus-has-altered-iranians-view-of-faith/a-53215872</u>

<sup>ix</sup> Patrick Wintour, "Iranians ignore requests to stay home for new year celebrations", *The Guardian*, March 20, 2020. Available at: <u>https://www.theguardian.com/world/2020/mar/20/iranian-new-year-self-isolate-covid-19</u>

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<sup>xi</sup> Amin Mohseni-Cheraghlou, "Iran and the economic fallout of Covid-19", *Middle East Institute*, April 14, 2020. Available at: <u>https://www.mei.edu/publications/iran-and-economic-fallout-covid-19</u>

<sup>xii</sup> Hassan Rouhani, March 20, 2020. Available at: <u>http://president.ir/en/114343</u>

<sup>xiii</sup> Maysam Bizaer, "Strange times': Iranians cautious as coronavirus measures eased", *Al Jazeera*, April 17, 2020. Available at: <u>https://www.aljazeera.com/ajimpact/times-</u> <u>iranians-cautious-coronavirus-measures-eased-200417182522827.html</u>

<sup>xiv</sup> Maysam Bizaer, "Strange times': Iranians cautious as coronavirus measures eased", *Al Jazeera*, April 17, 2020. Available at: <u>https://www.aljazeera.com/ajimpact/times-</u> <u>iranians-cautious-coronavirus-measures-eased-200417182522827.html</u>

<sup>xv</sup> Luciana Borsatti, "Sanzioni USA e richiesta prestito FMI", *Huffpost Italia*, April 22, 2020. Available at: <u>https://www.huffingtonpost.it/entry/sanzioni-usa-e-richiesta-prestito-fmi-rohani-coinvolge-anche-conte it 5e9ff282c5b69150246abd2c</u>

<sup>xvi</sup> "ONU all'Iran: libera i detenuti politici per limitare la diffusione del Coronavirus", *Nena News*, March 11, 2020. Available at: <u>https://nena-news.it/onu-alliran-libera-i-</u> <u>detenuti-politici-per-limitare-diffusione-del-coronavirus/</u>



<sup>xvii</sup> Davide Barbuscia, Parisa Hafezi, "Iran has limited scope for coronavirus economic stimulus", *Reuters*, March 25, 2020. Available at: <u>https://www.reuters.com/article/us-health-coronavirus-iran-economy-analy/iran-has-limited-scope-for-coronavirus-economic-stimulus-idUSKBN21C2L7</u>

<sup>xviii</sup> Ramin Jabbarli, "Covid-19: Hitting Iran's minorities harder", *Middle East Institute*, April 17, 2020. Available at: <u>https://www.mei.edu/publications/covid-19-hitting-irans-minorities-harder</u>

<sup>xix</sup> Shabnam von Hein, "Homeless children at risk in coronavirus outbreak in Iran", *Deutsche Welle*, March 11, 2020. Available at: <u>https://www.dw.com/en/homeless-children-at-risk-in-coronavirus-outbreak-in-iran/a-52723746</u>

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<sup>xxiv</sup> "Iran to receive Corona Fund from World Bank", *Financial Tribune*, April 19, 2020. Available at: <u>https://financialtribune.com/articles/business-and-markets/102930/iran-to-receive-corona-fund-from-world-bank</u>

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