



Center for Iranian Studies in Ankara

ECONOMIC AND SOCIOECONOMIC CONSEQUENCES OF US SANCTIONS ON IRAN

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Editor : Jennifer Enzo

Graphic Design : Hüseyin Kurt

ISBN :978-605-7559-54-8

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Economic and Socioeconomic Consequences of US Sanctions on Iran

ABD'nin İran'a Yönelik Yaptırımlarının Ekonomik ve Sosyoekonomik Sonuçları

پیامدهای اقتصادی و اجتماعی تحریم های آمریکا علیه ایران

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ABBREVIATIONS

CPI	Consumer Price Index
GDP	Gross Domestic Product
FX	Foreign Exchange
JCPOA	Joint Comprehensive Plan of Action
NIMA	Iran's Forex Management Integrated System
OFAC	Office of Foreign Asset Control
SDN	Specially Designated Nationals

SUMMARY

- US sanctions affect economic, social, cultural, and political domains.
- The sanctions have devastating effects on macroeconomic variables, including GDP, inflation, unemployment, industrial production, and investment.
- The adverse impacts of the sanctions that were observed can be divided into a chronological sequence of three periods: transition, oil waiver, and maximum pressure.
- During the transition period (May 2018-November 2018), the negative sentiments about sanctions started to shake financial markets, exchange markets, and Iran's oil exports.
- Under the maximum pressure campaign, the US extended sanctions by including some non-oil sectors, such as iron, steel, aluminum, and cooper.
- The sanctions not only exacerbated economic problems (inflation, unemployment) but also socioeconomic problems (poverty, immigration).

Keywords: US Sanctions, Iran Economy, Inflation, Unemployment, Socioeconomic Problems.

ÖZET

- ABD'nin yaptırımları; ekonomik, sosyal, kültürel ve politik alanları etkilemiştir.
- Yaptırımlar; GSYİH, enflasyon, işsizlik, sanayi üretimi ve yatırım dâhil olmak üzere makroekonomik değişkenler üzerinde yıkıcı etkiler oluşturmuştur.
- Yaptırımların olumsuz etkilerinin gözlemlendiği periyot üç döneme ayrılabilir: Geçiş Dönemi, Petrol Muafiyetleri ve Maksimum Baskı.
- Mayıs 2018 ve Kasım 2018 arasındaki geçiş döneminde yaptırımların getirdiği olumsuz hassasiyet; finansal pazarları, döviz piyasasını ve İran'ın petrol ihracatını etkilemeye başladı.
- İran'a Maksimum Baskı sürecinde ABD, yaptırımların kapsamını; demir, çelik, alüminyum ve bakır gibi petrol dışı sektörlerle genişletti.
- Yaptırımlar, enflasyon ve işsizlik gibi ekonomik sorunları şiddetlendirmekle kalmamış, yoksulluk ve göç gibi sosyoekonomik sorunları da beraberinde getirmiştir.

Anahtar Kelimeler: ABD Yaptırımları, İran Ekonomisi, Enflasyon, İşsizlik, Sosyoekonomik Sorunlar.

چکیده

- تحریم های آمریکا بر حوزه های مختلف اقتصادی، اجتماعی، فرهنگی و سیاسی در ایران اثرگذار بوده است.
 - این تحریم ها اثرات مخربی بر متغیرهای کلان اقتصادی از جمله تولید ناخالص داخلی، تورم، بیکاری، تولیدات صنعتی و سرمایه گذاری گذاشته است.
 - براساس زمانبندی، اثرات تحریم ها در سه مرحله انتقالی (گذار)، معافیت خرید نفت و فشار حداکثری قابل مشاهده بوده است.
 - در دوره انتقالی (مه ۸۱۰۲ - نوامبر ۸۱۰۲)، گرایش های منفی تحریم ها باعث متزلزل شدن بازارهای مالی، بازار ارز و صادرات نفت ایران شد.
 - در دوره فشار حداکثری، ایالات متحده آمریکا با تحریم برخی کالای غیر نفتی از قبیل آهن، فولاد، آلومینیوم و مس دامنه تحریم ها را بیشتر گسترش داد.
 - این تحریم ها نه تنها باعث تشدید مشکلات اقتصادی (تورم، بیکاری) شده، بلکه افزایش مشکلات اجتماعی و اقتصادی (فقر، مهاجرت) نیز در پی داشته است.
- کلید واژه ها:** تحریم های ایالات متحده، اقتصاد ایران، تورم، بیکاری، مشکلات اجتماعی و اقتصادی



1. Introduction

The US sanctions on Iran, which comprise the prohibition of economic and financial transactions and target certain people and entities, have caused devastating problems. Although the sanctions were put into full effect only 15 months ago, they have engendered severe impacts on Iran, ranging from soaring inflation to rising unemployment and from a shortage in some commodities to expanding poverty. Due to the experiences from the previous nuclear sanctions, Iranian society has been in an acute psychological mood since May 2018.

Trump Administration decided to reimpose sanctions on Iran for the hope that Iran would be made a range of broad concessions, including cessation of nuclear and ballistic missile activities and support for proxies and allies in the region. How far the sanctions have been able to alter Iran's nuclear activities and aggressive foreign policies? The other important question is related to domestic impacts. That is how much damage is done to the consequences of sanctions on state-society relations. The US administration has emphasized the objective is to stop the malign activities of the Iranian regime and therefore the sanctions are not targeting Iranian people, but the sanctions so far have had a significant impact on average Iranians.

On May 8, 2019- the first anniversary of the US withdrawal from the Joint Comprehensive Plan of Action (JCPOA)- Brain Hook, a special envoy to Iran said: "We have imposed the toughest sanctions ever on this Iranian regime" and added "We have designated nearly 1,000 individuals and entities since the beginning of the administration. We have taken Iran's oil exports

to historic lows". Experts and policy-makers in Iran believe that the real objective of the US sanctions is "*regime change*". For example, on a speech at the end of 2019, Iranian President Hassan Rouhani said that "*successive rounds of the US sanctions on Iran cost to the Islamic Republic 100 billion US dollar in oil revenue and another 100 billion US dollar of investment*" (Piven, 2020). The economic security literature has conceptualized these developments. Comprehensive security approaches acknowledge that security threats are more likely to emanate from domestic sources, principally the result of ethnic/religious differences, intra-state regional disparities, poverty, and inequality, rather than from external military threats (Nesadurai, 2004). Though the US administration frequently denies the accusation about regime change, nonetheless, Iranian elites have taken this threat seriously.

After President Trump's announcement regarding the US withdrawal from the nuclear deal, the chronically impecunious and vulnerable households have fallen into extreme poverty because of the sanctions' first and secondary effects. Furthermore, the paucity of wellbeing and subsequently, hopelessness among these households and the unemployed youth, could provoke social unrest and popular protests against the state. There are numerous examples in history demonstrating the importance of economic factors in determining the survival of the system. For instance, the growing disenchantment of the Soviet elite and the general public with a centralized Soviet economy that was unable to meet the material needs of society weakened domestic political support for Cold War institutions in the Soviet Union, including a bloat-



ed military establishment and the costly Soviet external empire, both increasingly viewed as barriers to economic growth and development (Valkenier, 1986). Therefore, to reduce the resistance capacity of Iran, the US administration seems to endorse psychological warfare along with other measures. Moreover, both the US government and Tehran appear to utilize propaganda, regarded as a useful tool, in pursuing their objective(s), albeit in divergent directions.

The sanctions have been felt differently among various sectors and layers of society. The arduous task of cost or damage assessment related to the sanctions involves analyzing several interconnected and multidimensional issues. Therefore, a comprehensive assessment should incorporate economic, political, social, and cultural issues and address the channels that each element influences.

Prior to the onset of the sanctions, upheaval in the exchange market was observed, particularly after the beginning of 2018. However, the sanctions on financial transfers have deepened the adverse effects felt by entrepreneurs, workers, households, and the government. The turbulences in the exchange market impacted domestic prices. Moreover, due to difficulty in importing intermediate and capital goods, and significant depreciation of the domestic currency against other currencies, the production capacity of many Iranian companies (including private, public, and semipublic companies) was significantly curtailed. These hurdles have resulted in weakening the cost structure of many firms. As the production woes intensify, companies in many sectors have implemented severe measures, including reducing production, lay-

ing off employees, not paying workers' wages or cutting the wages, postponing investment projects, and so on.

On the demand or expenditure side of the economy, there have also been several predicaments. After considerable deterioration in the risk perception of households, they started to forgo some expenses. In other words, as economics sanctions intensified, consumers (households), as well as firms, anticipated an increase in future uncertainties and hazards and, therefore, postponed big item purchases including houses, automobiles, and other durable commodities. Although spending on necessities remained stable, the demand for other types of commodities diminished. As economics theory put forward, the multiplier effects are in operation. That is, the multiplier effect stemming from the negative sentiments triggered by the sanctions has aggravated the economic contraction.

The disadvantageous developments in production and expenditure sides put heavy strains on macroeconomic variables. Economic problems, particularly complications in the labor market (i.e., unemployment) are at the forefront. As observed elsewhere, economic contraction originating from blows, such as sanctions and financial crisis, creates a sharp and sudden rise in unemployment, which inflames economic disparities within society, widens poverty and deepens social inequality (Lee, 2000). Unemployment also causes or deepens other undesirable social and political problems.

In addition to intensifying pressure on several social strata in the country, recent sanctions have also unfavorable effects on daily lives of



people. For example, the pernicious impact on books and newspaper sales, the number of festivals, and the procurement of critical drugs and medical equipment. Finally, the recent escalation of tension between the US and Iran seems to have strengthened the security (ideology) oriented side (or hardliners) while curbing the relative power of reformists in the Iranian political system.

This study will review the deleterious effects of the sanctions on the Iranian economy. Despite the sanctions' negative impact on almost all spheres, the study mainly focuses on economic and social issues. To fulfill this objective, the study briefly reviews: (i) the timetable of the implementation of the sanctions, (ii) the adverse effects of these sanctions on macroeconomic variables, including exchange rate, GDP, and inflation, and (iii) the impacts of sanctions on social issues.

2. The Economic Impacts of Sanctions

After the US withdrawal from the JCPOA in May 2018, macroeconomic indicators started to deteriorate. With respect to the implementation of the sanctions and their effects on the economy and the society, three distinct periods can be discerned:

- (i) **Transition period** (from May 2018 to November 2018);
- (ii) **Oil waiver period** (from November 2018 to May 2019);
- (iii) **Maximum pressure period** (after May 2019).

In terms of the reimplementing of the nuclear sanctions, the US administration set a two-phase timetable, 90 days and 180 days. Depend-

ing on the characteristics of economic activity, some sanctions commenced in early August and the remaining sanctions in early November 2018. Furthermore, although the sanctions on oil sales began in November 2018, many countries terminated or cut down on their oil purchase from Iran as early as June 2018. The **transition period** covers before sanctions were fully implemented. The US administration gave a temporary waiver (180 days) for 8 countries on their oil imports from Iran, however, the administration did not issue an extension. Therefore, the **oil waiver period** covers 6 months, from November 2018 to May 2019. The **maximum pressure period** covers the period after May 2019.

Although the first set of sanctions was implemented in early August, psychological factors were already observed. Therefore, even during the transition period, the negative sentiments surrounding the sanctions started to shake financial markets, exchange markets, and Iran's oil exports. Moreover, since July 2018, Iran's oil export revenue sunk; the situation regressed around the beginning of 2019.

The inimical corollaries of these sanctions on macroeconomic variables include GDP, inflation, unemployment, industrial production, and investment. Furthermore, the unfavorable economic developments have also had serious impacts on ordinary Iranian people in their daily lives.

2.1. Sanctions on Trade: Oil Export

After the implementation of the JCPOA in January 2016, Iran's trade volume, in almost all items, remarkably expanded. Entrepreneurs from all over the world visited Tehran to exploit



Table 1: Comparative Trade Data for Iran: 2018-2019

Countries	2018 Million US\$	2019(*) Million US\$	2019 (**) Million US\$	Change (%)
EU 28 (***)	21,470	4,280	4,602	-80
China	35,100	23,200	23,202	-34
India	17,570	7,300	7,308	-58
Iraq	9,550	12,000	12,000	26
Turkey	9,320	5,590	5,590	-40
S. Korea	6,4	2,60	2,60	-60
Japan	4,140	1,180	1,180	-72
Afghanistan (****)	2,530	1,950	2,330	-23
Others	31,720	14,020	27,720	-56
Total	137,800	72,100	86,530	-48

Notes:

* Data of some of the countries comprise only 10 or 11 months.

** For countries where full 12 months data are not available, we use monthly averages and assume that the data for the remaining months will be in line with the averages.

*** Data cover 11 months.

**** Data cover 10 months.

Sources: <https://bit.ly/2vmT7Cs>, <https://bit.ly/38fiZP4>, <https://bit.ly/2UFMAgw>, <https://bit.ly/31FGhuZ>

profit opportunities. Foreigners in all sectors, particularly oil, investigated possible areas for physical investment. However, following the US withdrawal, the positive sentiments quickly vanished.

The US sanction system consists of three mechanisms (OSF):

- (i) **Objects:** the sanctions target trade of certain commodities and services;
- (ii) **Subjects:** the sanctions involve targeting certain individuals and entities;
- (iii) **Finance (Prohibition of Financial Transfer):** the sanctions target financial transactions -international financial transfers.

These mechanisms are abbreviated and labeled as OSF. OSF mechanisms work together and, so far, it has been observed that each mechanism significantly strengthens the efficiency of others, particularly the financial channel.

In November 2018, the sanctions were fully implemented. However, the US provided spe-

cial temporary waivers (180 days) for 8 countries on their crude oil imports from Iran, but the waivers were not extended.¹

On May 8, 2019 –the first anniversary of the US withdrawal from the JCPOA– President Trump signed an executive order (EO 13871) which expanded the coverage of the US sanctions on Iran. The new sanctions formulated by EO 13871 target the iron, steel, aluminum, and copper sectors, which are Iran's largest non-petroleum-related sources of export revenue. In addition to these developments, the Office of Foreign Asset Control (OFAC), which orchestrates US sanction mechanisms, frequently updated the Specially Designated Nationals (SDN) list. OFAC has sanctioned around 2,000 individuals, entities, aircraft, and vessels related to Iran.

Although the negative sentiments were already started in 2018, in 2019, trade volume dropped by around 48 percent (See Table 1).

¹ These countries are: China, India, Japan, S. Korea, Taiwan, Turkey, Greece, and Italy.



Note that in 2019, with EO 13871, in addition to sanctions on crude oil trade, the US expanded the coverage of sanctions to include trade on metals (i.e., iron, steel, aluminum, and copper) and also expanded the SDN list. Moreover, the volume of trade from 2018 to 2019 between the EU and Iran fell about 80 percent –the largest percentage of decline among Iran’s crucial trade partners. On the other hand, trade with Iraq displayed a 26 percent climb, however, this is insufficient to cover the losses from other countries.

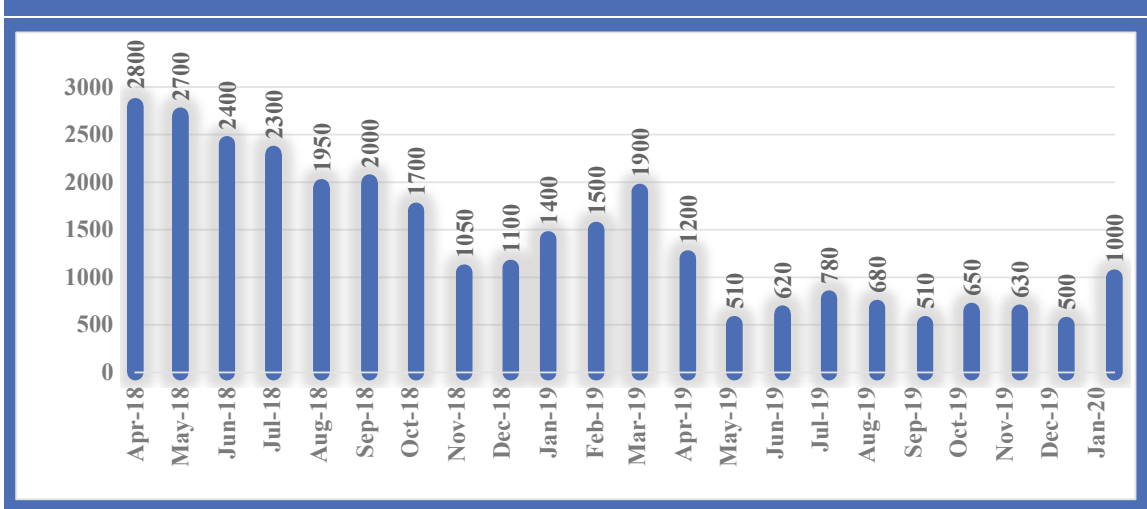
Iranian crude oil exports expeditiously picked up and reached around 2.5 million barrels at the beginning of 2017. However, the implementation of sanctions caused a striking reduction during the summer of 2018. While just before the withdrawal, the crude oil export in April 2018 was around 2.8 million barrels, at the end of the transition period (November 2018), the export declined to almost 1 million barrels. After the expiration of the waivers (May 2019), crude oil export plunged to around 500 thousand. After May 2019, the crude oil export was estimated to fluctuate around the range of 500-650 thousand barrels a day. In the

first month of 2020, crude oil export modestly recovered and reached 1 million barrels. This is a critical level for the Rouhani government, Rouhani submitted a Draft Budget Bill for the Iranian Fiscal Year of 1399 and according to the bill, the average volume of crude oil export is estimated at around 1 million barrels per day. Since it is anticipated that US pressure on Iran will remain relentless, Iranian trade may remain at this low level in 2020.

The Iranian economy’s dependence on foreign exchange earnings from oil and gas exports caused oil revenue fluctuations to play a decisive role in the performance of the Iranian economy (Nademi & Kalmerzi, 1397). In addition to the relationship between crude oil revenue and economic output, unemployment rates in Iran have also been closely related to oil income. Empirical studies reveal that with a rise in oil revenue, the unemployment rate tends to decrease (see, for example, Nademi, Kalmerzi, 1397).

Moreover, oil revenue influences national income growth and other variables via the investment channel. A large swing in oil revenue can dramatically affect the profitability of several

Figure 1: Crude Oil Export [Thousands Barrel Per Day]



Source: TankerTracker.com



sectors, particularly labor-intensive sectors. According to the literature, the precariousness in oil revenue has decreased the demand for labor in several sectors, which, in turn, worsens the unemployment problem in the country (see, for example, Karimi, 1394 and Samadi et al. 1392).

2.2. Foreign Exchange (FX) Market and Gold Prices

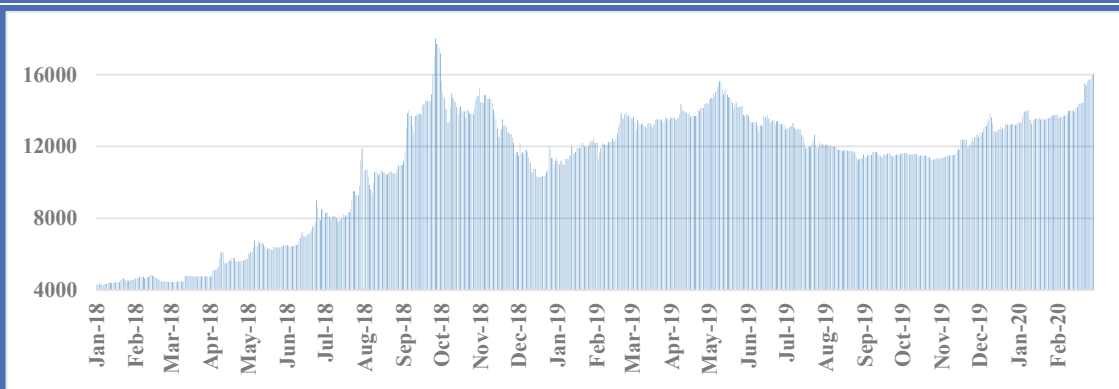
The first ostensible disturbance resulting from the US sanctions was noticed in the foreign exchange (FX) market. The actors in the FX market drastically shifted their risk perception as early as mid-March 2018. The disenchanted atmosphere caused investors, firms, and households to switch from domestic currency to foreign currency, which caused the value of the domestic currency (toman) to plummet (see Figure 2). While Iranian Central Bank officials have managed to stabilize the exchange rate, it came at the cost of draining foreign reserves (Johnson, 2019).

In Iran, these political risks (about the US withdrawal from JCPOA) were already priced in even before President Trump's announcement. Between January 2018 to February 2020,

the value of the toman depreciated more than 250% against the US dollar. In early January 2018, 1 US\$ was equal to around 4,250 toman. On the day of the announcement, May 8, 2018, the exchange rate in the free market was trading at about 1 US\$ = 6,450 toman, while in October 2018, the exchange rate reached a record level and rose to 1US\$ = 18,800 toman. As of the end of February 2020, the free market rate is around 1US\$ = 16,000 toman.

The second important observation about the FX market is excessive volatility. Due to disproportionate risk assessment, not only had the domestic currency swiftly lost value against other currencies but also the exchange rate displayed substantial volatility. In Figure-3, daily volatility in the US\$ exchange rate is shown. Up to the end of 2018, the volatility in the exchange rate was conspicuous and volatility has remained relatively calm since the beginning of 2019. During 2018, there were 17 instances where the domestic currency lost more than 5% of its value in a single day and 9 instances where the domestic currency gained more than 5% in a single day. In addition to these developments in the FX market, the price of gold in the spot market has displayed marked fluctuation.

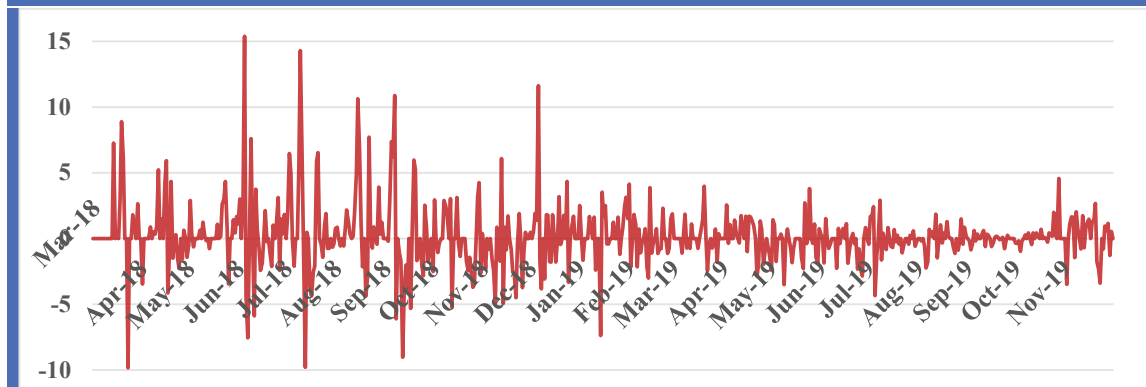
Figure 2: Exchange Rate on Spot Market: Jan 2018-Jan 2020 [1US\$=toman]



Source: <https://www.bonbast.com/historical/usd>

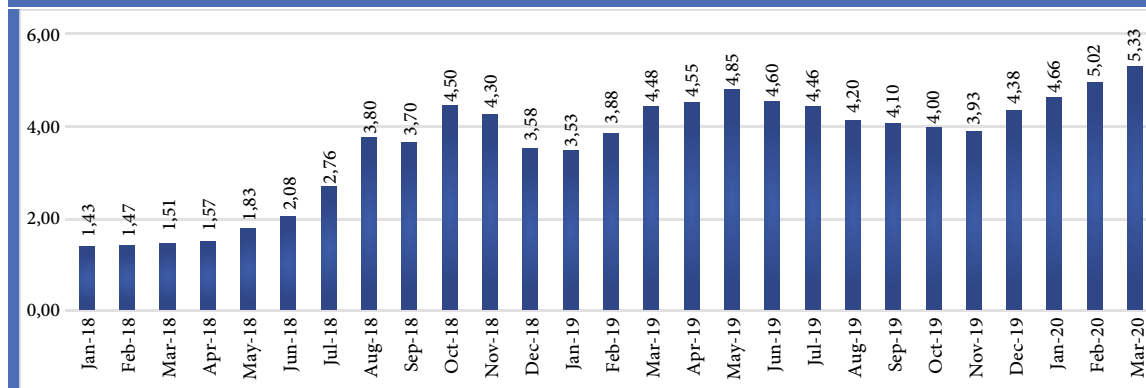


Figure 3: Volatility in FX Rate (Daily Spot Rate Change %)



Source: Own calculation

Figure 4: Gold Price (Azadi 1gm in millions toman)



Source: <https://www.bonbast.com/historical/usd>

The price of 1 gram of Old Azadi was around 1.43 million toman in early January 2018 (See Figure 4) but after the announcement, in October 2018, the price was hovering around 4.50 million toman. Since October 2018, the price of gold fluctuated and due to the recent escalation in January 2020, between the US and Iran, the price of gold reached a record level of 5 million toman and as of the end of February 2020, the price of gold extended to 5.3 million toman.

2.3. Inflation

The unfavorable developments in the FX market caused sizeable second-round effects on

other variables, particularly inflation. To a large extent, the rapid depreciation of the Iranian currency passes through to domestic prices, and, therefore, inflation started to pick up around the summer of 2018. During 2016, inflation dropped below 10%, but it reached two-digit figures around the end of 2018. In the last part of the third quarter of 2019, consumer inflation peaked at 50%, it slightly loosened after November 2019 and declined to around 40%.

The most recent data showed that consumer price inflation was around 39% in “Dey” 1398 (January 2020). Although the general consumer basket displayed an approximate 40% growth,



the upturn among different groups of commodities exhibited heterogeneity. As shown in Table 2, the price of meat (red and white) and vegetables increased around 65-70%.

An article by Katrina Manson (2018) on Financial Times demonstrates the pressure that the Rouhani government has to deal with. “People are suffering and they’re struggling to make ends meet,” Hassan Rouhani — Iran’s president who is under huge pressure to limit the effects of the sanctions on ordinary Iranians — admitted in parliament recently, saying he himself monitored the prices of goods on a daily basis. The Rouhani administration has tried to offset the ravages of sanctions by developing internal markets, cultivating new revenue streams and cutting subsidies — without fomenting a backlash from cash-strapped low — and middle-income people (Piven, 2020). For example, his government has launched a scheme to distribute food baskets to millions of low-income families. About half of Iran’s population of 80m will

soon be eligible to receive parcels containing items such as rice, chicken and dairy products, which could be worth up to 6m rials (\$143) depending on the size of a family (Manson, 2018).

Another imperative inference derived from Table 2 is about explicit government involvement in some commodities. To keep the inflation rate within a reasonable range, the state took some measures. As shown in Table 2, the inflation rate on utilities, communication, and healthcare was significantly lower than the average. The share of utilities, in the consumer basket, is large, constituting around 35% of total expenditures. The production or distribution of these goods or services is either carried out mainly by state-run companies or the state has significant power on pricing decisions over these companies. Since these items constitute an impressive share in indigent household consumption baskets, the price control policy over these sets of goods and services is also in support of the country’s social and political stabil-

Table 2: Consumer Price Index and Inflation

Description	Share in Household Budget	Inflation Rate for the Past 12 Months
1. Food and Beverage	26.46	52.4
1a. Food		52,0
1b. Meat (White and Red)		70,0
1c. Vegetables and Non-alcoholic Beverages		65,0
2. Tobacco Products	0.59	44.6
3. Clothing and Footwear	4.78	48.0
4. Utilities (Water, Electricity, Gas, and others)	35.50	24.0
5. Furniture and Home Appliances	3.93	58.0
6. Healthcare	7.14	26.4
7. Transportation	9.41	46.6
8. Communications	2.87	20.9
9. Recreation and Culture	1.68	52.7
10. Education	1.86	22.0
11. Hotel and Restaurant	1.44	42.5
12. Other Miscellaneous	4.18	42.5
Overall Index	100.00	38.6

Source: Egtesad Online <https://www.eghtesadonline.com/n/26PM>



ity. However, economic history suggests that state-owned companies or semipublic companies in other countries that follow this kind of pricing policy have duty losses financed from the government budget and generally this kind of policy is not sustainable. Last year's budget deficit, for example, turned out to be twice as big as the government forecast- and that was with higher than expected revenues from oil exports (Johnson, 2019).

Finally, the price of gasoline was raised about 200% in November 2019, and this development is expected to cause further deterioration in inflation in the upcoming months.

2.4. National Income

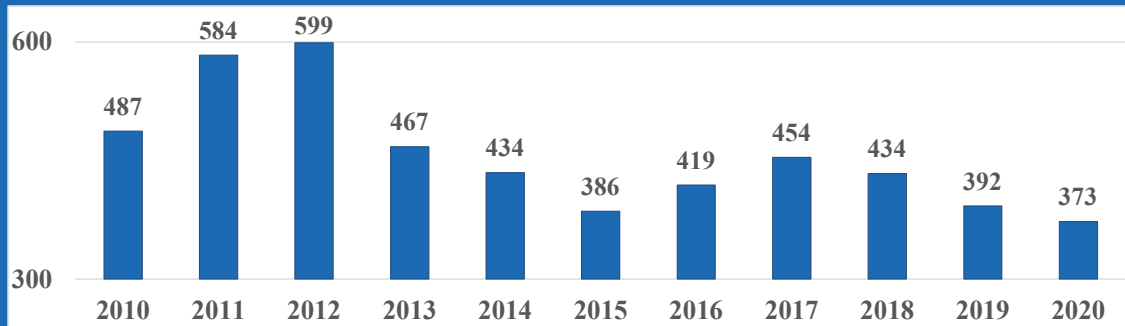
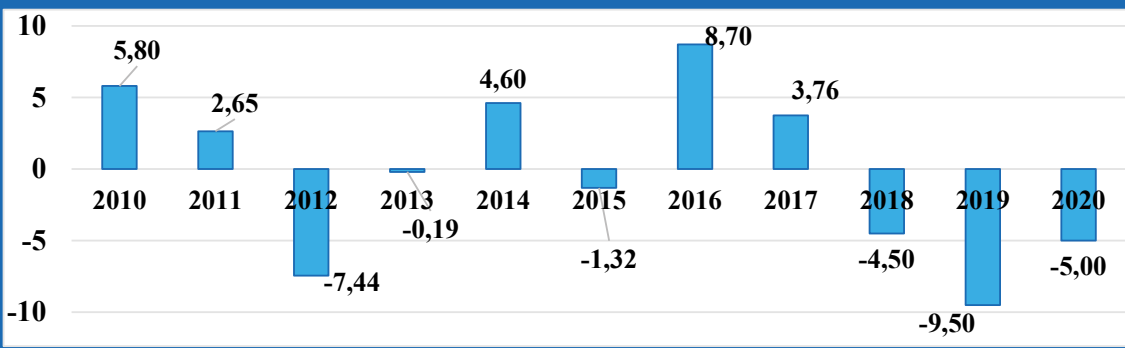
One of the most important indicators used in economic analysis in assessing the impact of any shock is national income or formally gross domestic product (GDP). As shown in Figure 4, GDP tumbled about 4.5 percent in 2018 from the previous year and was registered around 434 billion US\$. According to a report by the IMF, Iran's GDP was expected to fall off an additional 9% in 2019. However, according to the Statistical Center of Iran, for the period March 2019 to December 2019, Iranian GDP growth including the oil sector was about -7.6% and Iranian GDP growth omitting the oil sector was about -0.1% (BBC, 2020). Moreover, the nonoil sectors have also been adversely affected from the sanctions. Due to severe difficulty in importing intermediate input as well as due to difficulty in international financial transactions, Iran's once proud auto industry is on the verge of collapse (Johnson, 2019). Given the IMF's growth expectation, the GDP in 2019 was projected to decline from 434 billion US\$ in 2018 to 390 billion US\$ in 2019. Since the US maximum pres-

sure campaign seems likely to continue in the following years, economic growth may shrink another 5% in 2020.

2.5. Unemployment

Rezi Haj Aghamiri, Iranian Chamber of Commerce member, points to the following: *"Certainly, US sanctions and their policies on banks systems affect oil and non-oil exports. The decline in the volume of exports and imports means an increase in the unemployment rate"* (Ilina News, May 2019). Concerning the human impacts of US sanctions, Fayyad Mashed, a university professor and economic expert, sees the jump in unemployment and job loss as an obvious effect of the sanctions. He persists that *"now, after the demise of the JCPOA, Iran's economy is basically back to what it was before the agreement. When you look at the same source and its data, you see no other oil-producing country in the region that faces such a dreadful situation"*. (Fayazmanesh, Ziabari, August 2019).

There are several factors such as high population growth, low economic growth, poor system performance, market structural weakness, and economic shocks that contribute to the ongoing unemployment problem in Iran (Nademi & Kalmerzi, 1397, 132). A report by the Iranian Parliament Research Center titling "Factors of Unemployment in Iran" distinguishes that macroeconomic instability, economic sanctions, governmental budget problems and lack of funds, noncompliance of banks and financial institutions towards the decisions and regulations made by the Council of Fiscal and Credit regarding maximum interest rates, dislocation of sources and dearth of monitoring systems, and delays in enacting government decisions are the

**Figure 5: The National Income for 2010-2020****A: GDP (in Billion US\$)****B: GDP Growth Rate (%)**

Source: Data for 2010-2018 are based on World Banks and data for 2019-2020 are based on the IMF and the Statistical Center of Iran.

factors adding to the unemployment rate in Iran (Tasnim News, July 2019)².

According to the study of Nademi et al. (1397³), sanctions affect macroeconomic variables, including unemployment, through several direct and indirect channels. The first impact can be categorized within “direct effects”. Sanctions caused many firms to experience a significant reduction in their sales volume, consequently, squeezing their capacity utilization.

The indirect channels tend to operate via shocks in other variables. The devaluation of domestic currency is one of the most vital in-

direct channels. Due to the devaluation of domestic currency (explained in the previous section), the cost of imported products -particularly imported intermediate inputs and imported machines and equipment- dramatically increases. As a result, several sectors sustained proliferated production costs. Although the NIMA system was utilized to ease the detrimental effects of this indirect channel, the amount of foreign currency reserves that the Iranian government owns is insufficient to fully reverse this unfavorable development.

When economic and political risks escalate, some investors may choose to avoid undertaking investment projects and, therefore, risks and investment spending moves in the opposite

² Majlis Research Center: The unemployment rate has not declined; the active population has fallen. Tasnim News. 24 July 2019. Retrieved from: <https://tn.ai/2061231>

³ 2018



direction. As discussed in the previous section, after the announcement about the withdrawal, high volatility ensued in the FX and financial markets; subsequently, investment spending plummeted. On the other side, Iran's demographic characteristics indicate that around 500-600 thousand young people enter the labor market annually. To absorb these newcomers, a high volume of investment is the only sustainable solution. Therefore, sanctions increase the risk perception, thereby deteriorating investment spending and negatively affecting the job creation capacity of the Iranian economy.

Moreover, sanctions can operate through the government spending channel. During the sanctions, oil revenue decreased markedly ensuing deterioration in the government budget. A lack of government funds may reduce all types of government spending, particularly government investment spending.⁴ Government investment spending, specifically on infrastructure, is generally labor-intensive and, therefore, has a sizable capacity to create jobs. However, due to the reduction in the government's oil revenue, it must adhere to austerity measures; so, the lack of funds has unfavorably affected employment capacity.

Technology is another channel. Sanctions by banning technology transfer to Iran undermine the competitive power of domestic producers compared to foreign competitors. Banking and insurance sanctions also negatively impact the export sector through trade disruptions.

Many firms facing major financial strains had to undertake undesirable measures. Some reduced their production capacity (by firing workers) and others went bankrupt or completely shut down their business. Ultimately, these

actions lead to a reduction in employment. Although the oil sector is capital intensive and the sanctions on the oil sector are expected to have relatively modest effects on unemployment, sanctions on other sectors have serious consequences. The new set of sanctions implemented on May 8, 2019, against Iran's metal sector has had devastating effects on the labor market. Metal-related industries employ about 10 percent of the country's 24 million workers (Karimi and Fattahi, 2019).

The direct and indirect implications of sanctions have aggravated Iranian unemployment. Increasing unemployment in a firm or an industry equates to subsequent rising job loss for other firms and industries that are mutually trading. With the spread of unemployment and an increase in average purchasing power paired with reduced demand, unemployment is spreading to the whole community. Unemployment is a disease that has serious repercussions, such as youth drug addiction and increased crime in society.

However, other factors also contribute to the unemployment crisis in Iran. These factors include lack of tax transparency, complexity of business procedures and processes, rising financial and administrative corruption, extensive money laundering, and the absence of clear transparent rules for foreign investment.

The recent unemployment figures in Iran are shown in Table 3. Table 3 is based on the data released by the Statistical Center of Iran. Remarkably, the overall performance of the labor market in 1398 is better than in 1397. In other words, the majority of indicators in the labor market display moderate improvement in 1398. Relative to 1397, the unemployment rate in 1398 declined by about 1.7%. In 1398, the

⁴ Government spending can be classified in three major parts: current expenditures, investment expenditures, and transfer expenditures.

**Table 3: Developments in Unemployment after the US Sanctions**

	Summer 1398			Summer 1397			Change		
	Females	Males	Total	Females	Males	Total	Females	Males	Total
Population aged 15 and over ⁽¹⁾	30,779	30,802	61,582	30,43	30,489	60,919	349	31	662
Economic Participation ^{(3) (1)}	5,406	22,239	27,645	5,404	21,852	27,256	2	3	388
Employment ^{(3) (1)}	4,419	20,332	24,751	4,326	1,9581	23,907	93	38	844
Unemployed Population ⁽¹⁾	986	1,908	2,894	1,077	2,271	3,349	-92	6	-455
Unemployment Rate ⁽²⁾	18,2	8,5	10,5	19,9	10,3	12,2	-1,7	75	-1,7
Unemployment Rate of Youth ⁽²⁾⁽⁴⁾	42,9	21,8	26,1	40,4	23,6	27,2	2,5	1	-1,1
Share of university graduates out of total unemployed ⁽²⁾	67,6	31,5	43,8	64,2	27,8	39,5	3,7	-3	4,3

Source : Statistical Center of Iran (October 2019).

Notes : (1) in thousands

(2) %

(3) Covers population aged 15 and over

(4) Covers age of 15-24

unemployment rate was 10.8% while the rate was about 12.2% in 1397. This is unexpected because according to the April 2019 International Monetary Fund's "World Economic Outlook Report", the unemployment rate in Iran for 2018 was 13.9% and was forecasted to be 15.4% in 2019. Surveys by the Statistical Center of Iran are surprising because both the IMF and the World Bank had predicted that 2019 would be one of the "worst years" for Iran in terms of economic performance. Therefore, the data by the Statistical Center of Iran should be viewed with caution.

According to official data, youth unemployment fell to 26.1% in 1398 from 27.2% in 1397. However, Table 2 illustrates that the share of unemployed university graduates from the total unemployed population increased from 39.5% in 1397 to 43.8% in 1398. In other words, the composition of unemployment shifts suggests

that the unemployment problem among university graduates is becoming more grave.

3. Socioeconomic Consequences of the Sanctions

The US sanctions have led to the impoverishment of Iranian society and households. Following the 1979 Islamic Revolution, a firm social justice agenda was defined by the system and the narrative about equality is still intact (Ferzanegan and Habibpour, 2017). The constitution requires that the Iranian government direct all its resources to the following goals:

"Establishing the foundations of a correct and just economic system on the basis of Islamic criteria for creating welfare, eradicating poverty and all form of deprivation with respect to food, housing, employment, hygiene, and providing social insurance for all." Article 3 Section 12 of



*the Constitution of the Islamic Republic of Iran.*⁵

The US imposed sanctions on Iran generate more than economic strife. They affect all aspects of human life in Iran. Both Iranian officials and the international community agree that the main victim of American “maximum pressure” is the ordinary people. Iranian experts and policy-makers believe that the real objective of the maximum pressure campaign is “**re-gime change**”. Moreover, they believe that the socio-economic problems and insecurities that stem from unemployment and a range of economic inequalities and deprivation have actually been a result of the maximum pressure campaign. Iranian society is apprehensive about the growing penury, inequalities, and insecurities, as they have the potential to undermine social and political stability and the legitimacy of the Islamic Revolution.

Furthermore, a reduction in oil exports has negative implications on government revenue and, consequently, government expenditures. In particular, income transfer policies through price subsidy or cash transfer have displayed a significant correlation with oil revenue. Interestingly, the populist promises financed by oil export revenue were frequently observed throughout the previous presidential elections. During his campaign for the 2005 presidential elections, Mehdi Karroubi vowed to pay 500,000 rials (approximately 50 US dollars) monthly to every Iranian over the age of 18. Similarly, one of the promises of former Iranian President Mahmoud Ahmadinejad during his campaign from the same year was “putting the petroleum income on people’s dinner table” that

is, Iran’s oil profit should be distributed among the people (Ferzanegan and Habibpour, 2017).

Although state elites and intellectuals who hold a hardliner’s stance fail to accept the existence of the numerous socio-economic problems, Iran has had a relatively high level of inequality across regions and classes, which has been exacerbated by government policies (CSIS, 2016). Moreover, evidence indicates that when the sanctions intensify, the wellbeing of indigent and medium-income households deteriorates.

Due to unprecedented outbreak (COVID-19) in the World, Iran has been taking a massive hit, the number of cases and death toll passed 10,000 and 1,000, respectively. To deal with the pandemic, Iranian state took some measures, but so far these measures were ineffective and Iran is one of the worst countries in containing or controlling the spread. The US’s sanctions are blamed by Iranian officials for the failure. However, although sanctions may play some role, the ineptness of government’s response in dealing with the outbreak has been equally critical.

3.1. Income Inequality, Poverty and a Sense of Despair

Income inequality, poverty, and income distribution are salient issues in examining the impacts of sanctions. Although the constitution has given clear duty to the Iranian government in solving these socio-economic problems, Selahi-Isfahani (2009) emphasized that poverty and disparity remain the key issues of political debate in Iran. Unfortunately, there is a lack of official publications and academic studies on

⁵ The Constitution of the Islamic Republic of Iran: [Accessed on January 24, 2020] Retrieved from <https://en.parliran.ir/eng/en/Constitution>



these issues for Iran. Furthermore, there are several factors at play in the scholars' reluctance to undertake such researches. To put it differently, since only a limited number of scientific studies are available, our assessment on socio-economic problems is based on both academic and semi-academic studies, as well as non-academic materials.

The data provided by official sources does not indicate to what extent poverty is prevalent in Iran. Although, a recent study by Arvin Khoshnood reveals that 14 percent of the Iranian population were living below the poverty line. This is based on a statement issued by the head of the Imam Khomeini Relief Foundation. According to Khoshnood (2019), the Foundation estimated that the poverty line in Iran, for 2017, was around 8,120,000 rial per month (\$8 per person, per day) and approximately 11 million people in Iran live below the absolute poverty line.⁶ Another study conducted by the Central Bank of Iran, and summarized in Bazar News (2015), estimated that in 2015, around 16 percent of the population lived in absolute poverty. While a study by the World Bank shows that the spatially adjusted poverty rate for Iran was about 9.8 percent in 2016 (World Bank, 2018). Moreover, Parviz Fattah, head of the Khomeini Relief Committee, said in a television interview that *"There are about 10 to 12 million people who right now are living under the absolute poverty"* (IHRM, 2017).

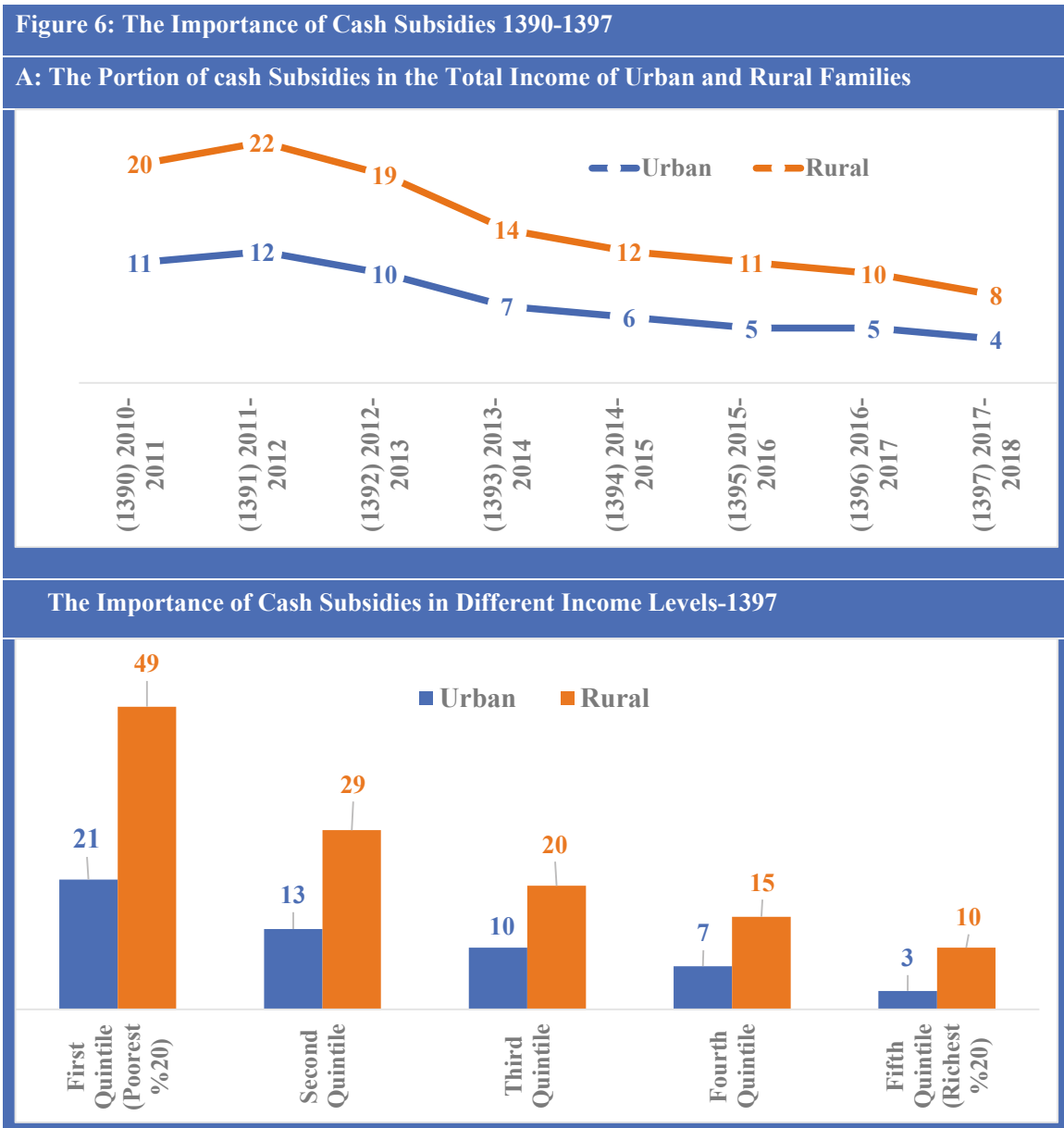
When Iran engages in trade and can export crude oil, the Islamic Republic has more funds and, therefore, the Iranian state's capacity to

pursue distributional policies is expanded. However, the sanctions diminish this potential. According to the World Bank, scarce employment opportunities in Iran inflamed the poverty crisis. Based on the World Bank's assessment, Lee (2020) states that "due to the intense sanctions on Iran after 2011-12, Iran's poverty, measured by the proportion of people whose purchasing power is below \$5.50 per day, had risen from 8.1% in 2013 to 11.6% in 2016." According to Hirsch (2018), *"Under Obama's sanctions, the percentage of Iranian families living in poverty almost doubled, millions were left without access to essential medical treatment, and child marriage – according to one measure – rose by a fifth, as struggling families pulled their girls out of school and married them off to alleviate extreme financial hardship."*

Semi-academic reports additionally conclude that the poverty problem is aggravated due to sanctions. Astaraki (2019) accentuates that in 2019, more than half a million Iranian families were forced into privation. According to the Majlis Research Center, *"the total number of families that have been forced into poverty in the country will reach 57 million by the end of the current Iranian calendar (year ending March 20, 2020)"* (Astaraki, 2019). Furthermore, the Majlis Research Center reported that **poverty in Iran has become more widespread and warned of the social risks posed by poverty** (DW, 2019).

Large-scale and primarily untargeted subsidies and transfers have been a prominent feature of Iran's post-revolutionary economy and a major reflection of the government's social justice agenda. In line with this, equal distribution of

⁶ **Absolute Poverty:** The situation of being unable or only barely able to meet the subsistence essentials of food, clothing, shelter, and basic health care.



Source: Calculated on the basis of Qhasouri (1398)

oil revenue to Iranian citizens has been a popular proposal in Iran’s political and economic discourse (Ferzanegan and Habibpour, 2017). According to a survey conducted by the Statistical Center of Iran, the number of people receiving subsidies gradually increased in the first years after the payment began at the end of 1389 (March 20, 2010-March 19, 2011). Since its onset, the share of cash subsidies for urban and rural

families was 11% and 20%, respectively, in 1390 (See Figure 6A). In the following year (1391), this contribution increased to 12% in urban areas and 22% in rural areas, while the number of applicants also tended to increase in the same period. Figure 6A shows that since 1392, the portion of cash subsidies in the total income of urban and rural families have been declining (Qhasouri, 1398). The amount of monthly income transfer per per-



son was set about 445,000 rials in 1390 and has not been adjusted for inflation. Therefore, the real value has substantially declined. To be more exact, per person income transfer in 1390 was about 45 US dollars, but today, in 1399, the transfer is worth only about 4 US dollars.

The share of family cash subsidies per quintile was calculated as compared to the total family income of the same decile in 1397 (See Figure 6B). To classify family earnings, data on total family income has been sorted from the lowest to the highest income. Then, the average family income in each quintile was calculated after being divided into five equal groups. Therefore, the share of cash subsidies in total household income was 21% in urban areas and 49% in rural areas. As this amount has been dwindling since the second quintile, eventually, in the fifth quintile, it decreased to 3% and 10% in urban and rural areas, respectively. Figure 6B shows that cash transfer is crucial for the poorest families. While the share of cash transfer in the total income of the penurious families living in rural areas is about 49 percent, the share for urban families is around 21 percent. In other words, the welfare of the destitute segment of society significantly depends on the remittances. Because the amount of cash transfer has not been adjusted, the high inflation level observed during the last 20 months is expected to compound the conditions of poor families in rural and urban areas. Further supporting evidence includes the study undertaken by Atamanov et al. (2016) related to the World Bank. According to this empirical study, during the intensification of sanctions between 2012-2014, both poverty and inequality in Iran had worsened.

The adverse effects of the sanctions have also reached the middle class. For instance, a news analysis by Thomas Erdbrink in *The New York Times* reports that “*Abbas Torkan, a former adviser to Mr. Rouhani, said recently that the middle class had shrunk by 50 percent*” (Erdbrink, 2018). In an interview, Ali Khadem, an Iranian pro-democracy and human rights activist based in Germany, said that “*...tighter US sanctions are leading to a bigger division in society and between the classes, with the people in the middle class shifting to [become] underclass*” (Piven, 2020). On the other hand, over the last two years, the number of properties Iranians purchased in Turkey has dramatically increased and the majority of these people purchasing houses and other real estates are from the middle class.

3.2. Health

After the Iran-Iraq War, an exorbitant amount of money by Tehran was invested in health and education, resulting in a relatively good human capital. According to the Human Development Index (HDI) report by the UNDP, between 1990 and 2018, Iran’s HDI value grew from 0.577 to 0.797, an increase of 38.3 percent (UNDP, 2019). However, these favorable policies pursued after the Iran-Iraq War that empowered individuals have not been coupled with the expansion of economic activities (Saat24News, 2020).

The latest Human Rights Watch Report (2019) explains that, while the US has created humanitarian trade exemptions for Iran, the broad nature of economic sanctions, particularly on the global banking system, has restricted



the right of Iranians to health by interfering with access to healthcare, education, and other human rights. The obstacles in the procurement of imported drug and medical equipment supplies precipitate a substantial price hike in the black market and lead to other corruption, especially in big cities in Iran. For example, medical equipment imports peaked in September 2018 at \$176 million. However, they fell by 60 percent to \$67 million in June 2019 (Aslan and Coşkun, 2020).

The sanctions against Iran hindered the Iranian government and its people in their procurement of drugs and medical equipment from abroad. Although the US does not directly sanction the Iranian health sector, sanctions have deterred international banks and foreign medical and drug companies from any trade with Iran. Therefore, the most problematic area lies in the obstacles surrounding financial transfers. Recently, Switzerland established a commercial channel for the delivery of medicine to Iran, sending its first trial deal on cancer treatment drugs and essential drugs for organ transplant surgery. Although the mechanism launched with Switzerland is a vital positive step, media outlets reveal that drug shortage is still an issue. In particular, recent news by the BBC indicates that the Red Crescent Society has had difficulty importing five critical medicines (BBC, 2020).

In 2018, a study that appeared in the *International Journal of Health Policy and Management* and on the National Institutes of Health's website states that "*The sanctions on Iran caused a fall of country's revenues, devaluation of the national currency, and increase of inflation and unemployment. These all resulted in deteriora-*

tion of people's overall welfare and lowering their ability to access the necessities of a standard life such as nutritious food, healthcare, and medicine. Also, the sanctions on banking, financial system and shipment led to the scarcity of quality lifesaving medicines. The impacts of sanctions were more immense on the lives of the poor, patients, women and children. Humanitarian exemptions did not protect Iranians from the adverse effects of sanctions" (Fayazmanesh, Ziabari, August 2019).

3.3. Impacts on Academics and University Graduates

Iranian education and academic spheres have felt the reverberations of the 2018 US withdrawal from the nuclear deal and the subsequent new sanctions. Moreover, the policy of US maximum pressure has affected the activities of scientists, academics, researchers, and students inside and outside of Iran. Due to the devaluation of the domestic currency, a decrease in the real income level of scholars is expected to negatively impact academic research. Impediments in importing paper and ink for publishing books and newspapers are other negative impacts of the sanctions. Moreover, the paucity of ink production and the surge in paper prices are at the center of these adverse developments. Per-unit paper price in 1396 was around 70,000 toman, in early 1397, it increased to 150,000 toman and at the end of 1397, the price stretched to 450,000 toman. As of now, the per-unit price is around 500,000 toman, implying that during the last three years the price of paper multiplied about 7 fold. Moreover, the price of scientific books and textbooks has also shot up substantially. The number of publications in several



categories dramatically decreased, while the average price of books rose around 100 percent after the onset of the sanctions (Aslan and Rashid, 2020).

Since finding jobs for university graduates in Iran is exceedingly distressing, these young people have been forced to seek career opportunities outside. In this regard, apart from the conservative youth, many young Iranians study only in the hope of one day finding work abroad with their university degree. Young Iranians tend to *leave their country* in hope of quality education and/or *better employment* elsewhere. For years, the country has suffered from one of the world's worst chronic brain drain, with approximately 150,000 educated Iranians leaving their country each year (Iddon, 2020).

Iran's scientific community has also felt the impacts of sanctions. After the implementation of sanctions, Iranian scholars have faced challenges in publishing their works in respectful international journals. Some journals have an unfavorable attitude towards works submitted by scholars affiliated with Iranian universities. In an interview with Dr. Rajabali Barzoui, a professor at Shahid Beheshti University, states that "*We sent an article for publication to those respected international journals but the editors either unanswered our applications and or the journals reject the work for unjustified or for awkward reasons*". In the interview, he also states that "... Scholars in the US have been banned from working with Iranians". He further added, "... when Iranians scholars attend international conferences, researchers from the US or researchers from other countries who have the intention to go to the US for research

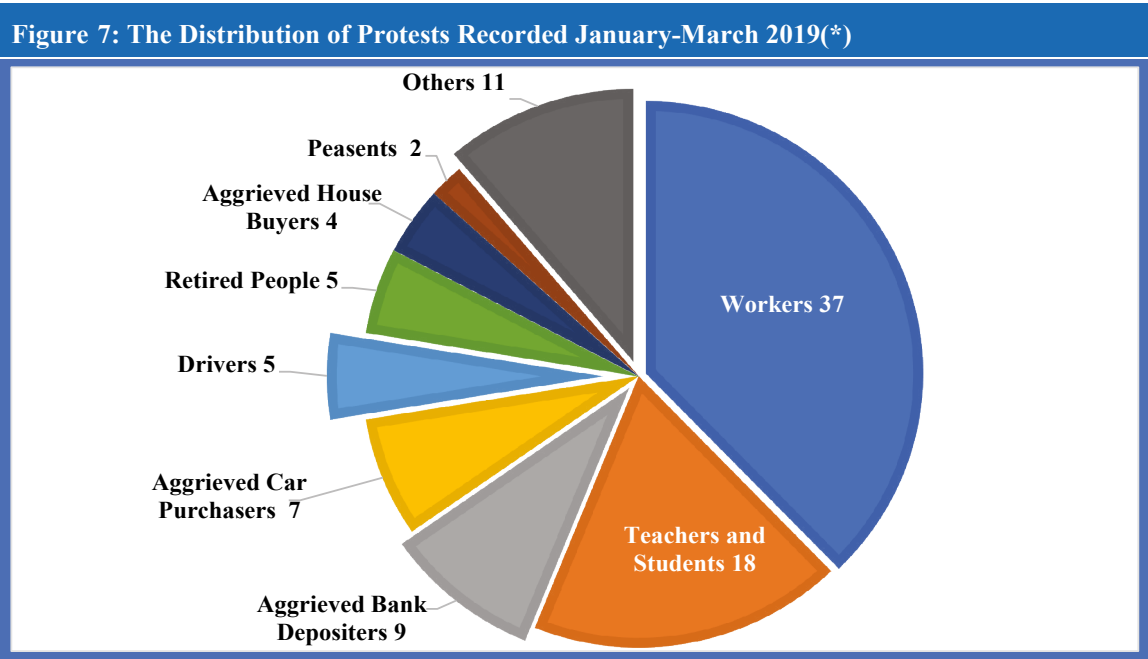
or other purposes are reluctant to engage with Iranian scholars for the fear of its consequences". Moreover, regarding financial sanctions, Dr. Rajabali Barzoui, added that "...it is impossible to transfer money and pay for conference attendance and hotel reservation by professors and scholars abroad" (Tahereh, 1398).

3.4. Popular Protests

Over the past two years, the number of both peaceful and disruptive protests with socio-economic demands and agendas has steadily risen. On average, during the first quarter of 2019 (January to March), around one hundred protests were organized by different groups each month. Among other factors, poverty, inequality, unemployment, and a delay in wage payments had been driving these protests. Although, the second quarter of 2019 witnessed a decline in protests due to the long summer break (for schools and universities).

The popular gasoline price hike protests, which took place in several cities in November 2019, exhibited that socio-economic variables (youth unemployment, poor neighborhood, etc.) played a substantial role in those protests/riots. In particular, there was a clear tendency that the fatal clashes in Iran took place mainly in impoverished neighborhoods, where a large number of poor and unemployed young people reside.

There were 404 protests from several factions recorded from January 2019 to March 2019. Figure 7 shows the distribution of the protests during the first quarter of 2019. There were 148 protests organized by workers, which accounted for 37 percent of the total. The num-



Source: <https://iramcenter.org/yayinlarimiz/infografik/>

Note:

(*) There was a total of 404 protests recorded during these three months.

ber of protests by teachers and students was 78, comprising about 18 percent of the total protests. Moreover, Iran has been facing a wave of demonstrations by customers of several bankrupt credit institutions who have lost their savings (Nia, 2017). These protesters demand compensation for their loss. In the first quarter of 2019, the number of protests held by this group constituted about 9 percent of total protests. Some Iranians who desired to make automobile or real estate purchases also faced egregious encumbrances. Despite car manufacturers and construction companies receiving advanced payments from their customers, they did not deliver on their promises nor refund the money they accepted from their clients. Due to the sanctions, automobile companies claimed that they were unable to import necessary intermediate parts and, therefore, their production

process was disrupted. These aggrieved people (automobile and house buyers) also organized protests to demand compensation for their losses. Additionally, disgruntled retired government employees had taken to the streets of big cities to rail against low pensions. During the same period, the retirees organized 21 protests across different cities.

Labor protests in Iran are not new phenomena and lately, seem to intensify. As shown in Figure 7, the number of protests organized by workers was the highest. Organized industrial workers in Iran have always been a powerful actor in the process of fundamental change in society. Although various Iranian political actors had jointly taken part in toppling the Shah, oil strikes in 1978 and 1979 played a critical role. For example, David Ignatius recently wrote, in *The Washington Post*, and emphasized that “*The*



Iranian labor movement is often overlooked in the assessment of Iran, but labor protests have been vociferous, broadly based and hard to suppress for two decades” (Ignatus, 2020). According to Nomani and Behdad (2012) during the Green Movement, the significance of organized worker participation has gained the attention of political activists. Furthermore, experience indicates that organized worker involvement in protests has contributed to the participation of other groups in Iran; that is, there has been an appreciable synergy between labor strikes and street protests. Moreover, in supporting the importance of this point, Ignatus (2020) states that *“The state’s anxiety about labor unrest was captured by the BBC Persian Television in a December story that quoted former president Mohammad Khatami. ‘If the middle-class and upper-class join with the working-class protesters, then no amount of military and security power can do anything. It will be the regime versus the people,’ said Khatami”*.

The popular protests triggered by a 200 percent fuel price increase started in November 2019 and spread across the country. Although the Iranian government was able to suppress the riot, these violent protests perturbed the Iranian government. Furthermore, sporadic protests seem to continue throughout the country. As the economic conditions crumbled, organized labor protests gained momentum and will likely continue in the future. For instance, from January 30 to February 16, 2020, at least 19 organized worker protests have ensued across the country. After months of no payment, and other socio-economic factors (low wages, low pension, etc.), workers in the railway, petrochemical, oil,

gas, metro, and sugar sectors joined protests across the country.

4. Conclusion

The US sanctions infect economic, social, cultural, and political structures in various forms. Due to turmoil in the gold, financial, and FX markets, several macroeconomic variables worsened. This economic deterioration has generated an immense amount of societal stress. The Iranian state frequently claims that the recent severe economic hardship is attributed to the US sanctions. However, some experts believe that although the sanctions are pivotal in creating the current challenges in the economy, economic mismanagement, corruption, and other institutional inefficiencies compounded the situation. The popular protests that occurred in several cities in November 2019, demonstrated that economic problems have the capacity to elicit dangerous social and political consequences. The social and economic fragilities in Iran have considerable potential that adversaries may want to employ and this study illustrates that the US sanctions have devastating consequences on economic, social, and political domains.

By impacting the economy, US sanctions have had an irreparable impact on people’s daily lives and their physical and mental health. The effects that the Iranian people have endured during this period are increasingly visible. High inflation rates (40% in December 2019), rising prices (residence, food, and clothing, etc.), drugs (for cancer, epilepsy, and hemophilia), and other problems such as scarcity of paper and ink for the academic context, as well as, restricted access to technology (for the younger



class of society) are among the socio-economic difficulties that have a direct relation with the extreme US pressure on Iran.

The maximum pressure policy pursued by the US has caused measurable instability in the FX and financial markets. The risk perception increased dramatically; curtailing investment and consumption expenditure. Moreover, the maximum pressure campaign caused a notable reduction in oil income and, consequently, government revenue dramatically decreased. Ameliorating economic disruptions may be a grueling task if the source of the problem is beyond the reach of national policy-makers

(Nesadurai, 2004). Although the government has implemented several measures to alleviate the ramifications of the sanctions, the number and size of economic and political tools at the disposal of the Rouhani government have been hardly effective. Therefore, the sanctions have been detrimental to the Iranian economy and the daily lives of ordinary Iranians. Moreover, the inefficient policies coupled with inadequate inclusive institutions and the existence of many structural problems in economic and political domains have been a driving factor in aggravating economic and socioeconomic problems in Iran.



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“Tanıtım nüshasıdır, para ile satılamaz.”
“Bandrol Uygulamasına İlişkin Usul ve Esaslar Hakkında Yönetmeliğin 5’inci maddesinin
2’nci fıkrası çerçevesinde bandrol taşıması zorunlu değildir.”

[illegible]

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