Iran: Lift the sanctions!

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Iran now ranks fourth in the world for total number of deaths from coronavirus. The death toll currently stands at over 2,700, with each day bringing hundreds of new victims. The WHO estimates that the reality could be up to five times worse, since testing (and therefore inclusion in official figures) is restricted to the most severe cases. Deliberate under-reporting of figures by government sources, in some cases confirmed by regional officials themselves, further distorts the picture. In Qom, the epicentre of the Iranian outbreak, mass graves have been dug.

Shortages of essential equipment, caused or exacerbated by brutal US sanctions, are severely hindering the public health response to the epidemic. Since Donald Trump?s withdrawal from the US-Iran nuclear deal in 2018, the United States has pursued a strategy of ?maximum pressure? to squeeze the Iranian economy and undermine its military operations across the region. The international embargo on Iranian banks and companies makes moving money and goods in and out of Iran extremely difficult.

Theoretically, food and medicines are supposed to be exempt from the sanctions. But broad restrictions on financial transactions have drastically constrained Iran?s ability to finance humanitarian imports. Even where transactions are not under sanction, few companies are willing to shoulder the regulatory burden and legal risk that comes with avoiding the secondary sanctions imposed by the US on other countries which trade with Iran.

Even before coronavirus emerged, Human Rights Watch found that sanctions were impeding supplies of essential medicines and equipment. The US continues to exacerbate the situation with aggressive rhetoric and threats, illustrated by public comments made last year by the US Ambassador to Germany that, ?You can do as much business as you want in Iran, but we have a say with regards to your visa.?

In response to decades of international isolation, Iran has developed a strong domestic manufacturing sector and produces many consumer goods within its borders. But domestic producers are struggling to quickly ramp up production of essential supplies like medicine, disinfectants, and protective clothing because they depend on imports of raw materials.

In addition to the secondary sanctions, which make few banks and companies willing to facilitate imports, the re-imposition of sanctions has affected transport links as airlines and shipping companies have withdrawn from the market. Coronavirus-related travel restrictions are making a bad situation worse. Shipments of testing kits from the World Health Organization have faced flight restrictions, and were eventually delivered via a commercial flight, while another shipment required a military transport from Dubai.

International responses to the crisis in Iran have been shaped both by the real destructive impact of US policy on Iran?s capacity to respond, and the Iranian regime?s desire to seize an opportunity to shore up popular sympathy domestically and internationally. Last week, Foreign Minister Javad Zarif called on the
international community to end the ?collective punishment? brought on by U.S. sanctions, saying it was ?virtually impossible? to buy medicine and medical equipment.

Squeezed from both sides
Citing the obvious humanitarian emergency, great powers including the UK, Russia, and China are calling for sanctions relief for Iran. The invocation of the humanitarian instinct on the stage of international diplomacy is, as ever, a reliable signpost to the national interests lurking beneath.

The EU opposed the US?s unilateral withdrawal from the 2015 nuclear deal and has since set up a new trade instrument which it hopes will allow European companies to do business with Iran while avoiding US sanctions. China is Iran?s biggest trading partner and a major investor in its military. Iran?s December 2019 ?budget of resistance?, to offset the effects of fresh US sanctions, was underwritten by a $5billion Russian loan. Since May 2019, when the US ended exemptions from secondary sanctions from countries buying oil from Iran, China and Russia have been forced to drastically curtail oil imports from Iran.

Europe, Russia, and China would all be pleased for an opportunity to renew and expand trade with Iran. They hope that a temporary thaw might lead to a longer-term loosening of the sanctions regime. But Washington is resolute in its hard stance. Brian Hook, the U.S. Special Representative for Iranian Affairs, told reporters: ?Our policy of maximum pressure on the regime continues. U.S. sanctions are not preventing aid from getting to Iran.? On 18th March, with over 1,000 already dead from coronavirus, a fresh round of sanctions was issued.

The situation in Iran is clearly increasingly desperate. More than 50 Iranian medical staff have died since the start of the coronavirus outbreak. In recent weeks Iran has freed 85,000 prisoners in an attempt to stop the spread of coronavirus and alleviate pressure on the prison and health systems. Teheran has even requested an emergency $5billion loan from the IMF, an institution it has lambasted and shunned as a bastion of American imperialism since the 1979 Islamic Revolution.

This unprecedented move reveals the depth of the economic crisis in Iran, which preceded the pandemic but will be deepened by business closures and travel restrictions. The World Bank estimates that Iran?s economy shrank by 8.7 percent in 2019 compared with the previous year. The precipitous drop in oil exports left the Iranian government with a vast hole in its budget, forcing it to deplete its National Development Fund, meaning that reserves are no longer available for emergency stimulus. The government has also printed vast sums of money to cover the deficit, leading to rampant inflation.

About 7 percent of government spending, amounting to 2.6 percent of GDP, goes towards the military, but budget cuts in this area are a non-starter since they are the lynchpin of Iran?s regional power strategy. Instead, it is the Iranian people who have been forced to bear the burden of Iran?s economic isolation. The purchasing power of the average Iranian has fallen by nearly 20 percent in less than two years. Greater insecurity, soaring poverty, and the social decomposition of the middle class have been the result.

With the economy already stretched to breaking point, compounded by a 25 percent fall in oil prices this month, Iran can?t afford to halt its economy and enforce a complete lockdown to stop the spread of coronavirus. Even if it wanted to, the economic under-development of the country means that sustaining social distancing on the scale necessary to flatten the curve? of new infections, as in the imperialist west, would be almost impossible. Estimates suggest that around a fifth of Iran?s population live in densely packed urban slums, many lacking clean water and reliable electricity. Many still rely exclusively on bazaars and small shops for all of their needs. To speak of working from home and avoiding crowded places is an irrelevant utopia for millions of Iranians.
Thus, Iran has not so far imposed any serious restrictions on movement or business, choosing instead to encourage people to stay home where possible, and only banning inter-city travel late last week. But no amount of callousness towards public health will be able to fully or even significantly mitigate the economic impact of the crisis and the global recession which is soon to follow.

The Iranian regime will be feeling the pressure to support businesses and workers to weather the crisis as it seeks to deter further social unrest, having recently suppressed a wave of mass anti-regime protests with a brutal army crackdown, murdering hundreds in the process. Public trust in Iranian state institutions is ebbing away; last month’s parliamentary elections saw the lowest turnout in the history of the Islamic Republic. So, last week, the government duly announced the distribution of a one-time cash transfer to support households without a ?regular source of income?, and a raft of low-interest loans to entrepreneurs, but it has already warned it won?t be able to provide longer-term income support.

Squeezed by US sanctions from one side and the threat of revolution from the other, the regime won?t be able to sustain its balancing act forever. The realisation of its precarious position has surely factored into the regime?s decision to ask for an IMF bailout now. The release of Nazanin Zaghari-Ratcliffe and other political prisoners, like American Navy veteran Michael White, may be part of an unofficial negotiation with the US for sanctions relief or approval of the IMF funds (over which the US holds an effective veto). At the very least, they are part of the calculation that hostages are more use to the government alive than dead.

If the bailout goes ahead, it might ease some of the pain in the short run, but IMF loans also come with interest rates and stiff requirements to ensure a country?s debts are ?sustainable?, meaning austerity measures to achieve balanced budgets. Not for nothing has Iran criticised the IMF as a global tool of American imperialism. Though Iran?s anti-imperialist rhetoric is all too often a demagogic charade designed to bolster its popular image, in this case the working classes of dozens of nations who have suffered under the IMF?s neoliberal ?structural adjustment? packages bear witness to the truth.

Socialist response

Just as the covid-19 pandemic has brought into sharp focus the inadequacy of capitalism for dealing with social crisis, so it also reveals the structural inequality of a world order defined by competing imperialist powers. The US strategy towards Iran is to use its domination of the world economy to strangle the regime by inflicting extreme suffering and hardship on the Iranian people. With uncharacteristic honesty, US Secretary of State Mike Pompeo told CBS News in February last year: ?Things are much worse for the Iranian people [with the US sanctions], and we are convinced that will lead the Iranian people to rise up and change the behaviour of the regime.?

At a time when US interests are weaponising humanitarian catastrophe, we agree with Ahmad Ghavidel, head of the Iranian Haemophilia Society, who recently commented: ?We definitely blame the US sanctions for our high number of deaths and consider this a war crime?. Socialists must demand an end to this strategy and the lifting of US sanctions. Only the Iranian people themselves should decide when and how to change the behaviour of the governing regime. In the meantime, Iran and other countries under economic and military blockade, like Venezuela and Palestine, deserve immediate emergency aid and relief to help them deal with the covid-19 pandemic.

But, while the pandemic could offer diplomatic cover for a de-escalation of military tensions and a respite from US economic warfare as a result of international pressure, Tehran is also unlikely to renounce its own high-risk brinkmanship. Despite the likelihood of thousands more dying from coronavirus, the Iranian regime is continuing its regional military provocations. The most recent round of US sanctions, issued two weeks ago, was a retaliatory measure taken in response to a barrage of rockets fired into the Camp Taji
airbase close to Baghdad on the birthday of recently assassinated Iranian General Qassim Suleimani.

The Iranian people can be certain that if they demand more from their government than it is prepared to give, and if the combined health and economic crisis sparks a new wave of protest, they will find not sympathy but rather truncheons and guns animating the state’s response. The regime itself murdered almost as many protesters in November last year as coronavirus has killed to date.

The renewed international outrage at the crimes of American imperialism should serve as a catalyst for an international movement of solidarity with the Iranian people. It is not unlikely that the current crisis will reignite a movement in Iran fighting for democratic rights and better living standards. If it does, socialists in the West need to be prepared to support the resistance, and to give it material assistance by taking militant action to block their own states’ interventionist strategies.

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