

# US Sanctions on Iran: An On-going Covid-19 Analysis

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**ABSTRACT:** The aim of the research article is to assess the dire consequences of the US economic sanctions on the public health of the Iranian citizens in times of a global pandemic. The world at present is witnessing an unprecedented and unique outbreak of the deadly COVID-19, commonly referred to as Corona Virus, that has resulted in approximately 198,921 deaths in the US alone and approximately 953,482 deaths worldwide. The decline in the medical imports and overall healthcare system in Iran significantly point towards the dire repercussions of US economic sanctions on Iran especially in times of a global pandemic. As the situation develops the figures and statistics are not yet as clear but the trend shows how drastically these sanctions have affected the right to health of the Iranian population. Although the US government has made tall claims regarding the humanitarian exemptions on sanctions, it is also making it difficult for companies to obtain special license for humanitarian aid like medicine and food to the Iranian citizens. The US government needs to come up with a holistic and clear policy regarding humanitarian exports to Iran

**KEYWORDS:** COVID-19, Coronavirus, Public Health, US Sanctions, Iran.

## Introduction

The aim of the research article is to assess the dire consequences on the public health of the Iranian citizens in times of a global pandemic. The world at present is witnessing an unprecedented and unique outbreak of the deadly COVID-19, commonly referred to as Corona Virus, that has resulted in approximately 198,921 deaths in the US alone and approximately 953,482 deaths worldwide (Johns Hopkins University 2020). In Iran, one of the epicenters of the pandemic, positive cases of the virus have reached an approximate figure of 1,04,691 (Johns Hopkins University 2020). With six deaths every hour, the total number of deceased in Iran has surpassed 27,000 mark as per reports (Johns Hopkins University 2020). Despite several causalities, the US has continued to impose several economic sanctions on Iran under its “maximum pressure” policy. Since the emergence of Iran as the epicenter of corona virus pandemic in the Middle East, several world leaders have called on the US to withdraw economic sanctions in order to assist the Iranian government to contain the virus. However, the US has only added more to the sanctions instead of providing relief to the government of Iran (European Leadership Network 2020; Foreign Policy 2020).

The current situation, statistics and facts raises an important question: What are the implications of the US sanctions on the right to health of the Iranian citizens during COVID-19?

**Hypothesis** The economic sanctions on Iran imposed by the US violate the basic human rights on health of the Iranian citizens which is a subsequent violation of US commitments to the World Health Organization, International law and to the Human Rights regime hence making the sanctions on Iran illegal during the outbreak of a global pandemic.

### Literature Review

Dursun Peksen (2011) in his research, “Economic Sanctions and Human Security: The Public Health Effect of Economic Sanctions” analyzed data for the mortality rate among children under five-year olds as a parameter for health conditions in targeted countries under US sanctions. His study reveals that economic sanctions impact the public health conditions in the targeted country to a great extent due to the imposition financial and trade restrictions. These restrictions directly or indirectly curtail public’s access to “basic needs, deteriorating economic well-being of civilians, and undermining the effective functioning of health services” (Peksen 2011). Furthermore, Peksen argues that the sanctions imposed particularly by the US are more detrimental than others and the economic wealth of the targeted countries has little or no influence over the public health crisis as a result of the US economic sanctions. However, Peksen’s research article does not give a holistic picture of public health of the targeted state and is focused on one parameter of health condition. Richard Garfield, Julia Devin and Joy Fausey in their research article, “The Health Impact of Economic Sanctions” gives a rather whole picture of how economic sanctions have continued to impact the health of the citizens of the targeted countries. Through a country case studies analysis, the authors have explained health impacts of economic sanctions in Nicaragua, Cuba, Yugoslavia (Serbia and Montenegro), Haiti, South Africa and Iraq. Through these individual case studies, the authors explained how trade embargoes led to the shortage of medical supplies, equipment and food resources. Drawing a comparison between military warfare and economic warfare the authors argue the limited possibilities to distinguish civilians in economic warfare leashed in the shape of economic sanctions. Moreover, in military warfare, civilians and vulnerable populations are still protected under international humanitarian law but on the other hand, economic warfare has no principals of proportionality or necessity in place hence increasing the chances of a humanitarian crisis (Garfield, et al. 1995). Furthermore, the authors argue the need to develop standardized criteria, definition and procedure for humanitarian exemptions on sanctions in order to ensure the citizens of targeted states have easy and quick access to aid and relief.

The literature on economic sanctions is limited in its scope. Predominantly, work done on economic sanctions mainly focuses on whether or not sanctions are effective tools of foreign policy. Significant amount of research has been done through sample-

testing, cross-sectional data analysis and case study analysis to test the effectiveness or non-effectiveness of economic sanctions on targeted states. However, the literature on the intended or unintended consequences of economic sanctions on targeted states is quite limited (Peksen 2011). More so, while there is growing literature present on the consequences of economic sanctions on the humanitarian aspects of the civilian population, research on the impacts of human health is still limited in terms of research. As the COVID-19 is an on-going crisis, the data and research are limited to newspaper articles, local and international press and on the statements being given out by leaders of both parties. Hence, this research has broadly reviewed literature based on how human rights on health are affected by economic sanctions. Therefore, this research aims to add to the growing literature of how US sanctions and embargos violate the human rights on health of the Iranian population especially in such exceptional circumstances of a global pandemic.

## **US Sanctions and its impact on the Iranian Public Health during COVID-19**

### ***US Sanctions- A Background***

US sanctions on Iran are not a new phenomenon - The Islamic Republic has lived under US economic sanctions almost since its inception 40 years ago. The first round of sanctions go back to 1979 when the US embassy in Tehran was attacked and 52 American diplomatic staff was detained and held hostage by Iranian students for 444 days (Borszik 2016). As a result, Washington froze Iranian assets and cut off all US trade and investment worth \$12 billion with Iran with additional measures that were applied in 1987 and 1995 for alleged support to Hizballah and concern regarding Iran's pursuit of weapons of mass destruction (US Treasury Department 2012). Later, in the wake of 9/11 under President W. Bush Presidency, further executive orders led to tighter sanctions on Iran for target sponsors of terrorism and money laundering (Samore 2015). Later from 2006-2010, the UN Security Council passed six resolutions aimed at targeting Iran's nuclear and ballistic missile programs. However, the enmity soon ended when in July 2015, France, Germany and the United Kingdom, together with the European Union and China, Russia and the United States (P5+1) as one party, and Iran as the other signed the Joint Comprehensive Plan of Action (JCPOA), also known as the Iran Nuclear Deal (Dagres and Slavin 2018). In 2018, however, United States' newly elected President, Donald J. Trump withdrew from the Iran Nuclear Deal- fulfilling his campaign promise (Davenport 2018). As part of the formal withdrawal of the Trump administration from the Joint Comprehensive Plan of Action (JCPOA) in 2018, economic sanctions on Iran were re-imposed that were previously targeted at curtailing Iranian nuclear ambitions and the regime's alleged support to Hezbollah. At present, the US continues to put "maximum pressure" via economic sanctions on Iran despite the global outbreak of COVID-19 pandemic.

### ***Current Sanctions and its Impact on Iranian Public Health***

At present, Iran remains among top-10 countries most affected by COVID-19 (Deutsche Welle 2020). The on-going situation has to be seen in retrospect with the re-imposition of economic sanctions on Iran by the US in 2018. Prior to the global pandemic, the health care system had been greatly impacted when the sanctions came into force and with the outbreak of COVID-19, the situation is being predicted to be even worse.

In 2019, a report published by Human Rights Watch (HRW) suggested that patients in Iran with rare disease found it most difficult to have quick and easy access to imported medicines (HRW 2019). According to research, COVID-19 has negatively affected people with a rare disease with 9 in 10 people facing interruption in access to care and medical facilities (EURORDIS 2020). Hence, in Iran, patients with rare diseases who are also infected with COVID-19 are more prone to be a victim of the economic sanctions imposed by the US.

Apart from the issue of availability of medical supplies and resources, a major constraint is the hike in prices of imported medicine and other medical supplies. Before the 2012 sanctions were imposed on Iran, the government had provided its citizens with free primary healthcare services, however, the healthcare provision drastically changed when the sanctions were imposed as a result of inflation hitting the healthcare sector of Iran harder (Kokabisaghi 2012). As a result of the current economic sanctions, the cost of health care in Iran has rose to 18.8 percent (HRW 2019). Iran has also largely dependent on the European Union (EU) pharmaceutical markets for its medical imports but according to latest reports the imports from EU have shrunken down to 15 percent in just three years (Motevalli 2020).

According to the International Monetary Fund (2020), inflation in Iran has reached 42 percent from 37 percent in 2019 (IMF 2020). Production and manufacturing have come to a standstill in Iran due to the difficulties in accessing imported goods and over all supply-chain management (Rhode, 2019). The World Bank in its monthly assessment of Iran's economy has associated the on-going economic recession to the US sanctions on Iran (World Bank, 2020). The assessment details that Iranian GDP currently suffers a 7.6 percent contraction owing to the decline Iran's oil sector of 37 percent. Furthermore, the report has touched upon the economic repercussions as a result of the COVID-19 outbreak. Predicting the future outcomes, the report states that Iran's GDP growth is projected to remain low in the upcoming fiscal years. As the sanctions had particularly hit Iran oil sector hard, the COVID-19 is more likely to affect the non-oil GDP of Iran such "commerce, tourism and trade as well as higher production costs" (World Bank, 2020).

Despite several calls to the US administration to mellow down economic sanctions on Iran during the pandemic, from within and outside US political circles, the administration has instead tightened the restrictions on the Iranian economy. On October 8, 2020, the current US administration announced a fresh round of sanctions that is aimed to completely bar Iran from the global financial system (Al Jazeera, 2020). This move makes it harder or

rather impossible for any foreign bank to do business with Iranian banks which further adds to the deteriorating financial situation in Iran during especially during COVID-19.

### **Right to Health- A Fundamental Human Right**

The right to health is a fundamental human right of an individual given by birth. Although the state is responsible for healthcare of its citizens, it is often constrained by economic pressures imposed through sanctions by foreign states. Similarly, in case of Iran, the health care system has been under tremendous pressure due to the sanctions imposed by the US. It is significant to detail the importance of health rights of citizens affirmed by international institutions and organizations that are universally accepted by all states.

According to Article 25 of the Universal Declaration of Human Rights (1948):

“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.” (Universal Declaration of Human Rights, 1948)

In addition to that the International Covenant on Economic, Social and Cultural Rights ICESCR (1966) has also reaffirmed the right to health of every individual. In fact, with regards to the COVID-19 situations, the Article 12 (2) (c) specifically implies access to health care for “the prevention, treatment and control of epidemic, endemic, occupational and other diseases” (ICESCR, 1966). Although the US has only signed and not rectified the covenant, it has the moral obligation to follow the human and humanitarian aspects of it.

Moreover, according to the World Health Organization’s 1946 constitution, the “highest attainable standard of health” is a fundamental right of every human being- this implies that health is treated under the parameters of basic human rights (WHO, 2006).

This entails that curtailing the right to health of Iranian citizens through targeted and secondary sanctions, the US is doing more harm to the Iranian civilians than to the regime itself. It is also violating its obligations as a member of the international community of states.

### **US Response to COVID-19 in Iran**

The US sanctions are authorized by either executive or by the legislative body of the US government (Treasury Department, 2019). Typically, the president launches the process by issuing an Executive Order (EO) which is then administrated and executed by the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury (Treasury Department, 2019). While legal experts and scholars continue to contribute to the academic debate, the legality of economic sanctions during a pandemic in general

remains unanswered. In particular, no attempt has been made to develop a framework on limitations or exemptions on economic sanctions in times of such a global pandemic.

The COVID-19 pandemic has raised several questions regarding the legitimacy of the US backed economic sanctions on Iran in a time where the latter has suffered most positive cases and most deaths than any other country in the Middle East (Katzman, 2020). It is significant to note that the secondary sanctions imposed on Iran by the US hinders non-US entities like foreign states, international banks and financial institutions to conduct any financial transactions or trade with Iran, hence completely curtailing Iran's economic freedom.

However, the US treasury department has claimed to have made efforts to ease out tensions between the two countries by providing "humanitarian relief" through exemptions on sanctions through various humanitarian relief arrangements. The treasury department restored certain exemptions with the issuance of a General License to permit transactions with Iran's Central Bank for the purchase of humanitarian items (Katzman, 2020).

The U.S. Departments of State on October 25, 2019, published guidelines on Swiss Humanitarian Trade Agreement (SHTA), a humanitarian framework under which states and financial institutions may establish transaction mechanisms to provide financial and humanitarian aid to Iran (Treasury Department, 2020). In January 2020, the US government processed the first transaction worth \$2.55 million under SHTA before COVID-19 was declared a public health emergency by the World Health Organization (WHO). The SHTA is a Swiss payment mechanism that is aimed at providing humanitarian aid and assistance to Iran by providing foreign states and foreign financial institutions with a "voluntary option for facilitating payment for exports of agricultural commodities, food, medicine, and medical devices" (Treasury Department, 2020). The first transaction was made through the channel for the shipment of cancer drugs and drugs required for organ transplant to Iran (BBC, 2020).

Moreover, the US Treasury Department has also maintained that despite a strict economic crackdown on Iran, the US has never restricted its citizens from sending humanitarian assistance including medicines, food supplies and money to the Iranian citizens (U.S. Mission in Geneva, 2013). In February 2020, the Treasury Department also clarified that humanitarian purchases could be made via Iran's Central Bank accounts abroad without the fear of US sanctions (Katzman, 2020). Such an arrangement was also made in 2001 during President Bill Clinton's administration on the sanctions he imposed on Iran in 1995 (Purdum, 1995; Sen, 2018; Motevalli, 2020). Moreover, during the Bam earthquake crisis in 2003, the US under President George W. Bush's administration provided a 90-day general license for humanitarian purchases to Iran (BBC, 2012). Similarly, in the aftermath of the Bam earthquake in 2012, OFAC issued a temporary authorization that allowed US citizens and residents to send humanitarian assistance via nongovernmental organizations working for earthquake relief in Iran (U.S. Mission in Geneva, 2013).

### ***The effectiveness of US humanitarian exemptions on Iran sanctions***

The effectiveness of these exemptions, is however, debatable. Peksen (2011) argues that the detrimental effect of sanctions imposed by the US is relatively higher than sanctions imposed by any other country in the world. This is particularly due to greater economic influence of the US in the trade market. The broad US sanctions against Iranian banks and the aggressive rhetoric of the US officials has drastically constrained Iran's ability to finance the humanitarian aid provided by non-US entities (Human Rights Watch, 2019). Moreover, on October 25, the US government went forward with its plan to designate Iran's Central Bank under its counterterrorism authority which curtails the flow of humanitarian trade to Iran (Human Rights Watch 2020). Reports also suggests that under Trump Administration, the rate of the issuance of special license for medical and food imports has increased manifolds (Cunningham, 2020)

Moreover, the humanitarian exemptions imposed by the US are non-effective also because research suggests the involvement of IGO for humanitarian assistance for child health care is unlikely to "increase or decrease the effects of sanctions on child mortality" (Peksen, 2011). More so, no universal definition exists to explain the meaning, criteria or the procedure of humanitarian exemptions which gives unilateral sanctions unprecedented authority over targeted state. It is argued that the effectiveness of the exemptions on economic sanctions can only be improved if the sanctioning state follows a universally accepted standardized procedure of humanitarian exemptions (Garfield et al., 1995).

It is also significant to add here that years of economic sanctions have greatly reduced the investors and financial institutions confidence in the Iranian market. There is little to no "commercial incentive" that could motivate International banks from making humanitarian transactions with Iran (Motevalli, 2020). Moreover, the US still requires "additional authorization" from non-US entities like foreign sates and financial institutions that puts companies and states under risk of secondary sanctions (Treasury Department, 2020). One evidence to prove this is to see the drop in U.S. exports of mostly humanitarian goods from 88% from February 2016 to \$3.9 million in February this year (Motevalli, 2020).

It is perhaps a paradoxical situation, on one hand, the US has claimed to have issued special license to foreign companies and on the other hand, facts reveal that the number of license issued under the present administration has in fact decreased. Without these licenses and tightening of economic sanctions, it would be quite impossible for the Iranian government to battle the looming virus.

## Conclusion

The decline in the medical imports and overall healthcare system in Iran significantly points towards the dire repercussions of US economic sanctions on Iran especially in times of a global pandemic. As the situation develops the figures and statistics are not yet as clear but the trend shows how drastically these sanctions have affected the right to health of the civilian population. Although the US government has made tall claims regarding the humanitarian exemptions on sanctions, it needs to come up with a holistic and clear policy regarding humanitarian exports to Iran. It is highly unlikely that the US administration will succumb under pressure and withdraw sanctions at this point however, the EU and international community at large can pressurize the US government to layout a clear policy plan regarding either a partial-withdrawal or standardized process to make humanitarian transactions and purchases to Iran.

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