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Middle East
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MIDEAST POLICY BRIEF 05 | 2020

Iran and COVID-19: Timing Matters

Iran was the immediate epicenter of the COVID-19 pandemic in the Middle East and among the most severely hit countries globally. Despite having the highest number of cases and deaths in the region, Iran was late to enforce lockdown measures and early to resume economic activity. Tehran's reluctance to impose a comprehensive lockdown was driven by its lack of capacity to provide economic support to its population. Iran could not afford severe lockdown measures due to US sanctions, a significant decrease in oil prices, and the leadership's fears of stirring domestic protest. The lack of effective lockdown, compounded by the regime's concealment of credible information, led to severe outbreaks of the virus and significantly impacted the population's trust in government.

Brief Points

- Since the COVID-19 outbreak, the Islamic Republic of Iran has been the hardest hit country in the MENA region, the slowest to close down, and among the first countries to re-open.
- Iran was not able to introduce considerable income support due to US sanctions, plummeting oil prices, and a global decrease in demand for oil.
- Iranian security forces assumed healthcare-related tasks, ensured government monopoly over information related to the virus, and quickly suppressed prison protests.

Country Overview

The Islamic Republic of Iran is a lower-middle-income country with a population of more than 82 million people. Iran also hosts one of the largest urban refugee populations in the world with almost 1 million refugees, most of whom are Afghans and Iraqis. Following the 1979 revolution, Iran has a mixed political system in which the executive, parliament, and judiciary branches are overseen by various bodies dominated by the clergy. This system rests on the concept of *vilayat e-fiqh* (or guardianship of the Islamic jurist), which transfers all political and religious authority to the clergy and makes the state's key decisions subject to approval by a supreme clerical leader. Executive power is held by the Supreme Leader, who is not an elected official. The 1979 constitution also codifies the popularly elected unicameral 290-member parliament. This body, the Islamic Consultative Assembly – or *Majles* – is supervised by the Guardian Council, a body made up of 12 appointed Islamic jurists. All legislation passed by the *Majles* has to be approved by the Council. Although the *Majles* has less influence than the presidency, the military, and the Supreme Leader, it does play an important role in domestic matters. As of 2020, the Supreme Leader is Ayatollah Sayyid Ali Khamenei and Dr. Hassan Rohani serves as the President. Following a historically low electoral turnout, the current *Majles*, inaugurated on 27 May 2020, has a clear conservative majority, signifying a political shift that is likely to be reflected also in the 2021 presidential elections.

Iran's economy is driven by the hydrocarbon sector and the country ranks second in the world in natural gas reserves and fourth in crude oil reserves. In 2018, the United States withdrew from the Joint Comprehensive Plan of Action (JCPOA), popularly referred to as the “nuclear deal”, between Iran and six other parties (the UN Security Council's permanent members plus the EU). The US began reimposing sanctions by blocking banking transactions and oil sales, as well as imposing sanctions in other sectors. Sanctions hit the Iranian economy hard: In 2019, the World Bank reported that the unemployment rate in Iran was 10.6%.¹ The International Monetary Fund (IMF) had predicted that Iran's economy would shrink 9.5% in 2019, and during that year the annual inflation rate reached 41%, the highest level in 25 years.² Besides US sanctions, the Iranian economy was negatively affected by

decreasing oil prices and exports. The COVID-19 outbreak has exacerbated these trends.

Not surprisingly, the pre-pandemic political landscape was largely driven by economic grievances. Economic hardship and the increase in fuel prices triggered nationwide protests in November and December 2019. Demonstrations were violently quashed by the security forces. To prevent the sharing of information, the government shut down the internet. According to a special investigation, as many as 1,500 protesters were killed.³ In January 2020, a US drone strike killed Qassem Soleimani, commander of the Quds Force, a special unit within the Islamic Revolutionary Guard Corps (IRGC). The assassination led to a period of heightened military tensions during which Iranian forces accidentally shot down a Ukrainian civilian plane, killing 176 people. Authorities first denied and then confirmed the incident, and this led to large-scale protests. Pre-pandemic events showed that the costs of protest in Iran can be exceptionally high and that trust in the government is low. Both international and domestic developments meant that the Iranian government had to tackle the virus from a difficult political and economic position.

Severity of COVID-19 Outbreak

On 19 February 2020, Iranian authorities confirmed the first two patients infected by the virus in the holy city of Qom. The pandemic soon spread to all 31 provinces of Iran. As of 10 June, the total number of registered cases amounted to 177,938, with 8,506 deaths. The health ministry have also reported that 151,032 tests have been carried out in the country.⁴ Between 19 February and 10 June, the highest number of new cases on a single day – 3,574 people – was registered on 4 June.⁵ A number of prominent political figures contracted the virus, including Iran's Deputy Health Minister.

Iran was slow to acknowledge the virus and has been repeatedly accused of deliberately concealing the real number of people infected or dead. In February, Supreme Leader Khamenei denied the pandemic, and later argued that it was brought to Iran by the US. In June, the national COVID-19 task force estimated that about 15 million – i.e. one in every five Iranians – may have been infected with the virus.⁶ Information concealment was aimed at preserving regime

security by avoiding the renewal of mass protest fueled by economic grievances. The leadership also sought to appear as a credible authority capable of controlling the pandemic, which was especially important in the run-up to the 21 February parliamentary elections.

Iran's healthcare system, which consists of public, private, and NGO institutions, is one of the best in the region. Before the pandemic, health tourism in Iran was an important source of revenue due to the health service's affordability and quality. Article 29 of the Constitution mandates the government to provide universal access to basic health services. In the current situation, the government extended its COVID-19 response to refugees as well. The Primary Health Network, established in the 1980s, has expanded access to quality health care in rural Iran. According to estimates from 2016/2017, Iran had a total of 954 hospitals and each hospital had an average of 165 beds.⁷ According to the latest 2014 WHO data, Iran has 1.5 hospital beds per 100,000 inhabitants. In terms of hospital bed ratios, Iran fares better than Jordan (1.4/100,000), Iraq (1.38/100,000), or Palestine (1.3/100,000), but it significantly lags behind Turkey (2.6/100,000) and Israel (3.92/100,000). In mid-March when the number of corona patients began to rise, the Iranian army set up a medical center with 2,000 additional beds.⁸

The majority of COVID-19 patients are treated in public hospitals. Due to increased pressure on the public health system, we would expect increased demand for private healthcare services, yet a number of private hospitals in Iran went bankrupt and were forced to fire thousands of nurses and doctors. As the majority of nurses in Iran are women, these developments further highlight the negative impact of the pandemic on gender equality. The shortage of nurses and doctors in the country is not only due to the high number of deaths among medical staff, but also because several private hospitals experienced declining revenues as a result of delayed payments by insurance companies, which in turn forced them to fire their medical staff. The Ministry of Health offered temporary contracts to alleviate staff shortages. Despite Iran's developed healthcare system, US sanctions limited the country's ability to import certain medicines and medical equipment. Iran received test kits, medicines, and face masks – both from China and the WHO – in late February.

Policies to Deal with the COVID-19 Crisis

Containment and closure

Iran's capacity to quickly mobilize its security apparatus and to enforce security measures is unquestionable. Given the high number of COVID-19 cases in Iran, we would have expected the country to be an early mover and to impose harsh closure measures – not only to contain the spread of the virus, but also to prevent protest by restricting the movement of people. Contrary to such expectations, Iran proved reluctant to implement closure policies, and quick to ease them.

The outbreak in Iran coincided with a number of important events, such as the 21 February elections and, at the end of March, the Persian New Year, Nowruz. Participation in the parliamentary elections was encouraged by Rouhani and Khamenei, and Nowruz is usually the busiest time of year in terms of intercity travel, making it a financially lucrative period for many Iranian businesses. Both of these events saw large movements of the population, which significantly contributed to the spread of the virus.

Both domestic travel restrictions and border closures were implemented with a significant delay. In terms of external relations, in February, Iran donated one million masks to China and did not close its borders to Beijing until 16 March. Infections in neighboring countries all had links to Iran. In terms of the domestic situation, a similar reluctance was apparent: It was only in March that all educational institutions were closed and that religious, cultural, and sports events were cancelled. A full lockdown was still deemed unnecessary despite the repeated demands from health officials. On 25 March, the government ordered a 15-day shutdown of all non-essential businesses and services in a number of provinces and banned intercity travel. At this point, the death toll had reached 2,077 and the total number of registered cases was 27,017.⁹

Iranian security forces assumed two tasks: information control and health protection. Authorities deployed their coercive apparatus to suppress freedom of speech in order to conceal information about the virus. On the health protection front, in early March the government announced plans to mobilize 300,000 soldiers

and volunteers to combat the spread of the virus, as well as to deploy drones and water cannons to disinfect streets.¹⁰ On 17 April, the National Army Day, the “Defenders of the Homeland, Helpers of Health” parade was held, with disinfection vehicles, mobile hospitals and other medical equipment on display to underscore the military's role in combating the pandemic.

From February until mid-May, more than 100,000 prisoners were temporarily released to stem the spread of the virus, as overcrowded prisons are typical infection hotspots. Protests, although not as widespread as in 2019, have still taken place. Between February and April, there were protests in detention centers in at least 14 cities.¹¹ Security forces responded firmly and at least 36 prisoners were killed.¹² It was clear that prolonged closure was threatening the re-emergence of social unrest. To stem political instability and the further deterioration of the economy, President Rouhani started to reopen the Iranian economy from 8 April, with the exception of high-risk businesses such as restaurants, cinemas, and sports clubs. On 27 April, Iran reopened all international borders – except its border with Turkmenistan – to revive regional trade, while mosques and schools reopened on 12 May and 16 May respectively. On 26 May, all businesses and major religious sites were opened. As of June 2020, there is a new surge of COVID-19 cases in the country. While this is partly a result of the reopening of society, the primary reason behind this uptick is increased testing. For the sake of comparison, on 29 April, Iran conducted 0.129 tests per 1,000 people, whereas on 7 June the number of tests stood at 0.253 tests per 1,000 people.¹³

Income support

Iran's financial capacity to respond to the virus was limited by external factors, most importantly the US-imposed sanctions and declining oil prices. Iran did not have the financial reserves it required to introduce country-wide income support measures. In late February, Washington offered humanitarian aid to Iran, an offer the government swiftly turned down. The Iranian regime repeated its long-standing call for lifting the US sanctions, but the White House passed a new round of sanctions in mid-March.¹⁴ The pressure on the Iranian regime due to the pandemic's economic impact led to Iran requesting an IMF emergency loan for the first time since

1962.¹⁵ The request was reportedly blocked by the US. Besides US sanctions, Iran's economy was further hit by decreasing demand for oil (as a result of reduced demand during the pandemic) and Saudi Arabia's oil price cut (which resulted in a 30% decline in prices in March). Iranian government representatives suggested that a long-term shutdown could result in 3–4 million jobs losses, which could lead to further social unrest.¹⁶

Despite international limitations, the government introduced a number of economic measures to support Iranian families and businesses. On 15 March, the regime decided to postpone health insurance, tax and utility bill payments for three months. The 3 million poorest Iranians received cash payments, while another 4 million households received low-interest loans, partly subsidized by the government. The government also introduced extra funding for the health sector and support to the unemployment insurance fund. In mid-April, the government began the largest privatization process in Iran's history by selling its residual shares in 18 companies to generate income.¹⁷ All in all, though, Iran's stimulus package amounted to only 0.2% of its GDP, which is far below what other MENA countries have committed during this period. Bahrain and Oman, at the other extreme, have committed 30% of their GDP to support their virus-hit economies.¹⁸

Civil Society and Media

Civil society members across Iran mobilized to fill in the gaps in the government's service delivery response. The largest philanthropic campaign under way in Iran is the Nafas Campaign, which consists of more than 200 companies from the private sector. Members of Nafas have donated over 1 million USD worth of medical equipment, in-kind services, and cash assistance to fight the pandemic. Nafas have also constructed a clinic where patients can be tested for COVID-19. Civil society also addresses inequality and works with the most vulnerable groups, such as drug users or homeless people, by providing prevention education, disinfectants, and food. Considering declining trust in the government, civil society has remained resilient and proved quick to mobilize.

In order to control information about the pandemic, the government severely limited the

Iranian media and press freedom. The judiciary decided that challenging the official statistics was to be treated “as an act against national security”, punishable by law.¹⁹ Similarly, Iranian cyber policy (FATA) set up a task force to prevent the spreading of misinformation, and by the end of April, security forces had arrested thousands of people, allegedly for “spreading rumors.”²⁰ Censorship of reports has impacted public trust in the government, leading citizens to neither believe official information nor abide by its recommendations.

Conclusion

The Iranian case is illustrative of how emergencies, such as a pandemic, bring to the fore structural weaknesses in regimes with limited democratic oversight. For lockdown measures to be a viable strategy, a robust income support is needed. Iran’s ability to implement a lockdown was constrained by its low capacity to implement economic support, compounded by concerns over the eruption of new protests. The late introduction of a lockdown – as well as its short duration – meant that Iran became the worst-hit country in the MENA region. US sanctions and declining oil prices significantly weakened Iran’s ability to provide income support. To prevent a further deterioration of the economy, the country reopened, resulting in the onset of a second wave of the virus. Should a new surge in infections arise, Iranian leadership will once again be faced with the challenge of how to strike a balance between maintaining public safety and reviving the economy. ■

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‘Reacting to COVID-19 across the MENA region’ is a sub-project of the PRIO Middle East Centre, funded by the Norwegian Ministry of Foreign Affairs through a grant administered by the Research Council Norway. This brief is part of a series of MENA country-cases. The other countries in the series are Israel, Jordan, Palestine and Turkey.

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