

Iran destabilised by US amid COVID-19 pandemic

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Iran is reeling under the impact of the world recession, the collapse in oil prices and one of the worst manifestations of the COVID-19 pandemic with one of the world's highest mortality rates.

This is being deliberately exacerbated by Washington's provocative military deployments in the Persian Gulf and unrelenting "maximum pressure" sanctions that have been ramped up amid the global coronavirus pandemic.

While official figures place the number of confirmed cases at more than 110,000 and deaths at just under 7,000, mainly in Tehran Province, the real figures are far higher. In March, the World Health Organisation (WHO) warned that the total number of cases might exceed official tallies by a factor of five, concealed due primarily to limited testing capacity. Last month, the Iranian parliament's research arm estimated that the number of cases could be up to 10 times higher and the death toll nearly twice the official figure.

The police have censored online blogs that question official figures, with the police chief announcing that his forces had identified and dealt with 1,300 websites and arrested 320 individuals for "spreading rumours" about the spread of COVID-19.

Refusing to acknowledge the spread of the virus before the February elections, the government only reluctantly imposed a lockdown early in March, fearful of its economic and social consequences. Last month, in the run-up to the holy month of Ramadan, it ordered a partial return to work, including many shops, factories and workshops, but did not lift the ban on mass gatherings as the number of cases continued to rise.

Mosques are to reopen for three nights this week at the highpoint of Ramadan. Congregational prayers have resumed in 180 towns and cities across the country, although not in Tehran and other major cities, amid reports of tensions between the government and the clerical establishment over the closures. Schools are set to

reopen next week.

On Sunday, the authorities were forced to reimpose a lockdown on southwestern oil region bordering Iraq, due to the sharp rise in new cases across Khuzestan Province.

In 2018, before the US unilaterally revoked the 2015 nuclear deal with Iran, oil accounted for 15 percent of Iran's GDP. Following Washington's ending of waivers to key importers, oil production fell to just 500,000 barrels a day (bpd) and exports to a mere 300,000. That too has fallen due to plunging global demand, while the price of oil has also plummeted, which, together with the discounts Tehran offers buyers as compensation for the risk of skirting sanctions, is gutting revenues.

The petroleum industry, including oil and petrochemicals, accounted for about 55 percent of Iranian exports but has been hit by the global recession and the partial shutdown of production due to the lockdown. Iraq, the biggest regional importer, announced a temporary closure of its land borders, while total Chinese trade with Iran in January and February fell by nearly 27 percent compared with November-December, with exports to Iran down nearly 22 percent and imports from Iran down over 34 percent in the same period due to the COVID-19 outbreak in China.

Previously, Tehran relied on oil revenues to cover 30 percent of its budget. This year it was expecting oil, based on \$50 a barrel, to provide just 10 percent, but now even that figure is widely considered optimistic.

Iran has seen its currency, the rial, plummet: from 32,000 to the US dollar to 166,000 and more than fivefold against major currencies. This has led the Rouhani government to introduce legislation slashing four zeros from the currency and renaming it "toman," in a bid to reduce the psychological impact of soaring inflation, running at 40 percent.

With US sanctions preventing access to global capital markets and Washington's veto of Tehran's appeal for a

\$5 billion loan from the International Monetary Fund—its first such request in more than half a century—the supreme ruler, Ayatollah Ali Khamenei, authorised President Hassan Rouhani to take \$1 billion out of the National Development Fund.

US sanctions have shattered the country's economy and blocked access to critical food, pharmaceutical and industrial supplies, making it more difficult for Iran to respond to the pandemic. To cite one example, at the end of last year, at least 20 vessels carrying more than a million tonnes of grain were idling outside Iranian ports due to Tehran's difficulty in paying its creditors.

Iran is now seeking unconventional routes to buy millions of tonnes of wheat, corn and soybeans to boost its reserves, despite Rouhani's claims that the coronavirus would not endanger food supplies. The government has allocated just \$300 million for food subsidies and unemployment benefits so far, despite widespread economic hardship. Some 5 million people are without work as a result of the closures, while the minimum wage is not enough for one person to live on, let alone a family. The prices of basic goods have increased by about 5-10 percent on a daily or weekly basis.

The Iranian parliament's research centre predicted last year—before the pandemic—that as many as 57 million people, or 75 percent of Iran's 80 million-strong population, would be living in poverty this year due to inflation and rising unemployment. Last month, former President Mohammad Khatami, largely banned from speaking on Iranian media, warned in an online speech that people might resort to violence due to hopelessness and despair.

These terrible conditions are the result not only of US sanctions, but also of the Iranian ruling elite's moves to overturn the social concessions made to the working class after the 1979 Iranian Revolution.

Over the past four years, this has included severe austerity and price hikes for basic commodities. Water shortages, unaffordable groceries, and high unemployment are common complaints.

There are constant strikes and protests among many sections of workers, including teachers and professional workers, that have continued amid the coronavirus pandemic—ever since December 2017 and January 2018, when mass protests against unpaid wages, high prices and joblessness swept Iran. This was part of a broader global upsurge of the class struggle, which saw strikes and protests internationally including against Iranian-backed regimes in Iraq and Lebanon last year.

Last November, a 300 percent hike in gasoline prices provoked countrywide protests that were bloodily suppressed, with Amnesty International reporting that around 300 were killed in a week of bloody reprisals, and thousands of protesters as well as journalists, human rights defenders and students were arrested, while the state cut off Internet access.

Further opposition to the regime erupted after the Iranian Revolutionary Guard Corps (IRGC) accidentally shot down a Ukrainian jetliner at the height of the war crisis over the US assassination of IRGC commander General Qassem Soleimani in January. The downing of the plane, killing all 176 aboard, and the Iranian authorities' attempts to cover up their responsibility sparked angry protests, mainly among students and middle-class professionals.

Tehran also faces US political and economic pressure on its allies Iraq and Lebanon, where Washington is seeking to undermine Iran's influence. This is in addition to the systematic military build-up across the Middle East, aiming to consolidate US imperialism's regional hegemony by building an anti-Iranian alliance including Saudi Arabia, Israel, and the Persian Gulf oil sheikdoms.

These aggressive actions targeting Iran have included Israel's stepped-up air strikes on Iranian or allied targets in Syria and tense encounters between Iranian and US vessels in the Gulf. Last month, Trump tweeted that he had told the US Navy to "shoot down and destroy" Iranian gunboats that "harass" US ships.

Yesterday, despite Israel's quarantining of overseas visitors, US Secretary of State Mike Pompeo, who has not travelled abroad since his trip to Afghanistan in March and is making no other stops, visited Israel.



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