

## CHAPTER 4

# HEALTH

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*“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.”*

—ARTICLE 25, THE UNIVERSAL  
DECLARATION OF HUMAN RIGHTS<sup>264</sup>

### Access to Medical Care in Iran

When my friend M’s nephew was born, he suffered from a lack of oxygen to his brain and needed medication for the first two years of his life. However, the medicine was in scarce supply and was only distributed once a month. M, along with the parents of the child, looked everywhere for the medicine—even “asking friends to go to the only

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<sup>264</sup> United Nations, “Universal Declaration of Human Rights.”

pharmacy possibly selling that in Tehran.” M lived in Isfahan, a five-hour drive from the capital city. Despite everyone’s desperate attempts, they could not acquire enough medicine and the infant passed away.

Like most other countries, Iran’s life expectancy has steadily increased, and child mortality rates have declined since the 1990s. While long-term statistics suggest generally positive trends in the health of Iranian people, many problems persist and are exacerbated by sanctions. On its own, Iran’s healthcare system is “very well developed considering the sanctions imposed on... Iran for many years,” yet compared to global developments, “it lags considerably behind” in many aspects.<sup>265</sup>

Given the circumstances, the universal health care system has done relatively well in providing affordable healthcare to Iranian citizens. The government has attempted on several occasions to dampen the effects of sanctions, such as reallocating greater proportions of the budget for healthcare, designating medical supplies as “essential goods,” and establishing a heavy subsidy rate for its imports.<sup>266, 267</sup> However, these efforts fail to address inherent problems posed by sanctions, such as the unavailability of foreign goods.

When secondary sanctions prohibit foreign countries from dealing with Iran, the latter loses access to its supply of medical equipment and raw materials to produce medicine. Seventy percent of Iran’s medical equipment is imported,

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265 “Iran Healthcare Sector Analysis 2016-2021—Research and Markets,” *India Pharma News*, August 23, 2016.

266 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

267 “‘Maximum Pressure’: US Economic Sanctions Harm Iranians’ Right to Health,” Human Rights Watch, October 29, 2019.

including devices such as MRI machines and hospital beds.<sup>268</sup> Technology to make diagnoses for diseases like cancer are cut off.<sup>269</sup> Cardiac pacemakers go into short supply.<sup>270</sup> Doctors have no choice but to find older anesthetics that are no longer in use because current types can no longer be purchased.<sup>271</sup> Although the heavily subsidized domestic pharmaceutical companies have the capacity to manufacture most medicines consumed in Iran, production is hampered as a third of these drugs require complex raw materials that cannot be sourced domestically.<sup>272</sup> In addition, quality control technologies are not exempt from sanctions and this has had a severe negative effect on the quality of medicines produced in the country.<sup>273</sup>

Medicines that are patented or target rare diseases often have to be imported. Even though imported drugs consist of merely 3 percent of pharmaceuticals consumed in Iran, they have constituted as much as 40 percent and 30 percent of the value of Iran’s medical market around the time of sanctions regimes in 2012 and 2018, respectively.<sup>274, 275</sup> The disproportionate ratio of these specific, imported drugs to market share suggests the high demand for these medications and provides a glimpse into the number of Iranian patients affected by sanctions-based restrictions. As of 2014, more than 6 million patients were impacted by medical

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268 Ibid.

269 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

270 Bozorgmehr, “Iran Warned.”

271 A. Gorji, “Sanctions against Iran: The Impact on Health Services,” *Iranian Journal of Public Health* 43, no. 3 (March 2014): 381-82.

272 Human Rights Watch, “Maximum Pressure.”

273 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

274 Ibid.

275 Human Rights Watch, “Maximum Pressure.”

shortages.<sup>276</sup> The sanctions regimes have debilitated the Iranian medical system to the extent that at least thirty-two drugs that are “essential” according to the World Health Organization were in short supply pre-JCPOA. This means that by 2016 Iran could not even meet the minimum standards for a functioning healthcare system.<sup>277</sup>

In 2018, the US Special Representative for Iran, Brian Hook, claimed that “every sanctions regime” imposed by the United States “[has made] exceptions for food, medicine, and medical devices.”<sup>278</sup> Omitted, however, are the barriers that prevent legal healthcare equipment from being imported to Iran, and the threat of secondary sanctions that prevent banks and businesses from having any relationship with the country. In 2012-2013, the US Office of Foreign Assets Control (OFAC) created the EAR99 “allowed” category for certain medicines and medical devices in an attempt to ease their exportation to Iran. Yet, of the drugs that were reported to experience shortages in 2016, 96 percent of them were EAR99-classified. There were also the Non-EAR99 pharmaceuticals that required additional controls and were thus even harder to export. These included items like vaccines, medical supplies, devices, and chemicals, because they were feared to be used for non-medical, weapon-related purposes.<sup>279</sup>

Bank overcompliance, restricted financing options for Iran, and the devaluation of the rial are primary causes of the supply restriction. For banks, the threat of hundreds of

276 Gorji, “Sanctions against Iran.”

277 Sogol Setayesh and Tim K. Mackey, “Addressing the Impact of Economic Sanctions on Iranian Drug Shortages in the Joint Comprehensive Plan of Action: Promoting Access to Medicines and Health Diplomacy,” *Globalization and Health* 12, no. 1 (June 8, 2016): 31.

278 U.S. Embassy in Georgia, “Iran Sanctions/Europe.”

279 Setayesh and Mackey, “Addressing the Impact of Economic Sanctions.”

millions of dollars in fines from US secondary sanctions is too costly to risk a transaction. When a senior Iranian pharmaceutical representative flew to Paris in 2012 to provide evidence on the legality of the proposed trade with the French bank, he was told: “Even if you bring a letter from the French president himself saying it is OK to do so, we will not risk this.”<sup>280</sup>

This risk-averse attitude from banks has been well-documented globally, both pre- and post-JCPOA. In 2012, a patented American drug that prevents the body from rejecting an organ transplant could not fulfill an order from Iran because of “sanctions-related banking complications.”<sup>281</sup> In 2019, a European company producing medical dressing for patients with a skin condition called epidermolysis bullosa (EB) “decided not to conduct any business with relation to Iran,” further clarifying that this refusal “also applies to business conducted under any form of exemptions to the US economic sanctions.”<sup>282, 283</sup> The Swiss Banque de Commerce et de Placements (BCP), which had previously engaged in humanitarian-related dealings with Iran, also decided to suspend “all new business in Iran” when the reimposition of sanctions was announced in May 2018.<sup>284</sup> The concerns of these firms are not unfounded, as the US Treasury Department has a precedent of prosecuting pharmaceutical companies for selling “small amounts of medical supplies” to Iran.<sup>285</sup>

280 Namazi, “Sanctions and Medical Supply Shortages.”

281 Siamak Namazi, “Sanctions and Medical Supply Shortages in Iran,” *Wilson Center*, Viewpoints No. 20, February 2013, 12.

282 Namazi, “Sanctions and Medical Supply Shortages.”

283 Human Rights Watch, “Maximum Pressure.”

284 Namazi, “Sanctions and Medical Supply Shortages.”

285 Sina Azodi, “How US Sanctions Hinder Iranians’ Access to Medicine,” *Atlantic Council* (blog), May 31, 2019.

Nevertheless, Iranian people are the ones who ultimately bear the burden of these consequences: the patient who has waited years for an organ donor now lacks post-transplant medication; the girl with EB that has to endure “excruciating pain” because the only available low-quality dressing often gets attached to the blisters on her skin.<sup>286</sup>

When I asked Mori whether sanctions have affected his experience of the healthcare system, he recounted his search for the flu vaccine. “I wanted to get the influenza vaccine for my [elderly] parents,” he said. “But I couldn’t find any vaccine in Iran. [The government] said we would get the vaccine soon, but we didn’t see anything in the pharmacies... My brother is a doctor, and he couldn’t find it.”

Manouchehr, a fifteen-year-old boy from southwestern Iran, died of hemophilia.<sup>287</sup> This condition, where the body is unable to properly form blood clots, causes the sufferer to bleed severely from the smallest injuries. Although there is currently no cure for this genetic condition, expensive treatments that involve lifelong injections multiple times a week are available to stop the bleeding.<sup>288</sup> Because import restrictions had reduced Iran’s stock of hemophilia medicine down to a third, Manouchehr lost access to the US and European-made medicine that allowed him to live.<sup>289</sup>

Sanctions regimes’ restrictions on currency trading and the inaccessibility of Iranian assets abroad make it difficult for the government to pay for mass orders of medical

imports. Due to the relentlessness of the sanctions regime, firms have lost confidence in taking Iranian debt.<sup>290</sup> Orders from Iran for medical equipment therefore have to be paid in advance, in cash.<sup>291</sup> By 2016, approximately \$115 billion in Iran’s hard currency reserves were frozen abroad. When access was granted through sanctions relief between 2016 and 2018, most of that money remained abroad as a way to pay for imports.<sup>292</sup> However, when these funds are restricted under sanctions, it becomes extremely difficult for Iran to obtain dollars or euros. While Iranian banks may still have access to rupees, won, yuan, or even Turkish lira, American and European pharmaceutical companies do not accept these currencies, adding a further obstacle to the purchase of medical supplies.<sup>293</sup> According to the Wilson Center, the pre-JCPOA sanctions decreased medical imports by 30 percent, and in 2013 pharmaceutical imports from the US to Iran were reduced by half.<sup>294</sup>

The devaluation of the rial has made medicine significantly more expensive and decreased Iran’s purchasing ability. Inflation in healthcare reached as high as 44.3 percent and 45.6 percent in cities and rural regions in 2012.<sup>295</sup> As of 2019, the overall inflation rate has reached levels comparable to what it was in 2012, suggesting that inflation for the medical sector is likely similar.<sup>296, 297</sup> Pharmaceutical exports to Iran

286 Human Rights Watch, “Maximum Pressure.”

287 Saeed Kamali Dehghan, “Haemophilic Iranian Boy ‘Dies after Sanctions Disrupt Medicine Supplies,’” *The Guardian*, November 14, 2012, sec. World news.

288 Catharine Paddock, “Hemophilia Cure? Gene Therapy Trial Shows Dramatic Results,” *Medical News Today*, December 15, 2017.

289 Dehghan, “Haemophilic Iranian Boy.”

290 Namazi, “Sanctions and Medical Supply Shortages.”

291 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

292 Katzman, “Iran Sanctions.”

293 Namazi, “Sanctions and Medical Supply Shortages.”

294 Setayesh and Mackey, “Addressing the Impact of Economic Sanctions.”

295 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

296 Ibid.

297 “‘Maximum Pressure’: US Economic Sanctions Harm Iranians’ Right to Health,” Human Rights Watch, October 29, 2019.

are “significantly higher” in cost than for neighboring Pakistan, who does not face unilateral sanctions but has a similar economy.<sup>298</sup> Moreover, Iranian insurance companies have had to decrease their coverage as a result of the increased expenses, causing those who are unable to pay to become dependent on risky self-treatment.<sup>299</sup>

For the average Iranian citizen, all these obstacles amount to insurmountable trouble in obtaining adequate medical care. Mohammed, a boy from a southern neighborhood of Tehran with a condition that makes him too weak to carry his backpack, is believed to have a rare genetic disease. However, because sanctions have caused the costs of genetic testing to triple within a year to the point where it has become unaffordable for Mohammed’s family, the boy has not been able to receive a diagnosis for his condition.<sup>300</sup> Mohammed’s mother told the BBC, “I asked the doctor, how am I supposed to pay that money? He said, ‘I don’t know, I’m just like you.’” Every year, 1 percent of the Iranian population falls below the poverty line as a result of “catastrophic health expenditures.”<sup>301</sup> People turn to black markets for any medicine they can get, paying as much as four times the market price for medications that are unsafe and probably expired.<sup>302</sup>

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298 Ibid.

299 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

300 *BBC News*, “Six Charts.”

301 Kokabisaghi, “Assessment of the Effects of Economic Sanctions.”

302 Dara Mohammadi, “US-Led Economic Sanctions Strangle Iran’s Drug Supply,” *The Lancet* 381, no. 9863 (January 26, 2013): 279.

## Humanitarian Banking Channels and Foreign Aid

In late 2019, the US and Swiss governments worked on establishing a humanitarian banking channel that would facilitate Iran’s purchase of aid such as medicine, food, and other supplies from Swiss companies and prevent the Iranian government from diverting funds from its people. However, as of July 2020, Iran’s Central Bank has been unable to transfer billions of dollars made from oil revenues during the JCPOA era to banks working with the humanitarian channel.<sup>303</sup>

Iran’s access to its own funds is essential for the operation of this banking facility, and thereby Iranian people’s access to humanitarian goods. According to the Swiss State Secretariat for Economic Affairs (SECO), the banking channel required “regular transfers of Iranian funds from abroad for its functioning” and these transactions were “support[ed]” by the US. So far, only one Swiss bank has agreed to accept payments from Iran through this banking channel.<sup>304</sup>

Because these funds had been frozen when sanctions were reimposed, international banks have struggled to receive all the authorizations necessary to move them. Banks—who are already risk-averse to heavy fines for violating sanctions—have to seek permission from their governments, which in turn require clearance from the US. There is also the obstacle of insurance and shipping companies, who are “unwilling to provide vessels or cover for voyages, even for approved commerce.”<sup>305</sup>

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303 Jonathan Saul, Ana Mano, and Joori Roh, “Iran Struggles to Buy Food in a World Wary of Touching Its Money,” *Reuters*, July 30, 2020.

304 Ibid.

305 Ibid.

According to a *Reuters* article about sanctions affecting Iran's food and medical supplies in 2020, a South Korean foreign ministry official stated, "Any permission regarding the funds need to be strictly authorized by the US." And when this person was asked about the possibility of clearing Iran's cash revenue through the Swiss channel, the official replied that the "US hasn't been positive about such proposals."<sup>306</sup> The American government's hindrance to these transactions is reflected by an anonymous Iranian official: "These countries have approached the US to secure its approval for such a transfer, but to no avail."<sup>307</sup>

Although the US Treasury announced in January 2020 that initial transactions through this humanitarian banking channel had been "successful," six months later this no longer seemed to be the case—at least to the extent that might have been anticipated.<sup>308</sup>

## Coronavirus

Iran is one of the countries hardest hit with the coronavirus pandemic. Its total number of deaths reached as high as 29,000, as of October 2020.<sup>309</sup> During the crisis, many public officials—including the World Health Organization (WHO), four former NATO secretaries-general, former US and European politicians, human rights groups, and a group

<sup>306</sup> Ibid.

<sup>307</sup> Ibid.

<sup>308</sup> "United States Announces Successful Initial Transactions Through Humanitarian Channel for Iran," U.S. Department of the Treasury, January 30, 2020.

<sup>309</sup> "Coronavirus Update (Live)," Worldometer, last updated October 22, 2020.

of US Senators—have all advocated for sanctions relief.<sup>310, 311</sup> The group of Senators wrote a letter stating, "US sanctions are hindering the free flow of desperately needed medical and humanitarian supplies due to the broad chilling effect of sanctions on such transactions, even when there are technical exemptions."<sup>312</sup> Yet other hawkish American officials urged sanctions to continue, viewing the additional pressure from the pandemic as making Iran more likely to "capitulate to US demands."<sup>313</sup>

Iranian and American governments have publicly displayed hostility to one another in the midst of the pandemic. Though Iran did receive aid from more than thirty countries to fight the COVID crisis between February and March 2020, it rejected the United States' offers of "unconditional" aid, arguing that rather than sending in supplies, easing sanctions would enable Iran to handle the situation itself. The Iranian government also expressed distrust in Washington's leadership.<sup>314, 315, 316</sup> At the same time, Iran, desperate for aid, requested an emergency loan of \$5 billion from the International Monetary Fund (IMF) for the first time since

<sup>310</sup> Marc Champion and Golnar Motevalli, "How Iran's Virus Fight Is Tied to Struggle With U.S.," *Bloomberg*, August 3, 2020.

<sup>311</sup> Gareth Smyth, "How a Misleading Report on Iran from a Hawkish 'Think Tank' Made Its Way to Trump Administration Talking Points," *Responsible Statecraft* (blog), April 22, 2020.

<sup>312</sup> Christopher S. Murphy and et al. to Hon. Michael Pompeo and Hon. Steven Mnuchin, March 26, 2020.

<sup>313</sup> Champion and Motevalli, "Iran's Virus Fight."

<sup>314</sup> "Dozens of Countries Send COVID-19 Aid to Iran," United States Institute of Peace: The Iran Primer, last updated April 29, 2020.

<sup>315</sup> Champion and Motevalli, "Iran's Virus Fight."

<sup>316</sup> Reuters Editorial, "Iran Rejects U.S. Offer of Coronavirus Help," Reuters, August 26, 2020.

1962—and was blocked by the US.<sup>317</sup> The United States claimed the move was to prevent Iran from diverting the IMF funds to be used in other parts of its economy or to fund its regional aggression.<sup>318</sup>

Regardless of reasons claimed by both countries, it is clear that the antagonistic US-Iran relations, and the sanctions issue in particular, has politicized Iran's situation to the extent that Iranian people are robbed of potential aid as a consequence of geopolitics. "While the coronavirus outbreak could have provided Tehran and Washington an opportunity to cooperate against a common foe, the enmity and mistrust between them has proven too wide for even a deadly pandemic to bridge," wrote Karim Sadjadpour for the Carnegie Endowment for International Peace.<sup>319</sup>

Moreover, while the extent to which sanctions have impacted Iran's ability to manage the pandemic is unclear, it is generally agreed that Iran's healthcare system has been damaged by economic sanctions. Thus, the relatively low existing capacity of medical facilities likely contributed to Iran's poor capacity to deal with the crisis. Besides, many general medical supplies and equipment that face import barriers (like decontamination equipment and full-mask respirators) also required special licenses under sanctions guidelines. Yet whereas half of all license requests were approved in 2016, by 2019, the US Treasury Department only approved 10 percent of medical device exports that require these licenses.<sup>320</sup>

317 Karim Sadjadpour, "Iran's Coronavirus Disaster," Carnegie Endowment for International Peace, March 25, 2020.

318 Ian Talley and Benoit Faucon, "U.S. to Block Iran's Request to IMF for \$5 Billion Loan to Fight Coronavirus," *Wall Street Journal*, April 7, 2020, sec. World.

319 Sadjadpour, "Iran's Coronavirus Disaster."

320 Smyth, "Misleading Report on Iran."

Five authors from London and Tehran for the British medical journal, *The Lancet*, in April 2020 wrote, "Even before COVID-19, Iran's health system was feeling the effect of the sanctions. Their impact is now severe because they restrict the government's ability to raise funds or to import essential goods.<sup>321</sup> Consequently, although approximately 184,000 hospital and primary health-care staff were working to fight COVID-19, their efforts were thwarted by shortages of test kits, protective equipment, and ventilators. WHO has provided crucial supplies, sufficient equipment for 31,000 workers, but supplies are still substantially short of what is needed."<sup>322</sup>

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Economic sanctions have restricted Iranian people's access to medicine and healthcare. Moreover, it has made people's right to health and wellbeing a political issue. The lives of Iranian citizens are in the hands of politicians and government officials who, without sufficient regard for humanitarian consequences, deny access to aid and reject requests to export life-saving medical equipment. If M's family had access to medication, his nephew might be a toddler now; the fifteen-year-old boy, Manouchehr, might not have died of hemophilia. Though the casualties of economic warfare may be less visible or dramatic than those in a military war, they are not any less real or devastating and deserve to be recognized.

321 Adrianna Murphy et al., "Economic Sanctions and Iran's Capacity to Respond to COVID-19," *The Lancet Public Health* 5, no. 5 (May 2020): e254.

322 Ibid.