

IMPACT OF US SANCTIONS AND COVID-19 PANDEMIC ON IRANIAN
ECONOMY

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ABSTRACT

Keywords

Sanction,
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In international arena, governments opt for different means, either material or immaterial, to realize their national goals and interests. In addition, these means impact the competitive governments' critical interests indirectly and this causes them to change their behavior. In an era when use of force in international relations has declined or governments use the option more carefully, the ways of affecting other sensitive realms has changed an instance of which is sanction. The sanctions imposed on Iran due to its nuclear program have impacted Iran's relationship with other countries and its national interests. Due to these sanctions, Iran has lost its relationship with many countries especially European ones. In addition, economic consequences of the pandemic are clearly negative. Business relations which could cause disease spread are also negatively impacted by this situation. Meanwhile, the pandemic is undermining the last stage of a long period of rapid global integration. Although global economy will not be damaged like it was back in 1910s, future historians will unsurprisingly refer to the pandemic as one of the consequences of globalization which ultimately led to a new era of global business. This study adopted a descriptive-analytical design and to do so, SPSS Software (version. 19) was used and questionnaire forms were distributed in a statistical population which consisted of managers and experts of industrial sectors of Iran. This study aims to review the impact of US sanctions and COVID-19 pandemic on Iranian economy. The results suggested that US sanctions and COVID-19 have a significant impact on performance of management, production and development of small and medium industries.

ABD YAPTIRIMLARININ VE COVID-19 PANDEMİSİNİN İRAN
EKONOMİSİNE ETKİSİ

ÖZ

Anahtar Kelimeler

Yaptırım,
Pandemi,
Dinamik Ekonomi,
İş İlişkileri,
Küreselleşme

Uluslararası arenada hükümetler, ulusal amaç ve çıkarlarını gerçekleştirmek için maddi veya manevi farklı yolları tercih etmektedirler. Ayrıca bu araçlar, rekabetçi hükümetlerin kritik çıkarlarını dolaylı olarak etkilemekte ve bu onların davranışlarını değiştirmelerine neden olmaktadır. Uluslararası ilişkilerde güç kullanımının azaldığı veya hükümetlerin seçeneği daha dikkatli kullandığı bir çağda, diğer hassas alanları etkileme yolları değişti, örneğin yaptırım. Nükleer programı nedeniyle İran'a uygulanan yaptırımlar, İran'ın diğer ülkelerle olan ilişkilerini ve ulusal çıkarlarını etkilemiştir. Bu yaptırımlar nedeniyle İran başta Avrupa ülkeleri olmak üzere birçok ülke ile ilişkisini kaybetmiştir. Ek olarak, pandeminin ekonomik sonuçları açıkça olumsuzdur. Hastalık yayılmasına neden olabilecek iş ilişkileri de bu durumdan olumsuz etkilenmektedir. Bu arada, pandemi, uzun bir hızlı küresel entegrasyon döneminin son aşamasını baltalıyor. Küresel ekonomi 1910'larda olduğu gibi zarar görmeyecek olsa da, geleceğin tarihçileri şaşırtıcı bir şekilde pandemiye, nihayetinde yeni bir küresel ticaret çağına yol açan küreselleşmenin sonuçlarından biri olarak değineceklerdir. Bu çalışma tanımlayıcı-analitik bir tasarım benimsemiştir ve bunu yapmak için SPSS Yazılımı (sürüm 19) kullanılmış ve anket formları İran'ın sanayi sektörlerinin yöneticilerinden ve uzmanlarından oluşan istatistiksel bir popülasyona dağıtılmıştır. Bu çalışma, ABD yaptırımlarının ve COVID-19 pandemisinin İran ekonomisi üzerindeki etkisini incelemeyi amaçlamaktadır. Sonuçlar, ABD yaptırımlarının ve COVID-19'un küçük ve orta ölçekli sanayilerin yönetim, üretim ve geliştirme performansı üzerinde önemli bir etkisi olduğunu gösterdi.

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1. INTRODUCTION

The current condition of international system makes development and survival of the countries located in each area dependent on their level of cooperation and coordination. On the other hand, level and quality of cooperation is directly correlated with geographic and geo-political characteristic as well as political, economic and cultural capacities of countries in each block. In the meantime, Iran and India as two powerful and influential Asian countries have many commonalities and historic-cultural relationships which encourage the two countries to improve their association even further (Irvani, 2016).

The use of economic, financial and technological means is an effective method of realization of foreign policy targets and national interests of governments. Within the current structure of international system, those countries adopt such methods which have hegemonic consistency. The available evidence suggests that the countries with hegemonic stability offer behavioral models of leading governments and they could contribute to maintenance of international cooperation significantly.

Within the current structure of international system, the United States of America could be referred to as a country with characteristics of hegemonic stability such as technological dominance and advance economy, a growing economy and strong political support through manifestation of military power. (Torabi & Vesali, 2019).

US unilateral economic sanctions' turning into multilateral UN sanctions caused significant problem for Iran from political, diplomatic and economic viewpoints. The results suggested that the financial system is impacted more than other sectors financially. Recent sanctions targeted Iranian financial system as they seek to diminish financial relations between Islamic Republic of Iran and foreign countries. Economic sanctions affect importation of raw materials and capital goods from quantitative and qualitative perspectives which is followed by quantitative decline of products, production decline and unemployment (Rezaii, 2018).

If a promising treatment for the pandemic is not found, recovery of global economy would seem doubtful. This situation might lead to a global economic crisis and take a number of countries off the map. Therefore, the pandemic might cause the global economy to experience not a temporary crisis but a permanent one and as a result, it

might initiate a structural change in global economy and the whole global system. Every country tries to save itself first so as to prevent from taking toughest preventive measures. They close air travels and keep the ground borders shut. In addition, they turned privately managed hospitals into governmental ones and continuation of this situation might lead to serious changes (Hadadi, 2017).

COVID-19 pandemic has shaken the two bases of current global system, namely global economy and security and it will worsen the situation. Continuous undermining of these two bases could directly affect the future of global system or even lead to development of a new system. Certain economies might not suffer from financial deficits due to their previous preventive measures but fluctuations in global economy deepen the big economic crisis in future. Since weak economies possess lower share of the global system, they have not a lot to lose and they will not suffer as much as current leaders of the global system.

Currently, some of the sanctions have been removed or lessened and hopefully all of these sanctions will be removed in future. It is necessary for Iran to revise its foreign business policies. This does not mean that Iran should reduce its relation with China but it means that in any situation such as imports, exports and investment the countries of the world have similar importance to Iran and the country which offers better terms and quality for lower cost will be a better trade partner and contractual party. The pandemic spread will even disrupt the global value chains because spread of the pandemic will disrupt global production and value creation chains and its consequences will affect businesses, consumers and global economy. Most CEOs are struggling to respond to immediate questions concerning the ways of retaining their employees, maintaining supply security, minimizing financial impacts and risks of damage to reputation of the company and dealing with market ambiguities which dampen the demand.

Therefore, considering the above discussion the authors conduct this survey so as to respond to the main question concerning the effect of US sanctions and COVID-19 pandemic on Iranian economy. As a result, the following objectives should be sought:

- 1- Review and determination of effects of sanctions and COVID-19 pandemic on management performance.
- 2- Review and determination of effects of sanctions and COVID-19 pandemic on marketing performance.

- 3- Review and determination of effects of sanctions and COVID-19 pandemic on production performance.
- 4- Review and determination of effects of sanctions and COVID-19 pandemic on development performance.

2. LITERATURE BACKGROUND

2.1. Notion of International Sanction

These sanctions are among major executive sanctions which have frequently been imposed in past few years by Security Council against many countries. The goal of international sanctions is preventing a country or group from achieving certain capabilities which could threaten international peace and security. In other words, international sanctions are intended to change the behavior of a state, limit war or create presumed or real barriers to the path a country is headed to, defame a country or cabinet of that country or a group at international scale as rebellious, aggressive or source of threat and risk. Finally, sanction might be an introduction to use of force by United Nations against a country (Asgarkhani, 2016).

2.2. Economic Sanction

One of the methods of forcing countries into showing certain political behavior is economic sanction. The use of financial and economic tools has always been an effective method which global dominance system adopts to spread its influence in target countries. In this regard, the exploiting states use pressure leverages to make nations change their behavior the way they expect them to.

2.3. Effectiveness of Economic Sanction

Here, we should point to two significant notions in literature of sanction. One notion suggests that economic efficiency of sanction signifies its success in economic terms and the other suggests that political efficiency of the sanction signifies success in creating desirable political reaction. One should take the difference between the two notions into account. Political efficiency requires the sanction to have economic efficiency but the effect does not necessarily guarantee political success. In regard to efficiency of sanctions, deterrence theory is adopted which means that the sanctioning party should make the sanctioned party to change behavior. From Thucydides, Machiavelli, Rousseau, Morgenthau to David Baldwin, sanction strategy has been used in different aspects. Some

believe that sanctions are not effective. They refer to mutual dependence theory so as to reason that due to complicated regulations of the international system, the sanctioned party could use different means in their world of dependence so as to save itself against the sanctions (Mearsheimer, 2019).

However, some suggest otherwise. If a country faces sanction for a long period of time, its economy will cripple in long terms. For instance, D'Amato referred to Iran's need for investment in oil industry. It was suggested that if Iran cannot get modern and advanced tools for drilling oil wells, competitive neighboring countries especially Arabic countries could use their advanced drilling tools mostly supplied by American oil companies to exploit joint underground resources (Huntington, 2000).

These two types of sanctions are different in terms of purpose, addressee and practice. Regarding the sanctions which seek behavioral change, the sanctions are imposed on the state and practice is direct and through official and non-complicated methods and mechanisms. In regard to sanction of second type, the goal is instability or overthrow, the addressee and practice are complicated and indirect. In this type of sanction, the public are mainly addressed. Here, the goal is putting pressure on the community so that they stay away from the government.

2.4. Impact of Sanction on Iranian Economy

The sanctions imposed on Iran have had numerous consequences some of which are mentioned below:

Sanctions, either unilateral or multilateral, have been imposed since Islamic revolution in Iran and they make up the core of US politics towards Iran. Barak Obama, the ex-president of United States, emphasized on entering the White House that he intends to follow a diplomatic policy so as to deal with Iran. However, in his first presidential term, he imposed toughest US sanctions ever on Iran (Hakim, & Rashidian, 2016).

The sanction strategy reduced economic and industrial growth of Iran, limited foreign investments, weakened Rial, multiplied inflation rate and dampened oil and gas export. Mahmood Bahmani, ex-head of Iranian central bank, described the sanctions as if they have nothing short of military war. Even, Mahmud Ahmadinejad the ex-president

once described the sanctions as a hilarious behavior but later confessed that the sanctions impacted Iranian economy (Momtaz, 2018).

As a result, if sanctions are intended to harm the Iranian community, the goal has already been realized. But, if sanctions are intended to convince Tehran into giving up on its nuclear ambitions, they have failed as nuclear activities of Islamic Republic of Iran have increased. This is what I had predicted before. Taking thoughts, culture and religious beliefs of Iranians, they are opposed to surrendering and that is why they have developed their nuclear programs.

As suggested in an IAEA report, before sanctions were imposed on the country Iran had an enrichment facility, a pilot center with 164 centrifuges which purified uranium up to 3.5 percent, a generation of centrifuges and at most 100kg of enriched uranium reserve. However, Iran now has two enrichment facilities with 12 thousand centrifuges and it can enrich uranium up to 20 percent. Meanwhile, Iran is using a new generation of centrifuges which provide Iran with 8 tons of enriched uranium (Momtaz, 2018).

Nuclear development of Iran during the time when sanctions were being imposed left no doubt that use of force by west has made Iran seek self-sufficiency in nuclear technologies. A similar phenomenon occurred during Iran-Iraq war. Before the conflict, Iran could not make even a bullet and it was completely dependent on western arms. However, during and after war and despite of increase of sanctions Iran developed a major defense industry and became an independent arm manufacturer. Iran is currently making long-range missiles and it has even launched a satellite to the space.

This is while Iranians have been less hostile than other nations of the region to United States. US officials know that sanctions impact normal people and as a result, there is a risk that Iranian people grow a long-standing hatred toward US. A Gallop poll suggests that Iranian people have felt the consequence of sanctions and they blame US rather than their leaders for it (Institute International Pour, 2018).

Now, it is evident that US has failed to use the sanctions to coerce Tehran into cooperation. The sanction policy of the west has led to further radicalization of Iran. Reza Naqdi, the head of Basij Forces, was against the suggestion that Iran should ask for sanctions lift in next round of nuclear negotiations. He believes that the sanctions release the hidden potential of Iran and oil sanction could eliminate dependence of Iran on oil sale (Pesaran and Shin, 2017).

In addition, the sanctions caused Iran to conclude that US is not serious in its policy of dealing with Tehran and in contrast, it follows its traditional policy of regime change. In a speech, the Supreme Leader emphasized that whenever we get close to a solution Americans create a new problem for us so as to prevent from achieving a solution. He also noted, "In my opinion, their goal is keeping this subject unresolvable so as to find an excuse for putting more pressure on Iran.

The term "epidemic" refers to excessive spread of a disease or an effect in a population. Epidemic is quick spread of an infectious disease to a larger number of people in a certain community within a short period of time (usually two weeks or less). For instance, meningococcal infections are characterized by infectious rate of more than 25 cases per 100.000 in two consequent weeks of an epidemic spread. Epidemic refers to any communicable disease (CD) or non-communicable disease (NCD) or anything which threatens the lives of humans and animals if its infectious rate is more than expected. For instance, since smallpox has generally disappeared worldwide, a smallpox epidemic will be announced if a smallpox case is found (Shenna, 2018).

2.5. Impacts of COVID-19 on Iranian Economy

Now that coronavirus has arrived in Iran and is spreading now, the bigger concern of national economy is consequences of the epidemic in Iran. As first cases of the disease were found, the first wave crippled domestic and foreign tourism sectors. Cancellation of travels especially before Newroz and New Year holiday caused Iranian tourist sector and its dependent service sectors including passenger transportation, hotels and restaurants, entertainment and tourism sectors among others to lose their best time of business and they get hurt severely (Institute International Pour, 2018). In addition, a range of businesses like theatre, cinema, sport clubs, make-up saloons, shopping centers and malls were affected by this condition. From international perspective, some neighboring countries have ceased traffic of passengers between Iran and their country. Undoubtedly, as the epidemic situation got worse and COVID-19 spread all over Iran, the borders of more neighboring countries were shut and Iranian passengers were prohibited from traveling to/from Iran. Apart from impacts of these measures on tourism sector and cross-border trade, a large risk could be importing countries' decision to prevent Iranian fresh products and food items (i.e. processed animal meat products, fruits and vegetables)

from entering their customs which will hurt Iran national production and exportation even further (Hakim & Rashidian, 2016).

An essential measure to prevent from COVID-19 infection is prevention from gatherings. As a result, the businesses which are somehow related to gatherings such as Cinema, theatre, restaurants, sports clubs and hair saloons are faced with lower number of customers and reduced income. Therefore, public businesses are generally faced with significant reduction of demand which will seriously impact the value-added of service sector in short term (Shebonti Ray & Alam Rizvi, 2015).

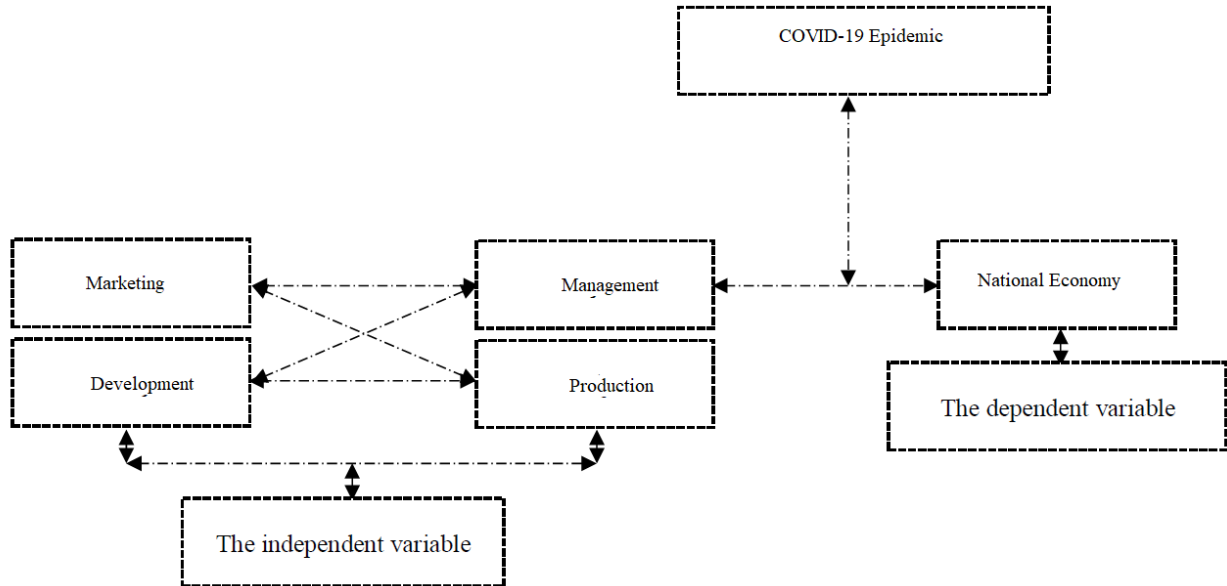
In first stages of COVID-19 spread, price tag of basic goods soared because on one hand the consumers started buying this group of goods excessively since they feared of facing quarantine. On the other hand, observation of health codes and preventing the virus from spreading lead to slower transportation network (Hakim & Rashidian, 2016). Therefore, although increased demand and lower supply will increase the price of such goods in short term, the prices are expected to fall in the long run. On the other hand, demand for other products will reduce because people prefer to stop inessential trips so as to prevent from infection with the virus. This situation results in lower sale and significant loss of retailers. The significance of this problem doubles near the new year as consumers are less declined to buy during Newruz (Shebonti Ray & Alam Rizvi, 2015).

On the other hand, domestic economy was hurt by coronavirus spread. This was especially observed in airlines, hotels and restaurants. In closing days to Newruz, increase of sales and travels could help certain sectors of the economy. Although coronavirus disrupts Iranian economy significantly, the economy is hurt more by public distrust and loss of social capital. Loss of public trust, lowering social capital, concern about future and lack of inclination toward long-term investment damage Iran economy seriously.

3. METHODOLOGY

This study adopts an analytical methodology and it attempts to find some association between different concepts so as to compare them, conclude and come to an argument. Data collection was done through library review and except for cases which were essential to direct the subject, statistics and numbers were not included. In terms of methodology and purpose, this is an applied survey. In an applied study, research results

are used in future decisions, policy making and planning. In order to collect the required data, field study and author’s self-developed questionnaires were distributed. The statistical population of this study consists of managers and experts of small and medium enterprises (n=127). In order to determine the sample size, Morgan table was used.



3.1. Data Analysis

US sanctions and COVID-19 pandemic exert significant effect on management performance of small and medium industries.

H0- US sanctions and COVID-19 pandemic do not exert significant effect on management performance of small and medium industries.

H1- US sanctions and COVID-19 pandemic exert significant effect on management performance of small and medium industries.

Table 1: Results of Regression Test of Correlation of Sanction and COVID-19 with Management

Dependent Variable	Fixed Value	Correlation Coefficient	t-statistic Significance	Coefficient of Determination	Value of F-statistic	F-statistic Significance	Durbin-Watson Statistic
Management	2.945	0.759	0.000	0.615	597.078	0.000	2.845

Source: Research Findings.

As shown in above table, review of independence of errors and linear association through Durbin-Watson statistic (ranging from 1.5 to 2.5) suggests that the hypothesis of

lack of correlation between errors is not denied and regression could be used to test the hypothesis. In addition, significance level of t-statistic test showed the value 0.0000 for variance analysis. Therefore, the variable of management could explain the variance of the variables “sanction” and “COVID-19 pandemic” to a large extent. Therefore, based on above results, the hypothesis concerning the impact of US sanctions and COVID-19 pandemic on management performance of small and medium industries is supported.

Test of Second Hypothesis

US sanctions and COVID-19 pandemic exert significant effect on marketing performance of small and medium industries.

H0- US sanctions and COVID-19 pandemic do not exert significant effect on marketing performance of small and medium industries.

H1- US sanctions and COVID-19 pandemic exert significant effect on marketing performance of small and medium industries.

Table 2: Results of Regression Test of Correlation of Sanction and COVID-19 with Marketing Performance.

Dependent Variable	Fixed Value	Correlation Coefficient	t-statistic Significance	Coefficient of Determination	Value of F-statistic	F-statistic Significance	Durbin-Watson Statistic
Management	1.238	0.864	0.000	0.752	865.541	0.000	2.756

Source: Research Findings.

As shown in above table, review of independence of errors and linear association through Durbin-Watson statistic (ranging from 1.5 to 2.5) suggests that the hypothesis of lack of correlation between errors is not denied and regression could be used to test the hypothesis. In addition, significance level of t-statistic test showed the value 0.0000 for variance analysis. Therefore, the variable of marketing could explain the variance of the variables “sanction” and “COVID-19 pandemic” to a large extent. Therefore, based on above results, the hypothesis concerning the impact of US sanctions and COVID-19 pandemic on marketing performance of small and medium industries is supported.

Test of Third Hypothesis

US sanctions and COVID-19 pandemic exert significant effect on production performance of small and medium industries.

H0- US sanctions and COVID-19 pandemic do not exert significant effect on production performance of small and medium industries.

H1- US sanctions and COVID-19 pandemic exert significant effect on production performance of small and medium industries.

Table 3: Results of Regression Test of Correlation of Sanction and COVID-19 with Marketing Performance.

Dependent Variable	Fixed Value	Correlation Coefficient	t-statistic Significance	Coefficient of Determination	Value of F-statistic	F-statistic Significance	Durbin-Watson Statistic
Management	1.569	0.985	0.000	0.741	854.635	0.000	2.562

Source: Research Findings.

As shown in above table, review of independence of errors and linear association through Durbin-Watson statistic (ranging from 1.5 to 2.5) suggests that the hypothesis of lack of correlation between errors is not denied and regression could be used to test the hypothesis. In addition, significance level of t-statistic test showed the value 0.0000 for variance analysis. Therefore, the variable of production could explain the variance of the variables “sanction” and “COVID-19 pandemic” to a large extent. Therefore, based on above results, the hypothesis concerning the impact of US sanctions and COVID-19 pandemic on production performance of small and medium industries is supported.

Test of Fourth Hypothesis

US sanctions and COVID-19 pandemic exert significant effect on performance of small and medium industries.

H0- US sanctions and COVID-19 pandemic do not exert significant effect on performance of small and medium industries.

H1- US sanctions and COVID-19 pandemic exert significant effect on performance of small and medium industries.

Table 3: Results of Regression Test of Correlation of Sanction and COVID-19 with Performance.

Dependent Variable	Fixed Value	Correlation Coefficient	t-statistic Significance	Coefficient of Determination	Value of F-statistic	F-statistic Significance	Durbin-Watson Statistic
Management	1.569	0.985	0.000	0.741	854.635	0.000	2.562

Source: Research Findings.

As shown in above table, review of independence of errors and linear association through Durbin-Watson statistic (ranging from 1.5 to 2.5) suggests that the hypothesis of lack of correlation between errors is not denied and regression could be used to test the hypothesis. In addition, significance level of t-statistic test showed the value 0.0000 for variance analysis. Therefore, the variable of production could explain the variance of the variables "sanction" and "COVID-19 pandemic" to a large extent. Therefore, based on above results, the hypothesis concerning the impact of US sanctions and COVID-19 pandemic on performance of small and medium industries is supported.

4. DISCUSSION AND CONCLUSION

As US sanctions on Iran increased, most of previous partners of Iran started ceasing business with the country. Some of them left Iran apparently but they still trade with Iran behind the scene. Some others who had no problem in trading with Iran previously raised the price of business under the new conditions. Certain countries such as UAE, India and China who did business with Iran in the past added to expenses of doing business with Iran as much as possible and they used different ways to exploit the weaknesses of the country. These sanctions disrupted the economic condition of the country but it brought hefty profits to those countries which still kept their economic and business ties with Iran.

Considering different aspects and economic impacts of COVID-19 spread on Iranian economy, it is expected that the government seeks more stringent systems to prevent the pandemic from further spread into the country. In addition, socio-economic clarification, public culture improvement, timely information, prioritization of incentive policies in tax sector, deferment of bank loans for vulnerable businesses, creating a financial release options for economic plays through cancellation or postponing the payment of governmental fees (especially for private sector), incentive policies for foreign trade such as import permit without transfer of foreign currency to import basic goods, sanitary items and medical equipment, development of e-business facilities, health agreements and protocols, arranging for biological safety to enable safe export of Iranian products to business partners, promotion of social capital, prioritization of repayment of private sector debt in 2020 budget, stabilization of supply chain, developing an emergency plan to improve business plan and promote capital inflow, focus on domestic production to satisfy the requirements of health and treatment sector and developing

executive protocols to deal with the disease could protect Iranian economy and community from further disaster.

The main premise of this unfair profit taking was sale of low-quality Chinese products of some countries like China to Iran. Easy and cheap purchases from Iran and financial meddling under the excuse of facilitation of economic relations were among other ways which certain countries like Russia, India and China profited off Iran. For instance, when European Union passed oil sanctions, Chinese shipping companies which were engaged in transportation of petrochemical products reacted quickly and they announced that they are ready to help Iran with that. Using the opportunity, they tried to rip immediate benefits for themselves. At the time, Reuters reported that the Chinese companies "Nanjing" and "Sinochem" declared their satisfaction with passing of such sanctions as they started to do business with Iran.

In the plan for reduction of sanctions on Iran, it was predicted that few billion dollars of the blocked funds would be released but this funds were supposed to be released in installments so that political and diplomatic risks of lift of sanctions are addressed. However, the future trend suggest that economic-political ties between Iran and the west will increase competitive for entering Iranian market and foreign business partners of Iran will change consequently.

As a result, recent attempts of Iran to lift the sanctions has caused worries among some countries since trade, banking and oil sanctions of Iran led to reduced engagement of Iran in different markets and this provided the traditional competitors of Iran with unique opportunities. In a secret alliance, China and Russia have come to a strategic agreement to benefit the situation and take the continuation of sanctions as contributive to their interests. Considering their profitable deals, these countries try to bar any immediate and easy agreement between Iran and western country. Iranian Ministry of Foreign Affairs should diversify national relationship with east and west so as to stop mere focus of national trade on the east. In this way, business, economic and industrial interests of Iran will take a natural trend and rights of Iranian people (i.e. consumers and producers) will be protected.

Consequently, dependence of Iran on oil income and imports from other countries especially capital and intermediate goods is a significant factor affecting the impact of sanction. If impact of sanctions on Iran national economy is supposed to decline, we

should reduce and cease economic dependence on oil and imports. These two basic policies will reduce the impact of certain disruptive forces such as sanctions on our national economy.

The second wave of pandemic increase the probability that Iranian economy undergoes another shock since global supply chains on which production in Iran is dependent will be disrupted again.

A more serious fact is that Iranian economy might be impacted by consequences of a new crisis in financial markets which could have a bigger scale than previous economic crises and this may trigger a debt crisis in the region. Emerging market-based economies which previous dealt with an economic storm brought by sudden drop of international prices of goods, reversal of capital flow and lower foreign demand will take another blow. This could lead to a serious wave of deferred repayment of debts in the markets which shakes the Iranian financial systems to the core.

Test of first hypothesis through variance analysis suggested that the variable of management could explain the variance of the correlation between the variable of sanction and COVID-19 pandemic. Considering the results of above test of impact of US sanctions and COVID-19 pandemic on management performance of small and medium industries, it is recommended that managers adopt proper crisis management methods to enable efficient and effective management under current condition.

Test of second hypothesis through variance analysis suggested that the variable of marketing could explain the variance of the correlation between the variable of sanction and COVID-19 pandemic. Considering the results of above test of impact of US sanctions and COVID-19 pandemic on marketing performance of small and medium industries, it is recommended that useful policies such as marketing practices based on requirements of target markets are used to improve business and economic relations with other countries.

Test of third hypothesis through variance analysis suggested that the variable of production could explain the variance of the correlation between the variable of sanction and COVID-19 pandemic. Considering the results of above test of impact of US sanctions and COVID-19 pandemic on production performance of small and medium industries, it is recommended that domestic investments are incentivized so as to improve production capacity of national industries.

Test of fourth hypothesis through variance analysis suggested that the variable of performance could explain the variance of the correlation between the variable of sanction and COVID-19 pandemic. Considering the results of above test of impact of US sanctions and COVID-19 pandemic on performance of small and medium industries, it is recommended that proper policies are implemented to create proper association and collaboration between higher education centers and domestic industries.

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