



Iran diary: bracing for all-out economic war

by

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on

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The minute you set foot in the streets of Mashhad, the air smelling of saffron, a fine breeze oozing from the mountains, it hits you; you're in the heart of the Ancient Silk Road and the New Belt and Road Initiative (BRI).

To the east, the Afghan border is only three hours away on an excellent highway. To the north, the Turkmenistan border is less than four hours away. To the northwest is the Caspian Sea. To the south is the Indian Ocean and the port of Chabahar, the entry point for the Indian version of the Silk Roads. The Tehran-Mashhad railway is being built by the Chinese.

A group of us – including American friends, whose visas were approved at the highest levels of the Iranian government – have gathered in Mashhad for the New Horizon Conference of independent thinkers. Right after a storm, I'm in a van on the way to the spectacular Imam Reza shrine with [Alexander Dugin](#), which the usual suspects love to describe as "the world's most dangerous philosopher," or Putin's Rasputin.

Debating and discussion time

We're deep in debate not over geopolitics but ... bossa nova. Exit Sun Tzu and Machiavelli, enter Tom Jobim and Joao Gilberto.

Persia traditionally has been a land of serious intellectual discussion. At the conference, after a lunch break, a few of us decide to start our own geopolitical debate, no cameras rolling, no microphones on. Dugin expands on what multipolarity could be; no universality; pluriversal; a realm of pluralistic anthropology; all poles sovereign. We discuss the pitfalls of Eurasian identity, Islamic identity, sub-poles, India, Europe and Africa.

A few minutes later Iranian scholar Blake Archer Williams – his *nom de plume* – is delving into "The sacred community of Shi'ite Islam and its covenantal dispensation."

Karaj is a bustling three million-strong city one hour away from Tehran by freeway. Early one morning I enter a room in a *hawza* – an Islamic seminary. In my previous travels I have visited *hawzas* in Qom, but never a female-only school. This one harbors 2,275 active students from all over Alborz province up to PhD level. They study philosophy, psychology, economics and politics. After graduation, some will go abroad, to teach in Islamic and non-Islamic nations.

Our Q&A is exhilarating. Many of my interlocutors are already teachers, and most will become scholars. Their questions are sharp; some are extremely well informed. There's so much eagerness to know detail after detail about life in the West.

High academic standards

The next day I visit the [Islamic Azad University](#); more than four million alumni, 1.4 million current students, 29,000 faculty members, 472 campuses and research centers and 617 affiliated high schools. The Karaj campus is the second in importance in Iran.

This is an extraordinary experience. The hillside campus may not be a UCLA, but puts to shame many prestigious universities across Europe. Not to mention the annual tuition fees; only US\$1,000 on average. Sanctions? What sanctions? Most of the equipment may yield from the 1980s, but they have everything they need. As attested by jovial master architect Ali Kazemi, who spent 16 years in Paris after graduating from Nanterre, the academic standards are very high.

Rector Mohammad Hasan Borhanifar – formerly at the University of Kyrgyzstan in Bishkek – opens all the doors at the campus. I'm shepherded by Mohammad Hashamdar, from the Faculty of Languages. I talk to the deans of all faculties and have a Q&A with students, mostly in international relations.

Even before the proclamation of the "strongest sanctions in history," everyone wants details on the US Treasury's new form of financial war, even more deadly than a hot war. In slightly more than two months, the purchase of US dollars, steel, coal and precious metals will be banned; there will be no more Iranian imports to the US and aviation and the car industry will be under sanctions.

Airbus may have to cancel multi-billion dollar orders from Iran. An IT professor tells me Iran can buy excellent Sukhoi passenger jets instead. No Peugeots? "We buy Hyundai."

My interlocutors update me on investments by Total, Airbus, BASF, Siemens, Eni – its branch Saipem signed a \$5 billion deal with the National Iranian Oil Company, NIOC, to develop oil and gas fields and ultimately supply energy to Europe. They confirm that if Total pulls out of the development of the 11th phase of the South Pars gas field, the Chinese CNPC will take over.

Almost 70% of Iran's oil exports go to China and Asia, 20% go to Europe. Almost 90% of what the EU buys from Iran is oil, going mostly to Spain, France, Italy, Greece, Germany and the Netherlands. Iran remains THE Big Prize, as Dick Cheney well knew; an astonishing \$45 trillion in oil and gas reserves.

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A wide gene pool

I'm slightly alarmed when, talking to the Friday prayer imam – who is the actual representative of Ayatollah Khamenei in Karaj – he's clueless about the New Silk Roads. Just as the Ancient Silk Road allowed Buddhism to fertilize Chinese culture, Iran, India and China are bound to cross-fertilize again; imagine a trans-Eurasia lab equipped with a wide gene pool and well-educated young armada searching for creative solutions.

The LA freeway hell pales in comparison with being stuck in a monster three-hour traffic jam from Tehran to Karaj, only 25 kilometers. I duly incorporate a Persian imprecation to my vocabulary; *kharab beshe*, which in polite translation means "going to nowhere." I miss my requisite geopolitical dinner with Professor Marandi of the University of Tehran; we do it later on Whatsapp – like MBS and Jared Kushner.

What daily life in 17 million-strong, congested to death Tehran reveals is the standard of living essentially of a mid-level emerging nation. Everyone has a car, and smartphones and wi-fi are ubiquitous. In parallel, everywhere we feel intimations of a Persian civilization boasting at least a millennium of fabulous history even before Islam was born. And when we talk to the secularized intellectual elite, it's clear that for them, in comparison, Arabs are nothing but trouble.

Everywhere I go I'm back in the '70s; the whole infrastructure seems decades old, but everything works. Except for timing; Iran might as well be the land of magical realism 2.0, where the unexpected happens when all hope has been forsaken.

A smart, young generation

In Mashhad, I'm the guest in a political talk show on Khorasan TV – in a studio immaculately preserved from the '70s. Yes, this is the heart of the fabled Khorasan – "where the sun arrives from" – that transfixed Alexander The Great. I spend half an hour dissecting the JCPOA; my translator is an over-qualified import-export expert. Khorasan TV's blockbuster is an American-style cop show essentially covering road accidents in real time; after all, the crime rate is negligible.

Real inflation is at 16% a year – so far. Foreign exchange inflation is much higher. Real youth unemployment is at a steep 30%, in a country of 80 million where the median age is 29 and 40% of the population is under 24. One of my translators in Karaj, Ali, is 24; he's unemployed, learned English by watching DVDs and cannot afford to rent his own place.

Under the new rial devaluation, the median regional salary plunged to about US\$250 per month. One cannot rent a 40 square meter apartment near Azad University for less than \$200 per month.

I stop for a late night pizza in Mashhad. The bill reads a whopping 200,000 rials; that's a little more than \$3. The euro in the black market spikes to nearly 80,000 rials.

Social media

Telegram has been blocked – but still, everyone uses both Telegram and WhatsApp. Some VPNs work, some don't. The block was not necessarily linked to the spread of anti-government rumors during the January street protests – which actually started in Mashhad.

Elaheh, who did her language master in France; Bojan, who has a PhD in economics from San Diego State; or Ayoub Farkhondeh, who works on terrorism studies at the Habiliyan research institute, are all amused by the "bizarre" coverage by Western media of all things Iran.

The analysis of well-educated people in both Mashhad and Tehran tends to qualify the protests as essentially IMF riots – which happen when the Washington Consensus forces governments to reduce subsidies. Real revolutions, in Iran, involve clerics, middle-class intellectuals and the *bazaaris*.

This time the focus was the grassroots; the working class in small provincial cities. Millions in Iran, after all, depend on government salaries and subsidies. In contrast, Team Rouhani is essentially neoliberal.

Of course, there's government criticism – more towards the clerics than neoliberal Team Rouhani. Businessmen told me of untold ministerial-level corruption – but it's virtually impossible to verify the numbers. The Pasdaran, as the IRGC is referred to, continue to control a great deal of the economy and to manage a welfare system and client system that distributes favors to millions of people, but also imposes rigid social control.

At the same time, not looking at Iran via a windowless cubicle in Washington but actually on the ground, it's clear that NSC Adviser John Bolton's plan to revive the Mujahedin-e Khalq, known as MEK, to attempt a [color revolution](#) will fail miserably. MEK is universally despised. The whole of Iranian society won't blame either Khamenei or Rouhani for the incoming economic war.

Europe on the spot

Persian politeness, hospitality and graciousness always strike a visitor as deeply touching. All that combined with an obsession with the image that the West has of Iran. Iran does not seek "isolation"; it's Washington politics that wants it isolated.

So no wonder Europe is on the spot. The EU will activate a [1996 law](#) which forbids European companies to comply with US sanctions, protecting them "against the effects of the extra-territorial application of legislation adopted by a third country." Still, the question is ubiquitous; "The Europeans will side with us or the Americans?"

In parallel, Iranians don't want to be like the West. And the best way to understand it is by visiting the Imam Reza shrine over and over again – I went early in the morning, after an afternoon storm, and at night.



Night activities at Imam Reza shrine in Mashhad. Photo: Asia Times/Pepe Escobar



The Imam Reza shrine, known as [Astan Qods-e Razavi](#), is a marvel enveloped in golden and turquoise domes, lavish minarets and 12 courtyards spread over one million square meters. It hosts the largest Iranian NGO; a centuries-old administrative structure encompassing eight general directorates, more than 50 industrial, agricultural and service companies, over 15 cultural and research institutions and more than 12,000 students.

The 12th-century library at the shrine is one of the world's oldest, along with Alexandria, the Vatican and Topkapi. Ayatollah Khomeini ordered its preservation. The public library holds four million books in more than 90 languages. There's even a lab to "cure book diseases." Mashhad runs a library in India plus a documentation center with more than 18 million items, including a 1,300-year-old document linked to Imam Ali.

Before leaving on a night flight to Doha, I visit the shrine one last time with two fine, steeped in history, Italian observers, ace journalist Giulietto Chiesa and writer Roberto Quaglia. It's the first day of Ramadan. We're speechless facing the crossover of aesthetic beauty, spiritual illumination and plain old fun.

Whole families gather, improvise a picnic, chat, take selfies, kids roam around playing. Instead of being glued to some dodgy version of Big Brother, like most across the West, they prefer to live life in a shrine. It is indeed an organic "third day", like a government insider told me in Tehran.

Meanwhile, a Chinese train is snaking along from Mongolia to Tehran carrying sunflower seeds. While the dogs of war bark, the Ancient – and New – Silk Road goes on forever.