

# Iran' tourism policies in response to COVID-19

*Mostafa Ghadami\**

*Fellowship, Department of Geography, Justus-Liebig-University:*

*mostafa.Ghadami@geogr.uni-giessen.de*

## *Introduction*

COVID-19 is as one of the worst crises ever hit the Iran' tourism industry. While millions of Iranian planned for their new year holiday (Neu Rooz, 20th March), thousands of hotels, flights and events should cancel their bookings. At average rate, about 75 million domestic night/travels happened at Neu Rooz during last years which include 20 Million domestic tourists. To this figure, the number of inbound tourists which are about 9 million should be added (Ministry of Cultural Heritage, Tourism and Handicrafts of Iran, 2020). In this regards, the government of Iran, has taken some measures in order to mitigate the impacts of Covid-19 on tourism sector (1). These policies aimed to protect workforce and prevent job loss as much as possible. This research aims to review the government' policies to mitigate the Corona virus' negative consequences on the tourism sector in Iran.

## Research Method

Following a descriptive and analytical procedure, this study relies on official reports that were published or presented by the Ministry of Health and Medical Education of Iran, and the Ministry of Cultural Heritage, Tourism and Handicrafts of Iran.

The approach of this research is based on the interpretive policy analysis. Indeed, the focus of interpretive policy analysis is on the problem representation, and how the framing of the policy problems shapes the array of possible policy responses (Fischer, 2015; Hajer and Wagenaar, 2003; Yanow, 2000).

## Results

Outbreaks of Corona virus as well as the recent oil shock which was accompanied by a drop in demand and oil price have doubled the impact of the crisis in Iran. By July 2020 more than 286 thousands cases and about 14800 deaths due to the Corona in Iran was reported (Ministry of Health and Medical Education of Iran, 2020). By 9th March the government of Iran, introduced travel restriction and quarantine as the first reactions to the Covid-19 (Ministry of Interior of Iran, 2020). The policies of travel restrictions doubled the hard economic situation for people and government. During the last three years because of imposing more international sanctions, and economic policies of the government to increase the price of energy and public services, the rate of inflation has increased up to more than 40 percent (CBI, 2020). In this situation in which the pandemic has exacerbated the economic status, the government is worry about any reason that may trigger another national wide public chaos. Therefore according to the low financial capability of government to deal with COVID-19's economic damages and to prevent any potential social disturbance, it has allowed all economic activities back to their job.

Since April 8, the government has ordered a step by step reopening of businesses which considered being at a low or average risk in terms of spreading the virus. Beside the policy of travel restriction, the government has taken some measures in order to mitigate the impacts of Covid-19 on tourism sector. These measures aimed to protect workforce and prevent job loss as much as possible. Accordingly, the main measures were: three months break for paying all categories of taxes, the delay of three monthly instalments of loans, three months deferral of water and electricity bills and then divide it in smaller installments, possibility of applying for securities of capital market resources, financial facilities with an interest rate of 12% yearly, allocation of 160 Million Rial for every job position, a pause of 5 month and repayment in two years, financial assistance to pay tax and insurance of small and medium size related businesses, if they keep their workforces, payment of job loss insurance for three Months, renew of all business/ work permissions, specific educational programs for the sector's employers, promoting digital marketing for the target markets, announcement of health protocols to all business sectors, collaboration with tourism associations in order to damage assessment, according to the continuation of the Corona risk, all of above mentioned breaks could extend to 6 months (Ministry of Cooperatives, Labour, and Social Welfare of Iran,2020).

To assess the government policies to support business sectors such as tourism against the COVID-19 crisis, these criteria were employed in this research: volume of the fiscal support and its duration, target groups and the model of implementation.

#### 1. The volume and duration of the financial support

One of the government policy was the payment of facilities of one to two million Tomans with a three-month breathing period, to four million families who have lost their small businesses (including tourism) due to the Corona crisis. These loan facilities for a small business household mean providing 22 to 44% of their one month expenses. As it is clear the consequences of this pandemic will last at least for one year. So, although the payment of one to two million Toman to four million families is a considerable fund, but it is too small to be called as an effective supportive package. As it was mentioned the time horizon of the crisis in all the financial supports is three months, while according to optimistic estimations, the recovery time will last about one year. So allocation of a credit which can cover just less than two weeks of a business's expenses will be a less effective policy.

The volume of Iran's economic stimulus package was announced by the government at 100,000 billion Tomans. On average about 75 percent of the world's countries, have proposed a package volume of 5 percent of the world's gross domestic product. Meanwhile, the proposed economic stimulus package in Iran is about 2 percent of Iran's gross domestic product which too far from the world scale average (International Monetary Fund, 2020)

#### 2. Target Groups

Another support package was to pay one million Tomans in credit to all subsidy recipients aiming strengthen the demand side of the economy. Accordingly, 23 million subsidized families can benefit from this credit. But unlike the previous mentioned packages the target group of this program was a large group, in which all recipients, regardless of the size of the impacts of Corona on their business, receive a credit. The general nature of the program reduces its targeting and impact, while also limiting the government's limited financial resources to effectively support the main victims of the crisis.

### 3. The model of implementation

The Iranian government did not restrict every types of travel to/from China even two months after the first COVID-19 cases were diagnosed in China. Since China is Iran's first trading partner, Iran showed reluctance to restrict travel to China and vice versa. Indeed the Iranian government especially the president personally showed obvious resistance against the idea of quarantine while it is the last year of his government and traditionally the government party want to show its achievement! After about two months of the first Corona' report in China and under huge pressures from social networks and social campaigns the government accepted to implement the quarantine policy.

Although Iran was amongst the first countries that posed travel restriction, comparing to other affected countries, but in case of Iran, it was so late, because millions of Iranian had begun their vacations before the New Year holidays. This factor has accelerated the spread of Corona throughout the country. Indeed, the government was at least two months slower than it was expected from an effective system in case of crisis.

The government' reactions to the Corona crisis were ambiguous and mixed at the first months as the crucial phases of the pandemic. There were not clear integrated policies or in better word there were not coordinated attitudes and actions towards the crisis. While the ministry of health emphasised on the quarantine policy and to declare the state of emergency, but the majority of government body especially the president resisted against this warnings.

## Conclusion

This research aimed to review the tourism related policies of Iran against Covid-19. This research was conducted based on the interpretative approach in policy analysis. The results showed that the Iranian government especially at the first months of the crisis has considered the COVID-19 crisis as not a serious and emergency situation which will be healed shortly just less than 3 months. The Government weighted GDP and economy much more than the public health issue. At the same time the government tried to prevent any trigger for another politic chaos. The financial supports were very limited but covered wide range of social groups; it means politic popularity had more priority than effectiveness.

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