



Analysis of Background, Content and Effect of Iran's "General Policy of Resistance Economy"

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Abstract. The economic sanctions of the western countries led by the United States, combined with the structural problems of the domestic economy, have affected the economic stability of Iran and threatened the security of the Iranian society and regime. In the face of strong external pressure and internal hidden dangers, Khamenei put forward the development line of "resistance economy" with the authority of the supreme leader in an attempt to resist external pressure and alleviate internal development contradictions. On February 19, 2014, Khamenei announced the "General Policy of Resistance Economy", which attempted to propose solutions based on the key problems and contradictions in the Iranian economy. Since its introduction, Iran's economy has been developing under the framework of this policy. For Iran, which has a tense domestic and international political environment, regime stability is the primary consideration for economic policy making. Social justice, economic independence and economic development are all goals of Iran, and all three ultimately serve to stabilize the regime. The "General Policy of Resistance Economy" proposes a solution to these three problems by maximizing domestic resources and interacting with other countries to strengthen the capacity to achieve economic independence, improve social equity, and promote economic prosperity.

Keywords: Iran; Economic sanctions; "General Policy of Resistance Economy"

1 Background of the Proposal of the "General Policy of Resistance Economy"

Since 2012, when Western countries intensified oil embargoes and financial sanctions against Iran, the country's crude oil exports have significantly decreased, leading to a marked slowdown in economic growth [1]. Additionally, domestic economic structural issues, lack of momentum in foreign trade growth, and persistently high inflation and unemployment rates have compounded these challenges. The economic issues have affected the livelihood of the people, which in turn has impacted the stability of Iranian society and the regime [2]. Faced with immense external pressures and internal risks, Supreme Leader Khamenei had to propose the development route of the "Resistance Economy" as a means to counter external pressures and alleviate internal developmental contradictions [3].

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2 The Process of Proposing the "General Policy of Resistance Economy"

The proposal of the "General Policy of Resistance Economy" was not an overnight development. In 2010, Khamenei first proposed the development route of the "Resistance Economy." Over the next year, this development route was only regarded as one of Iran's "economic jihad" methods. Subsequently, Iranian experts, scholars, and politicians continuously supplemented the theoretical sources and content of this development route [4]. After approval by the Expediency Discernment Council at the end of 2013, the policy was officially announced by the Supreme Leader at the beginning of 2014, marking the beginning of Iran's economic development under this policy [5].

2.1 Proposal of Iran's "Resistance Economy" Development Route

The development route of the "Resistance Economy" was first proposed by Khamenei at an entrepreneurs' conference held in September 2010 [6]. From the initial proposal of this economic development route to the Iranian New Year in March 2012, the concept had no specific content or goals, serving merely as a way for Khamenei to mobilize the public to adhere to the development route of the "Resistance Economy" as a means to counter the economic warfare waged by the enemies [7].

2.2 Refinement of the content of Iran's "Resistance Economy"

From the Iranian New Year in March 2012 to the end of 2013, the policy of the "Resistance Economy" development route began to take shape. During this period, Khamenei discussed the theoretical foundations of this policy with experts and scholars and continuously refined the goals and content of the policy [8]. In his 2012 New Year's speech, Khamenei first proposed another important goal of the "Resistance Economy" development route, which is to improve Iran's domestic economic structure to strengthen the country's economic foundation. Since then, the theoretical foundations and content of this development route have been continuously supplemented [9].

2.3 Formal Introduction of the "General Policy of Resistance Economy"

At the end of 2013, the "General Policy of Resistance Economy" was submitted to the Expediency Discernment Council for review. On February 19, 2014, Khamenei announced the policy, which included 24 provisions, to military leaders. In the announcement of the "General Policy of Resistance Economy," he mentioned that "the military needs to immediately plan a timeline for implementing this policy and formulate the necessary laws and regulations for its implementation." Since then, the "General Policy of Resistance Economy" has been officially introduced, and the Iranian government, parliament, and other responsible parties have formulated specific implementation methods in accordance with the content of this policy [10].

3 Content of Iran's "General Policy of Resistance Economy"

The core of the "General Policy of Resistance Economy" is to ensure economic security, which is also a crucial part of maintaining the survival of the regime. Long-term sanctions by the U.S.-led Western countries have caused social unrest in Iran. Therefore, the fundamental purpose of this policy is to counter the U.S.'s attempts to overthrow Iran's current regime through sanctions and to maintain the survival of the regime. However, this is an implicit goal. As a political discourse, the Iranian government has publicly declared some appealing specific goals aimed at improving Iran's economic development, which can be broadly summarized into four points, representing the efforts for domestic economic reform:

3.1 Enhancing Iran's Economic Independence:

Khamenei believes that the "Resistance Economy" model can strengthen Iran's economic independence and resilience. According to the policy, efforts should be made to "increase the domestic production of essential goods, prioritize the production of strategic goods, diversify sources of imported goods to reduce dependence on a few specific countries," "ensure national food and drug security by focusing on increasing the production and quality of raw materials and goods, and establish strategic reserves for contingencies," and "manage public consumption, develop plans to improve the quality and competitiveness of domestic goods to attract people to use them." Since oil revenues are closely related to Iran's fiscal income, ensuring oil revenues is also one of the goals, including "increasing the national strategic reserves of oil and natural gas to enhance Iran's influence in the international oil and gas market, strengthening and developing oil and gas production capacity, accelerating exploration of shared oil and gas fields, and enhancing their production capacity."

4 The Effectiveness of Iran's "Resistance Economic Policy"

4.1 Development of Knowledge-Based Economy

The number of knowledge-based companies in Iran has increased under the promotion of the government. Iran's Vice President for Science and Technology Affairs Sorena Sattari once said through the media that increasing economic resilience requires new technologies from knowledge-based companies. According to data published in the media, the number of knowledge-based companies in Iran has increased from nearly 55 companies in 2014 to more than 5,000 in 2020. The Science and Technology Company Industrial Park in Rulstein Province, Iran, houses several knowledge-based technology companies. The development areas of these companies include agriculture, animal husbandry, food industry, pharmaceutical industry, archaeology and tourism, medicinal

plants and herbs, and non-metallic mineral industry. In addition, technicians in the Science and Technology Park also have the technology to participate in the production of new coronavirus test kits, disinfectants and masks. However, Iran's technology development in the field of information and communication is not advanced. The United Nations ranked the Islamic Republic 105th out of 177 countries in its e-government development index, which assesses the ability of member states to promote the growth of information and communication technologies.

4.2 Progressing of the Oil and Gas Industry

Iran has proposed a series of plans to address the problems of insufficient added value of its own oil and gas products and insufficient oil and gas production capacity. The results are as follows:

a) Building a production line for oil refining products. At the beginning of 2019, the third phase of the oil refinery was completed. Although the plant cannot achieve Iran's goal of self-sufficiency in gasoline supply after completion, the amount of gasoline that can be supplied has increased significantly compared to before completion. Iran's average daily gasoline consumption is about 110 million liters and diesel is about 102 million liters.

b) Developing upstream oil and gas industry technology. In 2016, the Upstream Industrial Research Institute of Sharif University of Iran signed a cooperation agreement on technology transfer with Canadian and European oil joint ventures, and planned to implement it in mid-2016.

c) Increasing the crude oil production capacity of the oil field. When the oil field was first put into operation, the daily output did not exceed 25,000 barrels. In 2016, the government gradually increased the oil production of the oil field to 85,000 barrels per day, and after the first phase of development of the oil field was completed, the daily output increased to 115,000 barrels.

5 CONCLUSION

In conclusion, The " General Policy of Resistance Economy " is a strategic and directional strategy proposed by Khamenei. It is a programmatic policy based on Khamenei's economic thoughts to guide Iran's economic development route. The background of the policy is divided into two factors: internal and external. The external factor is that after the founding of the Islamic Republic of Iran, it has been subject to sanctions from Western countries led by the United States. The purpose of the US sanctions on Iran is to hit Iran's economic development and cause social contradictions, thereby achieving the fundamental purpose of subverting the current Iranian regime. The internal factor is that under Iran's current economic structure, the three goals of social equity, economic independence and economic development are contradictory to each other and difficult to achieve at the same time. In addition, due to the power struggle between Iranian political factions, it is difficult for Iran's economic policy to develop on a consistent route. Against this background, Khamenei proposed this policy with the fundamental

goal of ensuring the survival of the Iranian regime. The manifestation of this fundamental goal in policy is to resist external sanctions pressure and improve internal economic development contradictions.

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