

# Biden Iran Envoy Boasted of Depriving Civilians of Food, Driving Up Iranian Inequality in “Art of Sanctions” Manual

By [Max Blumenthal](#)

Global Research, March 09, 2021

[The Grayzone](#) 8 March 2021

Region: [Middle East & North Africa, USA](#)

Theme: [Intelligence, US NATO War Agenda](#)

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*Richard Nephew has taken personal credit for depriving Iranians of food and driving up their unemployment rates, celebrating the economic destruction he caused as “a tremendous success.” Under Biden, he will help direct policy on Iran.*

The Joseph Biden administration has named [Richard Nephew](#) as its deputy Iran envoy. As the former principal deputy coordinator of sanctions policy for Barack Obama’s State Department, Nephew took personal credit for depriving Iranians of food, sabotaging their automobile industry, and driving up unemployment rates.

Nephew has described the destruction of Iran’s economy as “a tremendous success,” and lamented during a visit to Russia that food was still plentiful in the country’s capital despite mounting US sanctions.

Nephew’s appointment to a senior diplomatic post suggests that rather than immediately returning to the JCPOA nuclear deal, the Biden administration will finesse sanctions illegally imposed by Trump to pressure Iran into an onerous, reworked agreement that Tehran is unlikely to join.

After coordinating Obama’s sanctions regime against Iran, Nephew left the administration for a position at the [energy industry-funded Center on Global Energy Policy](#) at Columbia University. There, he published a book outlining in blunt terms how he honed the craft of economic warfare and applied it against Iran.

Entitled “The Art of Sanctions: A View From The Field,” the book’s cover image features two Caucasian hands drawing a rope for a noose, presumably to strangle some insufficiently pliant Global South government. Its contents read like a list of criminal confessions, detailing in chillingly clinical terms how the sanctions Nephew conceived from inside an air-conditioned office in Washington immiserated average Iranians.

With his candor, Nephew has shattered the official US rhetoric about “targeted sanctions” that exclusively punish “bad actors” and their business cronies while leaving civilian populations unharmed.

I just read [@RichardMNephew](#)'s "The Art of Sanctions."

Nephew, ex-Obama State Dept sanctions coordinator, clinically & chillingly details how pain is the essence of the US global sanctions regime.

Unfortunately, he hasn't been honest about the contents of his own book. Thread: [pic.twitter.com/r5y9bc93eU](https://pic.twitter.com/r5y9bc93eU)

— Max Blumenthal (@MaxBlumenthal) [September 13, 2020](#)

The application of pain to a country's civilian population is central to Nephew's sanctions strategy. As he explains in "The Art of Sanctions," for the unilateral coercive measures to succeed, they must impose significant pain to a state's most vulnerable sectors, shatter the state's political and social resolve, and ultimately force the state to cry uncle in the face of Washington's demands.

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From these central attributes comes a simple framework for sanctioning states to follow in order for sanctions to perform their expected function. A state must

- identify objectives for the imposition of pain and define minimum necessary remedial steps that the target state must take for pain to be removed;
- understand as much as possible the nature of the target, including its vulnerabilities, interests, commitment to whatever it did to prompt sanctions, and readiness to absorb pain;
- develop a strategy to carefully, methodically, and efficiently increase pain on those areas that are vulnerabilities while avoiding those that are not;
- monitor the execution of the strategy and continuously recalibrate its initial assumptions of target state resolve, the efficacy of the pain applied in shattering that resolve, and how best to improve the strategy;
- present the target state with a clear statement of the conditions necessary for the removal of pain and an offer to pursue any negotiations necessary to conclude an arrangement that removes the pain while satisfying the sanctioning state's requirements; and
- accept the possibility that, notwithstanding a carefully crafted strategy, the sanctioning state may fail because of inherent inefficiencies in the strategy, a misunderstanding of the target, or an exogenous boost in the target's resolve and capacity to resist. Either way, a state must be prepared either to acknowledge its failure and change its course

An excerpt from Richard Nephew's book *The Art of Sanctions*

Nephew detailed how, as JCPOA negotiations got underway in January 2012, he led a process to reduce Iran's oil revenue and starve its economy.

After the Obama administration successfully pushed for a wholesale reduction in oil exports and other unilateral coercive measures, Iran's economy went from a period of growth to a sudden and staggering contraction, while the value of its currency tumbled.

Nephew pronounced the economic assault he engineered to be "a tremendous success."

The result was, by most measures, a tremendous success. Iran's economy went from GDP growth of 3 percent to a 6.6 percent contraction between 2011 and 2012 (figures 7.1 and 7.2).<sup>3</sup> Iranian unemployment and inflation remained in the double digits. In 2012, Iran's currency depreciated threefold in a matter of weeks, resulting in the hemorrhaging of Iranian hard-currency reserves.<sup>4</sup> Worse, these economic problems took place on top of unrealized economic expectations: it would have been one thing had Iran only dismal hopes for growth, but all this while, Iran enjoyed record oil prices and—in theory—should have been awash in oil revenues. International expectations for Iranian growth were also

An excerpt from Richard Nephew's book *The Art of Sanctions*

Nephew also patted himself on the the back for tripling the price of chicken "during important Iranian holiday periods," thereby "contribut[ing] to more popular frustration in one bank shot than years of financial restrictions."

Next, he boasted of more sanctions targeting civilians to prevent Iranians from obtaining the assistance they needed to repair their cars. "Iran's manufacturing jobs and export revenue were the targets of this sanction," Nephew wrote.

There were some goods that Nephew wanted Iran to import, however. In hopes of fomenting social unrest, he said Washington "expanded the ability of US and foreign companies to sell Iranians technology used for personal communications" so they could "learn more about the dire straits of their country's economy..."

Our sanctions campaign brought unforeseen, knock-on effects that played into our effort to increase the sense of pressure and unease within the Iranian economy. Some of these effects are little known, and they were not planned. But they may have been crucial in the shifting of Iranian government calculus and popular sentiment. Take, for example, rising chicken prices in 2012. The United States did not have sanctions in place against Iran's ability to import chickens. However, chicken prices tripled in 2012

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mismanagement. This price hike may have contributed to more popular frustration in one bank shot than potentially years of financial restrictions.<sup>5</sup> This was particularly the case because the timing of sanctions interference with chicken supply happened to coincide with important Iranian holiday periods in which poultry is a major component (for American readers, imagine the price of turkey tripling in the middle of November). It undermined the sense of normalcy that Iran's leaders were intent on maintaining.

The United States took its surgical sanctions approach a step further in June 2013 with a carefully structured set of sanctions on Iran's automotive sector, denying Iran the ability to import manufacturing assistance but not spare parts for existing autos or whole cars themselves. Iranian manufacturing jobs and export revenue were the targets of this sanction, undermining the Iranian government's attempt to find non-oil export sectors and

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*Intense Pressure on Iran and a Turn to Real Negotiations*

ways of employing 500,000 Iranians. All the while, the United States expanded the ability of U.S. and foreign companies to sell Iranians technology used for personal communications, helping ensure that the Iranian public had the ability to learn more about the dire straits of their country's economy and to communicate with one another, including a general license issued in late May.

During a December 6, 2017 [panel discussion](#) about his book at Columbia University's Center

on Global Energy Policy, Nephew detailed with a chilling smile how he not only sabotaged Iran's automotive industry, but targeted "things like unemployment, to try to drive that up and make things a little more sticky."

While discussing his book, "The Art of Sanctions," [@richardmnephew](#) boasted with a wide grin that the economic warfare tactics he devised drove up unemployment rates in Iran.

Nephew was just appointed as Biden's deputy Iran envoy.

My full story here: <https://t.co/FWTYO7Ab4G> [pic.twitter.com/m5431czF8i](https://pic.twitter.com/m5431czF8i)

— Max Blumenthal (@MaxBlumenthal) [March 8, 2021](#)

In response to online criticism, Nephew has claimed that "the main target" of the sanctions regime he designed was "the oligarchs." But his book on "The Art of Sanctions" tells another story.

Nephew fondly recalls how he structured sanctions to sabotage Iranian economic reforms that would have improved the purchasing power of average people. The Obama administration destroyed the economic prospects of Iran's working-class majority while ensuring that "only the wealthy or those in positions of power could take advantage of Iran's continued connectedness," he wrote. As "stories began to emerge from Iran of intensified income inequality and inflation," Nephew pronounced another success.

As he made clear, the rising inequality "was a choice" that Washington "made on the basis of helping to drive up the pressure on the Iranian economy from internal sources." Nephew went on to claim credit for October 2012 protests brought on by the devaluation of Iran's currency.



dashed. Sanctions also impeded the economic reforms planned for the latter years of the Ahmadinejad presidency (2005–2013), which stalled in 2012 as a result of domestic political issues and the downward trajectory of the economy that removed flexibility and options for Iranian economic planners.

The United States took steps to ensure that these reforms would remain difficult to achieve, starting with the sanctions themselves as well as NOT imposing sanctions on things like humanitarian, consumer, or luxury goods that might have helped Iran reduce its import bills. With Iran's population technically able to purchase such goods and imports still flowing in, but with the exchange rate depriving most people of the practical benefit of being able to purchase these goods, only the wealthy or those in positions of power could take advantage of Iran's continued connectedness. Hard currency streamed out of the country while luxuries streamed in, and stories began to emerge from Iran of intensified income inequality and inflation (figure 7.3). This was a choice, a decision made on the basis of helping to drive up the pressure on the Iranian government from internal sources. The currency crisis in October 2012 helped crystalize this point, with Iranian protesters taking to the streets out of frustration over their meager take-home earnings. The United States and its partners used their knowledge of the Iranian revolution story and fear of economic discord as a deliberate way of prying apart the regime and the population, making the previously easy sell of the dignity of Iran's nuclear program far more costly.

In a fairly stunning admission, Nephew admits at one point that despite providing Iran with supposed humanitarian exceptions on US sanctions, the economic war he helped design caused a catastrophic shortage of medicine and medical devices, largely because average Iranians could not afford them.

But in sanctions, the unintended consequence most frequently cited is that of humanitarian suffering. As described in chapter 2, "Iraq in the 1990s" has become the poster child for the concept of sanctions imposing undue humanitarian consequences, with hundreds of thousands of Iraqis bearing the brunt of the economic deprivation imposed as a result of sanctions and Iraqi government policy in response to them. Even sanctions regimes with humanitarian carve-outs can contribute to humanitarian problems because of the broader effects of the measures selected. In Iran, for instance, there were reports throughout 2012 and 2013 that medicine and medical devices were unavailable not because their trade was prohibited but rather because they cost too much for the average Iranian due to shortages and the depreciation of the Iranian currency.<sup>3</sup> The United States and its partners, through sanctions, directly contributed to the depreciation of the Iranian rial and, consequently, played some part—even if unintentional—in the creation of this problem.

Despite acknowledging the heavy toll of human suffering brought on by the sanctions he personally conceived, suggesting they could have prompted high numbers of excess deaths, Nephew appears to be devoid of contrition.

During a December 2016 trip to Moscow, he complained that despite the sanctions imposed on Russia by the US, food was still widely available at local restaurants - "hardly a level of pain" that was necessary to bring the Kremlin to heel.

He [called](#) to "develop a strategy to carefully, methodically, and efficiently increase pain on those areas [of the Russian economy] that are vulnerabilities and avoid those that are not."

However, as noted above, sanctioners may have let too much pressure off already. From this perspective, the careful, methodical, and efficient increase in pressure on Russia has flagged, undermining the crucial momentum needed to translate political concern into political concession. To be sure, there have been some incremental improvements in the sanctions regime, with some additional targets being added to lists over the course of 2015–2017. However, the result is still that while sanctions have not been eased, the momentum behind them has. Anecdotally, the only change that I experienced myself on a December 2016 trip to Moscow is that quality parmesan cheese was no longer available at restaurants, hardly a level of pain that inspires a desire to throw off the sanctions regime through negotiations. Systemically, Russia is still under strain. But it is harder to translate that sense of economic pressure into policy change absent more tangible illustrations of pain. Obviously, this should be reversed, with consideration of additional sanctions designations going hand in hand with the imposition of stiffer penalties for the Russian economy the longer that the crisis goes on. Russia has adapted to the pressure in place. Even if new forms of pressure seem modest, Russia should not be permitted to obtain de facto sanctions relief simply by virtue of

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So who is Richard Nephew? Does he lurk in the shadow world of intelligence intrigues and spook wars, keeping a low profile while he waits to strike the enemy? Or is he a fire-breathing hardliner bellowing threats against America's adversaries from Beltway think tank panels? The reality is much more banal.

When he is not snatching chicken from Iranian kids during their winter holiday, Nephew is spending quality time with his own, amusing them with his tattered dad rock t-shirts and flashing arms adorned with tribal tattoos.

Boom!

Immediate reaction

Wife: "Oh lord."

Son: "you look like a pirate!"

Daughter 1: "how old is that shirt?" Told answer. "Oh that makes sense."

Daughter 2: softly, "oh my god." [pic.twitter.com/TyhdHEr0tK](https://pic.twitter.com/TyhdHEr0tK)

— Richard Nephew (@RichardMNephew) [March 18, 2020](#)

In an administration filled with fun-loving, ethnically diverse characters who [moonlight as rock guitarists](#), [decorate the walls](#) of their homes with Haitian art, [bob their heads to Tupac](#), and even [enjoy an occasional toké](#), all while keeping the gears of a ferociously violent empire grinding along, the tattooed sanctions artist seems like a perfect fit.

Meanwhile, in Iran, where a leading daily recently portrayed Nephew as Keanu Reeves in the horror film *The Devil's Advocate*, his elevation to a senior diplomatic role is viewed as a sign of more pain to come.

Vatan-e Emrooz highlights Richard Nephew's appointment as deputy special envoy for Iran.

The outlet highlights the fact that he was one of the designers of the Iran sanctions regime [pic.twitter.com/vZHJJlqU4](https://pic.twitter.com/vZHJJlqU4)

— Omer Carmi (@CarmiOmer) [March 2, 2021](#)

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*The editor-in-chief of The Grayzone, Max Blumenthal is an award-winning journalist and the author of several books, including best-selling [Republican Gomorrah](#), [Goliath](#), [The Fifty One Day War](#), and [The Management of Savagery](#). He has produced print articles for an array of publications, many video reports, and several documentaries, including [Killing Gaza](#). Blumenthal founded The Grayzone in 2015 to shine a journalistic light on America's state of perpetual war and its dangerous domestic repercussions.*

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