



Eroding Progress, Unraveling Gains: The Gendered Impact of War on Iran's Economy

At a time when Iran continues to bear the heavy burdens of long-term sanctions and ineffective domestic and foreign policies, Israel's military aggression during the 12-day war, the continued fear of a potential renewed conflict as well as the reimposition of UN snapback sanctions, have deepened its economic and social crises. Even prior to this latest conflict and snapback sanctions, Iran's economy was struggling due to chronic stagnation, declining investment, and major limitations on foreign trade. But now, the direct and indirect consequences of the 12-day war have delivered new and severe shocks to the business environment and job market. Reduced oil exports, currency devaluation, rising market insecurity, and capital flight are only some of the direct economic outcomes that have further restricted the country's production and employment capacity.

These effects are especially visible in four key sectors: culture and media, tourism, the informal labor market, and the digital economy—areas where women play a particularly prominent and vital role. The war-related pressures and restrictions on these sectors not only threaten women's job opportunities, but also pose serious challenges to gender equality. Many innovative workspaces, startups, and cultural businesses that had in recent years embraced values such as workplace safety, gender equality, and respect for diversity are now at risk of weakening or shutting down altogether. This trend raises the serious risk of reducing further the already low rate of women's workforce participation and reversing the progress made toward gender equality.



Cultural and Media Sectors

The cultural and media sector includes journalism, publishing, online publications, and a range of cultural activities, including content production and entertainment. This sector is crucial for civil society development, the free flow of information, and preserving cultural diversity. Women hold a significant share of jobs in this space, working in newsrooms, content production, and managing cultural and media projects. According to Iran's Ministry of Culture and Islamic Guidance, women make up around 40% of Iran's journalists, and surveys of major news outlets show that in newspapers like Iran, Shargh, Donya-e-Eqtasad, and Ham-Mihan, the number of women journalists even exceeds that of men. These reformist and relatively independent publications play a significant role not only in informing the public but shaping their thinking by imparting important information about open, democratic and equal societies.

The publishing and media sector have long grappled with the lack of liquidity. Dependent on foreign currency to purchase paper, these sectors are especially vulnerable to currency devaluations. Furthermore, the fact that private publishing and media companies do not receive financial support or governmental subsidies leaves them more vulnerable to economic and market fluctuations. Consequently, events such as the 12-day war impacted them more significantly, making it difficult for many to compensate their staff and pay their salaries. The snapback sanctions will further erode the economic stability of this sector.

A manager at Ghoghnoos Publishing House, referring to the cash flow problems faced by publishers after the 12-day war, explained: "The impact of this war on publishers lasted far longer than 12 days. Its effects are still ongoing, as many booksellers postponed and rescheduled their [payment] checks for three to four months following the war."

As a result of the negative economic impact of the 12-day war and faced with deep uncertainties, several private media companies, online content production institutions, and some cultural organizations with profit-making activities were forced to implement cost-cutting measures. These cuts often take the form of suspended employment contracts (e.g., not renewing temporary contracts or delaying salaries), ending cooperation with contractors and partners, widespread layoffs, or even total shutdowns.

For example, Ham-Mihan daily reported that post-ceasefire, layoffs hit newsrooms too, leaving around 150 journalists unemployed. The “Book Garden” cultural complex reportedly dismissed several employees without following formal procedures.

This situation affects female journalists in particular, as they often work in more precarious positions within newsrooms. Because women make up a larger share of editorial staff, any wave of layoffs or contract suspensions impacts them disproportionately. The decline in job opportunities in media, tourism, and cultural sectors threatens not just women's livelihoods, but also the flow of cultural information and public discourse.



Iran's tourism industry has also faced extensive crises following the 12-day war, which had a serious impact on many tourism and hospitality-related businesses and services.

According to credible reports, the number of foreign tourists entering Iran dropped by more than 53%, and many domestic and international flights were canceled. The head of Iran's Travel Agencies Association stated that travel agencies suffered damages exceeding 20 trillion rials (around \$5 million), and tourism activity declined to only 10% of its previous, normal levels.

Furthermore, the Iranian government also imposed broad restrictions on the entry of foreign tourists, including requirements such as traveling in registered tour groups and providing educational records and social media accounts—measures that effectively restricted independent travel.

The combined economic pressures and security restrictions following the 12-day war not only caused a sharp drop in tourism activity and revenue, but also led to job cuts. More than 3,000 travel agencies were shut down, and many hotels or accommodation services also suspended operations. Online travel platforms like Alibaba reported that they had reduced their workforce by up to 45%.

Informal Labor Market

Women's labor force participation rate in Iran is only about 14%, while the global average exceeds 48–50%. This means the population of employed women in Iran is very limited, and any pressure or restriction has a disproportionately larger impact on this already small group.

Women face numerous barriers to entering the job market — from structural barriers and restrictions on employment in certain fields to a lack of adequate protective legislation, family pressures and caregiving roles, and limited access to capital and resources.

All these factors have driven many women toward informal jobs, where entry is easier. In reality, for a large number of women, this is not a voluntary choice, but rather the only option available to them.

According to the Parliament Research Center, about 60% of all employment in Iran is informal and for women, that share is around 63%, higher than the male average. Furthermore, 57% of workers in the service sector are engaged in micro-enterprises (1–4 people), with most being self-employed. Informal jobs include street vending, work in small home-based production units, cleaning services, private tutoring (e.g., language or basic skills), local shop work, and product sales through social media.

According to Shargh Daily, women run 60% of Instagram shops, and in over 85% of these businesses, women serve as admins, content creators, or on marketing teams. These women do not have the benefit of any form of formal labor protections, or a financial or social safety net. They are the driving force behind home-based and online economies, and their ability to engage in employment in these fields, be productive and have an income are critical to achieving gender equality. Many of these women are heads of households, and their income is essential for the survival of their families.

The war has drastically reduced customer engagement with small and online businesses. Shargh reports a 50% drop in sales, in businesses already struggling with censorship and platform filtering. For many women-led businesses—especially those run by women heads of households—this decline poses a serious threat to family welfare. Even a small loss of income can push entire families into poverty.

It should be noted that in Iran, as in many countries, women disproportionately bear the burden of the care economy. Their unpaid labor, which includes care responsibilities at home—such as child and elder care, household management, and supporting family members—has become more burdensome as the economy has worsened. The stress of income loss, daily expenses, and increased workload without adequate rest can lead to chronic fatigue, anxiety, depression, and physical illness. Thus, the economic impact of the war on informal and online sectors threatens not just women's livelihoods but also their health and wellbeing and their social and political participation.



Following the 12-day war, Iran's startup ecosystem suffered not only from economic and security pressures but also from widespread internet restrictions. In the name of cybersecurity, the government drastically limited public access to the internet—by up to 97%, according to sources. Frequent network blackouts severely disrupted communication and the agility of digital businesses. The Internet Business Association warned the Minister of Communications that these disruptions put over 400,000 small and medium enterprises at risk of total shutdown, and could lead to a brain drain and public distrust in the digital space.

In addition to these technical issues, the war created serious security consequences for the startup ecosystem. Iranian startups and knowledge-based companies have not only played economic roles but also promoted innovation, transparency, and even social and gender equality. These work environments are generally open and progressive, promoting values like gender equality, respect for diversity, anti-harassment policies, and hiring based on merit rather than through connections. Startups have therefore served as platforms for a new generation of innovative, civically engaged, and democracy-oriented employees—particularly women and young people.

Due to mounting security pressures, founders of major digital companies like Digikala, Alibaba, Cafe Bazaar, Filimo, and Divar wrote an open letter to the President, warning of a deliberate effort to "securitize" the startup ecosystem. They emphasized that the situation has become so critical that "group and organizational migration" is the only remaining option for some companies.

Startups like Alibaba have already started layoffs, and many others have frozen their hiring and expansion plans, directly affecting youth employment and the country's skilled workforce. These economic and security pressures not only hurt businesses and jobs, but also stifle progressive social movements,

discourage youth innovation, and limit women's opportunities for civic and economic participation—all of which have a deeply negative impact on Iran's cultural and social development as well as its economic development.

Reports also show that many laid-off employees haven't been paid, in clear violation of labor laws. Labor attorneys say that in many cases, these unpaid wages are illegal, leaving workers' rights vulnerable. This problem is especially acute in startups and small businesses with limited financial capacity, placing enormous stress on both workers and founders.



The short duration of such wars often leads to dangerous desensitization at the policymaking and public levels. Global data, evidence, and experience show that even brief conflicts, especially when they occur amid existing economic and political instability, can cripple labor markets, reverse progress on gender equality, and derail women's employment trends.

We emphasize that an immediate end to tensions and the policies that prolong or escalate the war is essential to preserving Iran's economic and social survival. Domestic policymakers and international actors must recognize that the human, economic, and security costs of this situation are growing daily. Women, professionals, and progressive groups, as key pillars of society and the economy, are bearing the brunt of these crises. Of particular concern is the exacerbation of the economic crisis as a result of the reimposition of UN snapback sanctions.

- We call for the immediate cessation of hostilities, a reliance on political solutions and negotiation and adherence to international law as a strategy for addressing the current crises.
- We call on Iranian authorities to adopt and implement fundamental reforms in economic and social policy, including targeted support programs for women, laid-off workers, and vulnerable groups.
- We call on the international community, including Western governments and the UN, to conduct harm assessments designed to identify the negative and disproportionate humanitarian impact of economic sanctions on ordinary Iranian citizens and especially women and marginalized groups and to develop mitigation strategies designed to eliminate or reduce such harms.
- We further call on the international community and the UN to invest in humanitarian projects focused on women and marginalized communities who have been disproportionately impacted by western imposed economic sanctions on Iran.

The short duration of such wars often leads to dangerous desensitization at the policymaking and public levels. But global data, evidence, and experience show that even brief conflicts, especially when they occur amid existing economic and political instability, can cripple labor markets, reverse progress on gender equality, and derail women's employment trends.

We emphasize that an immediate end to tensions and the policies that prolong or escalate the war is essential to preserving Iran's economic and social survival. Domestic policymakers and international actors must recognize that the human, economic, and security costs of this situation are growing daily. Women, professionals, and progressive groups, as key pillars of society and the economy, are bearing the brunt of these crises. Of particular concern is the exacerbation of the economic crisis as a result of the reimposition of UN snapback sanctions.

- We call for the immediate cessation of hostilities, a reliance on political solutions and negotiation and adherence to international law as a strategy for addressing the current crises.
- We call on Iranian authorities to adopt and implement fundamental reforms in economic and social policy, including targeted support programs for women, laid-off workers, and vulnerable groups.
- We call on the international community, including Western governments and the UN to conduct harm assessment designed to identify the negative and disproportionate humanitarian impact of economic sanctions on ordinary Iranian citizens and especially women and marginalized groups and to develop mitigation strategies designed to eliminate or reduce such harms.
- We further call on the international community and the UN to invest in humanitarian projects focused on women and marginalized communities who have been disproportionately impacted by western imposed economic sanctions on Iran.

An economically stable Iran is necessary to ensure peace and stability in the region and prosperity for ordinary citizens. We stress the need for a renewed commitment to peace that supports the political and the economic aspirations of ordinary Iranian citizens, especially women.

