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ARTICLE

Of Nuclear Rials and Golden Shoes: Scaling Commodities and Currencies across Sanctions on Iran

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Abstract

Since the 2012 sanctions that dis-embedded the Iranian economy from global markets, contraband commerce has become an explosive issue in Iran. Increasingly Iranians came to regard sanctions as enforced by both international powers and their own state officials, who criminalized certain kinds of cross-border trade, but not others. Although Iranian state actors distinguish between the trader—praised for contributing to the economy—and the traitor—denounced for undermining its integrity—what both unites and blurs the line between them is their shared struggle with a devaluing currency that some Iranians call nuclear. This article examines the "nuclear rial" by extending insights from anthropological scholarship on money to the study of sanctions to advance a dynamic understanding of currency. Studying Iranian trade in gold proves productive for understanding how people negotiate the effects of sanctions in an unevenly financialized world. At stake in the negotiations is a conditional articulation of monetary value that relies on contingent conversions between commodities and currencies and among currencies.

Keywords: commodity; contraband; currency; Iran; sanctions; Turkey

After Iranians started feeling the effects of the 2012 sanctions that cut off the Iranian economy from global financial markets, some of them described the subsequent drop in the Iranian rial's value against the US dollar as the nuclearization (*ātomi shodan*) of their national currency and economy.[1] One currency trader (*ṣarrāf*) I spoke with in the Tehran bazaar told me, "[the sanctions] put the uranium in every Iranian's pocket. Every transaction became toxic [*zahri*], as its value diminished where it stood. You just did not want to hold onto the rial for too long." For my Iranian interlocutors, the nuclear rial encapsulated how an international sanctions regime, bolstered by United Nations Security Council resolutions to force Iran to halt its nuclear technology program, has rendered their national currency highly volatile in value and detrimental to its holders with its ensuing toxicity.

Under sanctions the nuclear rial has attained a half-life, another merchant in the Tabriz bazaar put it. With a sanction-induced half-life—an asymptotic loss of value stored in a currency—the rial disintegrated. As a modern all-purpose money, the rial was expected, at least in theory, to serve all four functions of the money form—commonly understood as medium of exchange, mode of payment, unit of account, and store of wealth.[2] The nuclearization of the rial was not only about a perpetual loss of value; it also was about the disaggregation of those four functions of the modern money form. In global

[1]I understand the economy as "the totality of the relations of production, distribution and consumption of goods and services within a given country or region [that] arose in a mid-twentieth-century crisis of economic representation" (Timothy Mitchell, "Fixing the Economy," *Cultural Studies,* 12, no. 1 (1998): 82–101). For an anthropology of the national economy, see also Hannah Appel, "Towards an Ethnography of the National Economy," *Cultural Anthropology* 32, no. 2 (2017): 294–322. In both cases the author interrogates the premised scale of the economy fixed at the scale of the nation–state. Here I focus on how the functioning of that national economy is premised upon its territorially bound token of equivalence, its (national) currency.

[2]Jane Guyer, "Soft Currencies, Cash Economies, New Monies: Past and Present," *Proceedings of the National Academy of Sciences of the United States of America* 109, no.7 (2012): 2214–21. Some money theorists maintain that store of wealth and unit of account are parts of a single function, namely standard of value. See Bill Maurer, "The Anthropology of Money," *Annual Review of Anthropology* 35 (2006): 15–36.

markets built upon the US dollar, the nuclear rial brought diminishing returns when used as a method of payment in international trade. Sanctions also affected the currency's ability to serve as a medium of exchange for other commodities, particularly in regional and domestic trade. Under pressure with growing inflation, the rial's ability to serve as a unit of account for other commodities also was rendered highly contingent: what 100,000 rials was worth for any given commodity changed from day to day. With its sanction-induced half-life, the nuclear rial also lost its ability to serve as a store of wealth—a defining characteristic of modern money, or the universal equivalent in Marxian terminology.[3]

Although the United States has levied a series of sanctions on Iran since 1979, their effects intensified between 2006 and 2012, when the Obama administration succeeded in pushing through a series of UN Security Council resolutions that forced Iran to halt its uranium-enrichment program.[4] Together, these resolutions delivered the most intense blow to the Iranian economy by banning banks worldwide (with cooperation of the Brussels-headquartered Society for Worldwide Interbank Financial Telecommunication, SWIFT for short) from processing all transactions out of Iran. When a total ban on Iranian oil exports to the EU came into effect in July 2012, the Iranian rial fell to a record low against the US dollar in less than two months. By September 2012, the rial had lost more than 80 percent of its value in less than a year.[5] An already soft currency, the rial had been fully nuclearized with the influence of SWIFT-armored sanctions. Iranians felt the immediate effects of sanctions in their lives through foreign capital flight, high unemployment, exponential inflation, and arrested supply chains. With a young and growing population's ever-increasing demand for consumer goods, however, sanctions also produced new configurations of exchange. The shortages in basic consumer goods, medical supplies, and spare parts necessary for maintenance of the energy and aviation industries compelled traders to turn to new *ghāchāgh* (smuggling) supply routes via Turkey and the United Arab Emirates. By late 2012, at the height of the rial's nuclearization, contraband goods accounted for a quarter of Iran's total imports, including 83 percent of mobile phones, 47 percent of toys, 27 percent of clothing and apparel, and 21 percent of house appliances—numbers that have only grown since.[6]

The rial's nuclearization prompted Iranians to seek more stable currencies with which to conduct monetary transactions and store wealth. They found these across the border with Turkey in US dollars and euros—the hard currencies of the global financial system. One way in which Iranians managed to convert their nuclear rials into what Milton Friedman named "high-powered moneys" was by cross-border commodity trade in such goods as tobacco, petroleum, and gold—the prices of which were much higher in Turkey due to differing tax regimes.[7] In having nuclearized the Iranian rial, the sanctions regime has in effect formed a regional and transborder "sphere of exchange" for Iranians

[3]The conversion of any soft currency to another (e.g., Iranian rial to Turkish lira) has to be established first through their value relative to the US Dollar and then reconciled; the US dollar serves as the universal equivalent form, determining the two currencies' relative values.

[4]These include acts and executive orders dated (1) 14 November 1979, blocking certain property or interest in property of the Iranian government; (2) 7 and 17 April 1980, extending the sanctions to include a ban on all commerce and travel between Iran and the United States; (3) 13 January 1984, the designation of Iran as a supporter of international terrorism, invoking a ban on any foreign assistance, loan, or transfer of arms to Iran; (4) 29 October 1987, stating that no goods of Iranian origin may be imported into the United States; (5) 17 November 1987, Iranian transactions regulations setting forth detailed licensing procedures for goods exempted from the import ban; (6) 1993, the Iran–Iraq Arms Nonproliferation Act banning any transfer that aids Iranian or Iraqi attempts to acquire chemical, biological, or nuclear types of advanced conventional weapons; (7) 15 March 1995, prohibiting a US citizen from entering into contracts for the financing or overall management or supervision of the development of petroleum resources located in Iran or in an area over which Iran claims jurisdiction; (8) 6 May 1995, prohibiting exportation from the United States to Iran of goods, technology, or services, including trade financing by US banks; (9) 5 August 1996, the Iran and Libya Sanctions Act; (10) 19 August 1997, clarifying previous orders and confirming that virtually all trade and investment activities with Iran by US persons, wherever located, are prohibited; and (11) 10 August 2012, the Iran Threat Reduction and Syria Human Rights Act. Details of these executive orders can be found in the yearly volumes of the *Public Papers of the Presidents of the United States* (Washington, DC: Government Printing Office).

[5]"Timeline: Sanctions on Iran," *Al Jazeera*, 16 October 2012, https://www.aljazeera.com/news/middleeast/2012/10/20121016132757857588.html.

[6]"Iran Customs Adopts New Tactics to Fight Smuggling," *Financial Tribune*, 9 April 2017, https://financialtribune.com/articles/domestic-economy/62140/iran-customs- adopts-new-tactics-to-fight-smuggling.

[7]Milton Friedman, "Quantity Theory of Money," in *The New Palgrave: Money*, ed. John Eatwell et al. (New York: W. W. Norton, 1987): 1–44. In his review of money markets since 1971—when gold backing of fiat money was abandoned—

with its attendant special-purpose moneys—commodities with intrinsic value that can be used as media of exchange in specific contexts.[8] Sanctions might have nuclearized Iranians' money, but their goal to isolate the Iranian economy globally had an adverse effect: it pulled Iran, more than ever, into a regionally networked economy. Yet, how did Iranians contend with the nuclearization of their money in this new sphere of exchange? And what do their contentions tell us about sanctions as an instrument of international governance?

I conducted about three years of ethnographic research among Iranians on the move across the Turkey–Iran border who, either as pilgrims or tourists, moonlighted as cross-border traders of a variety of commodities. During this research, including a twenty-four-month stretch from January 2012 to December 2014, I observed pilgrimage and bus companies and their clients, took bus trips from Iran to Syria (including one on which I met Muhsin and Narmin, whom I will further describe), explored commercial and logistical ties between Turkey and Iran, and tracked media reports and commentaries on cross-border trade.[9] I accompanied two dozen Iranian interlocutors to various exchange offices and jewelry merchants in Gaziantep, Istanbul, and Antalya in Turkey. I sometimes translated for these merchants and their clients in Istanbul's Grand Bazaar, as well as the Tabriz and Tehran bazaars—arguably the two most important commercial and financial nodes connecting Iran and Turkey, not in spite of but rather because of sanctions on Iran.

Drawing on anthropological scholarship on money this article examines how nuclearization of the Iranian rial by international sanctions dynamized the scalar distinction between currency and commodity and set into motion a regionally networked chain of transactions that affected value conversions among currencies.[10] Once the national money, Iran's currency, became the target of sanctions, people used other commodities to replace the dysfunctional currency, whose only value was tied to its ability to regulate the exchange of all other commodities. Iranians' ability to do this hinged upon understanding the abstract distinction between money and other commodities as a dynamic one, open to deconstruction and reconstruction. In using commodities as if they were currencies, the Iranians I have encountered did not simply revert to barter exchange—trying to create a synchronic equivalence between apples and oranges—independent of a chain of other transactions. Trade in their contingent precious commodities was part of a broader set of transactions that were invested in converting foreign assets (including debts) into foreign currencies and bringing it back into the country. With a national currency nuclearized under sanctions, one area in which someone could improvise with the taken-for-granted tokens of equivalence was that of cross-border commodity trade with Turkey—a country that was asked to follow the US sanctions on Iran only conditionally due to its heavy reliance on Iranian oil and natural gas. By bringing into the center of analysis the connections between the Iranian rial and the US dollar, an anthropology of sanctions helps us approach anew the making, unmaking, and remaking of the money form as the lynchpin of using sanctions as an instrument of international governance.

As I examined the entanglements of gold trade and currency exchange as a sanction circumvention method, the complexity of the stories I heard and came to trace—such as the Zarrab scandal I retell in the last third of this essay—perplexed me. Along with my interlocutors, I often found myself trying to grasp the web of actors, institutions, currencies, and commodities in motion. When I hit the stately limits of access essential for ethnographic research, often following my Iranian interlocutors' leads, I turned to newspapers in Iran and Turkey as well as court records in the US to advance my inquiry

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Friedman states, "exchange rates have supposedly been free to float and to be determined by private markets. In practice, governments still intervene in an attempt to affect the exchange rates of their currencies" (19).

[8]Paul Bohannan, "The Impact of Money on an African Subsistence Economy," *Journal of Economic History* 19, no. 4 (1959): 1–32.

[9]All names used in this article, with the exception of public figures, are pseudonyms.

[10]Richard Howitt, "Scale as Relation: Musical Metaphors of Geographical Scale," *Area 30* (1998): 49–58. Howitt recognizes scale to possess three facets: size, level, and relation. Once conceptualized as relational and dynamic, scale figures into my analysis "as a factor in the construction and dynamics of [economic] totalities" (56) rather than being their neutral background or frame. See also Sallie Marston, "The Social Construction of Scale" *Progress in Human Geography* 24, no. 2 (2000): 219–42. Instead of reducing and fixing scale to the size or level [of monetized value] alone, I deploy scale as "a relational element in the social production of lived [economies]" (221) in my analysis. The dynamic relationship between commodity and currency under sanctions necessitates such a dynamic conceptualization. Contending with this dynamism has implications for how we understand currencies writ large.

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into the regionally networked "cultural biography" of the nuclear rial.[11] Such collaborations between my interlocutors and me on media coverage of the scandal provided a unique ethnographic framing for the discursive analysis that informed the investigation of class in contraband networks across Iran, Turkey, and the United Arab Emirates.

In stark contrast to scholarship focusing on the question of effectiveness of sanctions as a function of their design, my anthropology of sanctions starts where those designs meet the lived realities of a targeted population. Iranian's everyday monetary transactions, couched in cross-border commodity trade, provide a new window into the "high politics" of sanctions as a technology of international governance. The political-economic life of insecurity that sanctions on Iran set into motion on the one hand, and the creative practices of valuation that emerge from the asymmetrical exchanges to circumvent their effects on the other, point to how Iranians contend not only with the nuclearization of the rial, but also with the weaponization of the US dollar. In other words, the rial's nuclearization is both a very local and Iranian story and a global one of a dollar-denominated financial system. To grasp fully how economic sanctions work and how Iranians contend with their effects, a brief discussion of money and currency is imperative.

The Money Form: Friction of Equivalence as a Condition of Economic Sanctions

According to Marx and Simmel, money under capitalism renders quantifiable everything in terms of a singular scale of value and permits previously unimaginable equivalences and conversions to be forged among objects, persons, and practices.[12] Following this Marxian line of argument, anthropologists have identified uni-scalar valuation and universal commodification as defining features of modern capitalism, whereby its attendant money form's circulation is presented as the most powerful means of achieving commoditization.[13] Expansion of capitalist currencies, in other words, accelerated the erosion of other societies' regimes of valuation, "flattening the dense and complex networks of value formation that had previously been built on distinctions of gender, rank, age, and status."[14] How that uneven spatial expansion underpins the invention of national currencies and their attendant national economies, however, escaped similar scrutiny. That unevenness in the international order has generated another problem of commensuration: namely one between different moneys, culminating in our modern-day system of dynamic exchange rates among multiple currencies.[15] This problem of commensuration among different modern moneys, or territorial currencies, calls into question the assumed universal equivalence of the money form or what Simmel called its "unconditional interchangeability."[16] According to Simmel, this interchangeability is unconfined by contingent restrictions and "independent of particular interests, origins or relations."[17] Without the premise of this unconditional interchangeability that underpins the universality of equivalence enshrined in the money form, it becomes impossible to conceive of modern money as "a God among commodities."[18] Once we attend to the *politically* and *spatially* conditional

[11]Igor Kopytoff, "Cultural Biography of Things: Commoditization as a Process" in *The Social Life of Things: Commodities in Cultural Perspective*, ed. Arjun Appadurai (Cambridge, UK: Cambridge University Press, 1986), 64–92.

[12]For an extensive discussion of Marx's theory of money, see Arie Arnon, "Marx's Theory of Money: The Formative Years," *History of Political Economy* 16, no. 4 (1984): 555–75. Marx defines money as the universal equivalent form: "the embodiment of value in the sense of 'the Ideal, the Universal, the One' in contrast with commodities, which in Hegelian terms represent 'the Real, the Particular, the Many" (556).

[13]Michael Taussig, *The Devil and Commodity Fetishism in South America* (Chapel Hill, NC: University of North Carolina Press, 1980); John Kelly, "Fiji Indians and Commoditization of Labor," *American Ethnologist* 19, no. 1 (1992): 97–120; Maurer, "Anthropology of Money."

[14]Maurer, "Anthropology of Money," 21.

[15]Guyer, "Soft Currencies." See also Viviana Zelizer, "The Creation of Domestic Currencies," *American Economic Review* 84, no. 2 (1994): 138–42.

[16]For an erudite analysis of the concurrent emergence of territorial currencies and national economies, see Eric Helleiner, *The Making of National Money: Territorial Currencies in Historical Perspective* (Ithaca, NY: Cornell University Press, 2003). On the multiplicity of moneys and their socially generated values that are irreducible to the value extracted from the realm of production, see Viviana Zelizer, "The Social Meaning of Money: 'Special Monies,'" *American Journal of Sociology* 95, no. 2 (1989): 342–77. On the unconditional interchangeability of money, see Georg Simmel, *The Philosophy of Money*, trans. Tom Bottomore et al. (London: Routledge and Kegan Paul, 1978).

[17]Simmel, *Philosophy of Money*, 128.

[18]Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, trans. Martin Nicolaus (New York: Vintage, 1973; originally published 1939), 221.

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commensuration among different currencies, to extend Marx's metaphor, one sees greater and lesser gods in our global monetary cosmology. Analyzing the weaponization of the US dollar as the condition for the economic sanctions that brought about the nuclearization of the Iranian rial provides a fresh perspective on how monetary value and its terms of equivalence across differences—not only among currencies but also across commodities *and* currencies—emerge out of social interactions among concrete actors who operate under historically specific material conditions, such as economic sanctions.

Precisely because not all currencies are equal or imbued with the same power to serve all functions of the money form, we now take for granted a distinction between hard and soft currencies—distinguished by their ability to hold their value over time. Yet how are we to understand the conditionality of a given currency's interchangeability with other currencies? I suggest locating those conditions not simply among commodities in a given national economy, but more crucially *among other currencies*.[19] Such a vantage point does more than reveal money as "social fiction."[20] It illustrates the purported "frictionless equivalence" among currencies as political fiction—a fiction wherein the US dollar and the Iranian rial are assumed to be of the same order positioned at the opposite ends of a spectrum of relative hardness.[21] Tracing the nuclear rial's movements allows us to locate that political fiction as the building block of both the sanctions on Iran and our international monetary system. In this global monetary cosmology, the God among all gods, the US dollar, acts as the lynchpin for the sanctions designed to turn Iranians' already lesser god (soft currency) into a mere mortal (a nuclear currency that the hardness spectrum cannot accommodate). Iranians are left to contend with a mortal unable to fulfill its godly functions. This is why some of my interlocutors refer to their money as the nuclear rial. That currency often took the form of another precious commodity—such as tobacco, tea, petroleum, and, particularly after the 2012 SWIFT disconnection, gold.

To anthropologists' ears this distinction between hard and soft currencies might sound like the concepts of general-purpose and special-purpose money, which Paul Bohannan introduced to the discipline via Karl Polanyi.[22] In this model, general-purpose money serves all four functions of the money form. Special-purpose moneys serve only one or two of these functions, and in Bohannan's exposition of the Tiv economy, only within specific spheres of exchange. One shortcoming in Bohannan's model has been the treatment of monetary meanings independent of their broader transactional orders.[23] Jane Guyer's reformulation of Bohannan's model is based on that broader view: "One can simply lift off the boundedness of the model [of spheres of exchange] and connect each sphere to its regional trading networks."[24] Then, Guyer continues, one sees "not barriers [between spheres] but institutions that facilitated asymmetrical exchanges across value registers."[25] Although Guyer's formulation productively opens up the categorical distinction between general- and special-purpose moneys, it leaves intact a similarly rigid distinction between currency and commodity. The reformulation shares with Bohannan's model the assumption that there is only one general-purpose money with a constant value in any given transactional order, which is placed above all other special-purpose moneys. If one takes at face value this static conception of scale, one cannot account for how social actors, such as my Iranian

[19]Gustav Peebles, *The Euro and Its Rivals: Currency and the Construction of a Transnational City* (Bloomington, IN: Indiana University Press, 2011); Douglas Holmes, *Economy of Words: Communicative Imperatives in Central Banks* (Chicago: University of Chicago Press, 2013).

For a definition of monetary value as the combined function of relations of difference and similarity that is traced back to Vilfredo Pareto's formulation, see Bill Maurer, *Mutual Life, Limited: Islamic Banking, Alternative Currencies, Lateral Reason* (Princeton, NJ: Princeton University Press, 2005). Pareto quoted in Maurer: "to determine what a five-franc piece is worth one must know: (1) that it can be exchanged for a fixed quantity of a different thing, e.g., bread; and (2) that it can be compared with a *similar value of the same system*, e.g., *a one-franc piece, or with coins of another system (a dollar, etc.)*" (159–60, emphasis added).

[20]Maurer, *Mutual Life*, 166. Also see Sarah Muir, "The Currency of Failure: Money and Middle-Class Critique in Post-Crisis Buenos Aires," *Cultural Anthropology* 30, no. 2 (2015): 310–35.

[21]Guyer, "Soft Currencies," 2214.

[22]Bohannan, "Impact of Money," 21.

[23]Maurice Bloch and Jonathan Parry, eds., *Money and the Morality of Exchange* (Cambridge, UK: Cambridge University Press, 1989), 1–32.

[24]Jane Guyer, *Marginal Gains: Monetary Transactions in Atlantic Africa* (Chicago: University of Chicago Press, 2004), 28.

[25]Ibid.

interlocutors, use commodities to effect asymmetrical exchanges among different general-purpose moneys by manipulating the scalar distinction between currencies and commodities.

The spheres of exchange assembled due to the sanctions on Iran were intimately connected to banking systems and commodity markets in Turkey. Rather than finding themselves isolated from the spheres of exchange of the global economy, Iranians remained firmly nested within them through cross-border commodity trade. In a certain sense, the masterminds behind the sanctions aimed to turn the Iranian rial into a special-purpose money by disconnecting it from the global transactional order. Where they intended to erect barriers, however, Iranians surmounted them by turning to asymmetrical conversions, in which tobacco or gold fulfilled better than the nuclear rial the function of acting as a conditionally convertible equivalent form in motion.

Defining Trade in a Country of *Ghāchāghchiyān*

In October 2012 the Turkish news outlet *Haberler* (News) reported that the anti-smuggling bureau of Turkish police discovered five kilograms of gold at two separate checkpoints set up along the Yüksekova–Ipekyolu highway—a major artery in Turkey's Kurdistan that through an Esendere border crossing connects to Serow in Iran's Kurdistan.[26] Gold was retrieved from shoe insoles. The article featured a photograph showing the confiscated gold bullion bar laid across the shoe (Fig. 1), and next to the bar the wrapping paper that had concealed it—a CD sleeve from an album by Iranian poet Maryam Haydarzadeh, wildly popular in the *ranandegi* (truckers) subculture, distinguished by themes of solitude and unrequited (or lost) love. Following the discovery, Turkey deported the three Iranian nationals whose insoles contained the contraband gold. The article ended on the panic-inducing note that contraband commerce had become pervasive among Iranians "intent on cashing in" on the price difference between Iran and Turkey for gold. At the time of the operation, a kilogram of gold cost around 60,000 Turkish liras (around 25,000 USD) in Iran, whereas the price for the same amount of gold stood at 100,000 Turkish liras (approximately 37,000 USD) in Turkey. The difference was attributed to the strict regulations of the currency market in Iran that held the price of gold low to prop up the fragile Iranian rial.

"That could have been my shoe!" was Muhsin's first reaction when I showed him the *Haberler* article in December 2012 in his Tabriz home. Muhsin—a thirty-six-year-old clerical worker and avid traveler who moonlighted as a cross-border trader across the Turkey–Iran border, sighed in despair and continued, "After all, only a select few get to travel on Turkish Airlines with carry-ons full of gold. We only have our shoes and Maryam Haydarzadeh. But you know, theirs is business class, ours is not even economy." The distinction Muhsin draws underscores how the regulation of gold traffic varies according to the social class of the person acting as the cross-border courier. Those shuttling gold in carry-ons on business class trips between Istanbul and Dubai—discussed in the last third of the article—are shielded, thanks to the volume of their trade and the nodes and actors their trade connects, from the type of inspection faced by those crossing the terrestrial Iran–Turkey border with golden shoes.

Muhsin's comment also registers how pervasive the practice of and knowledge about contraband commerce (*ghāchāgh*) has become among contemporary Iranians.[27] As Muhsin put it, after more than forty years of living under sanctions, "everyone in Iran, one way or another, has become a *ghāchāghchi* [smuggler]." In Iran's 2017 presidential elections, "the contraband threat" (*tahdid-i ghāchāgh*) was high on multiple candidates' agendas. Hassan Rouhani's main challenger, Ebrahim Raisi, declared his intention of making it a priority for his administration. Explaining why regulating the *ghāchāgh* economy featured so prominently in his election manifesto, he added that the trade across the Turkey–Iran border had gotten out of hand, threatening the very social fabric of Iranian society and the integrity of Iran's national economy.[28] According to Raisi, the real source of Iran's economic woes was neither its dependence on oil

[26] "Kaçakçıların Yeni Gözdesi Külçe Altın," *Haberler*, 24 October 2012, https://www.haberler.com/yuksekova-da-kacakcilarin-yeni-gozdesi-altin-oldu-4039909-haberi.

[27] *Ghachagh* (contraband) in Persian is derived from the Turkic verb *kaçmak*, meaning to run away, flee, or seek refuge. It connotes breaching the obligations of a social contract, and so has a wider semantic domain than the Latin *contraband*.

[28] "Sevvomin munazara-i televizyoni-i namzadha-i intikhabat riyasat-i cumhuri-i Iran bargozar shod," *Anadolu Agency Persian*, 5 December 2017, https://bit.ly/3dlTLSM.

Figure 1. *P*hoto of a confiscated gold bar on top of a shoe (Haberler, 24 October 2012).

revenue nor the US sanctions. Instead, he blamed the ease with which traitors (*kha'ināη*) speculated over people's legitimate need of goods denied to them in formal markets. The contraband commerce needed to be tackled urgently, he concluded, and those traders had to be named for what they were: traitors.

Contraband trade, like other forms of transborder trade, is not unique to Iran.[29] Nor is trade in gold and other precious metals and commodities to partake in international markets a novel phenomenon in the region, where numerous countries—Iraq, Iran, and more recently, Syria—have faced some form of economic sanctions. Why then did this activity become the object of political debate and public uproar in the 2017 elections, fueling the drive to distinguish traders and traitors? I contend that the "contraband threat" became such a hotly debated issue because it converges with Iranians' growing perception that the sanctions they face come not only from international powers but also from their own state functionaries. Both the Iranian and Turkish states were incarcerating small-scale contraband traders, while overlooking, if not facilitating, a mass movement of precious metals, foreign currencies, and oil across their shared border. The political demands to have the sanctions lifted, shared across the Iranian political spectrum, were based on the idea that Iran's economy and its people's livelihoods were being unjustly targeted to engineer (*mohandesi kardan*) a social ecology of insularity and insecurity. Yet in 2017, two years after the deal struck with the P5 + 1 over Iran's nuclear program, the promised sanctions relief that was projected to "trickle down" to the common folk, hit the hardest by decades of sanctions, had not materialized.[30] Consequently, the widely held conviction that sanctions were to blame for Iran's economic woes gave way to hopelessness. In fact, among those middle- and working-class Iranians, like Muhsin, suffering even after the 2015 agreement, there was a pervasive belief that their economic insecurity was not because of the sanctions themselves, but also because the Iranian economy had been built on perpetual circumvention of the formal rules of economics writ large.

A regional, and later international, unfolding scandal revealed that state institutions and high-level officials themselves, in both Iran and Turkey, were engaged in *ghāchāgh* circuits to mitigate the crippling

[29]James Ferguson, *Global Shadows: Africa in the Neoliberal World Order* (Durham, NC: Duke University Press, 2006); Rebecca Galemba, *Contraband Corridor: Making a Living at the Mexico-Guatemala Border* (Stanford, CA: Stanford University Press, 2017).

[30]The P5 + 1 refers to the UN Security Council's five permanent members, China, France, Russia, the United Kingdom, and the United States, plus Germany. These six countries negotiated with Iran the joint comprehensive framework for Iran's nuclear program that was confirmed in July 2015. The United States withdrew from the agreement in May 2018 and introduced further sanctions on Iran.

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effects of sanctions. Among many Iranians I encountered along these circuits, there was a growing sense that certain state institutions and those in key positions in these institutions were reaping benefits from the sanctions regime, while pointing the finger at part-time cross-border traders like Muhsin as the main actors intent on cashing in on sanctions. What was the point, Muhsin asked rhetorically, of incarcerating those trying to protect the value of their savings and earnings by storing them in hard currencies, when the very form of equivalence on offer, their currency, was being nuclearized in the hands of both foreigners *and* their own high-level state officials and businesspeople? It is in this context of heightened insecurity and anxiety about the loss of value of their nuclear currency that the issue of contraband commerce has acquired such urgency in Iran. Before we delve into those circuits across the Iran–Turkey border—one of the key institutions of conversion in the Iranian transactional order under sanctions—a brief discussion of economic sanctions as a particular technology of international statecraft and global governance will be helpful.

The Fantasy of "Smart" Sanctions and the Collateral Reality of Iran as its Laboratory

The employment of sanctions, conventionally defined as "[unilateral or] collective action against a state considered to be in violation of international law," has been celebrated as a technology of diplomacy designed to compel the targeted country to conform to international regulations.[31] From their designers' perspective, sanctions are considered to be a less costly instrument than military intervention or war to achieve policy objectives.[32] They have taken many forms, including withholding of diplomatic recognition, boycotting of cultural events and athletic competitions, blockading a national territory, sequestering property and assets of certain or all citizens of a targeted country, and blacklisting individuals or corporations found in violation of international norms.[33] Unlike military interventions and wars, which have legal codes governing the belligerents' and third-party actors' actions, however, sanctions have escaped legal codification and continue to lend themselves to further weaponization.[34] The exponential rise in the use of economic sanctions as an instrument of international governance, spearheaded by the post–Cold War United Nations, led scholars of security and international institutions of governance to label the 1990s as "the sanctions decade."[35] Although only two cases of sanctions were adopted in its first forty years, the United Nations endorsed sixteen new sanctions regimes in the 1990s.[36]

Against the backdrop of the sanctions decade, and particularly in the case of Iran, sanctions are better approached as an ever-expanding arsenal of low-intensity coercion, rather than temporary policy measures to compel diplomatic negotiation, which has exacerbated already vexed relations between Iran and the sanctioning states. Furthermore, as attempts to turn Iran's citizenry against its own government, economic sanctions (what David Baldwin has described as "economic statecraft") have instead resulted in collective punishment of the most vulnerable within Iran.[37] Sanctions also have validated the Iranian

[31]Mohammed Daoudi and Munther Suleiman Dajani, *Economic Sanctions: Ideals and Experience* (London: Routledge, 1983), 163.

[32]David Cortright, "Powers of Persuasion: Sanctions and Incentives in the Shaping of International Society," *International Studies* 38, no. 2 (2001): 113–25.

[33]Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, *Economic Sanctions Reconsidered: History and Current Policy.* (Washington, DC: Institute for International Economics, 1990); Sue Eckert, "The Use of Financial Measures to Promote Security," *Journal of International Affairs* 62, no. 1 (2008): 103–10; Marieke De Goede and Gavin Sullivan, "The Politics of Security Lists," *Environment and Planning D: Society and Space* 34, no. 1 (2016): 67–88; Clara Portela, "Are European Union Sanctions 'Targeted'?" *Cambridge Review of International Affairs* 29, no. 3 (2016): 912–29.

[34]Kate Gillespie, "US Corporations and Iran at the Hague," *Middle East Journal* 44, no. 1 (1990): 18–36; Hossein Alikhani, *Sanctioning Iran: Anatomy of a Failed Policy* (London: I. B. Tauris, 2000); Sasan Fayazmanesh, "The Politics of the US Economic Sanctions against Iran," *Review of Radical Political Economics* 35, no. 3 (2003): 221–40.

[35]David Cortright and George Lopez, *The Sanctions Decade: Assessing UN Strategies in the 1990s* (Boulder, CO: Lynne Reinner, 2000); Sue Eckert, "United Nations Nonproliferation Sanctions," *International Journal* 65, no. 1 (2010): 69–83.

[36]Portela, "European Union Sanctions," 912. Sixty-eight percent of all sanctions the UN Security Council adopted from 1990 until 2015 were imposed on African states, actors, and entities. Only twenty episodes (35%) of UNSC sanctions targeted non-African entities. These episodes comprised one European state (the former Yugoslavia), one Caribbean state (Haiti), and one Asian state (the Democratic People's Republic of Korea). The remaining episodes concerned the states of Iran, Iraq, and Lebanon and individuals and entities connected to al-Qaʿida, the Taliban, and Hezbollah. See Andrea Charron and Clara Portela, "The UN, Regional Sanctions and Africa," *International Affairs* 91, no. 6 (2015): 1369–85.

[37]David Baldwin, *Economic Statecraft* (Princeton, NJ: Princeton University Press, 1985).

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state's claim to be defending the country's national security against imperialist and capitalist conspiracy—revealing the recursive and nested shapes that technologies of security and experiences of insecurity take in the context of sanctions. As diplomatic measures, sanctions are, finally, exercises in collective punishment that generate lived insecurities and bolster, rather than weaken, a targeted regime's grip on power.

The adverse effects on the ground, however, have not caused the abandonment of an instrument whose legitimacy was severely compromised after the human costs of the draconian sanctions imposed on Iraq became clear.[38] Instead, the lessons learned from Iraq were taken as incentives to refine the instrument by moving away from comprehensive embargoes toward targeted or "smart" sanctions. Proponents of this refinement operated on the optimistic assumption that economic sanctions could be made smart enough to inflict pain only on their main targets, such as the ruling elite of a regime or non-state actors such as militant and terrorist groups, while sparing the majority civilian population the collateral damage sanctions caused.[39]

Although policy scholars continue debating methods of calibration to make sanctions more targeted in their infliction of pain on specific bodies and smarter in their consideration of humanitarian law, this line of thinking suffers from two fundamental deficiencies. First, if the cases of Iran and Venezuela are any indication, infliction of pain on a target population can hardly be described as the collateral damage—the unintended side-effect—of sanctions.[40] That infliction of pain is integral to their very practice, and as such constitutes what critical legal theorist John Law has called the "collateral reality" of legal instruments of punishment—among them I include economic sanctions.[41] Second, amid all the debate about calibration, only a handful of studies have studied the actual effects of sanctions on the most vulnerable inhabitants of a targeted country, allegedly accounted for with an increasingly smart technology.[42] Scholarship that focuses solely on the "sender's perspective without studying that of the target—which can be as strategic as the sender" is inadequate.[43] Without an anthropology of sanctions that contends with both their devastating effects on human populations as the collateral reality of the instrument and the creative ways in which those populations try and mitigate that reality, a fuller understanding of the dynamics sanctions set into motion proves elusive. The anthropology of sanctions on Iran with its focus on everyday monetary transactions as I develop it here wrestles with the collateral reality of smart sanctions and attends to the creative counterstrategies Iranians develop to outsmart them.

These attempts to outsmart the sanctions, whether by the highest echelons of the Iranian state or the members of the ever shrinking middle and working classes in urban centers like Tehran and Tabriz, were often uphill battles for ordinary Iranians who confronted the collateral reality of sanctions. Although they might have grown accustomed to having a US-imposed sanctions regime in one shape or form since the 1979 revolution, every new US experiment with economic sanctions has had a contingent effect on Iranian policymaking and economic practice. Under this decades-long sanctions regime, and against the backdrop of an internationally isolated banking system, the bazaars of Tabriz and Tehran have emerged as major financial hubs for international trade by forging ties to places like the Grand Bazaar of Istanbul and financial firms of Dubai.

[38]Over half a million preventable deaths of children were attributed to the comprehensive sanctions placed on Iraq. See Asli Bali and Aziz Rana, "Sanctions are Inhumane: Now, and Always," Boston Review, 26 March 2020, http://bostonreview.net/war-security-politics-global-justice/asl%C4%B1-u-b%C3%A2li-aziz-rana-sanctions-are-inhumane%E2%80%94now-and-always.

[39]Sorpong Peou, "Why 'Smart' Sanctions Still Cause Human Insecurity," *Asian Journal of Peacebuilding* 7, no. 2 (2019): 265–85.

[40]A report suggests that, in addition to the mass exodus the sanctions set into motion, at least 40,000 civilian deaths within the last two years in Venezuela can be traced back to US sanctions. See Andrew Buncombe, "U.S. Sanctions on Venezuela Responsible for Tens of Thousands of Deaths, Claims New Report," *The Independent*, 26 April 2020, https://www.independent.co.uk/news/world/americas/venezuela-sanctions-us-excess-death-toll-economy-oil-trump-maduro-juan-guaido-jeffrey-sachs-a8888516.html.

[41]John Law, "Collateral Realities," in *The Politics of Knowledge*, ed. Fernando Dominguez Rubio and Patrick Baert (London: Routledge, 2011), 156–78.

[42]Erica Cosgrove, "Examining Targeted Sanctions: Are Travel Bans Effective?" in *International Sanctions: Between Words and Wars in the Global System*, ed. Peter Wallensteen and Carina Staibano (Abingdon, UK: Frank Cass, 2005), 201–28; Peter Wallensteen, Mikael Eriksson, and Daniel Strandow, "Targeting the Right Targets? The UN Use of Individual Sanctions," *Global Governance* 18, no. 2 (2006): 207–30.

[43]Clara Portela, "Review of *The Art of Sanctions: A View from the Field*, by Richard Nephew," *International Affairs* 95, no. 1 (2019): 228.

Although the merchants have been reinventing themselves under sanctions over at least three decades, the Revolutionary Guards' control over the maritime and territorial borders and in Iran have been fully consolidated. Osman, a long-time merchant of the Istanbul Grand Bazaar who conducted business with Tabriz and Tehran merchants of carpets, pistachios, and gold described the main winners of this transnational sphere of exchange under sanctions as follows: "Both *bazaariler* [merchants] and *sepahiler* [paramilitary officers] ran away with the good stuff under sanctions. Don't get me wrong, we [Istanbul merchants] and the Dubaians won in commissions . The harm was done to common folk [*mazlumlar*], but that is often how it goes with trade [*ticaret*] under difficult times." But some of those common folks, neither *bāzāri* nor *sepāhi,* like Muhsin, rather than watch their already meager savings denominated in a nuclear currency diminish in value, were ready to get involved in that trade with their meager means.

Although the 2012 measures exempted seven countries dependent on Iranian oil exports (China, India, South Korea, Malaysia, South Africa, Taiwan, and Turkey), they were described as the very first sanctions to completely shut off a country from the global economy. Turkey remains the only country on the list that neighbors Iran. Not coincidentally, around that time reports about "golden shoes" made their appearance in Turkish and Iranian media outlets. Descriptions of Iranians involved in this traffic as "cashing in" on sanctions, however, was at best a mischaracterization. As Muhsin remarked, it was those flying business class on Turkish Airlines and their Turkey-based collaborators who were the real benefactors of this traffic. If anything, the depiction of golden shoes as the emblem of transborder currency trade and their wearers as traitors served to shield this much larger operation of circumvention from public scrutiny, while paying lip service to the laws and regulations in place to ensure the integrity of Iran's national economy. That depiction also attempted to uphold a morally charged distinction between the merchant and the smuggler in Iran.[44] Once this ideological distinction met the complexities of the Iranian transactional order on the ground, however, the line between the trader and the traitor became increasingly hard to maintain.

Golden Shoes

When my path first crossed with Muhsin and his wife Narmin in 2010 shortly after the Persian New Year, we were on a pilgrimage bus en route from Tabriz to the Sayyida Zaynab shrine located seven kilometers south of Damascus, Syria. At the time, Muhsin and Narmin shuttled cartons of cigarettes and oil that they exchanged for Turkish liras at their stopover in Gaziantep, Turkey. With those liras they bought dollars to take back to Iran. I came to understand how many Iranians like Muhsin and Narmin were mitigating the effects of sanctions through this conversion of commodities into contingent currencies. Muhsin justified their action: "If we were to leave our savings in an Iranian bank, they would just diminish in value. We are not maximizing profits; we are trying to minimize our losses."

Around the time I met Muhsin and Narmin, Turkish President Recep Tayyip Erdoğan had launched a campaign against smoking in Turkey, which inflated the price of tobacco as a deterrence. The campaign generated significant additional revenue for the state between 2004 and 2014, while fueling contraband tobacco trade from Iran as well as Syria. Over the same decade, the price of a pack of cigarettes increased more than fourfold in Turkey. Meanwhile, the Iranian state continued taxing tobacco products as agricultural produce. Iran and Turkey's divergent taxation policies generated a sevenfold difference in tobacco prices across their border. "Our cigarettes work better than our rial across the border," Muhsin told me. In other words, the international sanctions on Iran—the "smartest" sanctions ever to be unleashed on a country—combined with an anti-tobacco campaign in Turkey had generated a historically contingent and socially emergent commodity-cum-currency. Tobacco endured as a commodity-currency, and gold gained traction on a related but distinct scale of operation that stretched over the same national territories.

As the effects of sanctions became all the more pressing with shortages in medical supplies, automotive parts, and refined oil, Narmin and Muhsin, like many ordinary Iranians, decided that they were not going to watch their savings and earnings remain hostage to the half-life of a nuclear rial. Cognizant of the billion-dollar traffic in gold between Iran and Turkey, discussed below, Muhsin and Narmin

[44] Narges Erami and Arang Keshvarzian, "When Ties Don't Bind: Smuggling Effects, Bazaars, and Regulatory Regimes in Post-Revolutionary Iran," *Economy and Society* 44, no. 1 (2015): 111–39.

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diversified the commodities of their trade as a way to preserve the value of their savings and earnings. "Once your money's value diminishes as if it had the half-life of uranium, what else could you do?" Muhsin asked rhetorically. "Once your money is nuclear, you cannot keep it for too long." He continued, "[So] we pooled our savings with three other couples we know, bought a gold bullion bar in Tabriz, and took it to Turkey to sell it and buy dollars to bring back to Iran." Given that the gold price in Iran hovered below international rates to prop up the wavering rial, such a transactional chain proved beneficial to mitigate the effects of a nuclear currency no one wanted to hold on to.

Walking on gold concealed in shoe insoles was surely an uncomfortable task, according to Muhsin. It was only through the border security checks that one had to carry oneself well, and not drag one's feet in the increasingly likely event of being forced off the bus for a full body inspection. The next big step in the chain of conversion was finding a *ṣarrāf* (currency merchant) who often doubled as an informal creditor. That *ṣarrāf* had to be far enough from the Iran–Turkey border that the local market remained relatively unexposed to Iranian gold. A *ṣarrāf* farther from the border, Muhsin explained, was more likely to offer the national market price, whereas one close to the border would offer a lower price, knowing all too well that the gold came from Iran. These were the spatially contingent conditions of conversion that Muhsin and Narmin had to work with. Hiding the gold that they had bought in Tabriz in the insoles of their shoes, Muhsin and Narmin crossed the border on their way to Antalya, Turkey, in the summer of 2012. The trip was both for business and pleasure—*ham sayāhat ham tijārat*, as Muhsin put it.

Whether as a pilgrim transiting through Gaziantep, en route to Sayyida Zaynab in Syria in 2010, or as tourists to Turkey in 2012, on both occasions that I have accompanied them, Muhsin and Narmin moonlighted as cross-border commodity traders on the buses—the kind of illegal activity that state discourse in both Turkey and Iran would condemn as the hallmark of a smuggler, a traitor. Muhsin and Narmin's goal was not profiting off the sanctions regime. It was rather to protect their savings so that they could buy an apartment in Tabriz and take their place "formally," Muhsin emphasized, among the middle classes.

Having savings denominated in a nuclear currency made their goal of buying an apartment in Tabriz impossible. With two salaries coming into the household, Muhsin and Narmin, a clerical worker and a dental assistant, were unable to afford buying an apartment, as property prices rose rapidly, whereas the rial depreciated in value. "If we are in this situation, you can imagine the states of those less fortunate ones in this country, you see, there is no more working, middle, and upper classes. There are those with dollars, and euros. And those without."

The routes of gold and foreign currency transactions between Iran and Turkey reveal sets of connections and circulators that make use of the same topography of sanctions to produce alternative mobilities out of the debilitating effects of the sanctions. In doing so, they generate a proliferation of new tokens of value in the midst of a crisis of equivalence, whereby their equivalent form—the Iranian rial—remains incapable of serving the functions of the money form: Muhsin and Narmin use tobacco and gold not as commodities to be bought and sold, but rather as currencies that by virtue of moving across borders help mitigate the exchange of monetary value "trapped" in their nuclear rials for hard currencies. In Muhsin and Narmin's exchanges, it is gold or tobacco that mediates the exchange between US dollars and Iranian rials beyond sanction stipulations. The method of circumvention, then, requires a conceptual shift—one that recognizes and manipulates the dynamism of the scalar distinction of currency and commodity as a conditional relation, rather than a categorical distinction. By enlisting tobacco and gold as their store of wealth while crossing the border, traders like Muhsin and Narmin in effect moved the value from the level of currency to that of commodity. Once inside Turkey, they sold their commodities and moved the value back to the scale of currency to denuclearize their rials. This traffic in gold, tobacco, and dollars across the Iran–Turkey border shows how the international sanctions, together with Turkey's exempted status, constitute the conditions of possibility for the "contraband threat." This trade in turn transforms the terrestrial boundary into an economic threshold with emergent possibilities of valuation that work through commodities as currencies. Contraband commerce here is a social field of force within which a range of social actors operate by modifying the scale of their transactions as a tactic of circumvention and finding new forms and tokens of equivalence. Whereas middle-class Iranians like Muhsin and Narmin, at great risk, crossed the Turkey–Iran border by bus with gold in their shoes to protect their savings against the nuclear rial's half-life, another set of actors in collaboration, by omission or

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commission, with state actors in Turkey and Iran were moving hundreds of tons of gold across the same territories. I now turn to those actors.

"Business-Class" *Ghāchāgh*, and Gold as a Commodity-Currency

In December of 2014, shortly after I returned to the United States from Iran, I got a Skype call from Muhsin. In haste he asked if I had heard about the scandal. Without skipping a beat, Muhsin explained that he had just listened to a recording "breaking" the Iranian Internet. The source of the leaked recording was a Turkish police investigation. The police had tapped the phone of Zafer Çağlayan, Turkey's former economy minister. In the recording Çağlayan, tasked with managing Turkey's 800-billion-dollar economy, was heard advising his collaborators on the other side of the line to find a way to increase exports by at least $1 billion a month for the remainder of the fiscal year. His collaborators, in response, reassured Çağlayan that what might seem like an unlikely source, the sanctions on Iran, were going to deliver to Turkish state coffers that amount, "if not more." "Fast-forward to the end," Muhsin intervened as I was taking notes. "There [Çağlayan] describes the network trading gold between Iran and Turkey via the United Arab Emirates. It spans as far as China and Ghana. It is *ghāchāgh* gone global!" Muhsin exclaimed. After I got off the call, I started digging into the recording on the Internet myself. The operation's ringleaders were an Iranian businessman named Reza Zarrab and Mehmet Hakan Atilla, the Deputy CEO of Halkbank, a Turkish state-owned bank where the Iranian government parked payments for natural gas and oil exports to Turkey. According to the Turkish police investigation, Çağlayan, Zarrab, and their associates undertook gold trade with Iranian state functionaries and businesspeople, which swelled into a multibillion-dollar operation: hundreds of tons of gold flowed from Turkey to Iran, much of it via Dubai. That freed up Iranian money—oil payments for Turkey's imports trapped at the same bank due to sanctions—while in turn boosting Turkish exports, as Çağlayan had directed his addressee to do in the tapped phone conversation.

The surge in gold exports, according to Turkish records, was markedly rapid and extensive—gold transfers to Iran jumped from $53 million in 2011 to $6.5 billion in 2012, drastically reducing Turkey's budget deficit, which ran at approximately 10 percent of the country's GDP.[45] The gold transfers boosted overall exports to $153 billion—in 2012 up by almost 13 percent from the previous year. They failed, however, to offset the Turkish appetite for imports, and the country ended the 2012 fiscal year with a $65 billion budget deficit, up by almost $20 billion since 2011.

This scandal in part became the thread that connected Muhsin and me over Skype and WhatsApp long after I returned to the United States from fieldwork in Iran and Turkey. In an interview conducted in April 2015 with the pro-government Turkish television channel *A Haber*, Reza Zarrab estimated that he alone enabled the exchange of about $12 billion in gold—approximately 200 tons—between Turkey and Iran. When confronted about the massive scale of this operation and pressed about his undisclosed gains as the main middleman between the Turkish banks and Iranian state functionaries and wealthy businessmen, Zarrab was neither defensive nor dismissive. Rather, he boasted of his services to the people of Turkey: "Fifteen and a half percent of Turkey's budget deficit I closed by myself."[46]

When he was naturalized as a Turkish citizen in 2012, Zarrab changed his last name to Sarraf—from "coin-minter" to "jewelry and currency merchant." "At least he is transparent about his newly found calling!" Muhsin commented with his signature sarcasm. Soon after this transformation Erdoğan recognized Zarrab/Sarraf with a national medal of honor for his dedication to bringing Iranian and Turkish people together amid foreign efforts to foment divisions between the two brotherly nations.

In the leaked documents of the Turkish police investigation that made their way onto the Internet, Reza Zarrab appears as more than a crafty entrepreneur deft at exploiting loopholes and circumventing the sanctions; he emerges as an embedded agent of government policy, able to make sporadic changes to the routes of his transactions while orchestrating a network stunningly global in scale. Zarrab and his entourage obtained letters of introduction in Turkey and set up four front companies in China. These companies then used Chinese banks as intermediaries in money transfers between Iran and Turkey.

[45]Joe Parkinson and Emre Peker, "Turkey Swaps Gold for Iranian Gas," *Wall Street Journal*, 23 November 2012, https://www.wsj.com/articles/SB10001424127887324352004578136973602198776.

[46]"HDP'li Baydemir: TEOG sistemini getiren babam değildi," *Cumhuriyet*, 20 September 2017, https://www.cumhuriyet.com.tr/haber/hdpli-baydemir-teog-sistemini-getiren-babam-degildi-828090.

One such bank, the Beijing-based Bank of Kunlun Co. Ltd., was facing sanctions from the US Department of the Treasury in July 2012 for sending as much as $100 million at once to blacklisted banks in Iran. Some of the documents gathered in the Turkish police files that made their way onto Muhsin's laptop show an effort to push as much gold as possible through front companies in international logistics and agricultural production in the UAE and Ghana before July 2013—the month that the United Sates added precious metals to the list of items that could not be traded with Iran. The designers of sanctions certainly had not thought that someone would use commodity trade as a method of freeing up monetary value stuck in nuclear rials. If the inclusion of precious metals to the sanctions was any indication, they were aware of the traffic and of being outsmarted. Meanwhile, in the home of Halkbank CEO Süleyman Aslan, cash in an assorted mix of foreign currencies estimated to be worth $500,000 was recovered, stashed in a variety of chocolate boxes. "These are just chocolates for these *hārāmzādeh* (bastard) *ghāchāghchiyān*! God knows how much more they hoarded," Muhsin sighed. "And here we are wrapping our shared gold bullion bar in Haydarzadeh album sleeves!"

Çağlayan himself resigned on 25 December 2014, shortly after Muhsin's call about the scandal. To this day, he remains immune from prosecution as a member of parliament. Süleyman Aslan also resigned from his post as Halkbank CEO and was acquitted. Zarrab, who was taken into custody for seventy days and then set free, continued, in his own words, to "strengthen economic and cultural ties between Iran and Turkey." The Turkey-based operation itself, dismissed by Erdoğan and his entourage as a smear campaign orchestrated by the movement led by the preacher Fethullah Gülen, stalled in February of 2015. Erdoğan's government reassigned Muammer Akkaş, the Istanbul prosecutor leading the investigation, along with three hundred other prosecutors and high-level police officers, to rural Anatolian posts. This was their punishment, the explanation went, for conspiring against the Erdoğan administration. Following the 2015 national election results in Turkey, which dealt a serious blow to Erdoğan's increasingly authoritarian corporate state, there have been numerous attempts to revive the lawsuits against a variety of implicated individuals, but all have proved to be in vain.

Yet the genie was out of the bottle. With hundreds of thousands of Iranian citizens like Muhsin downloading the leaked recording and documents, the Iranian state was compelled to open an investigation of its own. As the scandal proved hard to contain, according to Muhsin, "the very legitimacy of the Iranian state's control over the national economy [was] at stake." Since the Revolutionary Guards controlled all ports of entry and oversaw all cross-border trade, Muhsin argued, the implicated functionaries of the state had to act to save face. A parliamentary committee formed to investigate the discrepancies in economic transactions between Iran and Turkey found that 2.7 billion USD worth of oil payments parked at Halkbank were unaccounted for. "[They say] it was with these due payments, channeled through China and Ghana, that gold was bought in Turkey and then moved to the UAE," Muhsin reported on the coverage of the investigation in Iranian media. It was my turn to pass information back to Muhsin: in an interview with a Turkish daily on 10 October 2014, committee head Amir ʿAbbas Soltani declared that Reza Zarrab "knew exactly where the missing 2.7 billion USD oil payment was."[47] According to Soltani, Reza Zarrab's activities extended well beyond the Halkbank case: He alleged that Zarrab held valuable information about the economic activities of another Iranian businessman, Babak Zanjani. Soltani claimed that "some interest centers behind closed curtains tried their hardest to prevent us from reaching Zarrab, [who we believe is] also holding onto Zanjani's approximately $5 billion, wealth distributed across a variety of shield companies abroad."[48]

Zanjani was sentenced to death for corruption and embezzlement of Iranian oil revenues in March 2016.[49] The circle around Zarrab was tightening. Upon completing seventy days of detention in Turkey, and concerned that his Turkish legal immunity might not protect him from a covert operation to bring him back to Iran, Zarrab took a trip to Florida with his wife and daughter in March 2016. He was arrested upon landing in Miami and charged with conspiring to evade international sanctions on Iran.

[47] "2.7 milyar dolarin nereye gittigini o biliyor!" *Fortune*, 10 October 2018, https://www.fortuneturkey.com/27-milyar-dolarin-nereye-gittigini-o-biliyor-1633.

[48] "Zarrab Holds Most of Zanjani's Money, Iran Says," *Hurriyet*, 4 April 2016, http://www.hurriyetdailynews.com/zarrab-holds-most-of-zanjanis-money-iran-says-97275.

[49] "Hukm-i idam-i Babak Zanjani tayyid shod," *Deutsche Welle Farsi*, 12 March 2016, https://bit.ly/3frw66i.

Contrary to his testimony in Turkey, and against the legal advice he received from the Turkish consular aides in New York City, he pleaded guilty to the count of sanctions evasion, but not guilty to the charges of conspiring against the US government, thanks to his powerful legal team, led by former New York City mayor Rudolph W. Giuliani. Zarrab/Sarraf had transformed himself once again, this time from one of the two main defendants to the star witness of the case, by striking a deal with the court.[50] In his testimony against Atilla, who rejected all charges, Zarrab disclosed how in 2012 Erdoğan had personally ordered that Halkbank participate in the sanction circumvention scheme. Zarrab also added that he paid tens of millions of dollars in bribes to Zafer Çağlayan stuffed in chocolate boxes, only some of which were recovered.

Zarrab's testimony in New York confirmed his complicated circuit of circumvention that spanned from China to Ghana. He also disclosed techniques for moving gold out of Turkey that had thus far eluded Turkish customs officials.[51] One of Zarrab's couriers who physically moved the gold, identified in Turkish media as Adem Karahan, had spoken to the principal prosecutor of the Customs and International Trade Directorate, Mehmet Eryilmaz, before Eryilmaz was "reassigned" to a rural Anatolian post. Karahan's allegations, published in the Turkish daily *Cumhuriyet* (Republic) in 2015 and corroborated by Zarrab's 2018 New York City testimony, describe the most critical, and possibly the most creative, part of Zarrab's circuit:

> We were two teams that comprised twenty-two individuals each. Daily one group took the Turkish Airlines Dubai flight at 7:30 p.m., and the other the last flight at midnight. Officials at the business security check were part of the operation and were paid their dues. . . . With each person carrying between 30 and 40 kilograms of gold in carry-ons, each team moved 500 kilograms of gold daily, with the exception of Sundays. Within a year between 2012 and 2013, we transferred 200 tons of gold from Istanbul to Dubai. Once in Dubai, we took the gold to a financial firm named al-Nafis, which then transferred the merchandise to the Nadir Foreign Exchange. There the gold was converted to US dollars and in small ships [dhows], transferred to Iran. As far as I know, 92 percent [of all assets involved] made their way back to Iran, while Zarrab took a 4-percent commission. The remaining 4 percent, [I assume but cannot prove] was divided between Çağlayan and Atilla. The couriers themselves were paid $500 for each flight to Dubai.[52]

Upon my return to Iran in 2017 and during my third visit with Muhsin, I sat in his Tabriz home with him and Muhammad, another clerical worker from Tabriz. Muhammad was, I was later told, one of the three shareholders of the gold bullion bar stashed in Muhsin's insoles. It was with Muhammad, his wife Ilham, and another young couple that Muhsin had pooled his savings to buy the gold in Iran. I asked what they thought of Zarrab's route. After more than five years of following his trials and tribulations, I had been impressed by Zarrab's operation, but Muhammad was not. Instead, he pointed out, as Muhsin had done previously, the differential treatment of those with gold in their shoes and those who moved it in carry-ons:

> There is nothing new in the trial proceedings. Once [Iranians] heard the first leaked tapes, we knew what Zarrab was up to. He replicated the age-old method of using transborder couriers [*kolbar*] but put them on business-class seats instead of mules! After all, who could have guessed that one could move more than 200 tons of gold with forty-four couriers shuttling between Istanbul and Dubai?! This could not have been done without the knowledge of you-know-what parts of the state. So, they [state officials] had to find scapegoats. Who do they find guilty of treason? Who are the traitors? Golden shoes!

[50] United States v. Zarrab, US District Court, Southern District of New York, S4 15 Cr. 867 (RMB), 23–26, https://www.justice.gov/usao-sdny/press-release/file/994976/download.

[51] Ibid., 34–38.

[52] "Altınları nasıl götürdük?" *Cumhuriyet*, 16 July 2015, http://www.cumhuriyet.com.tr/haber/turkiye/323671/Altinlari_nasil_goturduk.html.

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Although I thought better of it, I was tempted to say that what he called the appropriation of old *kolbar* tactics was precisely why Zarrab's circuit of circumvention had a serious touch of ingenuity. Instead of trying to fight the US sanctions on the scale of digitally monitored financial transactions under the purview of SWIFT regulators, he scaled down his store of value to physical gold and went off the financial radar. Taking his cue from the couriers of cross-border Kurdish traders known for their large teams that maximized the amount of merchandise on the move, he transferred as much gold as possible in a short time from Turkey to the UAE using business class passengers as couriers. Although the contents of Zarrab's trade drastically differed from the consumer goods in the cross-border circuits of the predominantly Kurdish *kolbar*, or from those of Muhsin, the whole operational structure was the same, as the minimal dues paid to those couriers doing the riskiest and most menial labor of crossing borders were replicated in the comparatively meager dues paid to the golden carry-on couriers.

The conclusion Muhammad reached about Zarrab's business-class *ghāchāgh* and his visceral reaction to what he saw as the legal immunity Zarrab continued to enjoy even in the United States speak directly to the ways in which debates over value and economy in Iran intersect with issues of social class, economic justice, and legal impunity. Contraband commerce, as Muhsin and Muhammad point out, is part of a much broader story involving the social fabric of Iranian society, not to mention the Iranian economy. The involvement of many powerful actors in *ghāchāgh*—some of whom are high-level state officials tasked with upholding the formal rules of economic transaction and ensuring the country's territorial integrity—lies at the heart of the political outrage Muhammad and Muhsin communicate. In the socioeconomic ecology of hopelessness and mistrust, it comes as no surprise to hear Iranians frame the sporadic shooting of Kurdish *kolbars* across the Iran–Iraq border, or the prosecution of those crossing the Iran–Turkey border with golden shoes, as the work of those very same powerful actors trying to uphold the false binary between moral traders and corrupt traitors, between *tijārat* (commerce) and *ghāchāgh*. Yet, as Zanjani's execution and the continued presence of golden shoes indicate, the binary between the trader and the traitor proves much harder to maintain in reality than as a morally charged ideological construct in election speeches.

Conclusion: The Regional Life of a Nuclear Currency and an Anthropology of Sanctions

As the stakes of the sociopolitical and discursive struggles over the precise coordinates of the formal economy rose to unprecedented levels in Iran after the 2012 sanctions that nuclearized the rial, the question of who is a trader and what it means to engage in legally sanctioned economic life has become undeniably pressing for Iranians across social classes and political convictions. The Zarrab scandal forcefully confirmed some of the worst fears of middle- and working-class Iranians like Muhsin and Narmin that their economic woes were here to stay as long as their own state officials and businesspeople continued to undertake various adventures of circumvention in the face of paralyzing sanctions, while pointing the finger at small-scale cross-border traders. Furthermore, the attempt to uphold the categorical distinction between formal and informal, or legal and illegal, economic activity had an unintended consequence in Iran: it fully disclosed that contingent political consideration and spatial movement, rather than categorical economic modeling, were at the heart of monetary value.

The commodities that functioned as currencies in this story, whether in the case of tobacco shuttled in the seats of long-haul buses, hard currencies presented in chocolate boxes to Turkish bankers, or gold bullion bars tucked away into the insoles of shoes, have played an important role in shaping the contestation over value, equivalence, and the economy in Iranian society over the past decade. The wholesale designation of all cross-border traders as *ghāchāghchiyān* and their representation as lawless traffickers fail to capture the contingency and dynamism that actors like Muhsin (as well as Reza Zarrab) bring to the social negotiation of monetary value against the backdrop of a perpetually devaluing national currency. Upon analyzing the afterlife of economic sanctions issued by the United States in the half-life of the Iranian rial, Muhsin's declaration that every Iranian one way or another was implicated in contraband trade seems hardly hyperbolic. Indeed, the half-life of the Iranian rial reveals what happens when the functions of money—enshrined in the form of a national currency—come under distress and start to disaggregate.

Here I have traced ethnographically how the appropriation and circulation of commodities as currencies shape the debate over the meanings of equivalence and the economy in an Iran, whose currency went nuclear. Whether in the case of gold bullion tucked into shoes, cartons of cigarettes hidden inside car

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seats, or oil moved in expanded tanks, commodities-cum-currencies reveal the contingent and creative ways in which economic actors engage in reformulating their methods of commensuration and tokens of equivalence in the socially embedded and politically instituted process that is the economy.[53] Contraband commerce can thus be seen as a transborder social field of force within which a range of social actors operate by modifying the scale of their transactions as a tactic of circumvention and finding new forms and tokens of contingent equivalence. The discourse of contraband commerce traders as traitors is so contested in Iran because informal economic activity plays such a fundamental role in determining the very terms and forms of ongoing struggles over value, equivalence, and the economy in Iran and beyond.

Studying sanctions through currencies exchanged via contraband circuits brings into focus how monetary value and its terms of equivalence across difference—among currencies and between currencies and commodities—emerge out of social interactions among concrete actors operating under historically contingent material conditions. Further, the same conditions shape the very relationship between currency and commodity in that process of valuation and commensuration, whereby the US dollar emerges as the lynchpin that holds together the sanctions regime placed on Iran. Because the nuclearized Iranian rial and the weaponized US dollar are two sides of the same coin that is the sanctions regime, the former is not an exception to, but an amplification of, the differentiated role national currencies play—as reserve and exchange currencies—in the broader architecture of sanctions. At both the origin and the end point of sanctions on Iran we see two currencies that do not act like moneys. Precisely because the US dollar is the global reserve currency and as such "more than" any other currency, the state behind it, the United States, can weaponize it unilaterally in an attempt to make the rial "less than" currency. How Iranians contend with that weaponizing, namely by manipulating the scalar distinction between currency and commodity to rebuild a contingent equivalent form, has important implications for how we understand sanctions and national money in our contemporary moment. These contentions and the creative valuations they entail throw into sharp relief how conceptualizing the modern money form as the hybrid product of politics and economics—minted with heads symbolizing the creation of value by state fiat on one side, and tails symbolizing the creation of value by the market on the other—falls short of accounting for the spatially contingent and inter-nationally conditioned articulation of value attached to the money form.[54]

The focus on the political economy of sanctions developed here wrestles with the nested and mutually imbricated nature of technologies of international security, such as sanctions, and techniques of insecurity, such as methods of sanction circumvention that those technologies beget. By subjecting that nesting, as my interlocutors do, to sociocultural analysis, we can place at the center of debates about international governance anthropological interventions that otherwise remain conveniently provincial to both the creation and the study of sanctions. If we do not, all attempts to reveal sanctions for what they are, namely categorically unlawful and inhumane, will be in vain as debates about smarter sanctions go on unabated.

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