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The Islamic Republic of Iran is in Danger

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Attached please find the 40th issue of *Persian Gulf Observer*, titled "The Islamic Republic of Iran is in Danger" by Professor Hussein Solomon lectures in the Department of Political Studies and Governance, University of the Free State, South Africa.

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להלן הגיליון ה- 40 של *Persian Gulf Observer* ובו מאמר שכותרתו "The Islamic Republic of Iran is in

"Danger

By Professor Hussein Solomon lectures in the Department of Political Studies and Governance, University of the Free State, South Africa.

The Persian Gulf Observer: Perspectives on Iran and the Persian Gulf מתפרסם בתדירות תקופתית ע"י

מרכז עזרי לחקר איראן והמפרץ הפרסי באוניברסיטת חיפה, ובו מוצגים מאמרי דעה, פרי- עטם של חוקרי המרכז על מגוון נושאים מאזור המפרץ הפרסי והמדינות השוכנות לחופיו.

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The Islamic Republic of Iran is in Danger

By

Hussein Solomon¹

An existential crisis is confronting the mullahs in Tehran. This existential crisis emanates from the very pillars on which Iran post-1979 was built: a rentier economy and clerical rule. Both these elements have come under threat and threaten to destroy the state.

Rentier economy was a term developed by the Iranian economist Hossien Mahdavy to explain how countries blessed with hydrocarbons earn external revenues or rents for their products.¹ Oil exports account for 80 percent of Tehran's foreign currency reserves and 60 percent of government revenues.² These "rents" are used for a wide-ranging system of subsidies from food, education, water, fuel and electricity. Regimes which make use of such subsidies buy legitimacy for itself in the short-term. The long-term consequences, however, are disastrous as subsidies hamper economic growth, create inefficiencies and negatively impact on the balance of payment and the fiscal position of the government.³

The other pillar of the Islamic Republic was clerical rule. Following the 1979 Iranian revolution, Ayatollah Khomeini introduced the concept of *velayat-e-faqih* (the rule of the Supreme Jurisprudent). Under this system, the country was transformed into a religious guardianship. Mahnaz Zahirinejad⁴ poignantly describes this system as follows:

"Velayat-e-faqih posits a population in need of a guardian, much as minors need guardians. The people are, in other words, subjects not citizens. This, the most popular of all modern revolutions resulted in the creation of a state whose constitution places absolute power in the hands of an unelected, unimpeachable man, and whose basic political philosophy posits people as subjects, and pliable tools of the faqih".

Perhaps, more than any other factor, this notion of religious guardianship has prevented Iran from developing into a vibrant democracy. Currently, the entire edifice of *velayat-e-faqih* is under threat. When clerics control the state and seek to justify that control on the basis of religious edicts, it should come as no surprise when things go badly that citizens blame them and question their qualifications to run the apparatus of state. Such is it with Iran's Supreme Leader – Ayatollah Ali Khamenei. Khamenei lacked the support of his predecessor, the Islamic Republic's founder-Ayatollah Khomeini. As Glen Segell has noted, Iran's first constitution required the Supreme Leader to be selected on popular acclaim. However, the constitution was amended in 1989 to allow Khamenei's accession to the office of Supreme Leader without this requirement as he was unable to secure such popular acclaim.⁵ In that sense, the legitimacy of the Khamenei's rule was called into question from the very beginning.

For the past three decades Khamenei's rule and that of the entire Iranian system of governance has been increasingly challenged by restless Iranians who have experienced a climate of fear and intimidation as countless human rights reports would attest to as well as declining living standards. Rampant inflation and unemployment, especially amongst the youth, have further eroded living standards. With the Trump administration exiting the nuclear deal and imposing sanctions on Tehran, Iranian GDP contracted by 3.9 percent in 2018 and 3.8 percent in 2019. The Iranian Rial according to the World Bank is also expected to depreciate more than any other currency in 2020.⁶ Oil revenues, meanwhile, have plummeted as oil exports experienced a precipitous drop from 2.5 million barrels per day before sanctions to just 1 million barrels after the imposition of sanctions.⁷ To be clear, sanctions merely exacerbated the plight of both the regime and ordinary Iranians. The economy with its huge subsidies and rentier state, as described earlier, was core reason for Iran on its current downward trajectory. The economy is further distorted by the fact that the Iranian Revolutionary Guards Corps is estimated to control 20 percent of the economy.⁸ This translates into an uncompetitive economy – one which privileges parasites as opposed to productive members of the economy.

Consider also the endemic corruption in the country which according to Transparency International ranks 130 out of 168 countries surveyed. According to Iranian politician Mostafa Kavakebian, such systemic corruption constitutes the gravest of dangers confronting Tehran.⁹ Two possible reasons account for the seriousness with which Kavakebian views the threat constituted by corruption. First, it has touched the highest echelons of power. Both Iranian President Hassan Rouhani and Sadeq Larijani, the head of the judiciary, have accused each other of 'massive financial corruption'. Meanwhile, the president's younger brother, Hossein Fereidun, is accused of not only abusing his government position but also engaging in fraudulent banking transactions. Second, this

is supposed to be the “Islamic” Republic of Iran. It is supposed to represent integrity and virtue.¹⁰ The fact that Iran is increasingly becoming synonymous with corruption makes a mockery of a rationale for theocratic rule.

In an effort to acquire some breathing space for a struggling economy, Tehran in November 2019 affected a 50 percent hike for rationed fuel and 200 percent for fuel in the free market.¹¹ The result was as instantaneous as it was predictable. Iranians took to the streets across one hundred cities blaming the government for their financial woes. Ayatollah Khamenei seemed to be at odds with himself regarding a suitable response. On the one hand he criticized Rouhani’s government for the imposition of the fuel hike but on the other hand called demonstrators “anarchists and hooligans”.¹² Despite this initial vacillation, Khamenei exhorted his inner circle: “*The Islamic Republic is in danger. Do whatever it takes to end it. You have my order*”.¹³ Despite the government’s repressive methods, the protests gathered momentum. Police and Basij forces were deployed. The internet was blocked, 1500 protestors were killed, 7000 were arrested.¹⁴

Despite a brief lull in protests, following Qassem Suleimani’s death, protestors were back on the streets after the regime admitted that its own air defenses “unintentionally” shot down Ukrainian International Airlines flight PS 752 on 8 January 2020, killing all 176 people on board, the majority of whom were Iranian. The fact that Tehran initially denied this and tried to cover this up infuriated Iranians even further.¹⁵ What is different about these protests from protests which emanates from the 2009 Green Revolution where Iranians seemed content with reforming the system is that the Iranian streets wants an end to the current system. Iranians are aware of the connection between their leadership’s penchant for financially and materially supporting regional proxies and their own financial woes. Hence some of the slogans were chanting were: “No to Gaza, no to Lebanon” and “Leave Syria, think of us”.¹⁶

Other protestors made clear that they seek an end to clerical rule as they chanted: “*We don’t want the ayatollahs*” and “*Death to the Dictator*”.¹⁷ Other protestors were more explicit denouncing the principle of guardianship – the foundation principle of the Islamic Republic.¹⁸ Mehdi Karroubi, a Green Revolution leader in a public statement declared that Khamenei was singularly unqualified to be Supreme Leader. Whilst Faezeh Hashemi, daughter of former Iranian President Ali-Akbar Hashemi Rafsanjani, called on Khamenei to step down.¹⁹ After all, how can one be a Supreme Leader and call on your troops to mow down innocent citizens or be Supreme Leader of an Islamic Republic and preside over a corrupt government? Far from the normal scholarship on Iranian politics which speaks of the conflict between reformists and conservatives, Iran confronts a far more existential crisis. Under the circumstances, one cannot but concur with Ayatollah Khamenei. The Islamic Republic is in danger from the autocratic and corrupt leadership governing it.

Indeed, governance in the Islamic Republic makes the best case as to why Iran should be a secular republic.

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- ¹ Professor Hussein Solomon lectures in the Department of Political Studies and Governance, University of the Free State, South Africa.
- ² Mahnaz Zahirinejad (2016). "Shiism, Rentier State and Illiberal Democracy in Iran," in PR Kumaraswamy and Md. Muddassir Quamar (eds.). Contemporary Persian Gulf: Essays in Honor of Gulshan Dietl, Prakash Chandra Jain and Girijesh Pant. KW Publishers Pvt. Ltd. New Delhi, India, p. 81.
- ³ Sameen Hameed, "Subsidies in Iran: Impediments to Democratic Experience," in Gulshan Dietl (ed.) Democracy and Democratization in the Gulf. Shipra. New Delhi, pp. 194-198.
- ⁴ Zahirinejad, *op. cit.*, p. 79.
- ⁵ Glen Segell (2020). Ayatollah Khamenei's 30 years of failure to succeed using strategic communication including propaganda and Islamic propagation. Internet: <https://www.ariel.ac.il/wp/pdf/ayatollah-khameneis-30-years-of-failure-to-succeed-using-strategic-communication-including-propaganda-and-islamic-propagation#>. Date accessed: 16 January 2020.
- ⁶ Nazir Ahmad Razzaqi, "Shattering Impact of Sanctions on Iranian Economy," Commentary. No. 576. Middle East Institute. 2 December 2019. Internet: www.mei.org.in/shattering-impact-of-sanctions-on-iranian-economy. Date accessed: 2 December 2019.
- ⁷ Natasha Turak (2019). "How Trump's designation of Iran's revolutionary guard impacts its economy," CNBC. 12 April 2019. Internet: <https://www.cnn.com/2019/04/12/trump-terrorist-designation-of-irans-irgc-the-economic-impact.html>.
- ⁸ *Ibid.*
- ⁹ Alex Vatanka, "Corruption Charges Roil Tehran and Threaten Rouhani's Reelection," Middle East Institute. 8 January 2017. Internet: <https://www.mei.edu/publications/corruption-charges-roil-tehran-and-threaten-rouhanis-reelection>. Date accessed: 21 January 2020.
- ¹⁰ *Ibid.*
- ¹¹ Razzaqi, *op. cit.*
- ¹² Doron Itzchakov (2019). "The Iranian Regime versus The Fuel Protests," BESA Center Perspectives. Paper 1357. 27 November 2019. Internet: <https://besacenter.org/perspectives-papers/iran-fuel-protests>. Date accessed: 28 November 2019.
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- ¹⁴ *Ibid.*
- ¹⁵ Maysam Behraves, "Funeral of public trust: New Crisis in Iran after plane crash," Al Jazeera. 14 January 2020. Internet: <https://www.aljazeera.com/news/2020/01/iran-plane-shoot-protest-crisis-competency-legitimacy-200113151404256.html>. Date accessed: 15 January 2020.
- ¹⁶ A.J. Caschetta. "Iranian Protests Were Not About the Price of Gas," The Hill. 2 December 2019. Internet: <https://www.meforum.org/60015/iranian-protests-were-not-about-the-price-of-gas>. Date accessed: 3 December 2019.
- ¹⁷ *Ibid.*
- ¹⁸ Behraves, *op. cit.*
- ¹⁹ *Ibid.*