

## *INSS Insight* No. 1032, March 11, 2018

## Iran in the Wake of the Protests: Voices of Change without Change Raz Zimmt

Some two months after the outbreak of the most significant wave of protest in Iran since the 2009 riots, the Iranian authorities are endeavoring to bring the situation back to normal, though various pockets of protest are still discernible. While the wave of protest began to wane already a week after it broke out, demonstrations on a limited scale are ongoing in various parts of the country, mainly concerning wage withholding and the collapse of pension and saving funds. There are also some local instances of defiance against the regime, including anti-establishment graffiti in the public domain, strikes, torched banks, and defaced posters with the Supreme Leader's picture.

In January 2018, a protest by women broke out against wearing the hijab, which has been enforced in the Islamic Republic since the revolution. The protest began with a defiant act by a young Iranian woman named Vida Movahed, who in the first days of the protest, took off her hijab in front of policemen in Tehran and waved it at them. Movahed quickly became a model for dozens of other Iranian women who took to the streets in several major cities, most of all in Tehran, and took off their hijabs. On February 19, 2018, violent clashes erupted between security forces in Tehran and the Gonabadi-Nematollahi Sufi order, who opposite the police station were protesting the arrest of one of their members. During the clashes, five security personnel were killed, three of them run over by a bus driven by a member of the order. Over 300 members of the order were detained. Although the themes of these two protests are not new, they indicate that fear of the regime has declined following the recent protests.

The wave of protest has compelled the Iranian authorities to reassess their response to the public's demands, and once again underscored the conflicting opinions in the Iranian leadership over what the future policy of the Islamic Republic should be. In recent weeks, President Hassan Rouhani has tried to exploit the protests to advance his goal of implementing structural economic reforms and enhancing civil rights in order to meet the public's demands. On the eve of the 39th anniversary of the Islamic Revolution, Rouhani spoke at the grave of Ayatollah Khomeini, founder of the Islamic Republic. He emphasized the need for responding to the citizens' demands and reminded his audience that the regime of the Shah fell since it was not willing to listen to the voice of the people until the revolution broke out. He stated that democracy is not just a function of elections,

but also freedom of expression and protest. In another speech marking the anniversary of the revolution on February 11, 2018, the President suggested solving the disputes in Iranian society and uniting the people by holding a national referendum on major issues on the public agenda. The President's proposal triggered sharp criticism from the religious establishment and his political adversaries, who claimed that his proposal was designed to cover up for government failures, especially in the economic sphere.

The President's close associates also stressed the need to address more seriously the public's demands, as manifested in the wave of protests. Hesamodin Ashna, Rouhani's adviser and Director of the Center for Strategic Research in the President's office, labeled the protests "a serious warning for the decision makers." In a conference in Tehran, Ashna warned that if the Iranian authorities fail to provide a response to the public's economic, social, and political demands, this could stimulate even more intense and violent protest. He said that most of the public's demands focus on the economic realm, but since the protest took on a political and social nature, it could evolve into a crisis of legitimacy of the regime itself.

However, despite the President's efforts to exploit the protests to advance his aims, his freedom of action remains constrained by the main political power centers, headed by the Supreme Leader and the Iranian Revolutionary Guards Corps (IRGC), which regard any change as a potential threat to the regime's stability. Following the protest, Khamenei albeit confessed that the Iranian authorities did not provide an adequate response to the citizens' demands, but he once again blamed the protests on the involvement of foreign elements striving to change the regime in Iran, led by the US, Israel, and Saudi Arabia.

Under these circumstances, the President had to make significant amendments to the proposed budget that he presented for parliamentary approval, including price hikes, heavier taxation, and a significant cut in allocations for cash subsidies. In an unusual move, a majority of the Majlis members voted against the proposed budget and forced the government to revoke its intentions to raise fuel prices by dozens of percent and remove million of citizens from the list of subsidy recipients. The amendments to the budget were designed to alleviate public opposition, but they could limit the government's room for maneuver regarding the advance of structural economic reforms and hinder the President's efforts to encourage foreign investment.

Reports published in January in the Iranian media and the West on an intention to privatize some of the businesses and economic assets owned by the IRGC also proved exaggerated, at the very least. On January 20, 2018, Iranian Defense Minister Amir Hatami stated in an interview that Supreme Leader Khamenei has instructed the armed forces to relinquish their economic resources or sell them to the private sector. This

report gave rise to assessments that Khamenei had acquiesced to the President, who on several occasions expressed his reservations regarding the IRGC's continued control of large sections of the Iranian economy, chiefly by means of the Khatam al-Anbya Construction Company (KAA). However, several days later, IRGC seniors made it clear that they have no information on any instruction of any kind by the Supreme Leader regarding IRGC's economic activity, and anyway, the projects managed by KAA are confined to the construction realm and are not of an economic nature.

Limits on the President's freedom of action are also evident in the civil rights realm. In recent weeks, the Iranian authorities, especially the IRGC, increased their repression against citizens suspected of cooperating with the West. In January, the authorities detained several environmental activists on severe espionage charges. One of them, Kavous Seyed-Emami, a senior lecturer with dual Canadian-Iranian nationality, was found dead in his cell in Evin prison in Tehran in early February. The authorities claimed that he had committed suicide, but this was rejected by his relatives who claimed that he died under torture by the authorities.

In conclusion, the wave of protests once again reflected the Iranian public's plight and their demands for change, primarily in the economic realm. These demands have not escaped the attention of governmental authorities, who continue to be divided among themselves regarding the requisite solutions. President Rouhani is cognizant of the expectations and recognizes the need for advancing reforms – even if incremental – to reduce the widening gap between the regime and the public, especially the younger generation. The Supreme Leader, on the other hand, continues to oppose any change and prefers to cast the blame for the continuing civilian predicament on Iran's external enemies and the government's economic policy, as he did while former President Mahmoud Ahmadinejad was in office. It is currently unlikely that Rouhani is prepared to risk a confrontation with the Supreme Leader, given his awareness of his limited power and in order not to impair his political status prior to his possible participation in the expected future struggle for the Supreme Leader's successor.

The opposition of the Khamenei-led conservative camp to the slightest deviation from the revolutionary model and to economic and social reforms that will address the public's demands renders the President's ability to implement his plans until his term of office ends in 2021, highly doubtful. In the short run, his powerlessness in this respect could stimulate further erosion of public support for him and for the reformist camp identified with him, especially before the Majlis elections scheduled for 2020 and the next presidential elections. In the medium and long terms, the regime's continued evasion of the public's demands could further impair its legitimacy and stimulate renewal of the protest.