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Alone in Sa'dabad Palace: One Year since Rouhani's Reelection

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Recently the Iranian media reported on a meeting between Iranian President Hassan Rouhani and three of his associates: former President Mohammad Khatami, former Majlis chairman Ali Akbar Nateq-Nouri, and Vice President Eshaq Jahangiri. At the meeting, which focused on the situation in Iran, the President's confidants emphasized that he should fulfill his promises to the public soon, including with a solution to the economic distress and the release of the two reformist opposition leaders, Mir Hossein Mousavi and Mehdi Karroubi, held under house since 2011. They warned that if popular expectations are not met, there will be repercussions for the presidential elections scheduled for 2021.

A year after his reelection as President, it is evident that Rouhani is finding it more difficult than ever to fulfill his promises, especially to improve the economic situation and expand individual freedom. His freedom of action is restricted by the conservatives controlling most of the power centers in Iran, headed by the Supreme Leader and the Revolutionary Guards, and he faces a series of important challenges at home and abroad.

In the economic realm, the President's hopes of substantive improvement following the nuclear agreement and the withdrawal of sanctions have yet to materialize. Two and a half years after the JCPOA was implemented, there is some improvement in the Iranian economy, but structural economic failures, uncertainty concerning the future of the agreement, and the persistent reservations by Western companies about renewing business relations with Iran continue to pose a series of acute economic challenges to the Iranian regime. In recent months, the Iranian rial has lost a third of its value, and its exchange rate on the free market has sunk to an unprecedented low of 60,000 rials to the dollar. In an attempt to halt the currency's collapse, the Iranian central bank set an artificial uniform exchange rate of 42,000 rials per dollar, and shortly thereafter the government halted trading in dollars by money changers in order to combat the black market in foreign currency trading. Several money changers were arrested, and the regime arbitrarily ordered a halt in all money conversions in the country. Senior conservative cleric Ayatollah Nasser Makarem Shirazi even proposed executing some of the money changers as a deterrent measure. The authorities also banned citizens from possessing dollars and euros worth over \$10,000.

In tandem, the wave of popular protests has continued. In recent weeks, demonstrations have taken place in a number of cities around Iran. Kazerun in Fars Province in southwestern Iran saw a violent clash between several thousand demonstrators and the security forces, following the government's plans for an administrative division of the city. In several cities in Kurdistan Province, merchants went on strike following the continued closure of the border passages between Iran and Iraqi Kurdistan, which is preventing the transit of goods. In Isfahan, farmers protested the authorities' decision to cut water quotas for agriculture following a severe water shortage. Protests for similar reasons also broke out in other provinces in southern Iran. Although no connection can be drawn between the different waves of protest, some of which are not directly related to the economic situation, they reflect growing frustration among the public over the failure of the authorities to provide a solution to the worsening distress. As in the large scale protests that erupted throughout Iran in December 2017-January 2018, some of the protests exhibited a political and anti-establishment character. Some of the demonstrators criticized the allocation of the country's resources beyond its borders, to Syria, for example, and voiced slogans such as "Our enemy is not America; our enemy is here." Protests were also aimed at religious figures, and in Isfahan, people turned their back on the preacher during Friday prayers in the mosque in order to protest against the authorities.

At the same time, criticism of the President by his supporters in the reformist camp is also increasing. They fear that the failure of his government will strengthen the hardliners or pave the way for a new wave of populism, as occurred following the victory of Mahmoud Ahmadinejad in the presidential elections in the summer of 2005. Leading reformist figures recently criticized the president's failure to keep his promises. Prof. Sadegh Zibakalam, the leading political commentator at the University of Tehran, complained that Rouhani was not providing practical solutions to the people's distress. Reformist activist Abdollah Nasserri also criticized the President, saying that Rouhani would have done better to exercise his authority to push forward practical solutions to the country's problems, rather than criticizing his senior officials. He cited the new restrictions on the social networks as an example of the gap between the president's promises and the actual policy pursued by the authorities.

Recognizing the difficulty of limiting the general public's use of Telegram, the most popular messaging application in Iran, the authorities recently decided to ban government agencies from using the application, which the authorities said was used for incitement and organizing the most recent large scale wave of protest. Several senior Iranian officials likewise announced that the application would no longer be used. Reports about the authorities' intention to block Telegram were portrayed by reformists as further evidence of the restrictions imposed on the President's freedom of action regarding

personal freedoms, after the Revolutionary Guards stepped up internal repression in recent months.

While Rouhani's traditional supporters are finding it difficult to support him, his political rivals on the conservative right, in the religious establishment, and in the Revolutionary Guards are escalating their attacks against him. The tension between the President and the Revolutionary Guards (IRGC) resumed after Rouhani delivered implied criticism of the organization in his speech on Army Day (April 19, 2018). He noted that the regular army, i.e., in contrast to the Revolutionary Guards, had never interfered in politics, and senior military officers had not been involved in corruption and had not sought political or administrative jobs in return for their services. In response, the Revolutionary Guards published an unusual announcement, warning against attempts to harm national unity and weaken the organization and its commanders. IRGC Deputy Commander Hossein Salami joined the criticism, declaring that it was unworthy for certain people to treat members as if they were enemies. Senior hardline cleric Ayatollah Nouri Hamedani responded to the President's remarks by saying that anyone trying to distinguish between the regular army and the Revolutionary Guards was either "an ignoramus or an enemy."

International circumstances and the possible withdrawal by the United States from the nuclear agreement on May 12, 2018 also pose a major challenge to the President, for whom the agreement is a key political asset. A decision by President Trump to withdraw from the agreement is liable to bolster the economic pressure and further strengthen Rouhani's opponents, who were opposed to the nuclear agreement from the outset, saying that a policy of appeasement led to a surrender agreement in which Iran agreed to painful concessions without receiving anything in return. The President now has to echo his hardliner critics by intensifying his statements concerning Iran's expected response to a US withdrawal from the agreement. On the national nuclear day, celebrated on April 9, Rouhani declared that if the United States withdraws from the agreement, it would quickly regret this, and that Iran's response would be "stronger than what they imagine."

Thus the mounting challenges facing the President threaten not only his ability to fulfill his promises, but also his political future in advance of the struggle over the succession to the post of Supreme Leader. The President's failure is liable to undermine the entire regime's legitimacy still further. A recent Iranian survey showed that only 14.7 percent of the Iranian public support the reformists, while only 11.1 percent support the conservatives. In other words, over 74 percent currently support neither of the two main political factions. These findings indicate growing public despair with the political system in general, which might lead to renewed large scale popular protest and threaten the regime's stability. A US decision to withdraw from the nuclear agreement could well bolster the economic pressure, in addition to other factors feeding potential protest. At the

same time, the decision might also make it easier for the Iranian regime to enlist support against the West from part of the public, as this will be portrayed as the key factor responsible for exacerbation of the economic distress.