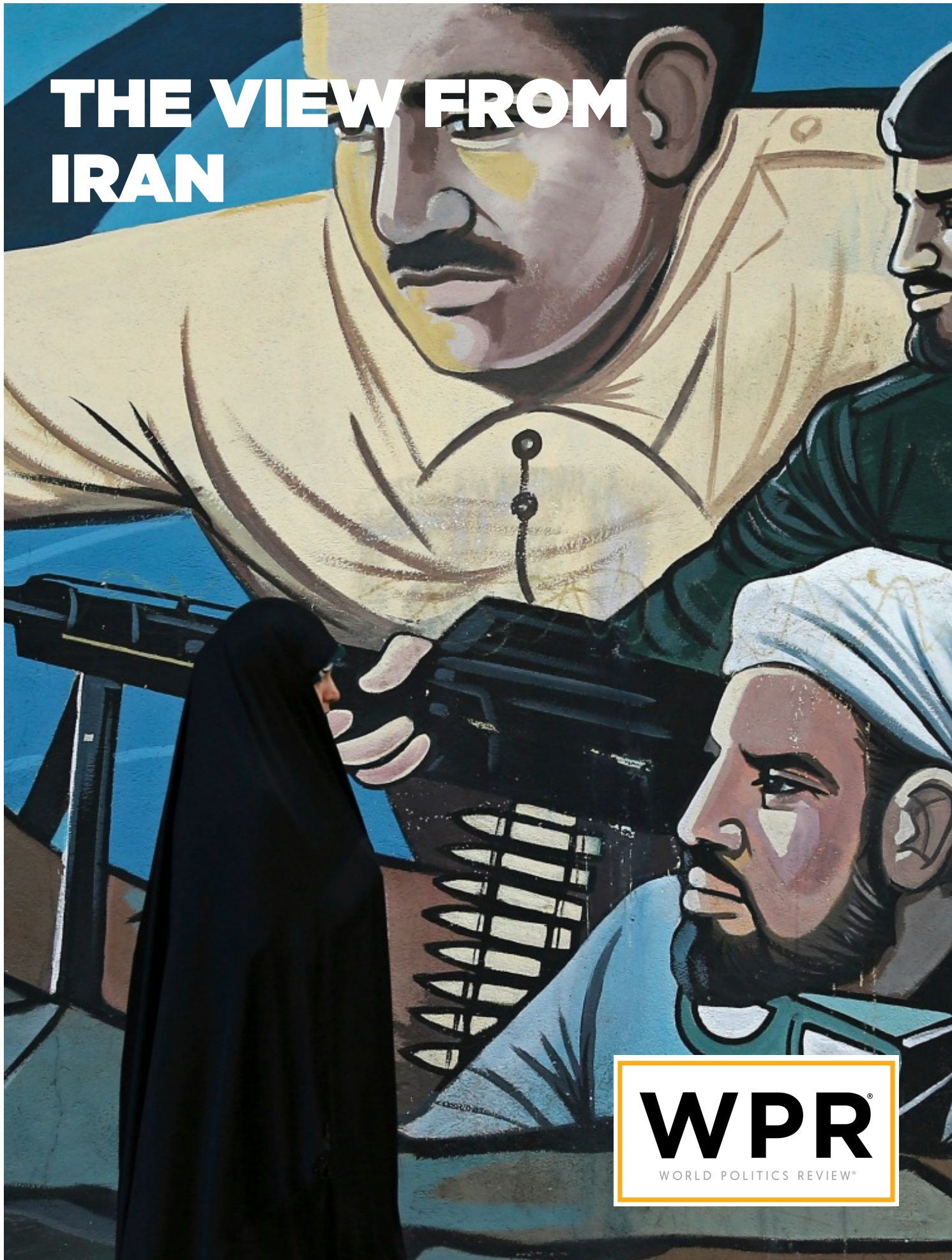


THE VIEW FROM IRAN



WPR[®]

WORLD POLITICS REVIEW[®]

THE VIEW FROM IRAN

A WPR REPORT | JANUARY 2020

Even though President Donald Trump appears to have backed away from further military conflict with Iran, following the American drone strike in Baghdad that killed Iran's top security commander, Maj. Gen. Qassem Soleimani, the Middle East is still on edge. The ballistic missiles that Iran fired at two military bases in Iraq housing American troops could only be the start of Tehran's retaliation. Many observers worry that more blowback could come in the form of Iran's favored tactic of asymmetric warfare waged through its proxies, such as Hezbollah in Lebanon and pro-Iranian militias in Iraq.

Amid fears of heightened conflict, what is really driving Iran's behavior? This escalation did not begin with the killing of Soleimani, but in May 2018, when Trump unilaterally took the United States out of the international agreement curbing Iran's nuclear program, known as the JCPOA, and reimposed crippling sanctions on Iran's economy. What impact has the U.S. exit from the nuclear deal had in Iran? How has it changed the Iranian regime's foreign policy calculations? And how have Iranian citizens reacted to Trump's campaign of "maximum pressure" and more sanctions? This WPR report provides an essential view of events from Iran.



Cover Image: A woman walks past a mural depicting members of Iran's Basij paramilitary force, Tehran, Jan. 3, 2018 (AP photo by Ebrahim Noroozi).

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IRAN'S OIL SECTOR WAS BOUNCING BACK. CAN IT SURVIVE RENEWED U.S. SANCTIONS?

THE EDITORS | MAY 2018

Last week, President Donald Trump announced the United States would be reimposing unilateral sanctions against Iran that had been suspended as part of the 2015 multilateral nuclear deal known officially as the Joint Comprehensive Plan of Action, or JCPOA. At the heart of the U.S. sanctions are measures targeting Iran's oil and gas sector, including any non-Iranian corporations that do business with Iran. In an email interview, Thijs Van de Graaf, an assistant professor of international politics at Ghent University in Belgium, discusses the evolution of Iran's oil and gas sector since the JCPOA, and the implications of the reimposition of U.S. sanctions for Iran and its partners.

World Politics Review: How has Iran's oil and gas sector evolved since the signing of the JCPOA, and who have been its major development partners so far?

Thijs Van de Graaf: As a result of years of under-investment in its aging fields and infrastructure, Iran's oil and gas sector is in dire need of capital and foreign technology, with Iranian officials putting investment needs as high as \$200 billion. The country has sought to boost output with the help of foreign companies since oil sanctions were lifted in January 2016. Iran's appeal for foreign investors is clear, with the country holding the world's fourth-largest oil reserves and second-largest gas reserves—much of it still untapped. And Tehran has wooed investors with a new, flexible model of oil contracts.



ABOVE Bijan Namdar Zangeneh, the Iranian minister of oil, waits on Germany's then-Minister of Economic Affairs Sigmar Gabriel at his office in Tehran, Iran, October 3, 2016 (dpa photo by Bernd von Jutrczenka via AP).

Yet, the oil majors were slow to return to Iran because of persistent political risks and low oil prices. Only two major contracts were signed. In July 2017, a consortium led by France's Total became the first to sign a 20-year deal with the National Iranian Oil Company, or NIOC, to develop a new phase of the world's largest gas field, South Pars. It was an uncontroversial starting point, aimed initially at domestic gas demand. So far, Total has spent a little under \$100 million on the South Pars project, which also involves China's CNPC and the Iranian company Petropars, a subsidiary of NIOC. And in March 2018, a second oil deal was struck by NIOC with Russia's state-owned oil company Zarubezhneft for the development of the Aban and West Paydar oilfields near the Iraqi border.

Other companies signed only provisional agreements to explore the potential of various oil and gas fields. Royal Dutch Shell, France's Total, Italy's ENI, Japan's Inpex and Malaysia's Petronas have submitted proposals to expand the Azadegan oil

field, which is Iran's largest undeveloped oil field and is shared with its neighbor Iraq. Other companies that have struck memorandums of understanding include Gazprom, Rosneft and Lukoil of Russia, ONGC of India and DNO of Norway.

Interestingly, the U.K.'s BP, which has its roots in the Anglo-Persian Oil Company that pioneered exploration in Iran, has been the most cautious of the European majors, having signed no agreement with Tehran since the 2015 sanctions deal. U.S. majors, like ExxonMobil and Chevron, also completely remained on the sidelines.

After the signing of the JCPOA, many hoped for an investment rush in Iran's upstream sector, but it never materialized. This makes it politically more difficult for defenders of the nuclear deal inside Iran to keep supporting the agreement and its restrictions on Iran's nuclear program.

WPR: What has been the deal's impact on Iran's oil exports, in terms of volume and revenues, and how much upside remains moving forward?

Van de Graaf: The JCPOA, signed in July 2015, foresaw that sanctions would be lifted in exchange for a freeze in Iranian nuclear activities. During the last round of sanctions, from 2012-2015, Iran's oil production fell by around 1 million barrels per day. Soon after the oil sanctions were lifted in January 2016, the country's oil production recovered to near pre-sanction levels. In May 2016, Iran was producing 3.64 million barrels per day, a level last pumped in June 2011 before the imposition of more rigorous sanctions.

When OPEC reached an agreement in November 2016 to reduce its aggregate production by 1.3 million barrels per day, Iran was exempted from cutting its output. Instead, it was allotted a target of just above 4 million barrels—slightly more than its actual

HOW CHINA AND INDIA DECIDE TO RESPOND TO THE REIMPOSITION OF U.S. SANCTIONS WILL BE A MAJOR FACTOR IN HOW EFFECTIVE THEY ARE.

production. Several non-OPEC members, including Russia, Mexico and Kazakhstan, also pledged to curb production a few days later. The deal, which has been extended to the end of 2018, has helped to push oil prices higher from their 13-year low point in January 2016.

Iran's production stood at 3.81 million barrels per day in March 2018, representing almost 4 percent of global output. Exports have more than doubled to about 2.6 million barrels per day in April 2018. Iran's oil production is still far below its potential, though. Output exceeded 6 million barrels per day in the 1970s, before the Islamic Revolution drove away Western investors.

WPR: What will be the likely impact of the reimposition of U.S. sanctions, and are there any workarounds for Iran and its partners to avoid them?

Van de Graaf: On May 12, the U.S. announced its withdrawal from the 2015 nuclear deal, and the reimposition of sanctions on Iran. The oil sanctions will kick in within six months, to take full effect in November 2018.

It is unlikely, however, that the reimposed sanctions will be as successful as the joint U.S.-European Union sanctions of 2012, which knocked more than 1 million barrels per day of Iranian oil out of the market. The key difference is that, in 2012, the EU was standing shoulder to shoulder with the U.S. in confronting Iran. The EU implemented its own full oil embargo, which alone reduced Iran's crude oil exports by almost 600,000 barrels per day, or about half of the total reduction.

The U.S. does not import any crude from Iran, so if it wants to hit Iranian oil export revenues, it needs to apply financial sanctions against buyers of Iranian oil. The EU now buys close to a quarter of all Iranian oil exports, yet France, Germany and the U.K. have said they still stand by the JCPOA. The EU is currently even considering several options to shield its companies from U.S. sanctions, including adopting a "blocking regulation" like it

did in the mid-1990s to protect European companies working with Cuba and Iran. The EU is allegedly also considering switching to euros instead of U.S. dollars in its oil trade with Iran.

However, the bulk of Iran's oil exports go to Asia—China, India, South Korea and Japan. While the latter two already started throttling back their purchases of Iranian oil earlier this year in anticipation of the return of U.S. sanctions, the former two are the key actors. China and India together buy more than 1 million barrels of Iranian oil every day, and both have high and rising needs for oil imports, which means they need as many suppliers as possible. How they decide to respond to the reimposition of U.S. sanctions will be a major factor in how effective the sanctions are in limiting Iran's oil exports.

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HOW THE SWEEPING U.S. DEMANDS ON IRAN WILL ROIL ITS DOMESTIC POLITICS

MOHSEN MILANI | MAY 2018

Two weeks after President Donald Trump unilaterally withdrew the United States from the Iran nuclear deal, Secretary of State Mike Pompeo **outlined the parameters** of the “new Iran strategy” that he believes would lead to a “better deal” with Iran. It is a **laundry list of 12 demands** Iran must meet if it is to avoid getting hit by what Pompeo called the “strongest sanctions in history.”

But Iran won’t accept these sweeping demands. Would it actually return to the negotiating table? And how could this new strategy shape Iran’s domestic politics?

The Trump administration’s move is a huge gamble predicated on both exerting maximum pressure on Iran and demanding maximum concessions. It has added a new element into Iran’s political scene that could have an unpredictable long-term outcome, even though, based on Tehran’s reaction so far, it doesn’t look like it will come to the negotiating table anytime soon. If anything, the new U.S. strategy could intensify the cold war in the Middle East.

Domestically, it may create major economic problems for Iran, empowering the hands of hard-liners—the powerful Revolutionary Guards, the internal security forces and other anti-American blocs—while generating a nationalistic backlash against the United States. It could also put the future of the Iran deal, officially the Joint Comprehensive Plan of Action, or JCPOA, in jeopardy, increasing the chances of Iran resuming its nuclear program but at an even more accelerated rate than prior

to the JCPOA, which would only heighten the chances of a military confrontation between the U.S. and Iran.

Rightly or wrongly, the message Tehran is getting from Washington is unambiguous: Forget about the agreement President Barack Obama signed with you and just do what we now dictate, or we will crush you or perhaps even attempt regime change. For an old country that cherishes its sovereignty and independence, this kind of message, which the government is shrewdly publicizing, will undermine those who seek to normalize relations with the West and especially America. Trump's withdrawal played into Supreme Leader Ayatollah Ali Khamenei's core argument that Iran cannot trust the U.S. because it doesn't adhere to its commitments. Protecting Iranian independence has been the common goal of the most consequential political movements of Iran's recent history—from the Constitutional Revolution of 1905-1906, to the nationalization of the Iranian oil industry in 1951, to the Islamic Revolution of 1979. It would be political suicide for any Iranian leader today to accept America's dozen demands, which would be perceived as nothing short of capitulation.

“How does the American secretary of state dare to tell us what to do and not to do,” Mohammad Kowsari, a senior Revolutionary Guard commander, **declared** after Pompeo's speech this week. “If we wanted to listen to the words of American leaders, we would not have launched the revolution.” President Hassan Rouhani also **lambasted Pompeo**: “Who are you to decide for Iran and the world?”

The Iranian reformists that Rouhani leads, such as Mostafa Tajzadeh, a former deputy interior minister under President Mohammad Khatami who was jailed between 2009 and 2016, expressed similar sentiments online. Even some exiled opposition figures slammed the U.S., too. Abolhassan Bani Sadr, Iran's first post-revolution president who has been living in France since 1981 as a fierce critic of the Islamic Republic, wrote on Twitter that although Iran's past policies have created the predicament it



ABOVE Iranian President Hassan Rouhani speaks as Iranian Supreme Leader Ayatollah Ali Khamenei listens during a meeting with members of the Iranian government, Tehran, May 23, 2018 (Sipa photo via AP).

faces today, “accepting the U.S. demands is tantamount to surrendering to them and accepting total bondage.”

It isn’t hard to see why the Trump administration’s actions have provoked this unified response across Iran’s political spectrum, from hard-liners to reformists. The “new Iran strategy” is seen in Tehran as a diplomatic Trojan horse meant to destabilize the country and overthrow its government by strangling the economy and fomenting

internal discord and chaos. In his first reaction to Pompeo’s speech, Khamenei **said** overthrowing the Islamic Republic remains Washington’s ultimate goal. That was echoed by Ali Akbar Nateq Nouri, former speaker of the Iranian parliament and a powerful figure in the Islamic Republic, who declared that “Iran’s real challenge is beyond [the fate] of the JCPOA, for the new American administration is seeking to overthrow the Islamic Republic, in addition to the attempts by Israel and Saudi Arabia to force the U.S. to start a war with Iran.”

Iranian hard-liners argue the U.S. is planning to first disarm Iran by controlling its nuclear and missile programs, then force Iran to withdraw its forces from the region, before finally overthrowing a defenseless Islamic Republic. This genuine fear of regime change usually tends to unify rival factions in Tehran.

Consider the American demands, some of which perhaps could have been negotiated with Iran individually if the U.S. had not withdrawn from the nuclear deal. Iran must end its uranium enrichment on Iranian soil, a right it enjoys as a signatory to the Non-Proliferation Treaty and the JCPOA. It must allow unqualified access to all its military sites, which no sovereign nation would allow. It must end its ballistic missile programs, which, thanks to four decades of Western arms embargo, have become the foundation of Iran’s defense doctrine. Also, it must end its support of Hezbollah in Lebanon and other militant

THE GENUINE FEAR OF REGIME CHANGE USUALLY TENDS TO UNIFY RIVAL FACTIONS IN TEHRAN.

groups it has supported, including the Houthi rebels in Yemen; allow the disarming of Shiite militias in Iraq; withdraw its forces from Syria; and cease threatening behavior against its neighbors. Accepting all 12 conditions or even most of them would mean that the Islamic Republic would effectively choose to dismantle itself. This simply won't happen.

Iranian security forces will be going to the highest level of alert, acting pre-emptively to suppress any sign of real or imaginary threat at home. The securitization of Iranian politics will accelerate. Any further protests in Iran will likely be accused of being supported by America and met with more repression.

The imposition of new U.S. sanctions will no doubt hurt the economy, while increasing the already high inflation rate and lowering the purchasing power of ordinary Iranians. The Islamic Republic can, of course, blame the U.S. for these economic difficulties, even though they are largely due to the government's own pervasive corruption and glaring mismanagement. But the new sanctions will have some unintended consequences. In the past two decades, Iran has developed complex black markets to smuggle just about everything in order to bypass and undermine various U.S. sanctions. The security forces, including the Revolutionary Guards, have been known to control these lucrative networks. By reviving the black markets, the new sanctions will enrich and further empower the security forces.

Iran has not yet determined its strategic response to the Trump administration. Tehran is waiting to see if the Europeans, along with Russia and China, can salvage what is left of the nuclear deal—or what Foreign Minister Mohammad Javad Zarif calls the “post-U.S. JCPOA.” Encouraged by recent comments from European officials, many moderates, including Rouhani, believe the U.S. withdrawal has created a schism in the trans-Atlantic alliance that Iran can use for its benefit to save the agreement. Yet Iran is well aware that without the U.S. in the

JCPOA, it will be difficult, if not impossible, for Iran to have full economic and commercial relations abroad. Unless the U.S. gives waivers to large European companies, they will withdraw their business and investment from Iran.

This explains why Khamenei has set a few preconditions for staying in the post-U.S. JCPOA. Most important among them is that Germany, France and Great Britain provide concrete guarantees they will not abandon the nuclear deal, will purchase Iranian oil if the U.S. imposes sanctions on Iran, and will have full financial interactions with Iranian banking and financial institutions. The Supreme Leader has explicitly warned that if Iran does not benefit from the salvaged agreement, it will resume its nuclear activities, including enriching uranium at 20 percent.

The Iran nuclear deal opened a new channel of communication between Tehran and Washington, the first of its kind in more than three decades, and showed that the two countries can resolve their differences through diplomacy. The Trump administration has cut off that channel, at least for now, against both countries' national interests.

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WITH U.S. SANCTIONS LOOMING, IRAN FACES A POTENTIALLY EXPLOSIVE ECONOMIC CRISIS

MOHSEN MILANI | AUGUST 2018

A few years after Iran's 1979 revolution, Ayatollah Ruhollah Khomeini disregarded an aide who was worried about inflation by declaring that "this revolution was not about the price of watermelons." His successors may not have the luxury of assuming that the Islamic Republic's religious essence is more important to most Iranians than their economic situation. Indeed, the proverbial price of watermelons has now plunged Iran into a potentially explosive economic crisis, with waves of public protests. The situation has been exacerbated by U.S. President Donald Trump's decision in May to violate the terms of the nuclear deal with Iran and reimpose sanctions.

The Trump administration believes that by exerting "maximum pressure," Iran will inevitably return to the negotiating table, or face implosion **or even regime change**. Economic strangulation is the core of this strategy. By sanctioning Iran's oil industry and banking institutions, the United States plans to weaken Iran's economy and provoke its sizable middle class, along with working and poor classes, to rise up against the state. Washington seems to be taking its fight inside Iran, launching "an offensive of speeches and online communications meant to foment unrest" domestically, according to U.S. officials who **spoke to Reuters**.

Trump believes his strategy is working. "Iran is falling apart," he claimed in a **recent Fox News interview**. "They are having big protests all over the country, probably as big as they ever had before. And that all happens since I terminated that [nuclear] deal." While the U.S. impact on these protests remains unclear,

THE ISLAMIC REPUBLIC HAS SHOWN ITSELF TO BE INFINITELY BETTER AT DIVIDING AND ELIMINATING ITS OPPONENTS THAN IMPROVING THE COUNTRY'S ECONOMY.

Iran is not falling apart, but it is preparing itself politically and economically to cope with the renewed American sanctions and potential internal upheaval.

Iran has had five episodes of protests, largely over economic grievances, in the less than two years since Trump's election—more than at any time since Iran's disputed presidential vote in June 2009 led to the massive Green Movement demonstrations. Driving popular anger over the economy is the greatest financial fiasco in decades in Iran. Over the past three years, five corrupt, insufficiently regulated financial institutions **declared bankruptcy**, defrauding thousands

of Iranians and wiping out their savings.

The first protests, over a few weeks in December and January, were ignited by inter-elite rivalries and spread like wildfire, for still-unclear reasons, to 155 Iranian towns and small cities—all economically distressed areas with high unemployment. Occasionally violent, the protests had no leaders or agenda, although demonstrators chanted slogans against the government and the supreme leader. But the movement failed to spread to large cities or attract middle-class supporters. The government **confirmed** that 25 people were killed in the protests, but it didn't say how. Some 3,700 mostly young people were arrested.

The second set of protests took place in the southern city of Khazeroun in May. What started as a local squabble over dividing the city into two separate municipalities resulted in three deaths and 300 arrests, according to the authorities. The third set of protests, also in May, were organized by truck drivers who demanded lower fuel costs, lower

BELOW A group of protesters outside the Grand Bazaar in Tehran, Iran, June 25, 2018 (ILNA photo via AP Images).



insurance costs and better working conditions; they spread to 160 cities. After arresting 17 people, the government claims to have reached a preliminary agreement with the drivers.

The fourth set of protests took place over three days in late June, organized by shopkeepers and merchants in Tehran and 24 other cities, who complained about the devaluation of the Iranian currency, the rial. In Tehran, demonstrations were centered in the Grand Bazaar, whose merchants have played a key part in all protest movements in modern Iranian history. Some protesters chanted slogans against Iran's involvement in Syria's civil war and neighboring Lebanon. The government arrested more than 100 people. The latest round of protests followed in July in eight cities in the drought-stricken southern province of Khouzestan, along the Persian Gulf, over an embarrassing lack of drinking water. The government also claims to have fixed the water problems, but still arrested about 150 protesters.

Alarming as they were—and human rights groups say the actual number of deaths, injuries and arrests is much higher than reported—these protests did not fundamentally threaten the Islamic Republic, even though the speed with which the **first wave** of protests spread did shake it to its core. The security forces appear to have recovered from that shock and will act swiftly to prevent future demonstrations.

There is unquestionably widespread discontent among Iranians and a growing call for real change. But Washington's strategy of "maximum pressure," which Tehran considers an existential threat, is likely to make the Islamic Republic more repressive, its elites more unified, and its population more nationalistic. After all, U.S. sanctions will adversely affect most of the population. There is a good chance protests could continue or even grow, but unlike what the Trump administration imagines, future protests are unlikely to lead to the overthrow of the Islamic Republic. The regime is too entrenched, its opponents too divided, and a good swath of the population fearful that internal turmoil could lead to chaos and the disintegration of the country, turning it into a new Syria.

Moreover, Washington might be underestimating the difficulty of transforming popular Iranian protests into a national movement favorable to American interests. They could destabilize Iran or bring to power a military-centered government, making the Middle East unsafe for everyone, including the United States.

For four decades now, the Islamic Republic has shown itself to be resilient and infinitely better at dividing, repressing and eliminating its opponents than improving the country's economy. The signing of the nuclear deal in 2015 held out the promise of change, as Iran's economy grew at a healthy annual rate of about 5 percent, oil exports increased to 2.7 million barrels per day—the highest level in many years—and Western companies signed tentative, multibillion dollar deals in Iran. But when the U.S. announced its plan to reimpose sanctions, the economy was brought to a standstill. It didn't help that President Hassan Rouhani had oversold the benefits of the deal.

Rouhani's greatest challenge now is to prepare the country for the impending U.S. sanctions. The initial ones [hit Aug. 6](#), targeting Iran's automobile industry, gold and precious metals trade, and other sectors. They will be followed in November by sanctions on Iran's oil exports, energy sector and Central Bank. Rouhani's first task is to unify rival political factions. With the consensus in Tehran that Washington's goal is regime change, Rouhani has moved closer to hard-liners, including the powerful Revolutionary Guard, and is engineering reconciliation between them and the reformist bloc he leads.

But economically, he must deal with the rapid devaluation of the rial, which has lost nearly half its value against the dollar since Trump exited the nuclear deal and sparked a flight in foreign capital. The government has now set the official rate of the dollar at around 41,000 rials, while the black market value of the dollar has [surpassed 100,000 rials](#), its highest rate ever. To stabilize the currency, the government has apparently arrested a few individuals for manipulating the market, replaced the head of the Central Bank, and barred the import of over 1,000

nonessential items. It is contemplating a ration of essential goods, as it did during the Iraq-Iran War in the 1980s. To boost growth, the government plans to offer price and tax incentives to private investors to “take over some of the 76,000 government projects which are unfinished or idle,” as Vice President Eshaq Jahangiri [recently stated](#).

But with the Trump administration’s pledge to impose secondary sanctions on any foreign entity that deals with Iran, many Western companies, such as Boeing, Airbus and Siemens, have already left the country. While Iran is counting on China and Russia to maintain their economic relations, it is engaged in negotiations with European powers to salvage the nuclear deal and seek their help to evade or ease American sanctions.

So far, Iran hasn’t formulated a policy response to Trump’s “maximum pressure,” as it negotiates with Europe. Should those talks fail, expect Iran to react much more confrontationally to U.S. interests in the Middle East, as the economic situation in Iran worsens. Yet Trump’s unexpected offer this week to meet with Rouhani without preconditions has created a channel for dialogue. Iran should try and keep it open.

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SANCTIONS ALONE WON'T ALTER IRAN'S BEHAVIOR IN THE MIDDLE EAST

KALEIGH THOMAS | NOVEMBER 2018

The U.S. Treasury Department recently designated a network of 22 Iranian businesses as supporters of terrorism, including several banks and major commodities companies, **imposing sanctions** on them for their alleged financial ties to a powerful Iranian militia. The goal was to expose and discredit the paramilitary group they are said to finance, known as the Basij, which is linked to the Iranian Revolutionary Guard Corps and, according to the Treasury Department, has recruited child soldiers sent to fight in Syria to support the Assad regime. Yet like other forms of financial pressure from the Trump administration, these sanctions likely won't curb Iran's destabilizing influence in Syria or the region, falling short of sweeping new U.S. objectives.

These sanctions follow **an announcement** in late September by the Trump administration pledging to keep U.S. troops on the ground in Syria until Iran and its proxies have left the country. That commitment extends far beyond the goal of defeating the self-proclaimed Islamic State. The Trump administration's new vow to push Iran out of Syria relies heavily on **squeezing Iran financially**, including through additional sanctions on Russian and Iranian entities linked to operations in Syria. The plan also involves withholding reconstruction aid from the territories they are helping to hold and control for Syrian President Bashar al-Assad.

But these financial measures are not enough to achieve such broad and new American objectives in Syria. The administration's strategy of economic coercion will further isolate Iran from the global financial system, but there is no track record—or reason

now to believe—that such a strategy will compel Iran to withdraw from Syria. For one, financial constraints will not force concessions from Tehran due to current dynamics within the Iranian regime, and they will do little to impede the operations of targeted Iranian entities like the Basij and Revolutionary Guards. After all, Iran didn't curb its regional behavior even when it was under maximum, multilateral sanctions pressure between 2012 and 2015. What's more, squeezing Iran financially will feed the division between the United States and Europe over how to address threats from Iran, whether its destabilizing activities in Syria and Yemen or its ballistic missile program. That is bad news for current and future U.S. policy.

In its sanctions designation, the Treasury Department said that the Basij had recruited fighters from Iran, including children, for deployment in Syria's civil war and singled out businesses linked to the group, such as the Iran Tractor Manufacturing Company and the Iran Zinc Mines Development Company. While sanctions are a key foreign policy tool credited with successfully bringing Iran to

BELOW A woman walks past a mural depicting members of Iran's Basij paramilitary force, Tehran, Jan. 3, 2018 (AP photo by Ebrahim Noroozi).



the table to negotiate the international agreement to curb its nuclear program, known as the Joint Comprehensive Plan of Action, unilateral measures like those announced last month have historically done little to rein in Iran's other malign activities in the region. For example, while Iran is one of the few countries on the U.S. state sponsors of terrorism list—added in 1984—it remains one of the foremost supporters of international terrorism, according to the State Department's annual report on terrorism, the latest of which was released last July.

Naming and shaming Iranian businesses that support the Basij and the other forces fighting Iran's proxy wars is unlikely to make Tehran pull them back from Syria for a number of reasons. Iran's use of proxies throughout the Middle East is a relatively low-cost strategy and will not be disrupted by these types of sanctions. Even the additional economic pressure Iran will face starting next week with the reimposition of sanctions on its oil sector, previously waived under the Iran deal, will not cause the Iranian regime to back down from its role in fueling regional instability.

In fact, the U.S. withdrawal from the Iran deal this past May only emboldened Iranian hard-liners within the government. Since then, President Hassan Rouhani has lost significant support from the Iranian population, as Iran's currency has been severely devalued and Rouhani's signature foreign policy

achievement has failed to deliver on its economic promises. Dramatically weakened, Rouhani has aligned himself more closely with Supreme Leader Ayatollah Ali Khamenei to maintain support among the elites. As economic pressure now mounts on Iran, its leadership will hold tighter to the regional influence it retains, rather than concede to American demands. The sanctions on several Iranian commodities companies included in the Treasury Department's designation may

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make it marginally more difficult for them to operate, but they will not cripple them fully. The Mobarekeh Steel Company, the largest producer of steel in the Middle East and North Africa, told investors that it had experience dealing with international sanctions, so the newest designation would not interrupt its activities. There's probably a lot of truth to that. According to the company's website, it produces more than 50 percent of Iran's steel and its products reach customers across the Middle East and Europe. Its production has generated millions of dollars each year to Mehr Eqtesad, an Iranian investment company with close ties to the Basij, according to the Treasury Department.

Last month's measures may also contribute to the **growing international backlash** against the Trump administration's increasingly draconian use of sanctions as a U.S. foreign policy tool to achieve ill-defined and high-level policy goals. U.S. allies in Europe especially are angered and frustrated. Among the recently designated Iranian entities was Parsian Bank, a private bank in Tehran that has also serviced trade in humanitarian goods and services to Iran from Europe, in addition to providing services for investment companies identified in the Basij's network. The International Court of Justice **ruled** earlier in October that U.S. sanctions could not restrict the export of humanitarian goods to Iran. While this decision is not enforceable by the court, the continued U.S. violation of the decision only feeds the motivations of European countries and others to find ways to circumvent America's financial reach.

The Trump administration's new demand for a full Iranian withdrawal from Syria has been vaguely articulated and is overly ambitious. Like much of its Iran strategy, the administration has offered far more heat than light. Sanctions have limitations. They alone cannot be used to attack this and every other U.S. foreign policy challenge, no matter what Trump's advisers appear to think.

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REELING FROM U.S. SANCTIONS, IRAN TRIES TO STEP UP ECONOMIC ENGAGEMENT WITH IRAQ

THE EDITORS | DECEMBER 2018

Iraqi President Barham Salih traveled to Iran's capital, Tehran, **last month** for talks with Iranian President Hassan Rouhani. The meeting came two weeks after the U.S. reimposed tough **sanctions** on Iran that had been lifted under the 2015 nuclear deal. In light of those sanctions, Iran's economic ties with Iraq, which relies on Iranian gas for nearly half of its energy supply, are of utmost importance to Iranian rulers. In an interview with WPR, Tamer Badawi, a research fellow at the Istanbul-based Al-Sharq Forum, discusses Iran's strategy for maintaining close commercial ties with Baghdad.

World Politics Review: How has the Trump administration's decision to reimpose sanctions on Iran affected Tehran's approach to economic engagement with Iraq?

Tamer Badawi: The Trump administration has placed a high priority on curbing Tehran's economic exchanges with Iraq, the third-largest recipient of Iranian non-oil exports, but this is a tall order. The U.S. granted Iraq a 45-day exemption from sanctions last month so that it could continue importing natural gas from Iran, which accounts for **45 percent** of Iraq's power generation, but officials in Washington reportedly acknowledge that Iraq will need more time to wean itself off from reliance on Iranian energy. In the meantime, the Trump administration, like the Obama administration before it, has not hesitated to punish Iraqi

financial institutions for moving Iranian money. Earlier in May, the U.S. **sanctioned** the Iraq-based al-Bilad Islamic Bank. After the imposition of the first round of U.S. sanctions on Iran in August, unverified **reports** claimed that the U.S. sent officials to Baghdad over the summer to investigate five Iraqi banks for allegedly violating U.S. sanctions on Iran as part of a probe that was launched under Obama's presidency.



ABOVE Iraqi President Barham Salih, center, Iranian Supreme Leader Ayatollah Ali Khamenei, right, and Iranian President Hassan Rouhani during their meeting in Tehran, Iran, Nov. 17, 2018 (Office of the Iranian Supreme Leader photo via AP Images).

This hard-line U.S. policy is one of the key factors incentivizing Tehran to deepen its economic relationship with Iraq. In addition to its extensive military leverage, Iran has the advantage of geographic proximity to the Iraqi market, making freight costs of transporting Iranian commodities relatively low. The recent **depreciation** of the Iranian rial also makes exports cheaper, which is one of the reasons that Iran's non-oil

exports to Iraq increased by **65 percent** from March to October, according to Iranian government statistics.

Iranian officials are prioritizing the development of infrastructure to increase trade capacity on both sides of the border. For example, the two sides reached an agreement this year to establish an Iranian trade center in the northern Iraqi city of Sulaymaniyah, and a **trade complex** at the Shalamcheh border-crossing was recently inaugurated, according to a report this month in Iran's semi-official Fars News Agency. Additionally, Tehran would like to see the removal of tariffs and administrative trade barriers and the facilitation of free movement across the border for business activities, especially with Iraqi Kurdistan. This economic activity is a crucial source of income for Iran, but it also binds together the interests of Iranian and friendly Iraqi actors. It probably also serves as a source of intelligence-gathering. For all of these reasons, Iran sees its economic activity in Iraq as indispensable.

WPR: What impact did this year's parliamentary election results in Iraq and the subsequent government formation process have on Iran-Iraq economic ties?

Badawi: The results of the Iraqi parliamentary elections created some political uncertainty for Iran, but there are signs that Iraq's Shiite political fragmentation will not pose a direct challenge for Iran's economic interests, at least in the near future. For example, the head of the Iraqi parliament's powerful Sairoon Alliance, Muqtada al-Sadr, **rejected** U.S. sanctions against Iran, saying "We will not sit with our hands tied while people are being harmed." Leading figures from al-Fateh, the parliamentary faction with strong links to Tehran, have also pushed back on U.S. sanctions. These responses imply support from Iraq's political elite for continued economic exchanges with Iran.

All the same, Iranian leaders would prefer not to subject their valuable economic relationship with Iraq to the turbulence of factional politics in Baghdad, so Tehran has recently shown a willingness to play a more assertive role by advancing its **economic interests** through loyal paramilitary groups, widely known as Popular Mobilization Units. The PMUs are modeled after Iran's Islamic Revolutionary Guard Corp's popular auxiliary forces, known as the Basij, which played an important role in the war against Iraq back in the 1980s. After the war, the Basij played a role in rebuilding their country through an organization

called the Jihad of Reconstruction. Iran is essentially attempting to replicate and institutionalize this hybrid model in Iraq. For example, according to an International Crisis Group **report**, PMU engineers are already implementing projects, even going beyond reconstruction of areas liberated from ISIS, to building and repairing infrastructure elsewhere in Iraq, such as a road in the city of Basra.

IRAN IS ADVANCING ITS ECONOMIC INTERESTS IN IRAQ THROUGH LOYAL PARAMILITARY GROUPS, WIDELY KNOWN AS POPULAR MOBILIZATION UNITS.

WPR: Going forward, what challenges will the Iranian and Iraqi governments face in their efforts to deepen their engagement on economic and energy issues?

Badawi: The U.S. will continue to pressure the Iraqi government to reduce its energy imports from Iran, but public statements from Iraqi leaders suggest they are unwilling to go along. Prime Minister Adel Abdul-Mahdi said in October that Iraq “will prioritize its own interests and independence when it comes to helping the United States enforce sanctions against Iran.” And when Iraqi President Barham Salih met Iranian President Hassan Rouhani in Tehran last month, Salih said it was “important to create free trade zones at our shared border and to connect the two countries’ railways.” This week, a senior Iraqi energy official said Iraq would not be able to wean itself off Iranian gas for another **two years**.

Despite this resistance, however, it is unclear how the two sides can deepen their economic ties under U.S. sanctions. Initial framework agreements could be signed, but how will those projects be financed? A joint Iranian-Iraqi bank is said to be in the works, which will aim to facilitate payments while avoiding exposure to U.S. financial markets, but Washington is likely to lobby against that.

Iranian traders have reportedly been showing up in big numbers at Iraqi trade exhibitions recently. These include the **45th Baghdad International Fair** and the **13th Sulaimani International Expo**, which were both held last month. Such public appearances suggest that Iranian businesses are confident in their continued ability to deliver their products and services and maintain their competitiveness in the Iraqi market. It also suggests consistent Iraqi demand for relatively cheap Iranian imports.

Iran is now targeting an increase in annual trade volume with Iraq from \$12 billion— including energy—to \$20 billion. To meet this goal, Iran will likely continue to rely on its strategy of helping loyal Iraqi paramilitary actors to lobby Iraqi officials and legislators for the removal of tariffs and nontariff barriers. But

this strategy could backfire if it is undertaken too aggressively. Already, an influx of cheap Iranian imports, among other factors, is **undermining** Iraq's vulnerable industrial and agricultural sectors, contributing to unemployment and instability. Thus, Iran faces the challenge of structuring its economic exchanges with Iraq so that benefits are mutually and equitably distributed.

Iran also faces chronic domestic problems that may hinder its ability to play a larger economic role in Iraq in the medium and long terms. For example, persistent water shortages due to waste and mismanagement are projected to negatively affect Iran's agricultural production. If this problem is not addressed over the next 10 to 20 years, it will become a bigger impediment to boosting **agricultural exports** than the Iraqi tariff barriers that Iranian trade officials often complain about.

-WPR-

IRAN'S PROBLEMS GO BEYOND THE CURRENT HARD LINE FROM THE U.S.

CLÉMENT THERME, SHIFAA ALSAIRAFI | FEBRUARY 2019

As Iran celebrates the 40th anniversary of the Islamic Revolution, the United States' confrontational policy toward Tehran under President Donald Trump presents a real challenge for the Iranian political elite, particularly the moderates among them. Trump's policy of reimposing economic sanctions aims to impose "maximum pressure" on Iran in order to provoke a change of behavior in Iranian regional policy. Far from accomplishing its goals, the U.S. approach is more likely to strengthen conservative factions within Iran and give the moderates, including President Hassan Rouhani, an excuse for not working toward their electoral promises of granting greater freedoms and pursuing economic reform.

U.S. sanctions are not the only reasons for Rouhani's current weakness. Iranian presidents have historically found their power diminished vis-à-vis the supreme leader in their second term, becoming so politically irrelevant in decision-making processes that they resemble political commentators more than effective political actors. This has been a constant theme in Iran since the presidency of Mohammad Khatami, from 1997 to 2005.

Rouhani is in an even worse position today than Khatami or Mahmoud Ahmadinejad, Rouhani's predecessor, were during their second terms. He originally campaigned in 2013 on a moderate platform that would bring major economic improvements and Western foreign investment, and subsequently negotiated and signed the multilateral nuclear agreement, known as the JCPOA, to that end. The deal was



ABOVE Iranians wave national flags during a ceremony celebrating the 40th anniversary of the Islamic Revolution, at the Azadi, in Tehran, Iran, Feb. 11, 2019 (AP photo by Vahid Salemi).

heavily criticized by conservative factions in Iran as an unnecessary and dangerous step toward establishing closer relationships with the West. Conservatives warned Rouhani in particular about the risk of signing an agreement with the U.S., and helped block him from negotiating with the Obama administration on issues besides the nuclear program, such as Iran's regional policy, its ballistic missile program and the re-establishment of diplomatic relations. Trump's withdrawal from the nuclear deal and reimposition of sanctions proves them right and shifts the internal balance of power in their favor.

Rouhani's political weakness is not, however, a threat to the Iranian regime, which depends increasingly on its security services, rather than its popular legitimacy, to ensure its survival. What's more, it is in the interests of Supreme Leader Ayatollah Ali Khamenei and the deep state's security organs to have an unpopular and weak president who is no longer in a position to threaten Khamenei's authority.

But while U.S. sanctions are strengthening the hand of Iran's conservative factions, they are also exacerbating the country's severe challenges. Growing regional tensions between Iran and its allies, on one side, and the U.S. and its Middle Eastern partners, on the other, create an unstable environment, making it very difficult for Iranian officials to effectively develop and reform the economy. Due to this instability, the regime finds itself forced to choose between a more democratic political system that is focused on socio-economic development and a securitized theocratic state that is merely focused on the revolution's

THE IRANIAN REGIME FINDS ITSELF FORCED TO CHOOSE BETWEEN A MORE DEMOCRATIC POLITICAL SYSTEM AND THE REVOLUTION'S SURVIVAL.

survival. The Islamic Republic in its current form, as a hybrid between elective bodies and clerical rule, is becoming more and more difficult to sustain, and U.S. sanctions are pushing Iran toward the latter option. Further international isolation would likely create a more authoritarian political regime in Iran that is more repressive in its internal policies and more politically adventurous in its foreign policy.

An increasingly radical Islamic Republic, however, will likely face a greater challenge in satisfying Iranians' thirst for more openness and economic stability. Demonstrations and uprisings demanding economic reform and social freedoms, such as the ones seen between [December 2017 and January 2018](#), persisted throughout 2018, as individuals and coordinated groups of dissidents continued to publicly demand political and social reforms. U.S. sanctions are aimed at stoking public dissatisfaction with the Islamic Republic in the hope that this would change the regime's behavior. But while sanctions are undermining the regime's institutional ability to respond to the people's demands, the real and more imminent threat to Iran is not the Trump administration's policy itself, but the multiple social, environmental, political and economic crises the regime has failed to resolve since its establishment in 1979.

The [World Bank believes](#) that the reinstatement of U.S. sanctions will push Iran's economy into recession. Their estimates have the Iranian economy shrinking by 1.6 percent in 2018-2019 and by 3.7 percent in 2019-2020, and inflation reaching 20 percent in 2018 and 30 to 40 percent in 2019, mainly because of the higher cost of imports. This is particularly worrisome, as stabilizing inflation around 10 percent was one of Rouhani's main successes during his first term.

Nevertheless, these conditions are unlikely to change the regime's regional behavior, which is driven not by economic rationality but by ideological factors, such as the desire to export the Islamic Revolution and defend the values promoted by the founder of the Islamic Republic, Ayatollah Khomeini. Tehran provides around \$700 million a year in aid to Lebanon's

Hezbollah and \$100 million a year to Palestinian Hamas, and American sanctions will do nothing to stop that support. Instead, the regime has responded to sanctions by emphasizing its more ideological and conservative policies, further expanding Iran's regional involvement while compromising the Iranian people's wellbeing.

Iran's foreign policy is still based on a pragmatic understanding with Russia and China and the search for a modus vivendi with European countries to limit the negative effects of hostile relations between Tehran and Washington. However, the tensions introduced by the Trump administration have put European states in an uncomfortable position, as the withdrawal of many private European companies from the Iranian market has resulted in a 60 percent decrease in bilateral trade between Iran and countries of the European Union. The end of the European alternative will accelerate the Islamic Republic's gradual shift toward China's economic sphere of influence, which began in the 2000s with the sanctions put in place by the George W. Bush administration. Russia, too, is strengthening its cooperation with Iran in strategic areas such as the energy, nuclear and military sectors.

Iran's relationships with other regional countries are also affected by U.S. sanctions, but perhaps not in the way that Trump intended. Qatar has already been forced to rely further on Iran because of the Saudi-led embargo against it. Non-oil trade between the two countries doubled in the second quarter of 2018 alone to about \$100 million in value, and Qatar continues to rely on Iranian airspace for Qatar Airways' flight routes, as well as to transport goods to and from the country. The Qatari government has unsurprisingly declared that it is unwilling to support another round of U.S. sanctions on Tehran. This illustrates the flaws in the Trump administration's plan to isolate Iran within the region, and suggests that Iran has alternatives to increasing its non-oil trade even in the face of declining transactions with Europe.

Iran is torn between a desire to integrate into the West's economic fold and the persistence of a revolutionary ideology in which opposition to the West and denial of Israel's existence constitute core elements of the Islamic Republic's identity. These contradictions prevent the development of a foreign policy in line with Iran's national interests. They are also at the heart of popular mobilizations in Iran denouncing a political regime that uses revolutionary discourse to hide its inability to improve local governance and fight against inequality and corruption.

Forty years after the Islamic Revolution, this failure can be seen in the economic and social struggles of different social groups such as teachers, the rural poor, retirees and bus drivers, among others. The internal turbulence is a reminder for Iran's leaders of the need for political change, and it is ultimately much more problematic for the survival of the regime than the Trump administration's hard line.

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THE NUCLEAR DEAL RAISED IRANIANS' HOPES. NOW THEY'RE FOCUSED ON SURVIVAL

JASMIN RAMSEY | MARCH 2019

In the [picture](#), a woman raises her left fist while using her right hand to shield her face from a cloud of tear gas. She's standing behind a barrier outside the University of Tehran, with spindly trees visible in the background.

The scene dates to December 2017, when Iranian authorities attempted to quash [protests](#) that were initially sparked by economic woes but quickly evolved to channel broader political grievances. Some [5,000 people](#) were arrested between the beginning of the protests and the second week of January 2018, when they had mostly simmered out, according to official figures. At least three of those detainees would perish in state custody.

When the French news agency AFP published the picture on Dec. 30, it seemed to encapsulate the spirit of a population finally rising up against their government. It went viral, though the photojournalist who took it, Yalda Moayeri, waited six months before coming forward to take credit for it, fearing that she, too, would end up in prison.

More recently, the picture has been given a second life. Last month, it resurfaced on Twitter thanks to none other than U.S. President Donald Trump. On Feb. 11, the day the Iranian government held street parades to mark the [40th anniversary](#) of the 1979 revolution, Trump used the image of the woman in a post condemning the government. "40 years of corruption. 40 years of repression. 40 years of terror," the [post](#) read. "The

THE OPTIMISM THAT PREVAILED IN IRAN AFTER THE SIGNING OF THE NUCLEAR DEAL IN 2015 IS A DISTANT MEMORY.

regime in Iran has produced only #40YearsofFailure. The long-suffering Iranian people deserve a much brighter future.”

Moayeri quickly responded with a [post](#) of her own on Instagram. Though her work has mostly focused on conflict zones and she has largely refrained from political commentary, in this instance she used her platform to criticize Trump. She wrote that while she would be honored if her photograph “would be a symbol of freedom everywhere in the world,” Trump’s co-opting of it had caused her great shame. She went on to condemn U.S. sanctions on Iran, which she described as “devastating” for her and her family. “This image shows my people and is for my people,” she wrote, adding that it shouldn’t be “abused” by men in Washington.

Moayeri’s response was likely perplexing for some in the Trump administration, which has assumed a posture toward Iran that is typical of most recent U.S. governments—one involving crippling economic sanctions, fiery threats and attempts at international isolation. American officials say these tactics are intended to help the Iranian people. But Moayeri and other Iranians who are pushing for reform from inside the country refuse to embrace change carried out on anyone’s terms but their own.

Shielding their work from outside influence is a tall order. Many forces are trying to influence Iran’s future, from the U.S. to various governments in the Middle East, notably Israel and Saudi Arabia. And if recent years have proven anything, it’s that the relative strength of these forces, and how they will be able to shape events, is impossible to predict. After all, no one expected the Iranian nuclear deal, formally known as the Joint Comprehensive Plan of

BELOW A group of Iranians listen to President Hassan Rouhani during a ceremony marking the 40th anniversary of the Islamic Revolution, Tehran, Iran, Feb. 11, 2019 (AP photo by Vahid Salemi).



Action, to be signed so quickly after the U.S. and Iran held bilateral ministerial-level talks in 2013—their first since the 1979 revolution. Similarly, few expected Trump to succeed Obama, a development that paved the way for an all-out assault on the nuclear deal that began soon after he took office. And no one expected thousands of people to spill into Iran's streets in December 2017 chanting anti-government slogans and calling for the return of the pre-1979 monarchy.

Looking ahead, though, some predictions are safer than others. Barring some kind of miracle, it seems certain that the next two years will be characterized by extreme hardship and frustration for Iranians seeking expanded civil rights and economic opportunities. Squeezed from within by a government that refuses to put its people's needs above its ideology, and squeezed from the outside by governments seeking to stifle that ideology, the people of Iran can't seem to catch a break.

Forty years after the Islamic Revolution, then, Iranians are still yearning for independence and freedom, and it's unclear what, if any, reforms they can realistically hope for.

Unmet Expectations

Not long ago, Iranians' expectations for their future were decidedly sunnier. After the turbulent, exhausting presidency of Mahmoud Ahmadinejad, which was marked by economic ups and downs and the implementation of international sanctions, Rouhani was swept into office in 2013 on a wave of optimism, however cautious, that change might be possible. Some 72 percent of eligible voters participated in the 2013 presidential election—high turnout for Iran. Rouhani trounced the competition, receiving 50.7 percent of the vote; his closest competitor, Tehran's mayor, Mohammad Bagher Ghalibaf, received just 16.5 percent, according to Interior Ministry figures.

Two years later, Rouhani, who became known as the “diplomatic sheikh” for his work as Iran's chief nuclear negotiator under reformist President Mohammad Khatami, signed the nuclear deal. The deal's champions promised that it

would yield economic benefits for Iran in the form of sanctions relief, foreign investment and access to the international financial banking system. Officials also said it would bring Iran out of the international isolation that characterized Ahmadinejad's reign.

The intervening years have demonstrated that these benefits were wildly oversold by the Rouhani administration. But hope was nevertheless still on display ahead of the legislative elections in 2016. In those polls, candidates on the Rouhani-backed "List of Hope," a collection of reformists and centrists, made gains, including winning all 30 seats in Tehran, a result that amounted to a resounding endorsement of the president. The following year, 70 percent of voters came out again to re-elect Rouhani, who got 57 percent of the vote, well ahead of his main rival, the conservative cleric [Ebrahim Raisi](#).

Today, though, Iran is, in many ways, back where it was in 2012, before the nuclear deal was signed and the country was weighed down by sanctions designed to prevent it from exporting oil—its main revenue-generating product—and block its access to international banking mechanisms. With Trump having pulled out of the nuclear deal last May and [re-imposed sanctions](#) last November, once-excited debates within Iran about the speed of a potential economic recovery have morphed into dispirited discussions over how to get through the year. The Islamic Republic's ideological hard-liners—who ultimately supported the nuclear deal after Supreme Leader Ayatollah Ali Khamenei gave a tacit go-ahead to the Rouhani administration, but who maintained all along that that the U.S. could not be trusted—appear to have been vindicated. Rouhani and his Cabinet, meanwhile, have been targeted by [smear campaigns](#) orchestrated by the right, while his dejected voter base has turned away in disappointment.

Iran's middle- and low-income populations stand to suffer the most as this new period of struggle progresses. If current conditions hold, the economy should shrink by 10 percent in the next year or two, with many Iranians experiencing a drop in their

incomes of 10 to 20 percent, according to [Djavad Salehi-Isfahani](#), a professor of economics at Virginia Tech who studies Iran's economy. Much of this decline, Salehi-Isfahani says, "will be on the back of the middle class."

Collectively, Salehi-Isfahani notes, Iranians will not go hungry because the government will continue to earn enough from oil revenue to import food. But it's far from certain that the poor will have access to this food, and that the spoils from oil revenue won't be concentrated at the top.

The United Nations has [warned](#) that low-income Iranians will have difficulty accessing essential goods, including medicine, if [mechanisms](#) are not established to ensure that humanitarian aid can be delivered despite sanctions. Last November, *The Lancet*, the prominent medical journal, published an article by doctors affiliated with Tehran's MAHAK Pediatric Cancer Treatment and Research Center that said sanctions would "inevitably lead to a decrease in survival of children with cancer."

ABOVE Iranian President Hassan Rouhani during a ceremony celebrating the 40th anniversary of the Islamic Revolution, Tehran, Iran, Feb. 11, 2019 (AP photo by Vahid Salemi).



More broadly, all Iranians are dealing with the effects of the collapse of the local currency, the rial, which has lost nearly 70 percent of its value against the dollar since Trump announced the U.S. withdrawal from the nuclear deal. The resulting inflationary pressures have led to a rise in black-market trading of foreign currencies and gold, which the government has tried to stamp out with **arrests** and harsh sentences, **including executions**.

These shocks are hitting a country that was already suffering from high unemployment, including among young and educated workers. Today, youth unemployment in Iran hovers around 28 percent, and officials say that around one-third of unemployed people hold university degrees.

It is not just on the economic front that people are hurting. Many Iranians are fed up with their government's failure to uphold their human and civil rights. Activism is prosecuted as a national security offense, with proceedings unfolding in a secretive **revolutionary court** system that falls far short of international standards for due process. There is **no free press** or **freedom of speech** when it comes to criticizing the government or its policies. Internet access is heavily restricted and **policed**. Women who remove their compulsory hijabs as an act of peaceful civil disobedience are **sentenced to prison**.

Those who oppose these conditions do so at great risk. Earlier this month, Nasrin Sotoudeh, a prominent defense attorney, was reportedly **sentenced** to a combined total of 33.8 years in prison and 148 lashes—of which, pending an appeal, she will be required to serve 12 years. At the time of her arrest, in June 2018, she had been **representing women** who have peacefully opposed the requirement that they wear the hijab. She had also joined a small group of lawyers in **criticizing** the Iranian judiciary's decision to force people detained under politically motivated charges to choose lawyers from a list approved by the state.

At least **seven other lawyers** representing clients targeted by the state for their peaceful defense of human rights were also detained last year. Only Sotoudeh and Mohammad Najafi,

another rights-focused lawyer who is serving a three-year sentence and faces **many more years** behind bars, remain imprisoned, though they are joined by other political prisoners like Narges Mohammadi, Esmail Abdi and Arash Sadeghi.

In this context, it is little surprise that so many segments of Iranian society joined the mass protests of late 2017 and early 2018. While the protests ultimately could not withstand the official crackdown they triggered, the conditions that gave rise to them remain in place.

‘Trump Is Crazy’

The Trump administration interprets the current high level of public anger within Iran as an opportunity to rid the country of its government.

“At the end of the day, the Iranian people will get to make a choice about their leadership,” Secretary of State Mike Pompeo **told** an audience at a conservative think tank last May while discussing U.S. sanctions. “If they make the decision quickly, that would be wonderful. If they choose not to do so, we will stay hard at this until we achieve the outcomes that I set forward today.”

But although the U.S. government likes to see itself as a champion of social and economic freedoms, Iran is just one of many countries where most people take a different view. While Iranians commonly distinguish between the American people and its government, the Toronto-based Iran Poll, which has been surveying Iranian public opinion since 2005, reported in December 2018 that 72 percent of respondents said they held a “very unfavorable” opinion of the U.S., a figure that was largely attributed to the withdrawal from the nuclear deal and ensuing sanctions. That’s a 20 percent increase from August 2015, two months after the nuclear deal was signed.

“Trump is crazy and his administration doesn’t have any understanding of Iranian society,” Ali, a 38-year-old consultant in Tehran, told me recently in an email. Like others I interviewed for this story, he didn’t want his last name published because of security concerns.

Ali is critical in particular of Trump's perceived support of the Mujahadeen-e-Khalq, or MEK, a fringe Iranian opposition group operating in exile that once launched terrorist attacks in Iran. Washington categorized the MEK as a foreign terrorist group **until 2012**, when it was de-listed following an expensive lobbying campaign. Since then, the MEK has been working comfortably out of an office on Pennsylvania Avenue.

Trump officials and allies like national security adviser **John Bolton** and Rudy Giuliani, the president's personal lawyer, have spoken at its **events in Paris**. The group's direct involvement in shaping Washington's Iran policy is unclear. Nevertheless, despite its well-documented dark past, which includes being **linked to bombings** on Iranian soil in the 1970s and 1980s, it continues to make progress in Washington, with Trump administration officials reportedly **no longer ruling out** a potential role for the group in a new Iranian government.

This is despite the fact that the MEK has no real support inside Iran. To Iranians like Ali, the Trump administration's backing of the MEK is seen as of a piece with policies like withdrawing from the nuclear deal and imposing its widely derided "travel ban" barring nationals from several Muslim-majority countries, including Iran, from entering the United States. All of these policies **play into the hands** of the Iranian government's propaganda efforts.

Iranian disdain for the U.S. government runs deep even among those the Trump administration has tried to help directly. Last December, the State Department **called** on Iran to free Farhad Meysami, a civil rights activist who had been **detained since August 2018** in connection with his advocacy in support of women's right to choose whether to wear the hijab.

Yet just a month after the State Department's statement on his behalf, Meysami wrote a stinging **open letter** shunning the Trump administration's "crocodile tears for human rights."

"I would much rather spend all my life imprisoned by a group of my oppressive and ignorant compatriots and try to correct their wrongdoing through reformist action," he **wrote**,



ABOVE Iranian human rights lawyer Nasrin Sotoudeh in her office in Tehran, Iran, Nov. 1, 2008 (AP photo by Arash Ashourinia).

“than to spend a second submitting to the shame and disgrace of support from those who did not follow through with their obligations and withdrew from the rational and peaceful Iran Nuclear Deal against all principles of morality and international law, and re-imposed inhumane sanctions which have thrown millions of my fellow Iranians into poverty.”

The letter was a reminder that Meysami, like many of his fellow **human rights activists** operating from within the country, believes in change not from the outside in, but from the ground up.

Pockets of Resistance

The same Iran Poll survey from December 2018 that pointed to high disapproval of the Trump administration also showed that Iranians are hardly giving a pass to their own government. When asked which factor has had the greatest negative impact on the Iranian economy, 59 percent said “domestic economic

mismanagement and corruption,” compared to 36 percent who said “foreign sanctions and pressures.”

If a large majority of Iranians blame the regime in Tehran for their problems, it’s perhaps only natural to wonder whether Iranians are ready for revolution. It’s a question that’s been batted around repeatedly, especially by outsiders, since the revolution of 1979.

For now, the answer appears to be no. After all, it’s much easier for the president of a foreign nation to [tweet](#) support for revolution-minded Iranians than it is for Iranians to face their [government’s guns](#). Today, many Iranians are preoccupied with paying their bills and supporting their families. Their burning hopes for greater freedoms and political reforms haven’t gone away, but tend to be crowded out by their daily needs.

Iranians are also wary of inviting the type of carnage that was unleashed in Syria after its people began protesting against President Bashar al-Assad, who their own government has been supporting for the past eight years. And at home, on the streets of Tehran, memories are still fresh of how security forces brutally suppressed mass protests following the disputed presidential election in 2009. The leaders of those protests—the presidential candidates Mehdi Karroubi and Mir Hossein Mousavi as well as Mousavi’s wife, Zahra Rahnavard, a hijab-wearing advocate of women’s rights—have been under house arrest since 2011. Their detention is an example of how the regime has succeeded in stamping out all viable opposition.

Despite these obstacles, dissent and human rights activism persist in Iran. A burgeoning women’s rights movement is fighting against not just the compulsory hijab but against other discriminatory laws and policies, [including child marriage](#). Religious minorities, including adherents of the persecuted Baha’i faith such as [Mahvash Sabet](#) and [Saeid Rezaie](#), continue to push for the freedom to worship even after serving prison sentences for their beliefs.

Advocates for [freedom of expression](#) and [access to information](#) are also not backing down. Journalists, playwrights

IRANIAN DISDAIN FOR THE U.S. GOVERNMENT RUNS DEEP EVEN AMONG THOSE THE TRUMP ADMINISTRATION HAS TRIED TO HELP DIRECTLY.

and musicians continue to challenge state policies in their work despite being imprisoned for doing so. In January, for example, journalist Yashar Soltani responded to his five-year prison sentence for exposing corruption in Tehran by **tweeting**, “Let’s turn this unjust verdict into an opportunity to fight corruption. We will not hand over Iran to the corrupt.” And when he was **banned** from performing

after appearing on stage alongside a female singer, musician Ali Ghamsari tweeted, “A lot of my friends think I may have made a mistake last night. But I’m not sorry at all.”

Rouhani came to power on the strength of support from musicians and journalists hoping for a more open society, and it’s unclear what effect the disappointments of his tenure will have on Iranians’ faith that they can enact change at the ballot box. Iran is set to hold parliamentary elections in 2020 and a presidential vote in 2021. Rouhani is ineligible to run for a third term, and there is no apparent reform-minded candidate waiting in the wings to succeed him.

Mahmoud, a 47-year-old electronic engineer in Tehran, says this is just as well. Rouhani was the first presidential candidate Mahmoud ever voted for, but he says his experiences during the past six years have taught him not to put his faith in politicians. “I voted for Rouhani and he did nothing for me,” he says. “There is no light at the end of the tunnel.”

‘Cruel Enemies’

Iran’s leadership, meanwhile, continues to seize every opportunity to make the case for its legitimacy. Most recently, on Feb. 11, the government staged a massive parade in Tehran to mark the **40th anniversary** of the revolution. The parade is an annual event, but journalists who attended this latest iteration

noted that, compared to previous years, it seemed both larger and more pointed in its denunciations of the U.S.

In his remarks, Rouhani praised the crowd—a mix of older, conservative, supporters of the government as well as young people wearing American clothing brands—for resisting American efforts to “bring down” Iran through sanctions. He said Iran currently finds itself in the midst of “a psychological and economical war, waged by cruel enemies.” While there were certainly expressions of love for the revolution’s long-gone founder, Ayatollah Ruhollah Khomeini, those who attended the rally seemed more animated by their anger with the Trump administration.

But not everyone was swept up in the spirit of the parade. For Ramin Seyed-Emami, this year’s anniversary celebrations were a source not of nationalist fervor but of private grief. That’s because they coincided with the one-year anniversary of the death of his father, Kavous Seyed-Emami, an Iranian-Canadian sociologist and wildlife conservationist who spent his last days in Tehran’s notorious Evin prison. He was among nine conservationists working for a state-approved nonprofit organization who were arrested in January 2018 on unexplained spying charges that may have been related to the equipment they were using to track wildlife.

No one has been held accountable for Seyed-Emami’s death. Instead of conducting an impartial investigation into what happened, Tehran’s prosecutor, Gen. Abbas Jafari-Dolatabadi, has spent the past year building a case against the other eight detainees, who have been held incommunicado.

“It was heartbreaking and ironic to see the revolution celebrations around the anniversary of my father’s death,” Ramin Seyed-Emami, told me by phone from Canada, where he has been living for the past year. “I hope his death won’t be in vain and will be a reminder that we have to really fight for our rights and freedoms in a society like Iran, and that this climate of fear and intimidation isn’t sustainable.”

The murky circumstances of Kavous Seyed-Emami's death, and the way the authorities have discussed it, are another reflection of the lack of accountability of the state security apparatus. Jafari-Dolatabadi, the prosecutor, claims Seyed-Emami committed suicide. But security agents pressured the family to bury him quickly, before an independent autopsy could be conducted.

One of Seyed-Emami's fellow detainees has **said** some of them were forced to make false "**confessions**" while in custody. Such "confessions" are nothing new. For the **past four decades**, Iran has been extracting them from prisoners in politically sensitive cases and **broadcasting** them on state TV. Since last November, the government has even aired "confessions" in a new faux-documentary series that also draws on footage of defendants' arrests and readouts of their personal emails that are curated to convey their guilt.

Like the anniversary parade, the series is a means of buttressing support for the government while undermining cries for political and social reforms. But how successful is it? When I asked Firouz, a 32-year-old bookkeeper in Tehran, what he thought about the series, he pointed out that he doesn't watch state TV all that much. "I don't pay attention to what they say."

Instead, Firouz gets his news from opposition sources that distribute content via widely used apps like Telegram and Instagram, opposition-run satellite TV channels like Manoto, and BBC Persian. What these sources reveal to him is that Iranians are taking hits from all sides—from U.S. sanctions aimed at bringing the Islamic Republic to its knees, and from a government that is more focused on preserving "revolution" on its terms than tending to the needs and desires of the people.

It's a far cry from what most Iranians want. When I asked Firouz about his biggest hopes for the future, he was forthright. What Iranians really wish for, he said, was "free speech, a strong and solid economy, and acceptance and respect for each other's different ideas and thinking."

He is not hopeful that these conditions will emerge from the next election.

“In Iran the president has a peripheral and symbolic role,” he says. “I have never voted for any president and never will because he is chosen by certain individuals and it’s all a game to distract the people and give them false hopes.”

Jasmin Ramsey, the former managing editor of the award-winning LobeLog foreign policy blog, previously worked as a journalist in Washington. She is currently the communications director of the [Center for Human Rights in Iran](#). She tweets at [@JasminRamsey](#).

ARE FOREIGN POWERS SPONSORING SUNNI INSURGENTS IN IRAN?

THE EDITORS | APRIL 2019

Iranian celebrations to mark the 40th anniversary of the Islamic Revolution earlier this year were marred by a **suicide bombing** in southeastern Iran that killed 27 members of the elite Islamic Revolutionary Guard Corps. The soldiers had been traveling near the Pakistani border in Sistan and Baluchistan province, where armed Sunni insurgents have waged a decades-long campaign to achieve greater autonomy from the Shiite-led government in Tehran. Iran **accuses** hostile foreign powers like the United States, Saudi Arabia and Pakistan of supporting the insurgency in the predominantly Sunni region. In an email interview with WPR, Patrick Clawson, director of research at the Washington Institute for Near East Policy, discusses the grievances driving the unrest in southeastern Iran and the validity of Iran's claims of foreign involvement.

World Politics Review: What are the historical roots of the insurgency in southeastern Iran, and how much popular support do militant groups in the region enjoy?

Patrick Clawson: People in southeastern Iran have long felt aggrieved by the poor treatment they've received from Tehran. That was true under the imperial Pahlavi dynasty that ruled the country from 1925 until 1979, and the situation only got worse under the current Islamic Republic. That is in no small part because of the government's explicit discrimination against the Sunni sect of Islam, which nearly all Baluch follow.



ABOVE Mourners carry a flag-draped casket during a mass funeral for those killed in a suicide car bombing that targeted members of Iran's powerful Revolutionary Guard, in Isfahan, Iran, Feb. 16, 2019 (AP photo by Ebrahim Noroozi).

In the immediate aftermath of the 1979 revolution, the central government weakened considerably as imperial institutions like the gendarmerie fell apart and the new revolutionary institutions, like the Islamic Revolutionary Guard Corps, or IRGC, were slow in getting off the ground. That led to armed insurgencies demanding greater local autonomy in many of Iran's peripheral areas, including Sistan and Baluchistan province.

Over time, the insurgency became little more than a vicious terrorist group supported by revenues from drug smuggling—mostly heroin and opium to feed Iran's vast addict population with drugs produced in Afghanistan or the Pakistani province of Baluchistan. The drug-smugglers can be impressively organized and armed; at times, they have won pitched battles against IRGC units.

While there is good reason to believe that many Iranian Baluchis detest the authorities in Tehran, there is scant evidence

of broad support for the militants. It seems that at most, the insurgents are tolerated because of a shared dislike for the central government.

WPR: How would you describe Sistan and Baluchistan province's relationship with the central government in Tehran, and how has this affected the region's socioeconomic development?

Clawson: The population of Sistan and Baluchistan province is predominantly Sunni, and the Iranian government is extremely intolerant of Sunni practices, beliefs and customs. For example, more than 1 million Sunnis live in Tehran, and there is no mosque in which they can pray—only private homes used as prayer houses, which can accommodate only a small fraction of worshippers. Iran's constitution requires that the president be Shiite, meaning that nearly all Baluchis are ineligible. The poor treatment of Sunnis has been a source of considerable tension between the Baluch region and the central government. For many years, I received faxes from a group defending Baluch Sunni rights, which described the disrespect to Sunni traditions and the coercing of Sunni clerics to publicly acknowledge the validity of Shiite beliefs.

Governors of Sistan and Baluchistan province have with few exceptions been sent from Tehran rather than selected from the local population, as is the case with most minority-populated regions of Iran. The province is underdeveloped and impoverished, with most people surviving on incomes that are a small fraction of what people in Tehran earn. While the region has benefited from some of the Islamic Republic's social policies—for example, universal primary education—little else has been done to develop the area economically. To be fair, however, the region's geographic isolation and poor natural resource endowment make its poverty difficult to address, even with more proactive policies.

WPR: Is there any known basis to Iran's allegations of foreign support for violent insurgents in the country?

Clawson: Iranian officials frequently claim that the government in neighboring Pakistan is tacitly helping the Baluch insurgents. This is entirely possible, for Pakistani intelligence services provide support to a wide range of shady nonstate actors in the region. However, on those few occasions when Iranian officials provide specifics about their complaints, the incidents to which they refer are actually about Pakistani inaction in cracking down on the militants, rather than about Pakistani material support. That makes the allegations hard to judge. After all, the Baluch insurgents are well-organized and well-armed, so taking them on is no small task, and would require devoting substantial resources to the effort. And the drug-trading insurgents have been quite effective at using smuggling profits to buy off those sent to fight them, including IRGC units, according to credible reports in Iranian media.

Many of Iran's claims are difficult to verify. In 2010, the government announced it had arrested Abdolmalek Rigi, the leader of the Pakistan-based violent Baluch insurgent group Jundallah, which is on the U.S. government's list of foreign terrorist organizations. Iranian authorities claimed that Rigi was on a flight from Dubai to Bishkek when they forced the plane to land in Iran. They also accused [the CIA and Israeli intelligence](#) of covertly supporting Rigi's activities in order to undermine the Iranian government. However, some media [reports](#), citing U.S. intelligence sources, claim that Rigi was actually arrested in Pakistan and handed over to Iran, which, if true, would undermine Iranian claims that foreign powers do little about the insurgent threat.

Since the start of the Iran-Iraq War in 1980, there have also been some signs that the nascent Baluch insurgency was aided by Arab governments hostile to the Islamic Republic—not just Iraq, but also some Gulf monarchies. It would be in-character for Saudi Crown Prince Mohammed bin Salman to provide such

support as a way to press Iran, but there is no public evidence that he has done so.

Recently, Baluch insurgent attacks have become **more common in Pakistan**, and the Pakistani media—and at times Pakistani officials—have claimed the militants are taking harbor in Iran. These Pakistani complaints about Iranian inaction or even complicit support sound very similar to the long-standing Iranian complaints about Pakistani behavior.

-WPR-

SAUDI OIL ATTACK POINTS TO MORE ADVANCED IRANIAN MISSILES AND DRONES

SHAHRYAR PASANDIDEH | SEPTEMBER 2019

If Iran is in fact responsible for the recent attack on Saudi oil facilities, whether directly or through its proxies in Yemen, it suggests that Iranian cruise missiles and drones are getting more sophisticated. Unlike its ballistic missile program, which receives considerable international attention, Iran's cruise missile capabilities have long stayed under the radar. That may change following the damage done to oil infrastructure in eastern Saudi Arabia. With more accurate strike capabilities, Iran's cruise missiles have major implications for the military balance of power in the Persian Gulf.

Although Iran has one of the largest arsenals of ballistic missiles in the world, it is limited in how it can use them. While it has missiles that can strike targets up to 2,000 kilometers away, most have limited accuracy. Iran's adversaries across the Gulf—including forward-deployed U.S. forces in countries like Bahrain, Qatar and the United Arab Emirates—also have extensive ballistic missile defense systems.

Over the past decade or so, Iran has made a concerted effort to improve the accuracy of its shorter-range ballistic missiles. But even after some advancements, [the strike capabilities offered by these ballistic missiles](#) remain limited. Meanwhile, enduring fiscal constraints and the many effects of international sanctions continue to [hamper Iranian efforts to upgrade its decrepit air force](#).

In this context, cruise missiles and their close cousins, what are known as “suicide” or “kamikaze” drones, offer Iran alternative capabilities that could both substitute for and complement its

ballistic missiles. For all intents and purposes, they are both essentially unmanned aircraft designed to crash into ground targets. With the primary distinction being their propulsion systems, it's little surprise Iran has developed both capabilities.

In 2015, Iran unveiled a cruise missile called the Soumar that it had reverse-engineered from a dozen Soviet-era Kh-55 cruise missiles it acquired from Ukraine in 2001. The revelation of the Soumar suggested that in just over a decade, Iran had succeeded in building its own cruise missile analogous to the American Tomahawk. But there was still uncertainty about the missile's range, given that the Kh-55 was originally equipped with a small turbofan engine, a propulsion technology Iran was not known to produce at the time. Iran claimed its new cruise missile, which was likely equipped with an Iranian-built turbojet engine, had a range of around 700 kilometers.

Earlier this year, in February, Iran revealed another cruise missile—what it called the Hoveyzeh—that looked all but identical in appearance to the Soumar. Yet Iranian officials described the new missile as having a range of 1,350 kilometers—thanks, it seems, to a newly available turbofan engine.

The Houthis recently revealed a cruise missile noticeably smaller than the Soumar and Hoveyzeh: the Quds-1, apparently equipped with a small turbojet engine that could give it a range of several hundred kilometers. Given war-torn Yemen's limited industrial capacity, the Quds-1 is almost certainly of foreign, specifically Iranian, origin. Images shared on Saudi social media after last week's oil attack, which Saudi officials say involved several cruise missiles and a larger number of drones, showed debris consistent with a Quds-1. If the Houthis did not carry out the attack, then it suggests Iran may also operate the Quds-1, adding to its stock of cruise missiles.

Iran has also developed several drones that, while not cruise missiles in the conventional sense, provide similar capabilities. Equipped with small piston engines comparable to those found on a large lawnmower, these Iranian "suicide" drones, such as the Raad-85 and Ababil-T, offer a very inexpensive means of

AFTER QUIETLY DEVELOPING ITS CRUISE MISSILE AND DRONE CAPABILITIES, IRAN NOW APPEARS TO BE ABLE TO STRIKE TARGETS ACROSS THE GULF WITH MUCH MORE ACCURACY.

delivering a small warhead to a target several hundred kilometers away. Despite their low cost and simple manufacture, drones like these are notoriously difficult to defend against. The Houthis have reportedly used a variant of the Ababil-T, which they call the Qasef-1, to target American-made Patriot air and missile defense systems used by Saudi and Emirati forces in Yemen. A Qasef-1 drone was also reportedly used in a high-profile attack targeting senior Yemeni military officers in January.

In July, Houthi rebels revealed an entirely new “suicide” drone, also likely originating in Iran, called the Samad-2. A team of U.N. experts examining a captured Samad-2 estimated that it had a maximum range of between 1,200 and 1,500 kilometers while carrying a small warhead. That kind of range suggests that Samad-2s launched from as far away as Yemen could possibly have struck the oil facilities in eastern Saudi Arabia.

While other Iranian efforts, such as its space program, have repeatedly faltered under the pressures of international sanctions, its cruise missile technology offers a viable path to more accurate weapons. Even if they are not as advanced as

American cruise missiles and other guided weapons, Iran’s cruise missiles and drones have the potential to strike targets with precision—including perhaps specific structures at oil facilities and air bases—using commercially available GPS and increasingly inexpensive navigation systems.

Defending against these kinds of cruise missiles and “suicide” drones is particularly challenging, since they

BELOW The Saudi military displays what it says are an Iranian cruise missile and drones used in a recent attack on its oil facilities in Abqaiq and Khurais, in Riyadh, Saudi Arabia, Sept. 18, 2019 (AP photo by Amr Nabil).



typically fly at low altitudes and, in the case of drones, at very low speeds. That makes detection by radar difficult and provides very little warning time. Air and missile defense systems, despite their expense, are also imperfect. For example, the American Patriot air and missile defense system, used extensively by the Gulf states, only provides coverage on a 120-degree arc, limiting its ability to hit a low-flying drone or cruise missile.

After quietly developing its cruise missile and drone capabilities, Iran now appears to be able to strike both military and economic targets across the Gulf with much more accuracy than it can with its ballistic missiles. With its improved strike capabilities seemingly demonstrated against Saudi oil facilities, Iran's new cruise missiles now take center stage.

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WHY IRAN MAY BE LOCKED INTO A FUTURE OF MORE PROTESTS

VAHID YÜCESOY | NOVEMBER 2019

At midnight on Nov. 15, Iran's government announced a precipitous 300 percent hike in fuel prices. Immediate public outcries quickly escalated into [nationwide protests](#) that spread to more than 100 cities and gripped the country for 6 straight days, before the authorities effectively crushed them.

Since President Donald Trump withdrew the United States from the Iran nuclear deal in August 2018 and reimposed unilateral sanctions, the Iranian economy has been charting difficult waters. President Hassan Rouhani admitted as much recently when he exhorted lawmakers to reduce fuel subsidies in the face of [plummeting oil revenues](#), saying that “Iran is experiencing one of its hardest years since the 1979 Islamic Revolution.”

While Iranian government officials and some observers abroad have been quick to cast the blame for this month's protests on American sanctions, the causes are deeper and more structural. The fuel hike only set them off. Consider the popular chants of protesters, which targeted Supreme Leader Ayatollah Ali Khamenei—with [“Death to the dictator!”](#)—and Iran's wider ruling elite, rather than the United States. While Trump's “maximum pressure” campaign is certainly exacerbating economic strains, Iran has seen sporadic unrest and protests for several years now by workers, teachers and poorer segments of society—the very people that the Islamic Republic had vowed to represent when it first came to power.

For the moment, Iranian officials seem to have managed to contain the protests by resorting to repression. An Amnesty

International report decried the “**intentional lethal use of force**” by Iranian security forces, which killed at least 143 protesters. The internet was also shut down across the country.

Iran has used this playbook—excessive brutality and an internet blackout—to quell various mass protests over the past decade. In 2009, in what came to be known as the Green Movement, millions of middle-class Iranians took to the streets to demand accountability in the face of widespread electoral fraud that ensured then-President Mahmoud Ahmadinejad’s reelection. Pro-regime forces killed scores of protesters, whose chants for reform fell on deaf ears. As Iranian officials kept ignoring protesters’ demand, the slogans became more radical, calling not just for reform but for the fall of Khamenei.

In 2013, hopes of Iranians were high when Rouhani came to power in a landslide election victory. A soft-spoken cleric who spoke of the rule of law, Rouhani was a political moderate compared to the hard-liner Ahmadinejad, but in the context of Iranian politics, he is more of a conservative pragmatist. Still, he

BELOW Streets are blocked in a protest after authorities raised gasoline prices, in the central city of Isfahan, Iran, Nov. 16, 2019 (AP photo).



managed to resuscitate the reformist constituencies that had been largely incapacitated after the Green Movement. While promising to end U.S. sanctions imposed by the Obama administration, Rouhani's government also pledged to make peace with Iranians through what it called "[the Citizens' Rights Charter](#)," spelling out the rights and freedoms Iranians are meant to enjoy according to Iranian law. Yet under Rouhani's presidency, Iran continued imprisoning dual nationals, executing the highest number of people in the world per capita, and censoring the internet.

Then, in December 2017, the "[Dey-Mah](#)" demonstrations—named after the month of the Persian calendar in which they occurred—rocked several provincial towns across Iran. In a matter of a few days, much to the astonishment of the ruling establishment, poor Iranians took to the streets chanting radical anti-regime slogans: "Down with the dictator!"; "Death to Khamenei!"; and "Reza Shah, rest in peace!" That third chant was a reference to the first king of the Pahlavi dynasty, whose son, Mohammad Reza Pahlavi, was overthrown in the Islamic Revolution.

The regime's response to these demonstrations included the usual brute force, but in a new twist, reformist figures joined conservatives and hard-liners in casting the protests as plots by foreign enemies. [Masoumeh Ebtekar](#), Rouhani's

vice president for women and family affairs and the highest-ranking woman in the Iranian government, claimed protesters were being directed by the Saudis and Americans. [Abbas Abdi](#), a prominent reformist journalist and leader, called the protests "calculated and irrational." [Mostafa Tajzadeh](#), a reformist politician who was jailed in the notorious Evin Prison from 2009 to 2016, described them as "destabilizing." The Association of

THE SOCIAL CONTRACT BETWEEN IRAN'S REGIME AND THE POPULATION AT LARGE IS COMING APART AS THE REFORMIST PROJECT HAS RUN OUT OF STEAM.

Combatant Clerics, a group led by the former reformist [President Mohammad Khatami](#), claimed “opportunists and troublemakers have exploited the demonstrations.”

But this effort to discredit the protests failed; if anything, it had the opposite effect. One slogan popularized by students at the University of Tehran—“Reformist! Hard-liner! The game is over!”—suggested just how disillusioned many young Iranians had become with the status quo, seeing the choice between reformers and hard-liners as a false one. Earlier this year, Khatami himself confirmed what outside observers have suspected: That many Iranians who had backed Rouhani and his camp have lost faith in the possibility of slow reform, and that their disillusionment could pose a [threat to the Islamic Republic](#). “If people are disappointed, those who want a regime change might find an opportunity for success,” he warned.

So it was only a matter of time until more protests broke out. But demonstrators were angrier and more determined to press ahead with their demands this month. The public anger was palpable, and not just in provincial towns or working-class areas, but also the [middle-class neighborhoods of Tehran](#) that took part in the protests. And the reformists’ image was further stained since none of them condemned the security forces’ brutality in the streets.

Ahead of parliamentary elections in February 2020, the social contract between Iran’s regime and the population at large is coming apart as the reformist project has run out of steam. In addition to anger over reformists’ silence in the face of repression, there is growing frustration with them over signs of [corruption and nepotism among political elites](#), at a time when ordinary Iranians have been suffering severely under U.S. sanctions.

Iran’s rulers are confident that they can weather future unrest with their usual playbook. But both the demonstrations of late 2017 and early 2018, and the latest ones this month, are reminders of how quickly Iranians can mobilize mass protests. Continuous repression only increases the likelihood of uniting different Iranians—working-class and

middle-class, all with their own grievances—against the Islamic Republic itself. If a more coherent protest movement forms along those lines, it could potentially trigger a schism within the military and security forces.

With so many unmet expectations, and more Iranians with seemingly nothing to lose, the country may be locked into a future of more protests. But how much longer will Iran's aging theocracy be able to quell rising public anger, if repression only creates more of it?

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