

THE ISLAMIC REPUBLIC OF IRAN IN 2020

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One apt expression to capture the year 2020 would be ‘the blasting point’ for the Islamic Republic of Iran. Although 2020 has proved to be an extraordinary year for all countries due to the COVID-19 pandemic and its socio-economic implications, the list of systemic shocks Iran has been going through since the early days of 2020 is heavier and more crowded. Notable events of the year include the killing of the Islamic Revolutionary Guards Corps (IRGC) Quds Forces commander Qasem Soleimani on January 3 and the near direct military confrontation with the USA; the first confirmed case of COVID-19 in the religious *hawza*¹ city of Qom on February 19; the parliamentary elections on February 21; natural disasters, earthquakes and floods hitting predominantly the underdeveloped Iranian provinces from May onwards; the signing of a 25-year Comprehensive Strategic Partnership with China; and finally, the deepening economic and social turmoil accompanied by anti-regime protests throughout the year.

The history of the Islamic Republic is one of endurance and resistance since 1979 and hardship has become the new normal for Iranian people over the years. However, the events of the year suffice to characterize it as a milestone for the Islamic Republic on two fronts: first, the questions over the power of the Islamic Republic as being heavily characterized by military capacity and military activism abroad; and second, the questions over the actual capacity and power of the Iranian state in addressing the infrastructural and socio-economic shocks afflicting the people at home. The first is closely associated with the rise of the IRGC as a military, economic, and political actor and the gradual transformation of the Islamic regime into an Islamic-military regime. On the other hand, the second speaks to the economic and infrastructural problems afflicting the Iranian people at large due to the Iranian regime’s predominant characterization of state power in military terms. In other words, Iran is at a crossroads between surviving as ‘a security state’ or choosing to become ‘a developmentalist state’ and the events of 2020 seem to have pressed this dilemma on the Islamic Republic more so than any other.

The killing of the IRGC Quds Forces commander Qasem Soleimani and his Iraqi counterpart Mahdi al-Muhandis by a rocket fired from an Iraqi American base on January 3 was a major shock for the Islamic Republic, which had based its ‘strong country’ image on IRGC’s military power. The deeper IRGC penetration into Iraq, Syria, and Yemen at military, intelligence, and societal levels during the last decade and Iran’s external military gains on the ground, especially that of Qasem Soleimani, who further developed pre-existing trans-national religio-political networks to empower the Shias in Iraq and supported the Assad regime in Syria by joining the Lebanese Hezbollah, pro-Iranian Shia militias in Iraq, and the recently formed Alawite militias on the ground operations, greatly consolidated the Axis of Resistance alliance and mitigated the political isolation of Iran in the region. This Middle East strategy served to consolidate the IRGC’s presence as a powerful political actor at home as well. Moreover, Iran achieved a fame among the Shias of the region that it had been seeking to achieve since the revolution

¹ Religious seminary centers where clerics are educated. The cities of Najaf in Iraq and Qom in Iran are the well-renowned *hawza* centers of Shia Islam.

as a strong Shia patron, albeit controversially, and pressed itself as a key regional power with a right to have a say on regional matters.

However, the killing of Soleimani and al-Muhandis on the Iraqi soil was a serious blow to the Iranian image as a militarily strong country. The killing of Soleimani in Iraq, a predominantly Shia country which the IRGC as an experienced military and intelligence agency knows the best, revealed the military and intelligence weaknesses of this seemingly solid and monotonous military actor. This also seriously challenged ‘the infallible’ images of Soleimani and al-Muhandis as military figures, who relied both on their personal charisma and personal networks that they developed during their thirty year-long field experience for mobilizing the Shias across the region. However, the concentration of the IRGC military strength in the single charismatic military personality of Soleimani proved to be a double-edged sword for Iranian military and political gains in the Middle East, as Iranian regional allies would experience potential coordination and leadership problems in the absence of himself and al-Muhandis. Initially, shocked and seriously threatened by the death of their strong military leader who had contributed to Shia empowerment in the region, the IRGC, Iran’s regional Shia allies like the Lebanese Hezbollah, Kataib-e Hezbollah and Ashaib Ahl el-Haq, and even Iraqi Shia political figures with a history of whimsical relations with Iran like Muqtada al-Sadr responded to the assassination of Soleimani as a single united front. All Axis of Resistance allies made a scene with their own flags in Soleimani’s funeral ceremonies held across two countries and seven cities. The Hezbollah leader Hassan Nasrallah vowed vengeance against the USA and Muqtada al-Sadr called for a 1-million-peopled march in Baghdad against American military presence in Iraq. Finally, the IRGC commander Amir Ali-Hajizadeh made a public appearance on the Iranian state television standing in front of the flags of Iranian sub-state allies and explaining the IRGC’s counterstrategy. The message from all was clear: The Iranian counter-strategy would be a multi-party rather than a bi-party project, observe both the interests of Iran and that of all Axis of Resistance allies, and be carried out by all allies over a long period of time at opportune moments with both political and military means.

It is safe to say that the Iranian counterstrategy faced immediate setbacks in the first months of 2020. The Supreme Leader Ayatollah Khamenei appointed Esmail Ghaani as the new head of IRGC Quds Forces, a ‘shadow commander’ remote from the public eye and experienced on the Afghanistan-Pakistan front rather than Iraq and Syria. Ghaani’s strategy was to maintain the IRGC’s strong military presence on the Middle East field. He managed to do that in Idlib, thereby signaling the prolonged relevance of IRGC involvement in Syria. However, the Iranian influence over pro-Iranian *Hashd al-Shaabi* and the Iraqi Shia government faced a sudden interruption, when Iran’s attention had to shift to the internal realm. First, the shot-down of the Ukrainian airplane carrying Iranian civilians by an IRGC-fired missile on January 8, who mistook the civilian airplane with a potentially US-fired missile targeting the Iranian territory, created a strong popular unrest in Tehran. The IRGC and political authorities’ initial attempts to cover up the IRGC’s involvement in the accident greatly contributed to the popular discontent about IRGC’s regional engagements and to the lack of trust to their own military.

While the Iranian public was still lamenting over the Ukrainian airplane incidence, the first case of COVID-19 was confirmed in the religious *hawza* city of Qom on February 19 and the Islamic Republic’s response to the pandemic generated another public discontent. It would not be unexpected for the first COVID-19 case to come out in the *hawza* of Qom, which is the religious-ideological center of the Islamic Republic, hosts the most important Shia seminaries, high-level clerical figures and holy sites, and attracts hundreds of thousands of students, visitors and politicians each year from at home and abroad. The initial reaction of the Iranian authorities was to reject any public and international demand to quarantine the holy city, as it would equal to locking down the Islamic Republic’s most influential clerics and politicians in a pandemic city. As a result, COVID-19 quickly spread to other Iranian provinces and Iran was reported to have the second highest number of cases in March 2020 after China,

transmitting the disease to other countries across the region including Iraq and Turkey. As of November 30, a total of 948,749 COVID cases and 47,875 COVID-related death cases have been reported from Iran.² Iran's losses from coronavirus also included senior clerical and political elites such as Hadi Khosroshahi, a Shia cleric in Qom and Iran's former ambassador to Vatican City, Mohammad Mirmohammadi, a member of the Expediency Council and advisor to Ayatollah Khamenei, Fatemeh Rahbar, a conservative member of the parliament, Hashem Bathaie Golpayegani, a Shia *marja*³ and member of the Assembly of Experts, the agency which is tasked with electing the supreme leader of the country, among others.

Although the rapidly increasing coronavirus cases were attributed to Iranian authorities' initial lack of concern for COVID-19, the underlying cause should be searched in the economic structure of Iran. The extensive economic pressures sanctioning the sale of Iranian oil and non-oil businesses for decades, the concentration of the country's non-oil-based economic resources in the hands of a few clerical and military *bonyads*,⁴ the widespread economic corruption resulting from the attempts to bypass international sanctions, the further declining Iranian economy after the US withdrawal from the nuclear deal in 2017 along with renewed economic sanctions, and finally the misallocation of budgetary resources can be cited as the major underlying factors in charge. The pandemic revealed that the Iranian state failed to invest in infrastructure and public services including the healthcare system, where the state was not ready to provide the necessary healthcare equipment, medicine, and hospital infrastructure to combat the COVID-19 pandemic. A similar problem was observed in the natural disaster management of the state from May onwards. Several medium-scale earthquakes hit the Turkish-Iranian border region in May 2020, causing injuries and house collapses in rural areas located in the northern provinces of Iran. These earthquakes were followed by heavy rains in July flooding 21 cities in Tehran, East Azerbaijan, Ardabil, Gilan, Mazandaran, and North Khorasan provinces, causing a damage more than 163 billion Tomans.⁵ The months of September and October witnessed another tide of flood in Talesh and Meshkinshahr areas, both of which are estimated to have caused a damage worth more than 185 billion Tomans.⁶

It should be noted that the young, well-educated, and still economically disadvantaged middle class in developed urban areas as well as the socio-economically disadvantaged population living in the relatively underdeveloped provinces of Iran have been the most vulnerable to the implications of economic problems and natural disasters. From the Iranian people's point of view, the Iranian state has failed to properly respond to the economic and infrastructural needs of the people as the 1979 Revolution promised. The economic recession afflicting the country, underdeveloped healthcare infrastructure to address COVID-19 pandemic, and a poor disaster risk management directly touched Iranian citizens, reduced their quality of life, and generated material and budgetary costs to the system which would be prevented if addressed properly. The fact that Donald Trump's withdrawal from the nuclear deal was not due to Iran's nuclear activities, but its increased military activism in the Middle East, to which the US decision to kill Soleimani and al-Muhandis was also related, proves Iran's 'militarily strong state' image in the eyes of the international community. However, the external strong state image of the country posed a sharp contrast to the actual internal working of the Iranian state. The deepening

² <https://covid19.who.int/region/emro/country/ir>

³ *Marja-e taqlid* literally means a Shia cleric being 'the source of emulation' for other Shia scholars and followers. It is the highest title of Shia clerical authority.

⁴ *Bonyads* in the Iranian socio-economic system are foundations and charitable trust organizations which are predominantly owned by the IRGC and clerical centers in Iran. They are exempt from taxation and are largely freed from state inspections. They have a considerable share in the Iranian economy. However, the links between these charitable trusts and their businesses make the Iranian economy vulnerable to problems of unregistered economy and corruption.

⁵ <https://women.ncr-iran.org/2020/10/12/natural-disasters-in-iran/>

⁶ *Ibid.*

economic problems, COVID-19, and natural disaster management failures revealed that Iranian state is not strong enough to address the internal challenges efficiently. The Islamic Republic could become 'a strong security state' thanks to the clerical-military alliance formed internally but remained underdeveloped in terms of service provision to its citizens. This has been the underlying cause of supra-factional, cross-class, and anti-regime street protests that started in late 2017 and continues to this date. The Iranian people are seeking a stronger state within, committed to economic and infrastructural development and the elimination of corruption.

The contestation between the pragmatists and conservatives over the nuclear deal in the last decade is inherently a debate over this very dilemma: the further course of the Islamic Republic as a 'security state' or a 'developmentalist state'. The pragmatist Rouhani government's attempts to sign the nuclear deal with the international community was geared towards the latter, which would mitigate the impact of economic sanctions and revive the Iranian economy. However, the nuclear deal was only one chapter within Rouhani's greater developmentalist economic agenda. When he disclosed the budget allocations to public scrutiny in December 2017 for the first time in Islamic Republic's history, which showed that the IRGC, clerical state institutions, and *bonyads* were the major recipients of state funds, he was aiming to divest these conservative institutions of their economic privileges, restructure the Iranian economy in line with the principles of transparency and accountability, and achieve a controlled integration into the global finance capital system. While the so-called 'internal sanctions' mechanisms forced by the Iranian conservatives who prioritized their own economic privileges within the existing closed economic system were already preventing any steps towards a well-functioning business with global players, Trump administration's withdrawal from the nuclear deal was the final blow to the pragmatists' economic agenda.

Ironically, Trump administration was good at discerning the growing power of IRGC within the Islamic Republic, but the US pullout from the nuclear deal inadvertently weakened the pragmatists while further empowering the conservatives in the Iranian political landscape. The Iranian public was greatly disappointed with the failure of the pragmatists in carrying out a change in the rigid, malfunctioning, and inefficient closed economic model. As a result, the reformist-pragmatist Iranian electors refused to go to the ballot box in the 2020 parliamentary elections held on February 21, the conservatives swept the 230 of the total 290 parliamentary seats in the absence of any unified reformist block and strong reformist candidate, and the former IRGC commander Baqer Qalibaf was appointed as the speaker of the parliament. As the conservatives achieved an upper hand in the legislative, speculations over 'a military president' were also heard in internal political discussions over 2021 presidential elections. The speculations were reported to be correct in November 2020, when Hossein Dehghan, the former IRGC air force officer and conservative advisor to the Supreme Leader Ayatollah Khamenei, announced his presidential candidacy for June 2021 elections.

The stakes are high that an IRGC-dominated conservative camp will have a precedence over Iranian politics from June 2021 onwards. This might signify the precedence of 'the security state' over a 'developmentalist state' at first sight. Nevertheless, the debate over 'the security state' and 'the developmentalist state' between pragmatists and military-conservatives during Rouhani's term as well as contentious politics which has become the new normal on the Iranian street might push the military-conservatives to find a middle ground to address internal challenges. Surprisingly, Rouhani government's stress on transparency and accountability was finally reciprocated by the IRGC, who decided to openly claim responsibility for the Ukrainian airplane crash on state television instead of covering it up due to strong popular unrest. A similar surprise move came when the state decided to bring the official COVID-19 numerical data to public attention on a regular basis. Another example is the signing of a 25-year Comprehensive Strategic Partnership between Iran and China on June 24. The partnership covers the New Silk Road Initiative the Rouhani administration had been working on for the

past couple of years and it aims to give concessions to China in Iran's banking, telecommunications, ports and railways sectors in exchange for heavily discounted oil. Although the Chinese access to Iranian ports and railways as well as the proposed joint military and intelligence cooperation between two countries created a heated debate among Iranian politicians and intellectuals, neither the military-conservatives nor the Supreme Leader openly rejected the deal and it is still open to internal discussion. Finally, the democratic candidate Joe Biden's electoral victory in the US presidential elections and his willingness to reestablish the dialogue channels for a renewed nuclear deal was positively reciprocated by the Iranian pragmatists and conservatives alike. However, the Supreme Leader announced that the negotiations will be conducted by a 'young and Hezbollahi political figure' instead of the current pragmatist foreign policy bureaucrats of the Rouhani administration in the new era, who would be committed to the ideological tenets of the regime and closer to the Supreme Leader.

Entering the new year with Soleimani's assassination, Iran is now closing 2020 with another reported assassination of equal political importance. Mohsen Fakhrizadeh, one of the founding fathers of Iran's nuclear program and a prominent nuclear scientist, was assassinated on November 27, thereby triggering a new wave of security-focused discussions for the IRGC and the broader security bureaucracy. The fact that Fakhrizadeh was assassinated on the Iranian soil despite reports that he was protected with the most advanced security measures by Iran's security and intelligence services after that of Ayatollah Khamenei, conflicting accounts on the technical details of the assassination shared by political and security elites, and the failure of the Iranian military bureaucracy to make a consistent explanation on the case triggered new queries, this time not only on a possible security gap but also on the security and war technologies the IRGC has specialized over the years. Having invested in unconventional capabilities including militias, ballistic missiles, and nuclear power, Iran seems to lag behind in following new generation security technologies. How this will reflect on the IRGC's well-established security culture and the ensuing economic and political power they enjoy is a matter of question for the times ahead. Alarmed by a prospectively renewed nuclear deal between Biden and Rouhani administrations and the following assassination of their top nuclear scientist, military conservatives in the legislative quickly passed a parliamentary bill that would resume uranium enrichment at pre-JCPOA levels and bar international inspectors to check Iranian nuclear activities if the sanctions are not lifted soon. The move by the legislative created an internal political crisis with the executive, where Rouhani administration criticized the bill for its potential implications on a renewed nuclear deal with the international community. How the deadlock will be resolved is a matter of another internal concern.

Overall, the year 2020 proved to be 'a blasting point' for Iran, bursting out the long-accumulated infrastructural problems pertaining to the Iranian economy, state power, public discontent, and regime legitimacy out into the open. The nature of the encountered events surpassed the conventional resolution mechanisms formulated through the lens of conventional factional categories of conservatives and pragmatists in Iranian politics. One might expect to see an increasingly military-conservative administration to rule over Iran from June 2021 onwards. Nevertheless, one should also expect this new administration to be faced with the challenging task of formulating renewed, non-military, and developmentalist strategies to strengthen the state within in 2021.