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IRAN UNDER RUHANI'S SECOND TERM: FROM REELECTION TO THE QATAR CRISIS

Walter Posch

The reelection of Dr Hassan Ruhani must be read as a mandate to continue his policy of de-escalation, both domestically and in foreign policy. That said, old challenges remain, such as a radical domestic opposition and increasing tensions with Saudi Arabia.

President Ruhani was reelected although he had been criticized for being too aloof vis-à-vis the lives of ordinary people, and despite mounting frustration over the slow pace of economic recovery and sanctions relief. Even so, the incumbent president managed to hold the reformist alliance together and successfully marshal its votes. This alliance consists of several political movements, from technocrats to urban liberals and moderate Shiite Muslims, to Iran's large Sunni community.

Ahmadinezhad vs Reisi

Ruhani's opposition was hampered by internal quibbles about the leadership and the re-appearance of Iran's only true populist politician, Mahmoud Ahmadinezhad. His blend of Iranian nationalism and non-clerical Shiaism reflects the feelings of many of the poorer parts of Iran's society who take his anti-establishment stance at face value. At the same time, he is the only one candidate who has exposed the weakness of Iran's electoral system by challenging the Supreme Leader head-on. After having been advised not to run for the presidency again, Ahmadinezhad announced his candidacy anyway, something no one else but him would have dared to do. He reminded the Iranian public that the Supreme Leader's patriarchal advice was legally not binding, hence his candidacy - which in the end was blocked by the Guardians' Council.

By doing so, Iran's former president, perhaps unwittingly, strengthened Iran's institutions vis-à-vis the Supreme Leader.

With Ahmadinezhad out of the field, Ruhani's contenders decided to support the cleric Seyyed Ebrahim Reisi l-Sadat, called Reisi. He won against candidates with roots in the Revolutionary Guards, such as the Tehran Mayor Gen. Mohsen Qalibaf or the former Ahmadinezhad supporter Jalili, an acolyte of Qom-based radical Ayatollah Mesbah-Yazdi. Reisi, too, is a cleric and some hardline followers from the Hezbollahi camp already saw him as a successor to the Supreme Leader. He was able to rally the majority within the radical Islamist spectrum. That said, in reality he represents vested economic interests hidden behind egalitarian Islamist political language. Ebrahim Reisi is the custodian and chairman of Astaneh Qods-e Razavi in Mashhad, Iran's biggest pious foundation (bonyâd).

A distorted market and the fight against corruption

The bonyâd-system consists of a handful of important economic and politico-economic conglomerates that control the better part of Iran's economy. They also finance and sometimes employ gangs of Hezbollahi strongmen. Their overall performance varies, but, in general, national and international econo-



mists view their impact on Iran's economy negatively: with no oversight possible, red tape and outright corruption are rampant, and as they are tax exempt and have access to vast financial resources, they often conduct hostile takeovers of the few functioning private enterprises left, and thus distort competition and discourage free enterprise. Ruhani's agenda is exactly the opposite, namely the promotion of economic rationalism through the strengthening of free private businesses and the fight against administrative and other forms of corruption.

Until now, Iran's fight against corruption has produced rather meagre results, nobody, however, should doubt the government's dedication in this field. A task force headed by Vice president Eshaq Jahangiri was so efficient that it led to massive attacks against him in parliament - president Ruhani even had to find a pretext to cancel his state visit to Austria in 2016 in order to save his vice president from being deposed by radical parliamentarians.

Rule of Law and the Citizen's Charta

The fight against corruption and the support for a free domestic market are part of a broader agenda, namely the implementation of the rule of law, which is to be achieved by passing better laws which focus on the citizens' needs and demands. This was laid down in the Citizens' Charta program (manshur-e shahrivandan). Immediately after the Charta's publication in 2013, resistance from the Hezbollahis began. They understood the Charta as favoring citizens' rights over revolutionary fervor, and thus as threatening their own room for maneuver and their right to action vis-à-vis society - it is they who take the religious law into their own hands and harass the population by punishing 'sinners' in public without any legal basis. Rule of law would outlaw their actions - hence their resistance. They found an ardent supporter in Ayatollah Alam-ol-Hoda, the Friday prayer leader of Mashhad. Together they attacked signs of cultural liberalization, such as concerts permitted by Ruhani, in order to distract his

political energy. The fact that Alam-ol-Hoda is Reisi's father-in-law makes the centrality of bonyad interests in these actions clear.

Reforms in spite of terrorism

Keeping a lid on the almost uncontrollable Hezbollahis and their financial backers within the bonyad system permanently stresses Iran's security forces, especially the police. This pressure comes at a moment when the terrorist threat within Iran is mounting. In general, foreign and Iranian observers note increasing radicalization within Iran's Sunni community (approximately 20% of the population, especially in Kurdistan, Baluchestan, Turkmen Sahra, and among some Arabs). The government and the security apparatus are also well aware of the risks of becoming entangled in neighboring conflicts. Radical Jihadism has already taken root among the Kurds of Iraq and elsewhere, and it was only a question of time until it would reach Iran.

The gruesome attacks in Teheran against the shrine of Imam Khomeini and against parliament were well planned and aimed for a much higher casualty rate. Iran's reaction was proportionate to the threat: in the days after the attack, several missiles were fired against the Syrian ISIS stronghold of Deyr-ez-Zor, allegedly killing the planners of the atrocity. It can be expected that Iran's security services face a major shake-up as a result of this incident. However, at no point was the functioning of Iranian state institutions threatened - parliament coolly continued its session while there was still shooting in the building, and the Supreme Leader immediately framed the narrative of events in a way that made it clear that the Sunni community and the Kurds are not to be blamed for an act of terrorism planned and carried out by ISIS. And, most importantly, Ruhani's provincial reforms were not stopped.

These reforms aim to address cultural and economic grievances Iran's ethnic and confessional minorities. At the same time, they aim to guarantee the local population a bigger say in the provincial administration. By doing

so, Iran's reformers hope to create a more responsible and flexible mode of governance. Reforms, however, need time, and the experiences made must be evaluated before the reforms can be implemented elsewhere in the country.

Regional consequences – containing the PKK in Syria

One of the major accusations voiced in the aftermath of the Tehran terrorist attacks came from the Revolutionary Guards, who held Saudi Arabia and the US responsible. Whether they really believed this or not, they did not overreact. Iran and Saudi Arabia are, of course, competitors in the region; it is, however, an asymmetric kind of competition, because for Saudi Arabia Yemen is a vital conflict, which is not the case for Iran. The Islamic Republic's main security and strategic interests are the theatres of Syria and Iraq. There, Iran faces a mixed picture of temporary successes and a high risk of future setbacks - depending on US strategy. In Syria, with Iranian and Russian help, the government seems slowly but surely to be winning the upper hand in the populous Western part of the country. Rojava, however, the Kurdish region of Syria, is firmly under the control of the YPG (a PKK affiliate), which is supported by the US military. In general, the PKK and Iran observe a shaky truce as long as there are bigger fish to fry. This may change, for instance when the PKK's Iranian branch shows a more assertive stance inside Iran. In this context, much will depend on whether the US will drop its support for the YPG after Raqqa and Deyr-ez-Zor have been liberated. For the time being, this scenario seems to be highly unlikely and many observers hint at a changed political discourse in Turkey, which they read as a slow coming to terms with a Rojava reality under US tutelage. In this case, the PKK as a whole might try to find new legitimacy by positioning itself against Iran, hoping for continued US backing. If this were to happen, Teheran will do its utmost to convince Syria and Turkey to finish off Rojavan self-rule.

Preventing Kurdish self-determination

Regarding the Kurdish question in Iraq, Iran, like Turkey and Iraq, opposes any attempt by the Kurdistan Regional Government (KRG) to declare independence. Tehran has already warned the KRG of a military intervention, although a more subtle approach using proxies and economic pressure is much more likely. However, Tehran's preferred modus operandi would be to encourage NATO member Turkey and/or the Iraqi government to act on their own and to block Kurdistan independence without direct Iranian involvement. Be this as it may, Iran has to hedge its bets carefully so as to be able to shape future events in the Kurdish theatre, in order to prevent a deterioration of the situation in its own Kurdish areas. As of now, Tehran does not take the Saudis voicing support for an independent Kurdistan seriously. Riyadh is not in a position to give the Kurds the necessary military, diplomatic and political support they would need to bolster their future independence against all odds; the Kurdish public also does not hold Saudi Arabia and its princes in high esteem.

Saudi Arabia and the Qatar Crisis

Yet Tehran knows very well that Saudi ambitions are primarily guided by its aim to roll back Iranian influence everywhere, and it is in this context that Iran reads the Qatar crisis. The small desert state managed to pursue a self-assured and independent course between Saudi Arabia and Iran. Well equipped with economic and diplomatic clout and using the Al-Jazeera news-channel as its main source of soft power, Doha was able to maintain cordial relations with Iran, Israel, and the USA. It also made Turkey a strategic partner. Both countries supported the Muslim Brotherhood's takeover in the region, notably in Syria, which puts them firmly in opposition to Tehran. At the same time, Qatar competes with Iran in the critical gas sector; it is home to a small Turkish military base, and to one of the biggest US Air Force bases in the region. In other words, nothing in Qatar's strategic disposition indicates that relations to Tehran would be closer than those of correct neigh-

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bors. Yet this was one of the main points Saudi Arabia and the United Arab Emirates accused Qatar of. A sober reading of the ultimatum presented to Doha shows that the real aim is to destroy Qatar's independent foreign policy. Tehran reacted to the land blockade imposed by Saudi Arabia by immediately securing trade in foodstuffs and other goods via the sea. As of now, there is no indication the Ruhani government is planning to exploit the Qatari situation; however, depending on the duration of this crisis, Iranian restraint cannot be taken for granted. Even so, talks about an axis between Turkey, Qatar, and Iran are baseless, because these do not integrate Israeli and US interests into the picture. Tehran is well aware of Qatar's disposition and hopes cooler heads will prevail and that the US will check the ambitions of Saudi Arabia's youngish crown prince.

Conclusion

The Ruhani government has shown good will at home and abroad. The future development of Iranian domestic and foreign policy will partially depend on how Iran's domestic radicals can be checked and partially on developments on the ground in the region, where Iran is assertive, but not capable of dictating a pax persica but had to find a way of coexisting with the US. It is in the European interest that this coexistence continues even after the defeat of ISIS. From a European perspective the following priorities regarding Iran are worth pondering:

- Given the fact that the Ruhani government has lived up to the JCPOA and has made continued efforts to strengthen good governance against grave domestic resistance, the EU has to use its influence within the international community to fulfill its part of the bargain; this concerns sanctions relief and, especially, financial sanctions.
- Future investments in Iran should not be undertaken with the bonyâds, given their unclear legal status and shadowy politico-economic and semi-criminal networks.

Whilst many other state-owned or partially state-owned businesses should be delisted, enterprises owned by the bonyâds should either remain on the list, or, if they are not listed, investors should at least be informed about the risks involved in dealing with them.

- The situation in Kurdistan is too important to be ignored. It is therefore necessary to review existing Kurdish policies at the EU level regarding both Kurdistan in Syria and in Iraq. In both cases, decisions have to be prepared which reach from accepting self-rule or independence to rejecting it. In either case, reactions must be properly anticipated, at home and in the region. By the same token, Turkey and Iran should be consulted on the basis of mutual respect.
- The post-ISIS phase in the region will allow for a short phase of regrouping; the EU must seize this opportunity to create a mechanism for mutual consultations involving all important actors. In this context, package deals involving other conflicts such as Ukraine should be avoided.
- The EU should review its old Iran strategy papers - this time against the backdrop of a region in flux, and Iran as a potential security provider helping to stem chaos. Yet it must be clear from the beginning that an agreement - whether verbal or written - on Israeli security regarding Lebanon and Syria must be part of any such deal.

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Note: This article represents exclusively the opinion of the author.