

The Unraveling Islamic Republic

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Brief Analysis

January 12, 2018

The recent demonstrations in Iran have caught many by surprise, especially those who have been attuned to voices sympathetic to the Iranian regime, like that of the National Iranian-American Council (NIAC). Yet the current unrest in Iran has confirmed what those more attuned to domestic conditions in the Islamic Republic have long known: that an explosion was not a matter of if, but of when.

Today, the destructive influence of the Islamic Republic of Iran extends from Africa to South America, with major involvement in arenas like Lebanon, Yemen, Syria, and Iraq. This presence makes Iran appear more powerful than it really is – and makes many in the West hesitant to confront the regime and to advocate for change. This image of strength is a facade; internally, the Islamic Republic is unraveling rapidly.

Iran's economy is in shambles. The days of high oil prices are long gone, and national resources are almost depleted. Despite the JCPOA – an agreement that was supposed to open the Iranian market to international investors – Iran's economy remains in stagflation, with very little prospects for improvement in sight. Iran's military escapades in Lebanon, Syria, Iraq, and Yemen, meanwhile, have further strained the pool of available resources. Inefficient economic policies and endemic corruption have done the rest.

In the months and weeks leading up to the current protests, thousands had already taken to the streets in most major cities in the country, demanding an answer to these deficiencies. The discovery that the main culprits for these failures were individuals with close relations to the regime, and that many of them have escaped abroad with hundreds of millions of dollars in local wealth, have given the protests an additional boost.

Ahmad Tavakoli, a former conservative member of Iran's parliament and the former president of the Parliamentary Research Center, discovered that most of the beneficiaries of now-defunct Samen Al-Hojaj bank, once one of the country's premier financial institutions, were the children of high-ranking clerics, politicians and influential members of the judiciary. Although he had not named these individuals, Tavakoli **revealed in a recent interview** (<https://en.radiofarda.com/a/iran-insolvent-bankrupt-credit-institutions-banks/28886417.html>) that the

committee members assigned to investigate the defunct institution had resigned under enormous political pressure. That, however, is just the tip of the iceberg. In recent months, former President Mahmoud Ahmadinejad and two of his close allies have also become embroiled in a new public scandal, after Ahmadinejad blamed Ayatollah Sadegh Larijani, the powerful head of the judiciary, and his brother Ali Larijani - the head of the Islamic parliament - for corruption and abuse of power. Larijani is accused of keeping hundreds of billions of Iranian tomans paid to the judiciary by the people for bail in more than 60 different bank accounts. Stunningly, Larijani has not denied the charges; he simply explained that he obtained permission from Supreme Leader Ayatollah Khamenei prior to opening the accounts.

In response, however, the Larijani brothers have threatened the former president with trial and imprisonment. Commenting on this affair, First Vice President Eshaq Jahangiri- whose own brother was detained on allegations of corruption – has said that: **“Corruption has become an organized phenomenon in the country and I know all too well how deep it runs.”** (<https://english.shabtabnews.com/2017/11/01/iranian-vp-tainted-by-brothers-corruption-charges/>)

Those incidents are only the most public signs of a deeper rot. With Rouhani's policies failing, it has become increasingly difficult for the regime to keep its internal squabbles hidden from view. More significantly, it has become all but impossible to instill hope and confidence in its governance after years of hollow promises and mismanagement.

Hence, it was hardly surprising that when activists called for a peaceful demonstration to protest unemployment, rising prices, and corruption in the city of Mashhad, thousands showed up. What was surprising was the slogans that people chanted. Beyond unemployment and corruption, the protesters began to challenge the revolution itself, chanting for the revival of the late shah's Pahlavi Dynasty – a phenomenon that was quickly repeated in other cities. These should be understood for what they were: not calls for reform, but for fundamental change of a system that has failed its population.

Just like the Soviet Union prior to its collapse, Iran appears powerful and confident externally but is weak internally. As the USSR did at the tail end of the Cold War, Iran today suffers from an inefficient economy with no true mechanism by which to implement reforms, rampant political infighting and deadlock, endemic corruption, and an increasingly restless population. The parallels are striking.

As the Trump administration refines its Iran policy, it would be well advised to take full advantage of the Islamic regime's internal weaknesses, along with the desire for change now visible on the Iranian street. In turn, the success of the Iranian people will be America's, too.

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