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The end of the Persian perestroika

In Iran, the hardliners' time has come — and taking control of the parliament was just the first step

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Iran has reached a turning point. The most recent parliamentary elections initiated a wide-reaching upheaval, putting the country from a course of pragmatism to one of confrontation. These changes are likely to shape the Islamic Republic's politics for years to come.

Under its current president Hassan Rouhani, Iran's experiment with a Persian 'perestroika' – openness to the outside world and moderate reforms at home – has failed. Rouhani took office in 2013 promising to resolve the controversy surrounding Iran's nuclear programme and help Iran return to the international community. The country's economy was supposed to get a boost from the lifting of sanctions and, along with neoliberal economic reforms, tentative steps were to be taken towards socio-political liberalisation.

Unfortunately, the Rouhani government's record is poor. The 2015 nuclear deal is on the brink of failure. After the United States unilaterally withdrew in 2018, Iran stopped complying with important parts of the agreement. On top of that, not only is the Iranian economy plagued by widespread corruption and mismanagement, it is also suffering severely from the economic sanctions reinstated under US President Donald Trump.

Rouhani's adversaries in Tehran – a combination of different radical forces – were able to thwart his reform efforts by exploiting their access to institutions beyond the people's control, such as the Council of Guardians and the Expediency Discernment Council. These two bodies, which are superior to both parliament and government, seriously hamper their freedom to act.

A marred election

All hopes for broader political participation were dashed last November at the latest, when countrywide protests following a fuel price hike were suppressed with unprecedented brutality. Hundreds were killed and thousands detained. The leaders in Tehran who promoted pragmatism now have nothing to show. And their followers' frustration is growing. Disillusioned, masses of Iranians are turning away from the system.

Instead, the radicals' time has come. Trump's withdrawal from the nuclear deal and Europe's failure to meaningfully compensate for renewed US sanctions have boosted Iranian politicians who see confrontation and isolation as the way to safeguard the Islamic Republic. Secure in the knowledge that political momentum is on their side, hardliners in Tehran are setting out to create fundamental change.

The recent parliamentary elections were a prelude. The Islamic Republic's radical establishment went the proverbial whole hog, while Rouhani's meagre record made it difficult for moderates to mobilise voters. Today's situation resembles the parliamentary elections of 2004, when supporters of Reformist President Mohammad Khatami abstained from voting.

The 'Principalists' take over

But this time the hardliners also took no chances. The Council of Guardians excluded masses of reformers and moderate conservatives from the elections: Of 16,000 candidates, only 7,100 – less than 45 per cent – were allowed to stand for office. By way of comparison: In the parliamentary elections of 2000, more than 80 per cent of all candidates were approved by the Council of Guardians, which is close to the most powerful man in Iran, Supreme Leader Ali Khamenei. In the most recent elections, however, more than one third of all incumbent MPs were barred from running – specifically reformers and moderate conservatives.

Unsurprisingly, radical right-wingers known as 'Principalists' (fundamentalists who support the theocratic ideals of the Revolution of 1979) and other ultra-conservatives won. Now fewer and fewer Iranians feel represented by parliament. Generally, political decisions are informally negotiated amongst elites of the Islamic Republic, which means that parliament is secondary in any case. But it has been further weakened by the absence of reformist MPs.

The already considerable

The Principalists' parliamentary takeover is just the first step. The presidential election is due

concentration of political power in the hands of the hardliners is expanding, while moderate members of the Islamic Republic's nomenklatura are quietly submitting to their fate.

next year. The two-term limit for presidents means Rouhani cannot run again. Hardliners are striving to succeed him. By the time the election is held in May 2021, Parliament is likely to have completely blocked the president and changed Iran's political agenda to the detriment of moderates.

Another issue is the question of who will take the place of Supreme Leader Khamenei, who is 80 years old. Concurrent with the parliamentary elections, mid-term elections were held for the Council of Experts, the body that will choose Khamenei's successor. There, too, hardliners won with Guardian Council support.

Iran's economic hardships

These developments represent another manifestation of the radical course in recent months. Most likely, the country will drift farther from progressive reforms – of economic policies, social freedoms and political participation.

Iran's economy is therefore expected to continue to remain far below its potential. Sanctions caused the country's trade with Europe to take a hit of 74 per cent in 2019. An agreement with Washington is unlikely in the near future. Iranian hopes for developing alternative markets in the East were also disappointed, with the long arm of US sanctions creating significant declines in trade with China (-34 per cent) and India (-79 per cent). In the wake of sanctions, clandestine trade structures are growing. And so is corruption.

Despite all the naysayers, Iran is far from economic collapse. Apart from the energy sector, the Iranian economy has shown slight signs of growth. However, it is not evident that the government will manage to noticeably alleviate the population's economic hardships. In recent months, high rates of inflation made purchasing power and real household incomes plummet. Suffering and frustration are mounting steadily. Meanwhile, Iranians have ever fewer ways to express their discontent with the system. The exclusion of thousands from parliamentary elections exacerbated this tremendously explosive socio-political issue.

The failed Iranian perestroika

Another potentially dangerous factor lies in Iran's foreign policy. The country is likely to continue to ratchet up pressure on the nuclear dossier

as well as in regional politics. Since last year, for example, Tehran has been striving to link US sanctions, nuclear non-proliferation and regional security. Its aim is to raise the stakes for Washington's policy of 'maximum pressure'.

Iran has begun to stop implementing important components of the nuclear agreement, such as by using more modern – and faster – centrifuges to enrich uranium. This development is not just increasing concerns in Europe regarding Iran's nuclear capabilities. While the country attempts to strengthen its position for possible future negotiations, the nuclear deal risks total collapse, with incalculable consequences for the Middle East. Tehran is counting on measured confrontation in the region. Its targeted attacks on oil tankers and refineries reveal the vulnerabilities of its rivals, Saudi Arabia and the United Arab Emirates. Significantly, these two countries subsequently approached Iran – suggesting that Iranian hawks were right. Additional attacks cannot be ruled out if Iran feels compelled to back up its position vis-à-vis Abu Dhabi and Riyadh – or Washington and Tel Aviv – with action. The enormous potential for escalation was obvious in the dynamics surrounding the US killing of Iranian General Qasem Soleimani.

This situation shows the fallout from Iran's failed attempt at perestroika. While in Moscow the failure of comprehensive reform led to the collapse of the Soviet empire, the scenario in Tehran is quite different. The already considerable concentration of political power in the hands of the hardliners is expanding, while moderate members of the Islamic Republic's nomenklatura are quietly submitting to their fate.

Whether the crisis-ridden Iranian population can be given a new political and economic vision remains to be seen. This question is likely to be crucial for the fate of the increasingly powerful hardliners – especially in view of steadily growing political repression and economic hardships



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