



TONY BLAIR
INSTITUTE
FOR GLOBAL
CHANGE

An Unstable Iran: How Covid-19 Could Impact the Domestic Situation

NADER USKOWI

Contents

Introduction	3
Possible Scenarios	5
Conclusion	8

Introduction

The coronavirus pandemic has hit Iran hard. It has overwhelmed the country's health system and has caused major distress to its already battered economy. Hundreds of thousands are infected, and many have lost their lives, with no indication that new infections are near their peak.

The pandemic did not happen in a vacuum. Earlier in the year, the government caused widespread anger among the public for shooting down a Ukrainian airliner and then attempting to deceive the public about what had happened. By the time Covid-19 reached the country, the government had already lost much credibility for its lack of transparency and truthfulness during the airliner incident.

The government's reaction to the pandemic has only exacerbated its credibility gap. The authorities erred by not reporting the outbreak during its early stages as it started to spread in the city of Qom, which became the epicentre of the pandemic. The government apparently thought that reporting on the pandemic and its casualties would cause people to avoid participating in February's parliamentary elections. The backlash from the November 2019 unrest and the airliner incident had already prompted many Iranians to call for a nationwide boycott of these rubberstamp elections as a way to discount the legitimacy of the system (*nezam*). Given this context, Iran's leaders feared that reporting on coronavirus could even deter regime loyalists from turning up to the ballot box.

Nevertheless, the authorities were forced to admit the truth about the outbreak a few days before the elections, once news of its spread had become public. To this day, the credibility gap continues with independent media reporting significantly higher numbers of casualties and infected persons than the government's official statistics.

Of course, a lack of credibility was not the government's only problem at the start of the outbreak. The economy was already faltering, in large part due to US sanctions and, more recently, the loss of global demand for oil. The latter issue is disrupting the country's oil exports and foreign exchange revenues, significantly reducing the government's revenues at a time when billions are needed to fight the pandemic. As a result, the government may be unable to fund ongoing domestic programmes that are fundamental to ensuring its support among the public, such as vast subsidies and cash payments. Cuts in public spending will disproportionately affect the low-income and poor segments of society, already increasingly vocal in their dissatisfaction with the government, and which constitute one of the traditional pillars of the Islamic Republic's support.

Social Disorder

Pandemic, starvation and anger are a toxic mix for social order. Just last year the Islamic Republic's Parliament Research Centre had warned that the next 12 months could see as many as 57 million Iranians living under the absolute poverty line.¹ The coronavirus crisis will inevitably escalate this dire situation further. Indeed, Iranian President Hassan Rouhani reportedly told a meeting of Iran's Supreme National Security Council on 7 April that if the country's economic activities are not restarted soon, "30 million hungry people will pour into the streets". He added that, "Even if 2 to 2.5 million people lose their lives to coronavirus, we cannot keep the country closed."²

Rouhani's comments reflect the degree of concern on the part of Iranian officials regarding their ability to maintain social order in the face of a growing pandemic and the ensuing economic fallout. His decision – announced on 11 April – to reopen government offices and factories outside Tehran, and intent to do the same in Tehran a week later, may cause a further spread of the outbreak and damage to the economy.

As has been widely reported in the media, the outbreak has already taken the lives of many Iranian officials and managers of essential institutions like banks. Consequently, many high- and mid-level officials and managers have reportedly stopped showing up to work, fearing the virus. What has received less media attention, but is perhaps more consequential for the state's cohesion, is the effect of the pandemic on the *Basij Force* – the Islamic Revolutionary Guard Corps (IRGC) – led paramilitary units tasked with maintaining security in cities and towns and who serve as the first line of defence against street protesters and civil unrest. The *Basij*'s local offices are set up in most neighbourhoods in major cities and towns. Ordinarily they house 30 or so on-duty members. The spread of the virus in these group offices and among the *Basij* population has drastically cut the number of *Basij* members on duty in each local post. A *Basij Force* at reportedly half-strength could be a major problem for the security forces if called on to counter civil unrest.

It's noteworthy that since December 2017, Iran has experienced two major protests that were driven by economic and political concerns. The current situation is appreciably more dire for the people and adds fuel to public discontent. The resumption of large-scale demonstrations in cities and towns across the country is entirely possible if not likely.

Short of stopping the epidemic soon, the central authority could be overwhelmed under the weight of the sick and hungry masses.

Possible Scenarios

These tragic and challenging times were of course largely unexpected – a “Black Swan” of our times – forcing us to make sense of the events and possible ways forward. Below are different but plausible scenarios for the near future in Iran.

A New Status Quo

The most likely outcome at the end of the pandemic is the continuation of the current government, albeit in a much-weakened state. The system has a large number of supporting institutions, power centres, and security and military forces that can sustain its continued survival, as evidenced by its ability to endure myriad crises in its 41 years of existence.

A weaker government, however, would be much less capable at undoing the damage caused by the current health crisis. If oil revenues remain at their current low levels, the government would not be able to provide financial assistance to persons and businesses that lost heavily due to the crisis, short of printing money that would lead to hyperinflation. The government may also be hard pressed to maintain the pre-pandemic levels of personnel, equipment, and training of its security forces, especially the Basij Force, due to a lack of funding.

Even though the government will likely survive the crisis, its weakened state might pave the way to future disorder across the country.

IRGC Coup d’État

If the regime enters a long period of decline due to social disorder, the IRGC may stage a coup and form a military-led government.

As the guardians of the Islamic revolution, the IRGC has considerable political, economic and ideological interests in preserving the Islamic Republic. But if the IRGC concludes that regime collapse is imminent, a coup would be an action of last resort intended to preserve the IRGC’s considerable economic and military interests in Iran and the region.

The IRGC has many strengths and capabilities that work in its favor if it should decide to stage a coup. Numerous IRGC generals and senior officers already serve in senior positions in the government. IRGC

officers will hold nearly three dozen parliamentary seats in the next Majlis as a result of the February elections.

The projected new speaker of the Majlis, IRGC Brigadier General Mohammad Baqer Qalibaf – a former candidate for Iran’s presidency, a former IRGC Air Force commander, and a former chief of the Law Enforcement Force (the national police) – may very well head any military-led government emerging from a coup.

Aside from the new Majlis, IRGC officers currently hold considerable power within the regime’s key institutions, such as the Expediency Council and the Supreme Council for National Defense. The IRGC also controls nearly 40 per cent of the country’s economy, with current and former IRGC officers running many mega corporations active in energy, construction, banking and other major sectors of the economy.

The current cadre of IRGC officers – in uniform and retired – not only control the country’s military force but are present in senior positions throughout all major regime institutions and would be likely to support and participate in the formation of a military-led government, creating a new iteration of the Islamic Republic without the *velayat-e faqih* (clerical guardship of the Supreme Leader) and with a watered-down version of the *shura of ulema* (senior clerical council overseeing religious matters), as was envisioned in Iran’s constitution under the monarchy.

Radical Political Transformation

Radical political transformation beyond an IRGC power consolidation in the form of regime change and/or social revolution is the least likely scenario among those considered here. However, it’s worth noting that Iran has experienced such upheaval during times of crisis.

At the close of the Great War a century ago, a pandemic of cholera and Spanish influenza, famine and starvation shook Persia to its core, killing hundreds of thousands of people and causing the collapse of the central authority. Semi-autonomous governorates led by tribal leaders or powerful local military figures popped up across the country. At one point, tribal and military strongmen ruled over nearly nine different parts of the country. In 1921, a coup d’état that eventually brought Reza Shah to power saved Iran from breaking up into autonomous regions. A hundred years later, the situation is quite different, but there are lessons to be learned from that experience.

Today, ethnic and religious minorities – already feeling disadvantaged because of the central government’s policies and ideology – could face more neglect due to a lack of adequate facilities to fight coronavirus. The delicate balance of mutual economic and political needs and interdependence between the centre and divergent minority regions could collapse under the weight of the continued health crisis

and worsening economic conditions of the ethnic and religious minorities. Further, social disorder in the capital and other major cities could entice the ethnic and religious minorities to break from the centre. While this is a highly unlikely outcome, it should not be entirely discounted.

Another historical example closer to our time is the collapse of the monarchy in 1979 after the *Artesh*, the armed forces, declared neutrality in the fight between the Shah and the opposition. At present, a significant break in the discipline of the *Artesh* and the IRGC ranks, especially in the ethnic regions, could be a signpost for the potential impending collapse of the political order.

Again, while such regime change is unlikely to occur at this time, there are factors that differentiate today's crisis from prior ones. For example, during both the 2009 Green Movement and the November 2019 protests, the government deployed a considerable number of security forces to the streets who were willing to open fire on protesters. Those same forces, especially the IRGC-led Basij Force, would be more reluctant to shoot at people who have poured into the streets not because of ideological or even political reasons, but to protest illness and hunger – conditions the security forces' own families could relate to. Also, as noted above, the security forces would likely be significantly undermanned if such protests were to break out any time soon.

Conclusion

The coronavirus pandemic has hit Iran hard, causing tragedies in the loss of lives and the livelihoods of citizens. The government is attempting to end the crisis at an early date and bring normalcy back to the country. However, a much-weakened government will be hard pressed – in terms of personnel and financial resources – to achieve those goals in a short period. The possibility of public protests, even social disorder, cannot be discounted and could further weaken the government.

To gauge future developments beyond the current crisis, we need to research and consider different scenarios, including those discussed here. Any changes to Iran will have immediate and far-reaching effects in the region; politically, economically and militarily.

Footnotes

1. ^ Iran Wire report taken from Majlis Research Centre: “This Year 57 Million Iranians Will Be Living Below the Poverty Line” 15 May 2019 (in Farsi)
 2. ^ Iran International. “Exclusive - Rouhani: If we stop economic activities, 30 million hungry people will pour into streets.” 9 April 2020 (in Farsi)
-

FIND OUT MORE
INSTITUTE.GLOBAL

FOLLOW US

facebook.com/instituteglobal

twitter.com/instituteGC

instagram.com/institutegc

GENERAL ENQUIRIES

info@institute.global

Copyright © April 2020 by the Tony Blair Institute for Global Change

All rights reserved. Citation, reproduction and or translation of this publication, in whole or in part, for educational or other non-commercial purposes is authorised provided the source is fully acknowledged. Tony Blair Institute, trading as Tony Blair Institute for Global Change, is a company limited by guarantee registered in England and Wales (registered company number: 10505963) whose registered office is One Bartholomew Close, London, EC1A 7BL.