



مركز الجزيرة للدراسات
ALJAZEERA CENTRE FOR STUDIES

Report

Iran's Protests: Are they the start of the 'bread' uprising?

*Fatima Alsmadi**

8 January 2018





The only solution to the current issue is to implement short-term economic policies as well as create long-term economic models to manage economic defects and combat economic corruption effectively [Anadolu]

Introduction

After starting in Mashhad, the anti-government protests began to spread horizontally to a number of other cities carrying slogans opposing the general policies of the Islamic Republic. On the 29th and 30th of December 2017, places such as Kermanshah, Sari, Ahvaz, Qazvin, Karaj, Isfahan, Qum, Zahedan and some parts of Tehran witnessed demonstrations organised through social media.

Slogans carried clear economic demands and some covered Iran's foreign policies such as Iranian intervention in Syria and Iranian support for Hezbollah and Hamas. The slogans included, "Neither Gaza, nor Lebanon. My soul is for Iran", which was one of those used by the Green Movement during the 2009 protests following the re-election of Mahmoud Ahmadinejad. However, it was noticed that the names of the Green Movement leaders, who are currently under house arrest, were not included in the slogans of the latest protests. Whereas some demonstrators chanted against Rouhani, others repeated slogans praising the previous regime of the Shah, which was defeated by the Revolution and still others attacked the religious clerics, accusing them of usurping the rights of the Iranian people.

This is not the first time Iran has witnessed economic protests calling for better living standards. Mashhad itself saw similar protests 25 years ago. In 1992, seven protestors were executed on the basis of their responsibility of the Mashhad protests. The decision at the time was made by the head of the judiciary, Mohammad Yazdi. The city of Qazvin also witnessed similar protests during Hashemi Rafsanjani's presidency. In 1994, the cities of Shiraz, Mashhad and Arak saw protests that were suppressed. In 2001, Iran witnessed the teachers' protest against Khatami's government; and finally, in 2015, miners protested the closure of a number of mines and the loss of their rights.

This paper looks into the dimensions, background and implications of the protests in Iran.

How did the protests begin?

An analysis article published by the opposition's "Zeitoon" website said that "there are indications that the Mashhad gathering resulted initially from the decision of groups close to the regime to attack Rouhani's government".⁽¹⁾ It added that "banners raised and telegrams sent through the social app, Telegram, and exchanged among fundamentalist groups, which called for the Mashhad gathering entitled "a protest against high prices", indicate that these gatherings essentially targeted Rouhani's regime". The writer of the article cites eyewitnesses as saying, "The core of the gathering was formed by a group under the Basij Resistance Force, but soon made way for larger numbers of people with various orientations, chanting slogans ranging from denunciation of high prices and "death to Rouhani" to eventually reaching the Supreme Leader of the Islamic Republic's regime".

Some analysts pointed to Ahmadinejad and his political movement as steering some of these protests.⁽²⁾

The Iranian media remained silent about these demonstrations for some time. The highly fundamental Raja News website's criticism of "the National Iranian Radio and Television ignoring the voice of the people"⁽³⁾ was noteworthy. The site said in many articles that state media should broadcast the voice of the people and the government should respond to their demands responsibly. Afterwards, Iranian media did not remain quiet for too much longer, and its news websites began monitoring the demonstrations, concentrating on the following dimensions:

- Whether or not the people's economic demands were relevant
- These protests have no leaders but failing to deal with the people's demands may create many leaders for them
- The protests are about living standards, not politics.
- The current protests do not carry the features of the protests of the Green Movement.

How did Rouhani fail?

When Hassan Rouhani launched his first election campaign in 2013, he took a key as a symbol. In one of his election debates, he took out the large key and said: "I have solutions to Iran's problems." His election slogans concentrated on economic problems and he made promises to overcome the difficulties Iran was facing. He saw that that could be achieved through the lifting of sanctions.⁽⁴⁾

Although Iran signed a nuclear agreement and promises were made to lift sanctions imposed on its nuclear program, economic shrinkage was still present. This was seen by

some as a result of the continuance of unilateral sanctions imposed by the United States, which also blocked European countries' large-scale involvement in the Iranian economy and enabled Rouhani's rivals and critics to keep him from implementing economic reforms he considered necessary to achieve an economic comeback.(5)

Economic recession was a heavy legacy Rouhani inherited from his predecessor, Mahmoud Ahmadinejad. Rouhani's first goal, upon his presidential victory in 2013, was to reduce inflation, estimated at 40% at the time. However, inflation was not the only burden placed on Rouhani's shoulders. In 2012, the European Union imposed sanctions on the Iranian oil sector and then isolated all Iranian banks accused of breaking EU sanctions from the SWIFT global system. This was accompanied by "devastating effects of irresponsible and populist spending policies during eight years of Ahmadinejad's rule, which aggravated the troubles of the Iranian economy".(6)

Rouhani succeeded in making changes such as achieving an economic growth of about 5%. This resulted mainly from the increase of oil exports at the start of the implementation of the nuclear deal in early 2016.

Economic growth and the decrease in inflation can be seen as clear evidence of Rouhani's economic success. However, questions should be asked about the sectors that actually benefitted from this economic success and why this success was not reflected in the daily lives of the people.

Economic expert Ali Fathollah Nejad discusses this problem using a number of studies(7) showing that economic growth in itself is not necessarily a clear indication of social and economic development.(8) Instead, it is "comprehensive growth" – i.e. economic growth in which revenues are distributed equally – that should be taken into consideration. This, therefore, benefits a larger number of citizens and not just certain sectors. By using other indexes, a clearer picture of Rouhani's government's economic performance can be revealed. This picture shows that poverty and inequality rates have risen during Rouhani's rule.(9)

There was gradual success in fighting inflation. Rouhani's administration was able to reduce the inflation rate from around 40% during the second half of 2013 to an average of 9% in the fiscal year that ended on 20 March 2017 according to the Persian calendar.(10) According to numbers provided by the Iranian Central Bank, this was the only time an economic administration in Iran was able to reduce inflation rates to a single digit since 1990. In contrast to this achievement by Rouhani's administration, the unemployment rate rose from 10.4% in 2013 to 11% in 2015. Then, unemployment reached 12.4% in 2016(11) and 12.7% in the summer of the same year. The highest unemployment rates recorded were among people aged 20-24, and according to the

Statistical Centre of Iran, unemployment rates among this age group reached 31.9%.⁽¹²⁾

This comes as official numbers reveal that 11 million Iranians live below the poverty line.⁽¹³⁾ An Iranian official revealed that 12 million Iranians live below the line of extreme poverty, while 25-30 million Iranians live in relative poverty. A report by the Iranian Chamber of Commerce states that 33% of Iranians live below the poverty line. This report was based on numbers from the Ministry of Roads and Urban Development.

Meanwhile, the benefits of reviving trade and investment with the outside world were felt almost completely by governmental and non-governmental sectors only. Among almost 110 agreements worth at least a total of 80 billion dollars signed since reaching the nuclear deal in July 2015, 90 of these agreements were made with companies owned or controlled by state institutions or entities connected to the state in one form or another.⁽¹⁴⁾ This is a clear indication of the marginal role of the private sector in Iran as a result of the political and economic structure of the Islamic Republic. The amount of foreign investments that Iran was able to attract since signing the nuclear deal in 2015 and until the last fiscal year did not exceed 12 billion dollars.⁽¹⁵⁾

Rouhani failed to achieve comprehensive economic development and his promise to distribute the revenues of the local GDP among larger sectors of society were nothing but rumours and an illusion fostered by global economic neoliberalism and the members of his government.⁽¹⁶⁾ The authoritarian neoliberal model of Rouhani's government failed to alleviate the sufferings of about half of Iran's residents living close to the poverty line. It also failed to weaken authoritarian structures.

In his books, Rouhani calls for the liberation of the economy without providing a clear definition of free and independent entrepreneurship. Therefore, the benefits and revenues of economic relations with the outside world pour into the pockets of previous and current interest groups.⁽¹⁷⁾

In his book, National Security and Iran's Economic System, Rouhani describes what he considers as obstacles facing his country's economy: "The project of the Islamic development of Iran must transform Iran into a secure and developed country with the lowest levels of class divisions. This can only be achieved through a competitive production strategy. However, it is regretful to say that labour laws in Iran are very oppressive towards economic activity".⁽¹⁸⁾ Should it be necessary for the owners of capital in Iran to enjoy freedom in order to achieve prosperity, minimum wages must be cancelled and limits to worker layoffs must be eased. Rouhani indicates that one of the main challenges facing employers and factories is the presence of labour unions. He also

points out that workers should be more flexible towards the requirements of the work market.(19)

Nejad opposes this approach and believes that neoliberal economic development models only aggravate class divisions and do not reform them(20). Rouhani admitted his failure at the beginning of his second term as president. At the forefront of his announcement of his government's program upon winning the 2017 elections, he summarised Iran's economic failure by saying: "We are in need of an innovative economy in harmony with its surrounding environment. However, I am sorry to say that we have been unable to achieve this during the last century. We have achieved development in many areas, but frankly speaking, we are still far from reaching a position as a regional economic power or an economy of global impact".(21)

When referring to the outlines of Rouhani's government's budget, there are many doubts about his government's seriousness to solve social and economic issues. For example, his administration's budget for the year 1395 (Persian Calendar, 2016 AD) was based on two pillars: austerity and security. While social care services, except for health, were strikingly cut, spending on sectors such as defence and security saw a high rise. Rouhani said proudly in April 2017 that the military budget has risen by 145% since he came to power in 2013.(22)

A society in need of an emergency room

Iranian parties have many approaches to this crisis and the solutions for it. However, it is clear that the fundamentalist, reformist and moderate powers do not want to see protests spread further. Among the important approaches was that of the journalist and former student activist, Farid Madrasi. He dealt with a number of points, most importantly:(23)

- These protests are natural. They came as a result of unsuitable conditions and do not require a sophisticated security analysis. The reasons behind them are well known.
- Daily disputes between rulers, politicians, thinkers and intellectuals; their exchange of insults and their exposure of each other's flaws provide the right circumstances for these protests. Instead of the ruling elite giving attention to the society's base, they are busy confronting one another and failing to carry out their responsibilities towards the people.
- Surely, government opposition had a role to play in preparing for the protests before they took place. Among them were fundamentalist media outlets, of which one had the title, "Fuel Chaos", on its cover. Some of the government's

opposition believed that the economic protests were against the government. However, this was a great mistake as the opposition only poured fuel to the existing fire. Today's and yesterday's slogans support the fact that these protests look a lot like Ahmadinejad's behaviour and could go far beyond a certain institution to reach the establishment as a whole. Ahmadinejad is a politician from a humble background who is currently building a line and a strategy. He may unite with the lower social class but this would only lead to the devastation of Iranian society as a whole.

- It is difficult for the security agencies to deal with these protests as security personnel have only been trained to deal with security- and politically-based protests. They lack a multi-faceted strategy to control protests other than security-related ones.
- The current protests have no "leader". However, in the future, they could have "a thousand leaders" impossible to identify. Also, the organisers of these protests do not have social or political affiliations and do not need precise organisation methods or timetables. They do not act according to a political vision, fear gathering in small or large numbers, or even think about the consequences of their protests. Although protests that lack organisation are less troubling for authorities, they can suddenly cause an earthquake engulfing everything.
- The only solution to the current issue is to implement short-term economic policies as well as create long-term economic models to manage economic defects and combat economic corruption effectively. Officials must interact with the protesters and listen to their demands. If officials are to handle the protests by spreading fear, the result will be severe confrontation, and the protests will cause the collapse of the country at the expense of everyone, including the masses and the elite (the government, intellectuals and labourers, etc.).
- Slogans chanted by the protesters such as "death to the dictator" should be avoided. This ill society should be taken to the emergency room as soon as possible. It will recover if it is given the appropriate treatment.

Summary and Conclusion

- The effects of the mainly economically-based protests in Iran should not be taken lightly. There is a clear split in the Iranian society as the latest elections revealed the presence of a social movement under formation which will have an impact on the future of the country. Deprivation and resentment as well as the feeling of social and economic marginalisation are the main features of this bloc's social structure. Its depth is in rural areas and cities other than Tehran itself, and it is a populist movement closer to Ahmadinejad than anyone else.

- Poverty is widespread in Iranian cities and rural areas. Official numbers indicate that approximately 12 million people live below the poverty line while 25-30 million people live in relative poverty.
- The campaign against Rouhani and accusations of failure against him began weeks ago and were clearly fostered by his rivals. The spark of the protests could have been ignited with the help of fundamentalists and could be related to rivalry over the succession of the Supreme leader.
- Slogans raised by protesters abroad against Iranian policies do not indicate an ethical opposition to these policies. They only come as support for Iran's poor as the poor are more worthy of support than the government. In the latest presidential elections, which took place in May 2017, Iran's foreign policy was not mentioned during internal discussions. Most of the dialogue was about the economy. Issues such as Iran's intervention in Syria were not suggested at all, not even incidentally.
- As the effects of these protests should not be taken lightly, they should also not be amplified as indicating a direct threat to the structure of the present regime. The regime is strong and stable to a large extent. However, the protests are an indication of the changes happening in the society. Therefore, their effects on the future formation and structure of the present regime should not go unnoticed.

***Fatima Alsmadi** is a researcher at Al Jazeera Centre for Studies specialising in Iranian affairs.

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