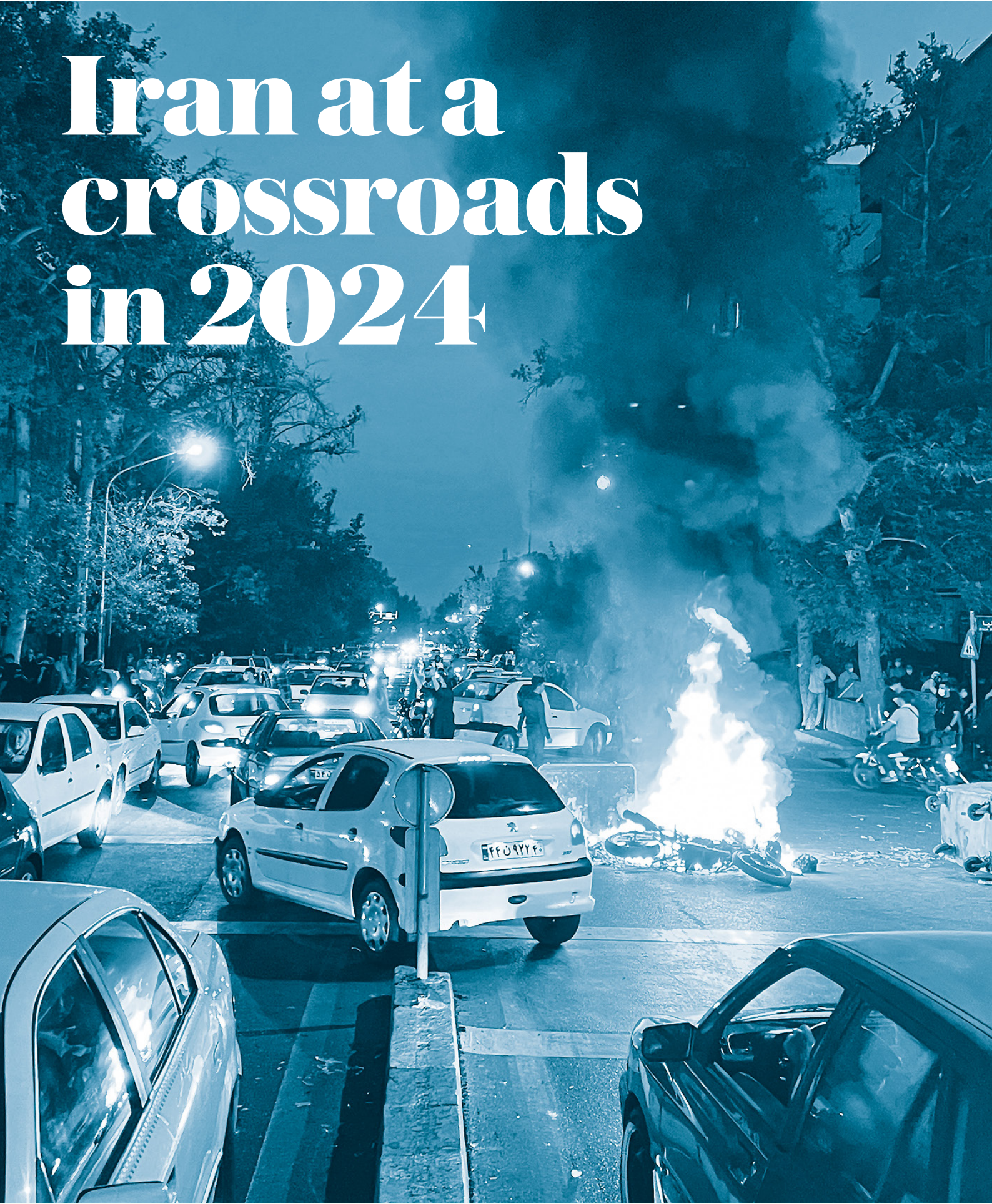


Iran at a crossroads in 2024



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As the Islamic Republic of Iran looks forward to what could prove to be a pivotal year, it is confronting a confluence of crises that define its current sociopolitical landscape.

The legitimacy of the regime in the revolutionary state is under unprecedented public scrutiny as a result of corruption scandals, political violence, bad governance, and social movements increasingly vocal in their demands for change.

Economically, the country continues to struggle with the effects of international sanctions, high inflation and stagnant growth. Politically, the upcoming parliamentary elections will take place against a backdrop of intense power struggles within conservative factions.

This paper will explore these intertwined challenges and their implications for the future of Iran.

THE LEGITIMACY CRISIS

An opinion poll of 158,000 people in Iran found that more than 80 percent of those questioned did not support the Islamic Republic and instead favored a government based on democratic principles.¹

This legitimacy crisis is multidimensional in its aspects, has been simmering for years and had reached boiling point by the start of this year.² Central to this crisis is a widespread corruption scandal involving senior officials from various authorities and administrations. The scandal, involving a total sum of nearly \$3.5 billion, is not only the largest of its kind in Iranian history but also the embodiment of systemic corruption that has long plagued the nation.³

The public figures embroiled in the case include politicians, such as the ministers of agriculture and industry, and high-ranking officials including the governors of the Central Bank of Iran and leading figures in the Iranian Customs Administration.

The widespread corruption has not only eroded public trust in the state as a whole but also intensified the calls for systemic change.⁴

Compounding this legitimacy crisis is the rise of the “Woman, Life, Freedom” movement, which has brought issues related to women’s rights, and broader social and political freedoms, to the forefront of public discourse.⁵

This movement — catalyzed by events such as the death in police custody of Mahsa Amini in September 2022, and the public protests



Despite the Iranian regime's adoption of a stringent and forceful stance to quell public protests, the embers of public dissent remain far from extinguished



that followed — has exposed deep-rooted societal grievances and amplified demands for change that transcend the traditional conservative-reformist political dichotomy.⁶

The state's response to this movement, often seen as repressive and out of touch with the aspirations of the populace, has served only to fuel the legitimacy crisis. But despite the regime adopting a stringent and forceful stance in its attempts to quell the protests, the embers of public dissent remain far from extinguished.

The underlying discontent simmering among the populace has not abated; rather, it has continued to manifest, often through inventive forms of resistance. For example, many women continue to challenge the state's strict, mandatory dress code despite the harsh enforcement by authorities.

The resilience of the Iranian people in challenging state authority, often through subtle and ingenious means, is indicative of a deep-rooted desire for change that is expected to escalate in the year ahead and beyond.

This persistent civil disobedience, coupled with a growing sense of frustration with the status quo, is suggestive of a social fabric stretched to its limits and poised for intensified acts of defiance in the face of

Iran's Supreme Leader Ayatollah Ali Khamenei addressing an audience from Kerman and Khuzestan in Tehran. AFP

ongoing state pressure.⁷

The parliamentary elections scheduled for March 2024 further complicate this legitimacy crisis. The elections for the Majlis and the Assembly of Experts, two institutions perceived by the general public as having little real influence on policy, will nonetheless be crucial indicators of public sentiment toward the regime.

The exclusion during the 2021 presidential election of candidates with moderate and reformist views by the Guardian Council — a group comprising 12 members chosen, directly or indirectly, by Supreme Leader Ali Khamenei — established a pattern that has intensified the sense of disillusionment among the public.

This disillusion was starkly illustrated by the notably low turnouts during the most recent election cycle.⁸ The apathy serves as a stark indicator of the widening gulf between the regime and its citizens, a chasm that continues to expand as the political disillusionment grows.

Khamenei is at a critical crossroads. He can opt to maintain the status quo by continuing to exclude politically “undesirable” candidates, thereby exacerbating the sense of disillusionment among the public, or he can ease the restrictions and risk convening a



The economic malaise in Iran can be attributed to a combination of domestic mismanagement and international factors



parliament that might moderately challenge his entrenched perspectives and policies.

The prevailing trend established by Khamenei suggests a propensity for tighter controls over the electoral landscape, favoring a process that filters out candidates deemed to be unsuitable for the regime's ideological and political objectives.

While it might help consolidate power, such an approach is also likely to result in even more pronounced voter apathy, potentially culminating in the lowest election turnout since the founding of the Islamic Republic.

The upcoming elections, should they proceed with many candidates disqualified, could not only set a new record for electoral apathy but also signal a critical point of introspection for the regime, a moment that calls into question the sustainability of such governance in the face of a populace that is increasingly seeking change and proper representation.

The Majlis, the Iranian Parliament, has been experiencing an unprecedented waning of its influence and public standing. With the widespread public dissatisfaction apparent, the fact that many Iranians cannot even name the current speaker is symptomatic of a deeper disengagement from the legislative body.⁹

Nonetheless, within the corridors of this increasingly weakened institution, hardliners are fiercely jostling for greater levels of power and control, turning the Majlis into an arena for intensified intrafactional strife.

Iranian President Ebrahim Raisi speaking at a the Tehran International Conference on Palestine in Iran's capital where he slammed the "inefficacy" of international bodies to halt deadly fighting between Israel and Hamas. AFP

ECONOMIC TURMOIL AND PRESIDENT RAISI'S STEWARDSHIP

More than half of Iran's population currently lives below the absolute poverty line, a shocking state of affairs that is poised to potentially get worse in the year ahead¹⁰.

The nation's economy, under the presidency of Ebrahim Raisi, is in a state of turmoil that has persisted and escalated over the years¹¹. Raisi's presentation of the budget for the upcoming year to the parliament underlined the severity of this economic crisis.

Despite claims of economic growth reaching 4 percent, there is little or no sign of any actual development, and the credibility of the claims is open to question given the lack of any independent verification.

The Iranian economy has been battling high inflation, historic levels of currency depreciation, and a significant budget deficit estimated to stand at about \$10 billion¹².

The economic malaise can be attributed to a combination of domestic mismanagement and global factors. The effects of international sanctions — particularly those imposed as a result of Iran's nuclear program and its geopolitical maneuvering, including its support for Russia in the war with Ukraine — have been detrimental¹³.

Moreover, the conflict in Gaza and Iran's overt support for Hamas, along with Tehran's regional proxies, risks exacerbating tensions in the region. Even if these hostilities do not escalate into a broader regional war, such actions will undoubtedly lead to heightened economic sanctions imposed by Western

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Iranian women hold up their hair after cutting it off with a pair of scissors during a protest outside the Iranian consulate in Istanbul. This demonstration follows the death of an Iranian woman after her arrest by the country's morality police in Tehran. AFP

nations¹⁴. Existing sanctions have already severely restricted Iran's trade and foreign-investment prospects, further isolating the country from the global financial system.

The effects of the resulting economic stagnation on everyday life in Iran are clearly visible, with inflation eroding the purchasing power of the currency, and negatively affecting businesses and individuals.

In response to these challenges Raisi has defended his budget proposals, emphasizing what he described as a "realistic" approach to revenue and expenditure. However, his proposed budget raised concerns as it reveals an increased reliance on tax revenue, which is expected to be twice the amount of the government's oil revenue¹⁵.

This shift indicates a strategy that is attempting to offset the effects of diminished oil revenue as a result of sanctions, but it raises fears about the additional economic burden it will place on the populace. Even people earning modest monthly incomes will be subject to a 10-percent tax under the proposals, placing an increased tax burden on the middle and lower economic classes.

This approach, referred to as an "inflation tax" is seen by some as a desperate attempt to fill gaps in the nation's budget, which might potentially exacerbate economic hardships among the public and lead to even greater societal and political instability in the months ahead.

The economic situation in Iran is further complicated by the regime's reluctance, or inability, to reach a renewed nuclear agreement with the West that could result

in the lifting at least some of the crippling economic sanctions.

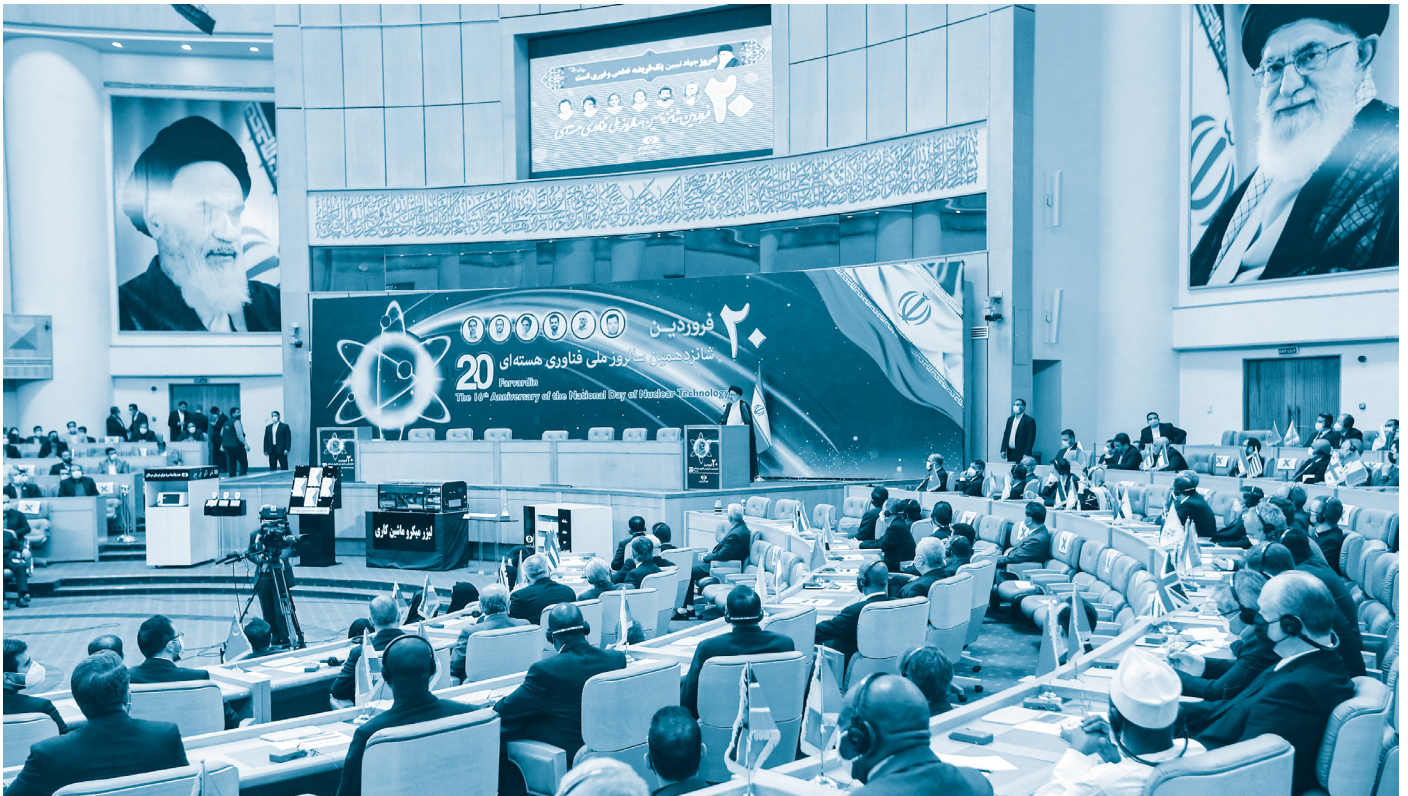
The lack of progress in the nuclear negotiations is contributing to the ongoing economic stagnation that has impoverished millions of Iranians. The economic crisis under Raisi's administration is therefore not only a fiscal matter but a reflection of the deeper structural issues within the Islamic Republic.

The combination of international sanctions, domestic policy missteps and a lack of transparent economic governance has led to a situation in which the economy is struggling on multiple fronts. This is affecting the daily lives of millions of Iranians and influencing the broader political and social landscape as the nation heads toward elections in March.

POLITICAL LANDSCAPE: THE UPCOMING ELECTIONS AND POWER STRUGGLES

As the parliamentary elections approach, the political landscape in Iran is rife with complexities and internal strife. Amid the backdrop of questions about regime legitimacy and economic crises, the power struggle among conservative factions has intensified, particularly between the Paydari Front and the camp aligned with the parliamentary speaker, Mohammed Bagher Ghalibaf¹⁶.

This internal battle within the conservative bloc is not only a matter of securing seats in the Majlis but also a precursor to the presidential election due in 2025. The feud has been playing out in rival hard-liner media



President Ebrahim Raisi speaking at an event during the 16th “National Day of Nuclear Technology” in the capital Tehran. AFP

outlets, with the pro-Ghalibaf daily *Sobh-e-No* and Paydari’s *Raja News* exchanging accusations and counteraccusations.

The rivalry between the factions, who were once on the verge of a coalition, has escalated in the absence of reformists on the political scene, leading to intense competition for dominance in the *Majlis* and beyond.

The Paydari group has been a significant participant in this power dynamic. It was previously led by Morteza Agha-Tehrani, and although he stepped down in 2021 amid allegations of having US citizenship, his influence within the party remains substantial¹⁷.

The group’s current figurehead is Sadegh Mahsouli, a former Islamic Revolutionary Guard Corps officer and interior minister. This is indicative of Paydari’s deep connections to the Iranian establishment.

Conservative commentator Mohammed Mohajeri’s observation that Paydari operates like a business, aiming to gain concessions from other conservative groups, underscores the transactional nature of these internal political battles. His prediction that Paydari could dominate parliamentary seats in Tehran if others do not compete reveals the strategic calculations at play¹⁸.

The critical influence of the Guardian Council in the electoral process is undeniable. Its track record of barring moderate and reformist candidates had a notable influence on the outcomes of the 2020 parliamentary and 2021 presidential elections, effectively reshaping the country’s political landscape.

This pattern of electoral intervention by the Guardian Council has not only tightened the grip of hardliners but also deepened the public disenchantment with a political system perceived as insular and unrepresentative, and further tarnished by accusations of widespread corruption within the parliament itself¹⁹.

Furthermore, as noted by former lawmaker Iraj Nadimi, the current *Majlis* suffers from a lack of influence and popularity²⁰. His critique that the parliament is incapable of effectively supervising the government and is instead simply following it, coupled with the general dissatisfaction among the public about the performance of the *Majlis*, highlights a legislative body that is disconnected from the needs of the populace. The economic crisis, the millions of people living in poverty, and the failure to reach a nuclear agreement with the West that could alleviate sanctions remain a testament to this disconnection.

With the parliamentary elections looming, the intertwined fates of conservative factions and the influential Guardian Council will significantly shape the nation’s political reality. In the absence of a reformist counterbalance, and amid growing fears within the political establishment of the potential for instability, the most likely outcome is further consolidation of power among the ranks of hardliners.

But this might only intensify the existing fractures, setting the stage for more and deeper internal conflicts within the conservative establishment itself.



As Iranians approach the ballot box in 2024, the elections for the Assembly of Experts will carry a weight far beyond their immediate political impact



THE ASSEMBLY OF EXPERTS AND ITS PIVOTAL ROLE IN THE FUTURE OF THE ISLAMIC REPUBLIC

In the upcoming elections, the vote for members of the Assembly of Experts will carry a weight far beyond its immediate political impact. This body, while relatively obscure in terms of the day-to-day governance of the country, holds a singularly crucial role in the hierarchy of the Islamic Republic: the power to appoint or dismiss a supreme leader²¹.

Given that Khamenei is now in his mid-80s, the assembly elected this year could prove to be influential in choosing his successor, a decision that will shape the nation's trajectory for years to come.

While the Revolutionary Guard and the incumbent supreme leader's office are set to be key decision-makers in the impending succession process, the significance of the Assembly of Experts as part of this intricate power play should not be discounted.

Constitutionally, the assembly is vested with significant authority but its real-world influence is often questioned. The strict control the Guardian Council exercises over candidate eligibility has ensured that the assembly remains closely aligned with the supreme leader's vision, thereby limiting any scope for independent action. Critics have decried the assembly as a mere "ceremonial council" that simply rubber-stamps decisions rather than critically evaluating them²².

Head of Iran's Islamic Revolutionary Guard Corps (IRGC) Hossein Salami delivers a speech during the funeral of Razi Mousavi, a senior commander in the Quds Force who was killed in an Israeli strike in Syria in December.
AFP

The upcoming election for the Assembly of Experts, therefore, is not only a matter of who gets to sit in an august chamber, it is about who is able to influence, to some degree, the selection of the next supreme leader and, as a result, the very future of the Islamic Republic.

The decisions and deliberations of the assembly are shrouded in secrecy, with the public largely kept in the dark about its inner workings and decision-making processes²³. Yet, as stated, the potentially significant role of the assembly cannot be overstated, particularly at a time when Iran is navigating domestic turmoil and international uncertainty.

Given that the vote for the Assembly of Experts coincides with the parliamentary elections, it is clear that the dynamics of power, the interplay of the political factions, and the role of the Guardian Council in candidate vetting will converge to influence the outcomes.

The composition of the assembly will not only reflect the current political reality in Iran but also set the stage for an impending leadership transition, which means the election for the Assembly of Experts this year potentially represents a very important moment in Iran's political history.

Indeed, the Islamic Republic finds itself at a nexus of multiple crises that casts a shroud of uncertainty over the coming year. As it attempts to navigate this turbulent economic and political climate, the nation stands on the cusp of a future the contours of which are yet to be defined.

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