On January 3rd, an American drone strike killed Qassem Soleimani, Iran's most prominent military commander and head of the regime's Qods Force paramilitary wing, in Iraq. The targeted killing came in response to escalating anti-U.S. activities by Iranian proxy forces, including the storming of the U.S. embassy in Baghdad just days earlier. In the aftermath of Soleimani's killing, the Iranian regime vowed retaliation, and subsequently carried out a rocket attack on military bases housing U.S. personnel in Iraq. The Trump administration chose not to escalate the situation, instead leveling new sanctions against Tehran. The episode, however, has heightened U.S.-Iranian tensions and galvanized international attitudes, while the Iranian regime's handling of the situation has ignited a new round of unrest within the Islamic Republic. In this special issue of the Iran Democracy Monitor, we examine the most significant aspects of the crisis so far.

REGIME VOWS MORE RETALIATION - AMID LIMITED RESOURCES
Will the Iranian regime continue to attack U.S. interests in the Middle East? Iranian foreign minister Javad Zarif appeared to suggest that the January 8th rocket attacks represented the sum total of Iran's retaliation, which had "concluded." However, Iranian Supreme Leader Ali Khamenei was quick to clarify that, while Iran's missile attack constituted a "slap" to the United States, it was "not enough" and the Islamic Republic would continue its opposition to the United States, with the ultimate goal of driving America out if the region altogether.

Doing so, however, is likely to prove difficult for the Iranian regime - at least in conventional terms. A new analysis by CNBC notes that U.S. sanctions over the past two years have inflicted extensive damage on the Iranian economy, causing a major constriction in GDP (which declined by nearly 10 percent last year). Iran's exports of crude oil have also plummeted, declining from 2 million barrels daily in 2011 to less than 500,000 barrels a day presently. Simultaneously, inflation is on the rise (currently pegged at over 30%), while nearly a fifth of the country's workforce is unemployed. All this, coupled with mounting government expenditures, limit Iran's "ability to fund a war" against the United States, the analysis concludes. However, it notes, Iran still has the option to "ramp up its aggression against the U.S." through the use of its extensive network of proxy forces in the region. (CNBC, January 8, 2020)

AIRLINER SHOOTDOWN CAUSES CRISIS AT HOME...
In the early morning of January 8th, just hours after Iranian forces fired rockets at military installations in Iraq, the Iranian regime made a major unforced error. As Tehran has been forced to acknowledge, an IRGC commander inadvertently shot down a Ukrainian civilian airliner as it took off from Imam Khomeini International Airport in Tehran, mistaking the craft for an enemy projectile, killing all 176 passengers on board. Iran's regime initially attempted to cover up the reasons for the crash, but as international attention mounted it admitted its responsibility. By doing so, however, it unleashed a new round of protests in Tehran and other urban centers - unrest that remains underway despite repeated regime crackdowns.

Unable to quell the dissent, Iran's regime is now seeking to mollify the protestors. Iranian Supreme Leader Ali Khamenei has announced plans to convene a special tribunal to assess the incident, and ostensibly to ascribe blame to culpable military officials. In the meantime, however, the regime is trying to keep a lid on information surrounding the tragedy: the Revolutionary Guards are known to have arrested at least one citizen who had documented the downing of the aircraft. (New York Times, January 14, 2020)

...AND ABROAD...
The downing of the Ukrainian airliner has roiled Tehran's relations with a host of foreign nations. Ukrainian President Volodymyr Zelensky has demanded both punishment and compensation from the Iranian regime for the incident, as has Canadian Prime Minister Justin Trudeau (because more than 60 of the passengers were Canadian nationals), and the two leaders are coordinating their responses to the crisis. Tehran's ties to London have also frayed considerably, after Iranian security forces inadvertently arrested and temporarily detained British's ambassador to Iran, Rob Macaire, during the initial surge of protests in Tehran. The British government has decried the detention as a "violation of international law." (Guardian, January 12, 2020; National Post, January 14, 2020)
Europe, meanwhile, is taking a tougher stance with the Islamic Republic regarding its nuclear commitments. In its initial response to the Soleimani killing, Tehran signalled that it was taking concrete steps to withdraw from the 2015 nuclear deal it had concluded with the West (although Iranian officials subsequently said that the steps were "reversible" in nature). The E3 countries - France, Germany, and the UK - subsequently announced that they were activating the agreement's "dispute resolution mechanism," because Iran was failing to live up to its agreements under the pact. "We do not accept the argument that Iran is entitled to reduce compliance with the [agreement]," the countries said in a joint statement. The process could eventually lead to the reimposition of UN sanctions on Iran.

Tehran, however, has rejected the European pressure - and warned the continent of potentially disastrous consequences. Iran's president, Hassan Rouhani, has warned European governments that greater pressure on the Islamic Republic could put European troops in the Middle East at risk. "Today, the American soldier is in danger, tomorrow the European soldier could be in danger," Rouhani threatened in a televised address. (Al Jazeera, January 14, 2020; Guardian, January 15, 2020)