



The JCPOA Helps Iran's Elites And Hurts Rouhani

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These are hard times for Hassan Rouhani. With fewer than two months to go until Iran's next national election, currently scheduled to take place on May 19, the long knives are out for the soft-spoken cleric who serves as the country's president.

Recent weeks have seen mounting criticism of Rouhani's stewardship of the Iranian government and the emergence of new challengers seeking to grab the political reins from the Islamic Republic's embattled incumbent. Both trends have also been blessed by Iran's supreme leader, Ayatollah Ali Khamenei, who is pushing an increasingly populist - and protectionist - political line.

WHAT PEACE DIVIDEND?

At the core of Iran's souring national mood lies the Joint Comprehensive Plan of Action (JCPOA), the nuclear deal signed between Iran and the P5+1 powers (China, France, Germany, Russia, the United Kingdom, and the United States) back in July 2015.

In his successful bid for the Iranian presidency in 2013, Rouhani banked heavily on the idea that such a deal (then quietly under discussion with the Obama administration) could bring prosperity back to a country that had been ravaged by Western sanctions. Iranian voters agreed, backing Rouhani at the ballot box and giving him the electoral mandate to turn around the economy.

But the promised peace dividend hasn't materialized - at least for ordinary citizens. True, the Islamic Republic has reaped an enormous economic windfall as a result of the agreement (encompassing some \$100 billion in previously escrowed oil revenue, reintegration into the global financial system, and a surge in post-sanctions trade). The cumulative impact of the stimulus has been nothing short of transformative. According to IMF and World Bank estimates, Iran's economy, which was teetering on the brink of collapse in late 2013, is now on a path of sustained growth.

However, prosperity hasn't trickled down to the average Iranian. As the Iranian regime has translated its newfound resources into massive, multi-billion dollar arms deals and deepening foreign adventurism in places such as Syria and Yemen, conditions for ordinary citizens remain virtually unchanged. In one example, one-quarter of the country's total workforce is currently either unemployed or underemployed. (Among Iran's youth, unemployment stands at a whopping 30 percent.) In another, almost 15 percent of the country's population is estimated to live under the internationally recognized poverty line.

NO SATISFACTION

Not surprisingly, the initial optimism that surrounded the nuclear agreement has faded considerably. A January 2017 survey by the University of Maryland's Center for International Security Studies found declining enthusiasm for the agreement among Iranians and growing dissatisfaction with its lack of tangible dividends. "A year after the deal was implemented and nuclear-related sanctions on Iran were lifted," the study notes, "majorities believe that Iran has not received most of the promised benefits and that there have been no improvements in people's living conditions as a result of the nuclear deal."

These sentiments, in turn, have translated into growing antagonism toward Rouhani. "I feel the pain of the poor and lower class people with my soul, especially because of high prices, unemployment and inequalities," Khamenei said in his official message marking the Persian New Year on March 20. "The government has taken positive steps but they do not meet people's expectations and mine."

Instead, Khamenei argued, the country needs to return to the idea of a "resistance economy" focused on nurturing domestic economic growth and eliminating "inequalities." Rather than focusing on foreign engagement, a key priority of Rouhani's administration, Iranian officials should "focus on the key issues of domestic production and employment, especially youth employment," he said.

Given Khamenei's status as the ultimate arbiter of Iranian politics, these comments were nothing short of a demarche aimed squarely at Rouhani and his government. The message was obvious: shape up or get ready to ship out.

CHALLENGERS IN THE WINGS

Khamenei's call has been taken up by a new crop of political challengers, who have emerged in recent weeks to stake their claims to the country's presidency.

Their ranks briefly included former Iranian president (and notorious political firebrand) Mahmoud Ahmadinejad, who last year launched a very public - and surprisingly popular - campaign to reclaim his former office. His hopes were dashed in the fall, though, when Khamenei himself told the former president to stand down, thereby eliminating a major obstacle to Rouhani's reelection.

But if Ahmadinejad is no longer a political threat, others are. One is Ebrahim Raisi, a former deputy national judiciary chief appointed last year as the custodian of the shrine of the Imam Reza in Mashhad (an appointment that makes him what one news outlet has termed "one of the most powerful people in Iran"). Lesser-known candidates include former Culture Minister Mostafa Mirsalim and parliamentarian Mohammed Mehdi Zahedi. Although these hopefuls espouse a fairly broad range of (regime-approved) opinions, they are nonetheless united by one fact: they all sense a political opportunity.

None of that bodes well for Iran's current president. Absent a major political upset, Rouhani is still likely to secure a second term this spring, if only because of a lack of truly popular alternatives. (Historically, there is precedent for a second Rouhani term; since the transition years of the early 1980s, every single Iranian president has succeeded in winning reelection to a second four-year stint in office regardless of his track record.)

But the growing opposition emerging to his government and the mounting (and officially sanctioned) pressure he now faces mean that Rouhani's political victory is no longer a sure thing. In other words, having staked his political credibility on the inevitable benefits of a nuclear bargain with the West, Iran's president might yet become its most high-profile casualty.

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