



Iran's Rouhani poised to become first global leader toppled by Covid-19

Iran's embattled President Hassan Rouhani may yet become the world's first political leader toppled by the Covid-19 crisis. Forsaken by his natural technocratic politically moderate allies, hemmed in by arch-conservative opponents, who are aligned with the Supreme Leader Ayatollah Seyyid Khameni, and abandoned by his western friends who he spent the last decade courting, but have mostly proven unable to save the Iran nuclear deal, even amidst falling oil prices, Rouhani risks being impeached by a disgruntled parliament. According to the Iranian Constitution Rouhani can be removed by a no-confidence vote of two-thirds of the parliament and dismissed by Khameni. Sensing a change in political tides, Rouhani may yet resign before being impeached.

With over 76,000 confirmed cases and a fatality rate of 6.3% - higher than the covid-19 fatality rate in China and the US, and possibly as high as France and Spain, if an independent Iranian parliamentary report on the pandemic is to be believed, Rouhani's political tenure which officially ends in August 2021 is now very likely in the balance. Nearly 10% of members of the Iranian parliament have tested positive for Covid-19 including the Speaker and Rouhani's 1st vice president.

Despite not showing any strong signs of abating, Rouhani has eased quarantine restrictions fearing the larger danger of total economic collapse, but risking a second wave of infections. Iran has not, unlike other countries in the region, imposed an all-encompassing lockdown on movement and economic activity. Iran's response to the outbreak has drawn condemnation from nations such as Saudi Arabia, which have publicly declared Iran a threat to the health of the entire region. Shrines and places of worship remain open within Iran, despite protestations by Iranian medical personnel, the Health Ministry and global health experts. Schools, universities, government offices and other areas deemed 'high risk' by the government have closed.

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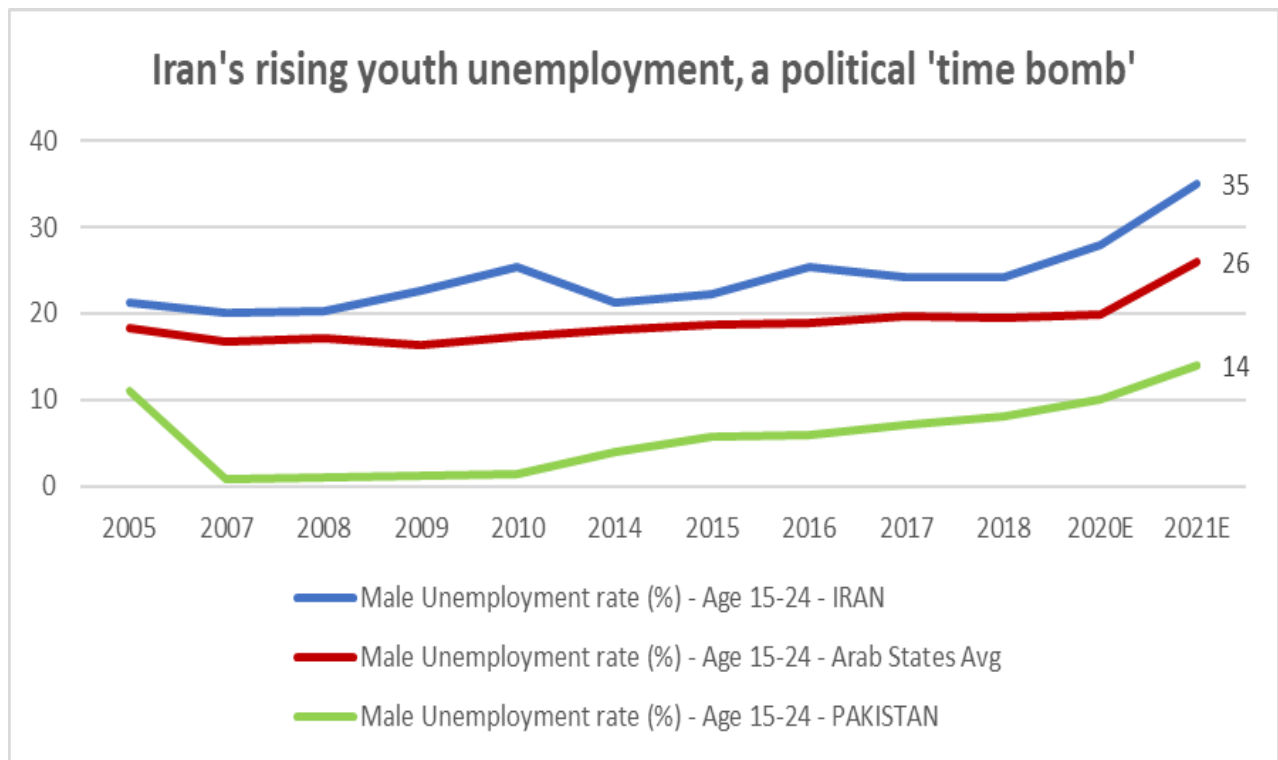
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Source: ILO/ DaMina Advisors

Rouhani’s policy of easing restrictions in favor of economic activity has ignited debate within the government and has proved controversial with members of the public. Rouhani’s decision to re-open the economy has brought him into conflict with the Health Ministry, which immediately declared the outbreak a continuing major threat. On April 6, Alireza Za’ali, head of the Health Ministry’s task force in Tehran, warned: ‘Not only have we not reached the phase of controlling this virus, but it is increasing,’ adding that the coronavirus crisis had reached ‘pandemic stage’ in the capital. Spokesman for the Health Ministry, Kianoush Jahanpour, agreed, stating that the situation remained critical and that it was still too early to resume economic activity.

The Health Ministry is now in open conflict with the executive branch of government headed by Rouhani. Moreover, it remains unclear how the easing of restrictions will play out. The lack of clarity going forward, towards a post-lockdown era, runs the significant risk of provoking Rouhani’s main support base – the educated, middle classes – to become disillusioned and dissatisfied, and support his removal from office. If this support base is lost, Rouhani’s position and his symbolic role as a representative of the moderates within the regime will be severely weakened, and the hardline clerics and clerics who comprise the bulk of the Guardian Council will be emboldened. Khameni may reject Rouhani’s resignation, but nevertheless the Rouhani’s era is virtually over.

Contact DaMina for a more detailed briefing from our Iran risk analyst:

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