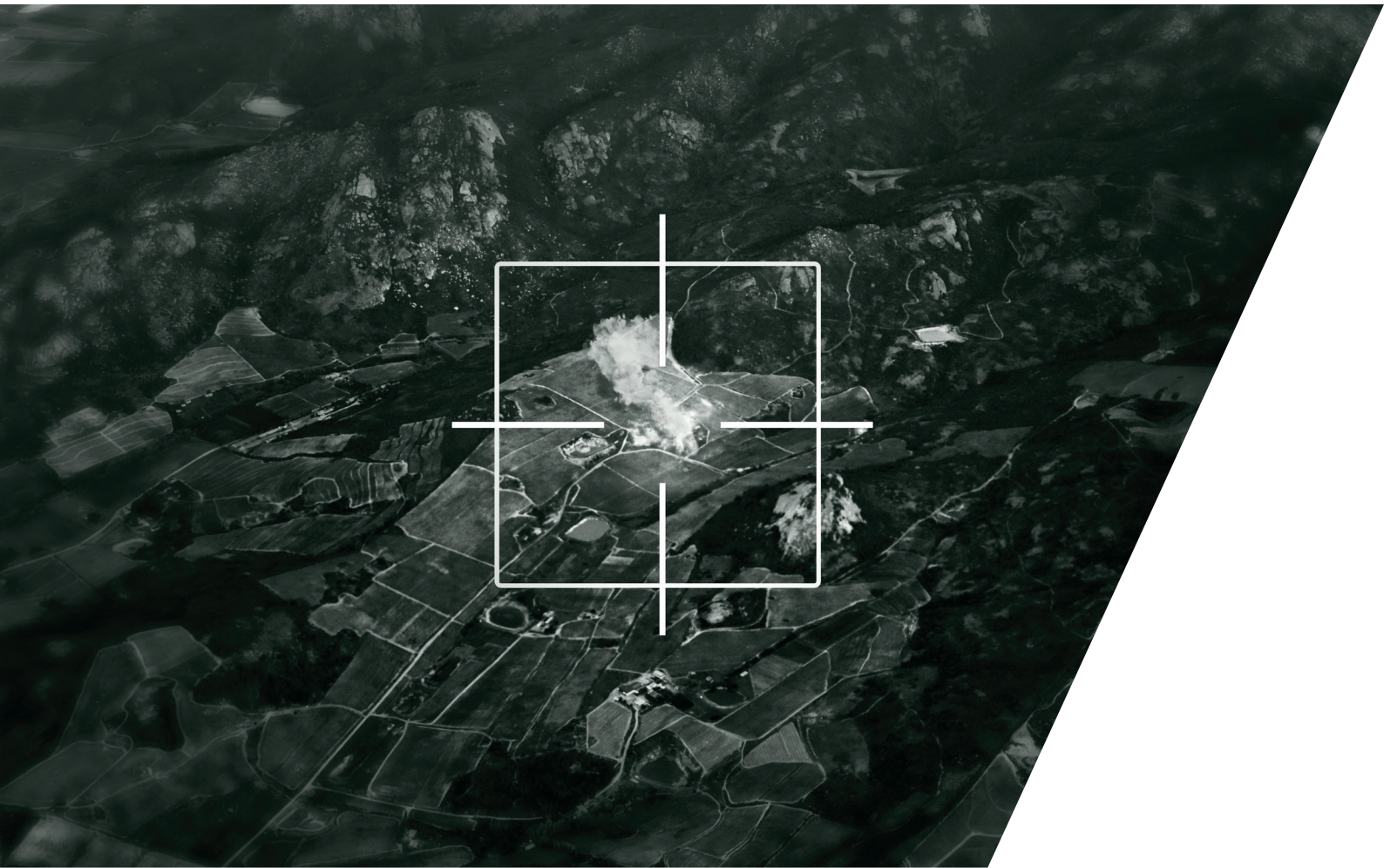


REGIME COLLAPSE IN IRAN: A NECESSITY FOR REGIONAL STABILITY?

By BARAK M. SEENER



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Barak M. Seener is an Associate Research Fellow at the Henry Jackson Society and the founder of Strategic Intelligentsia and the Gulf Futures Forum. Barak also co-hosts *The Geo-Godfather Wars* podcast on geopolitical affairs. Previously, Barak was a Global Intelligence Manager at HSBC and the Middle East Fellow at the Royal United Services Institute (RUSI) on whose behalf he has debriefed international defence and security policy makers and diplomats on matters relating to Middle East security. Barak has lectured at NATO as well as the Royal College for Defence Studies. He also staged the world’s first, and hugely successful, conference in London at the Royal United Services Institute (RUSI) on Palestinian statehood. This examined the security Implications for the region bringing together leading Israelis, Palestinians, US and European representatives in London 2011. Prior to joining RUSI, Barak was one of the Henry Jackson Society’s founders in Westminster and was the Henry Jackson Society’s Greater Middle East Section Director.

Barak published a book in 2018 entitled, “Commercial Risks Entering the Iranian Market: Why sanctions make investment in the Islamic Republic of Iran a high-risk proposition”.

Barak has published and provided analysis and expert commentary for a range of international broadcasters including *Al-Jazeera*, *BBC*, *CNN*, *Chinese CCTV*, *Fox News*, *Sky News*, *Voice of America*, and news outlets such as *Bloomberg*, *Reuters*, *Associated Press*, the *Evening Standard*, *Jerusalem Post* and *Xinhua*.

Barak has published in publications including *Newsweek*, *The National Interest*, *The American Interest*, *Jane’s Intelligence Review* and *Jane’s Islamic Affairs Analyst* on counter-terrorism, US-China dynamics, risks to supply chains, globalization and the end of the liberal international order, transatlantic relations, universal jurisdiction, nuclear proliferation and Middle East issues including the Arab Spring, tensions in Libya, Egypt and Syria, strategic and security dynamic between Iran and the Gulf, and the Palestinian-Israeli conflict.

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About Us



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About The Henry Jackson Society

The **Henry Jackson Society** is a think-tank and policy-shaping force that fights for the principles and alliances which keep societies free, working across borders and party lines to combat extremism, advance democracy and real human rights, and make a stand in an increasingly uncertain world.



About the Centre for New Middle East

The **Centre for New Middle East** is a one-stop shop designed to provide opinion-leaders and policy-makers with the fresh thinking, analytical research and policy solutions required to make geopolitical progress in one of the world’s most complicated and fluid regions.

Established following the fallout from the Arab Spring, the Centre is dedicated to monitoring political, ideological, and military and security developments across the Middle East and providing informed assessments of their wide-ranging implications to key decision makers.

Executive Summary

Iran has recently suffered several significant strategic setbacks that began with Israel targeting its air defences in April 2024 in response to Iran’s own missile attack on Israel, followed by the decapitation of Hezbollah and the fall of the Assad regime. This series of events was concluded with the 12 Day War of 13th-24th June 2025 in which Israel and the US successfully targeted Iran’s nuclear and ballistic missile facilities as well as eliminating senior Islamic Revolutionary Guards Corps (IRGC) commanders. The future of the regime was unclear while the Supreme Leader, hunkered down in a bunker, was not reachable to give orders. Not only was the strategic calculus of the Iranian regime undermined, but so was the Supreme Leader’s cult of personality which underpins the entire regime. This was the first time that Iran had been held to account for its malign activities after its ability to – over decades – establish new norms of terrorism that had not only led to the October 7 massacre, but the killing of over 1,000 US service people across the region .

Israel’s spearheading of the attacks that destabilised the Iranian regime was greenlit by the Trump administration. This was a reversal of the Biden administration’s commitment to ‘de-escalation’ that only served to embolden the Iranian regime further, as referred to in my report “Restoring Deterrence: Destabilising the Iranian Regime” that was published in May 2024.

This was also a departure for Israel and the US. Until recently, Israel maintained a purely defensive posture, striking at Iranian proxies on its immediate borders. This shielded Iran, which uses its terrorist proxies to enhance its strategic depth. The Trump administration had also shifted from maintaining a transactional ‘America First’ foreign policy that was reluctant to engage in foreign interventions to suddenly joining Israel’s strikes by dramatically bombing three enrichment sites in Iran: Fordow, Natanz and Isfahan. Suddenly Iran was exposed, and the regime appeared brittle.

Going forwards, Israel must maintain its air supremacy that affords it operational freedom in Iran. Rather than merely target uranium enrichment facilities, Israel must reconcile itself to the fact that it is the very nature of the regime that causes its nuclear goals to remain unchanged. Indeed, achieving a nuclear capability is deemed critical for regime survivability. Therefore, Israel and the US should adopt a broader strategy of seeking to topple the Iranian regime, rather than merely reacting to Iran’s malign activities in a symptomatic manner.

This report attempts to identify the likelihood of Iran backsliding into greater authoritarianism as well as sources of the current regime’s resilience and vulnerabilities. This will enable determination of which levers can be used to undermine the regime and ultimately lead to regime collapse and replacement with a better alternative.

The various measures that can be adopted to achieve this goal include:

- Military strikes accompanied by an information/communications campaign to redefine Persian nationalism, and prevent a rally-around-the-flag effect.
- Offering financial inducements and sanctuary abroad for regime officials to defect.
- Providing technologies and training for opposition and secessionist groups to coordinate activities and lay the groundworks for the day after.
- Conducting covert operations targeting regime command and control.
- Increasing sanctions.

- Recognising opposition groups and coordinating their positions prior to regime collapse to ensure a smooth transition to a new government.
- Working with neighbouring states to ensure border stabilisation.

There is a danger that regime collapse could lead to a vacuum of governance that is accompanied by civil war. This is an outcome that must be avoided at all costs for the Iranian people, and every step must therefore be made to ensure that any transition is quick and painless. By adopting some of the measures above concerning regime transition of personnel and supporting viable opposition, this threat can be overcome. Handled the right way, a controlled regime change is preferable than maintaining the current nuclear-aspiring, and terrorist-sponsoring, Iranian regime that continues to pose a danger to international security.

Introduction

Iran has become more vulnerable since Israel’s successful targeting of Iran’s air defences in April 2024, and June 2025, as well as Israel’s decapitating Iran’s proxies in the form of Hamas and Hezbollah’s command and control capabilities. Iran has also been strategically set back due to the overthrow of the Assad regime in Syria that saw Israel eliminate Syria’s conventional and chemical weapons. This has prevented Iran’s ability to easily transfer new weapon supplies to Hezbollah. As a result, Iran’s ‘Ring of Fire’ strategy of surrounding Israel by its proxies while affording the Iranian regime strategic depth has been totally undermined. This culminated in the 12 Day War of 13th-24th June 2025 where Israel successfully targeted the IRGC leadership and struck Iran’s nuclear and ballistic missile capabilities. This was coupled by a US attack on Iran’s nuclear facilities in Fordow, Natanz and Isfahan. I had advocated such strikes in a May 2024 Henry Jackson Society report, “Restoring Deterrence: Destabilising the Iranian Regime” that advanced that courting brinkmanship with Iran by targeting IRGC bases, oil terminals, and nuclear facilities would reestablish the notion of deterrence that had completely eroded.¹

The military strikes endured by the Iranian regime have subjected it to further internal and external stresses. Ali Ansari has commented that since 2009, the direction of travel of the Islamic Republic is one towards increasing dysfunction causing the state to become increasingly autocratic. This has exposed vulnerabilities making the Iranian regime increasingly brittle and increasingly unable to withstand shocks.²

Considering the recent strikes on Iran, Iran’s public sentiment currently wavers between opposition to the regime and rallying around the flag. Yet, the degree in which the regime is resilient and able to offset cultural, economic and sectarian opposition depends on the Iranian political system and the uniformity of its elite that enables it to backslide into greater authoritarianism to shore up the regime’s survivability. This is facilitated by the regime’s ability to coopt the opposition or suppress dissent via its Islamic philosophy, Persian nationalism and usage of technology. The question remains whether these can withstand internal schisms within the regime, the increasing protests that have taken place within Iran, ‘maximum pressure’ sanctions, and military strikes.

Just as Iran will reconstitute its political instruments of oppression domestically, it will seek to reconstitute terrorism, a nuclear program and a missile program. The revolutionary nature of the regime causes its sense of resilience to be wedded to exporting the Iranian revolution which it sees as vital to the regime’s survival. This drives its future nuclear ambitions as well as its usage of terrorist proxies regionally that remain. The permanent features of the Iranian regime stand in high relief against the lack of follow up on the part of Western nations. As such, the nuclear threat remains as the Iranian regime claims that it moved its fissile materials before its nuclear sites were struck, and it still possesses hundreds of ballistic missiles and launchers. In the aftermath of the 12 Day War, Iran’s Supreme Leader Ayatollah Ali Khamanei expelled the IAEA from Iran and has refused to engage with the US on Iran’s nuclear program. In turn, the Trump administration has not imposed any deadlines on Iran to respond to proposals for nuclear negotiations or set any future limits on Iran’s nuclear and ballistic missile programmes. This leaves Khamanei to reconstitute his nuclear and ballistic missile programs at will. Iran persists in being a terror state. Supreme Leader advisor, Ali Larijani, threatened IAEA head

¹ Barak Seener, “Restoring Deterrence: Destabilising the Iranian Regime”, The Henry Jackson Society, 30 May 2024, <https://henryjacksonsociety.org/wp-content/uploads/2024/05/HJS-Restoring-Deterrence-%E2%80%93-Destabilising-the-Iranian-Regime-Report-web.pdf>.
² Ali Ansari, “Twilight of the Islamic Republic?”, Stanford Iranian Studies Program, 18 April 2024, <https://www.youtube.com/watch?v=7Ohhchu127s>.

Rafael Grossi that “When the war ends, we will settle the score with Grossi”.³ Meanwhile, the Houthis that serve as Iran’s proxies from Yemen continue to attack international shipping to compensate for Iran’s setbacks in the 12 Day War.

Waiting for the regime to implode on its own accord is extremely unlikely. Reformists and hardline factions diverge on tactics – such as the degree of engagement with the West or internal reforms – but they align closely on core strategic doctrines: nuclear non-weaponization, hostility toward Israel and the US, and support for regional proxy networks. Opposition to the US and Israel remains the point of consensus within Iran, and the idea of the “Axis of Resistance” is at the core of the Islamic Republic’s foreign policy.⁴ Prior to the 12 Day War, in 2024, Reformist President Pezeshkian defended Iran’s missile program as required for defence against Israel and for protecting the countries making up the “Axis of Resistance”.⁵ As a result, the regime – whether led by reformists or hardliners – uniformly proclaim hostile rhetoric toward the US (the “Great Satan”) and Israel (the “Little Satan”). Calls for the eventual destruction of Israel and opposition to the US have been echoed by hardliners and reformists alike.

Yet, the US resisted pursuing regime change as it did not want to contend with the aftermath and the potential of state collapse.⁶ President Trump’s maximum pressure policy was never aimed at regime change. Indeed, President Trump declared regarding Iranian regime change: “We can’t get totally involved in all that. We can’t run ourselves, let’s face it.”⁷ On another occasion, President Trump stated, “Iran has a chance to be a great country with the same leadership. We’re not looking for regime change.”⁸ Yet this was before the 12 Day War, in which Israel targeted Iran’s IRGC commanders and nuclear scientists, nuclear sites, launchers and ballistic missiles, and which was followed up by the US strikes on Fordow. Since then, President Trump has changed his tune, and on 22 June, he posted on his Truth Social media platform, “It’s not politically correct to use the term, ‘Regime Change’, but if the current Iranian Regime is unable to MAKE IRAN GREAT AGAIN, why wouldn’t there be a Regime change???”⁹

Looking ahead, Western policymakers must at a minimum pursue a policy of Western-inspired regime collapse, as opposed to Western-controlled regime change. Regime collapse entails continually undermining the government’s ability to exercise power which culminates in toppling Iran’s political structure. This can only be achieved via a combination of external military strikes, as opposed to a full-scale military intervention, that targets Iran’s power centres including uranium enrichment facilities, IRGC command and control centres, targeting IRGC leaders and nuclear scientists. To achieve this, Israel must maintain its air superiority

³ Miriam Waldvogel, “Rubio condemns Iran’s threats against IAEA chief”, *The Hill*, 28 June 2025, <https://thehill.com/policy/international/5375459-rubio-condemns-irans-threats-against-iaea-chief/>.
⁴ Ray Takeyh, “What Could Change Under Iran’s New ‘Reformist’ President?”, Council on Foreign Relations, 8 July 2024, <https://www.cfr.org/expert-brief/what-could-change-under-irans-new-reformist-president>.
⁵ “Iran will never give up on its missile programme, says president”, *Reuters*, 16 September 2024, <https://www.reuters.com/world/middle-east/iran-will-never-give-up-its-missile-programme-says-president-2024-09-16/>; “Iran’s president denounces Israeli attacks on Tehran’s regional allies”, *Reuters*, 29 September 2024, <https://www.reuters.com/world/middle-east/irans-president-denounces-israeli-attacks-tehrans-regional-allies-2024-09-29/>.
⁶ Alexander Downes, “Recording: Catastrophic Success: Why Foreign-Imposed Regime Change Goes Wrong”, RUSI, 9 June 2022, <https://rusi.org/members-event-recordings/recording-catastrophic-success-why-foreign-imposed-regime-change-goes-wrong>.
⁷ Maya Mehrara, “Trump Says US Should Not Get Involved in Iranian Government Change”, *Newsweek*, 18 October 2024, <https://www.newsweek.com/trump-us-involvement-iranian-government-1971142>.
⁸ “Trump on Iran: ‘We’re not looking for regime change’”, *The Washington Post*, 28 May 2019, <https://www.youtube.com/watch?v=Otb7HYa-7jo>.
⁹ “Trump asks why there would not be ‘regime change’ in Iran”, *Reuters*, 22 June 2025, <https://www.reuters.com/world/trump-asks-why-there-would-not-be-regime-change-iran-2025-06-22/>. Two days later, President Trump walked back these comments stating, “Regime change takes chaos, and ideally, we don’t want to see so much chaos”; Alex Gangitano, “Trump backs away from leadership turnover in Iran: ‘Regime change takes chaos’”, *The Hill*, 24 June 2025, <https://thehill.com/homenews/administration/5366093-trump-backs-away-from-leadership-turnover-in-iran-regime-change-takes-chaos/>.

over the Iranian skies to continuously demonstrate a credible threat to the Iranian regime. This should be coupled with offering Iranian officials financial incentives to defect, providing the kind of stability for what follows that was never seen in post-Saddam era Iraq, while helping support – but not control – Iranian opposition groups to topple the regime.

To this end, policymakers must consider the strengths and weaknesses of the Iranian regime in the spheres of: its regional strategy; political framework; how it taps into religious and nationalist identities; cultural and economic opposition; and sectarianism.¹⁰ This will inform the strategies they employ to weaken the regime and empower the opposition that could replace it.

There are different scenarios that could play out in the event of regime collapse. The worst-case scenario is that the IRGC could consolidate power and establish an alternative leadership given the deep entrenchment of the IRGC within Iran’s state apparatus, and the decentralized nature of Iran’s Basij militia.¹¹

Alternatively, a new regime that emerges while not being IRGC-led may not be a liberal democracy, but still authoritarian and anti-Western in its orientation. This non-nuclear anti-Western regime would find it challenging to construct tools of repression at home and project power abroad in the short-medium term.

The best case would be an enlightened participatory democracy taking advantage of the education and cultured background of the Iranian people. But without a credible vision for a post-regime future, many Iranians fearing Syrian or Iraqi-style chaos could be deterred from taking the risk of opposing the regime. This credible vision must therefore be constructed to give some hope for change. A critical component for this post-regime is one that offers stability that is an alternative to the structured state model of *Velayat-e faqih* (Guardianship of the Islamic Jurist). Absent such a model, the regime, while deeply unpopular, remains the ‘devil they know,’ and therefore preferable to the unknown and potentially chaotic.

A non-nuclear Iran that does not export terrorism is in the strategic interests of the West. This entails regime collapse. The West must work with liberal opposition groups that are pro-Western in their orientation to empower them to create a solution for ‘the day after’. To this end, this report considers Western coordination of opposition forces to promote a transition that offers a degree of continuity to avoid a vacuum of governance that would undermine effective opposition.

¹⁰ These factors that assess the Iranian regime’s resilience in terms of authoritarian backsliding, democratic opening or prospects of regime collapse are based on the six theory families that serve as indicators. The six theory families produced by USAID in partnership with the Institute of International Education include: Political leadership; Political culture; Political institutions; Political economy; Social structure and political coalitions; and International factors. Ellen Lust and David Waldner, “Theories of Democratic Change Phase I: Theories of Democratic Backsliding Research and Innovation Grants”, Working Papers Series, 13 May 2015, <https://www.iie.org/wp-content/uploads/2022/12/DRG-Center-Working-Paper-Yale-TOC.pdf>.
¹¹ This outcome may, in fact, be worse than the current regime, given the IRGC’s radical ideology and its potential to act with fewer restraints than the Supreme Leader’s strategic approach.

Chapter 1 – Hybrid Regime

The Iranian regime has made itself resilient and coopted the opposition by having a hybrid political system that offers the façade of being democratic. In this system, Reformists focus on increasing civic freedoms within the existing authoritarian framework of the regime. This often, but not always, makes them mere cheerleaders for the regime, amplifying its positions to the opposition’s broader base. This has deceived the international community who focus on the need to empower reformists which the regime never allows to happen. Iran’s hybrid political system is based upon an autocratic Islamic identity and claiming divine sovereignty as enshrined in the Constitution and implemented through the Supreme Leader and clerical oversight mechanisms.¹² This is accompanied by democratic features that includes elements of republicanism promoted through elected institutions and a judiciary which serves as a front to sustain the Iranian regime’s autocratic features.¹³

The Supreme Leader maintains his firm grip on power as ultimately, he controls the entire political system. Both the elected and unelected institutions are subordinate to the Supreme Leader, an unelected figure who holds ultimate authority over the armed forces, judiciary, media, foreign policy, and the powerful Islamic Revolutionary Guard Corps (IRGC).¹⁴ The Supreme Leader holds more power than the broader clerical establishment due to his coercive authority, though his authority is legitimized by that establishment. The clerical class is influential but structurally subordinated to the office of the Supreme Leader (*rahbar*).¹⁵

Elected institutions that include the president, parliament (*Majles*), and city councils are subordinated to unelected institutions that include the Guardian Council a body of twelve clerics and jurists – half of whom are directly appointed by the Supreme Leader. The Guardian Council is responsible for vetting candidates for elections and approving all legislation passed by the parliament. In practice, this means that only regime-approved individuals can run for office, while dissenting voices and reformist candidates are systematically disqualified. The IRGC, and the Judiciary can override, veto, or block any of the President’s initiatives, and effectively dictate the scope of the President’s reforms and policy.¹⁶

The so called ‘democratic’ features of the regime such as elected institutions, and the reformists that don’t seek regime collapse but reforms within the autocratic structures of the

¹² Hybrid regimes combine authoritarian mechanisms – such as restricted civil liberties and suppression of dissent – with limited and controlled democratic institutions – such as parliaments, courts, and elections. Cited in Steven Levitsky and Lucan Way, “Competitive authoritarianism: Hybrid regimes after the cold war”, Cambridge University Press, 2010; Terry Lynn Karl, “The Hybrid Regimes of Central America”, *Journal of Democracy*, Volume 6, Issue 3, 72-86, July 1995, <https://www.journalofdemocracy.org/articles/the-hybrid-regimes-of-central-america/>. Even while these governments embrace democratic aspects, they hardly ever strive for true democratisation. Instead, these features maintain authoritarian control while acting as legitimacy instruments. Cited in Joakim Eckman, “Political Participation and Regime Stability: A Framework for Analyzing Hybrid Regimes”, *International Political Science Review*, Vol. 30, No. 1, January 2009, <https://www.jstor.org/stable/pdf/20445173.pdf>. This enables them to sustain power through pluralistic fronts, striking a balance between adaptation and authoritarianism. Cited in Levitsky, Steven and Way, Lucan, “Competitive authoritarianism: Hybrid regimes after the cold war”, Cambridge University Press, 2010, <https://www.journalofdemocracy.org/articles/the-new-competitive-authoritarianism/>; Pejman Abdolmohammadi and Giampiero Cama, “Iran as a Peculiar Hybrid Regime: Structure and Dynamics of the Islamic Republic”, *British Journal of Middle Eastern Studies*, Vol. 42, No 4, October 2015, <https://www.jstor.org/stable/43917150?seq=1>.

¹³ Ibid.

¹⁴ The theoretical Basis for Khamanei’s authority is ‘Velayat-e Faqih’ (Guardianship of the Islamic Jurist) that is the founding doctrine of the Islamic Republic, developed by Ayatollah Khomeini. This doctrine places ultimate authority in the hands of one senior Islamic jurist – the Supreme Leader – who acts as the political and religious guardian of the nation.

¹⁵ As the Clerical Class maintains symbolic and bureaucratic influence, their influence is limited to religious interpretation, not governance. As such, they reinforce rather than scrutinize the Supreme Leader. Furthermore, the IRGC is more loyal to the Supreme Leader than to any clerical body.

¹⁶ The roles of these elected and unelected bodies are formally defined in the Constitution. Translated by Firoozeh Papan-Matin, “The Constitution of the Islamic Republic of Iran”, (1989 Edition), *Iranian Studies*, Volume 47, Issue 1, January 2014, Published online by Cambridge University Press: 01 January 2022, <https://www.cambridge.org/core/journals/iranian-studies/article/abs/constitution-of-the-islamic-republic-of-iran-1989-edition/315CA81F3A6EB6F9D150D9EE367911C0>.

regime, serve to sustain the regime’s survivability. Indeed, the reformist Mir Hossein Mousavi Mousavi’s 2009 presidential camp emphasized greater civil liberties and judicial transparency within the regime’s existing framework. Reformists also advocate engagement with the international community.

There is good reason to be sceptical of the legitimacy of internal regime-linked actors. Iran’s hybrid regime is like a Russian Matryoshka doll. Not only does the regime hide behind its proxies, its hardliners hide behind reformists. While there are tonal and tactical differences between hardliners and reformists, both factions adhere to the Supreme Leader’s core strategic red lines. This has led to substantial continuity between them on issues ranging from nuclear program continuation, anti-Israel/US posture, and regional proxy support. This occurs as ultimately decision-making resides with the Supreme Leader and his associated organs. These structural constraints create continuity across administrations.¹⁷

This has led opposition groups such as the National Council of Resistance of Iran (NCRI) and the Mojahedin-e-Khalq (MEK) to seek full regime change and the establishment of a secular, democratic Iran.¹⁸ In response, Reformists charge that regime change groups are too radical or externally compromised operating in exile, and lacking credibility or consensus support within Iran.¹⁹ In turn, regime-change groups deem reformists such as Mir Hossein Mousavi, former Prime Minister of Iran, Mehdi Karroubi, leader of the National Trust Party which remains committed to Ayatollah Khoumeini’s political thought or Mohammad Khatami, former President of Iran to be ineffective as they have either been sidelined or placed under house arrest.²⁰ They even accuse reformists of being complicit in maintaining the current regime.

An example of the President being a mere puppet of the regime is President Masoud Pezeshkian, a reformist who was elected in 2024 promising social and economic reforms, such as easing the strict hijab enforcement, more internet freedom, and greater interactions with the West.²¹ The reason for the regime allowing a reformist to participate in the presidential elections was to quell some of the widespread dissatisfaction, after shutting out reformists from power for three years.²²

Furthermore, Pezeshkian was allowed to run as his platform appealed to the population contrasting with the more conservative hardline candidate, Saeed Jalili, who more clearly aligned with the regime ideology.²³ Yet, President Pezeshkian met significant resistance from the IRGC that prevented him from advancing his agenda of economic reform and his proposition to initiate nuclear discussions to ease sanctions. Similarly, Pezeshkian’s aims to increase social

¹⁷ Mohammad A. Salih, “Pezeshkian and Iran’s Regional Policy: Continuity and Grappling with Structural Constraints”, Foreign Policy Research Institute, 26 July 2024 <https://www.fpri.org/article/2024/07/pezeshkian-and-irans-regional-policy-continuity-and-grappling-with-structural-constraints/>.

¹⁸ John Irish, “Dissident leader abroad urges Iranians to bring down Khamenei”, *Reuters*, June 24, 2025, <https://www.reuters.com/business/media-telecom/dissident-leader-abroad-urges-iranians-bring-down-khamenei-2025-06-24/>; Arron Metat, “Terrorists, cultists – or champions of Iranian democracy? The wild wild story of the MEK”, *The Guardian*, November 9, 2018, <https://www.theguardian.com/news/2018/nov/09/mek-iran-revolution-regime-trump-rajavi>. As a result, the MEK’s history, authoritarian structure, and past terrorist designation has make it deeply unpopular inside Iran, despite its high-profile international visibility.

¹⁹ “Who makes up Iran’s fragmented opposition?”, *Reuters*, 18 June 2025, <https://www.reuters.com/business/media-telecom/who-makes-up-irans-fragmented-opposition-2025-06-18/>.

²⁰ “Former Iranian president asks Supreme Leader to end house arrests”, *Reuters*, 21 August 2016, <https://www.reuters.com/article/world/former-iranian-president-asks-supreme-leader-to-end-house-arrests-idUSKCNIB00PG/>.

²¹ Garrett Nada, “What You Need to Know About Iran’s Election and New President”, United States Institute of Peace, 2024, <https://www.usip.org/publications/2024/07/what-you-need-know-about-irans-election-and-new-president>.

²² Sina Toossi, “Iranians Voted for Change. Will They Get It?”, *Foreign Policy*, 9 July 2024, <https://foreignpolicy.com/2024/07/09/pezeshkian-iran-reformist-president-election-change/>.

²³ Parisa Hafezi, “Who is Masoud Pezeshkian, Iran’s new president-elect?”, *Reuters*, 6 July 2024, <https://www.reuters.com/world/middle-east/irans-pezeshkian-brings-hopes-moderation-after-routing-hardline-rival-2024-07-06/>.

and internet freedoms have been undermined by the Supreme Council of Cyberspace.²⁴ At the same time, the unelected centres of power within the regime present President Pezeshkian as a scapegoat for Iran’s pervasive economic hardship.²⁵

More fundamentally, a hybrid regime is a double-edged sword that threatens its own survivability. On one hand, it appears inclusive and invites mass participation in its political process, on the other hand, the durability it affords the autocratic regime also alienates the public and delegitimizes it. This occurred in 2023, when a new amendment enabled the Guardian Council to remove a candidate from ‘office’ even after being elected. This dissuaded some reformist figures from registering in the last parliamentary elections as they anticipated highly unfair elections contributing to an all-time low turnout.²⁶ As a result, only 25 out the 61 million eligible voters took part in the 2024 parliamentary elections.²⁷ Even mass alienation benefited the regime as it led to the Coalition Council of Islamic Revolution Forces securing 107 seats in the 2024 elections with many candidates having explicit ties to the IRGC, reflecting the true authoritarian nature of the regime.²⁸

Moreover, the regime has been uncanny in its ability not only to coopt the opposition, but to align it with the regime’s hardline position to the point that reformists are not genuinely reformist. While reformists are often cited for seeking to improve Iran’s relations with Europe and the US, this has been resisted by hardliners.²⁹ Prior to Israel’s military strikes on Iran, the mounting pressure on the Iranian economy resulting from sanctions did not lead Pezeshkian calling for relations with the US but rather led him to echo the Supreme leader’s position. Pezeshkian stated “When the Supreme Leader said we don’t negotiate with the United States, I announced we won’t negotiate with the United States. That is the end of the story.”³⁰

Similarly, during the 12 Day War, reformists condemned Israel’s military strikes echoing the stance of the regime. Former President Hassan Rouhani asserted that “enemies cannot shake the resolve of the Iranian people through threats and aggression,” saying that the “faith, knowledge and resilience” of Iranians will aid in “rebuilding the path of national strength.”³¹ Similarly, Azar Mansouri, head of the Reformist Front of Iran, wrote on X that the Israeli assault “has further revealed the criminal, warmongering, and evil nature [of Israel].” She added that the “priority” for Iranians now was “unity in the legitimate defence” of the country without elaborating further.³²

²⁴ “Tightening the Net: Iran’s new phase of digital repression”, Article 19, July 2024, https://www.article19.org/wp-content/uploads/2024/07/Supreme-Council-of-Cyberspace_final-2.pdf.
²⁵ Alex Vatanka, “President Pezeshkian: Already a lost cause?”, Middle East Institute, 26 March 2025, <https://www.mei.edu/publications/president-pezeshkian-already-lost-cause>.
²⁶ “Closing Circles: Iran’s Exclusionary 2024 Elections”, International Crisis Group, 12 March 2024, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iran/closing-circles-irans-exclusionary-2024>.
²⁷ David Gritten, “Iran elections: record low turnout in polls as hardliners win”, *BBC News*, 4 March 2024 <https://www.bbc.com/news/world-middle-east-68467595>.
²⁸ “File: Iran Islamic Assembly 2024”, *Wikimedia*, https://commons.wikimedia.org/wiki/File:Iran_Islamic_Consultative_Assembly_2024.svg.
²⁹ Nikita Smagin, “Is Iran’s Pro-Reform President a Threat to Russia-Iran Ties?”, Carnegie Endowment, 19 July 2024, <https://carnegieendowment.org/russia-eurasia/politika/2024/07/iran-new-president-pezeshkian?lang=en>.
³⁰ Patrick Clawson, “Iran’s Sour National Mood Could Complicate US Engagement”, Washington Institute, 6 March 2025, <https://www.washingtoninstitute.org/policy-analysis/irans-sour-national-mood-could-complicate-us-engagement>.
³¹ “Iranian politicians condemn Israeli attack in unison, but some differ on response”, *Amwaj.media*, 14 June 2025, <https://amwaj.media/en/media-monitor/iranian-politicians-condemn-israeli-attack-in-unison-but-some-differ-on-response>.
³² Azar Mansoori (@MansooriAzar), X, 13 June 2025, <https://x.com/MansooriAzar/status/1933379006293737482>.

Chapter 2 – Iran’s Nationalist & Spiritual Identities

Iran’s Shiite Identity

Iran reinforces its survival using Shiite Islamic terminology and tapping into Persian nationalism. Thus, regime change does not necessarily entail a democratic system that is pro-Western in its orientation. It is conceivable that what could take the regime’s place could be an alternative autocratic regime that is religious or Persian nationalist in nature with a confrontational stance *vis a vis* the West.³³

Iran’s Supreme Leader enjoys religious legitimacy as the Supreme Leader of the Shiite faithful which Khamanei wields, in accordance with the Shiite doctrine of *velayat-e faqih*, to position himself at the apex of the Iranian regime’s political hierarchy. This doctrine regards Ayatollah Ali Khamenei as the deputy of the Hidden Imam, Muhammad al-Mahdi. Its centrality directs the organs of the state on a war footing with the West until the return of the Hidden Imam. Preserving the state and the faith is synonymous with resisting the little and great Satan.³⁴

The Iranian regime conducts itself in line with classical Shiite doctrine and couches Iran’s strategic calculus in Shiah terminology. This contributes to the regime’s survivability by even presenting its losses as gains which affords the regime legitimacy enabling it to save face from humiliation.

Iran has conducted endless rounds of nuclear negotiations with the West through the idea of *saber* (strategic patience). Even its recent ceasefire with Israel in the aftermath of the 12 Day War has been to alleviate mounting pressure on the regime that threatens its survivability. In turn, this informs the principle of *taqiyya* (flexibility and deception) to conceal Iran’s true intentions to buy time. Taqiyya was expressed in the past by Reformist representative, Hassan Rouhani, who publicly boasted that Iran used negotiations and even suspending its nuclear development as cover to advance key nuclear facilities such as Isfahan, and the Arak heavy-water reactor.³⁵ This underscored the continuity of Iran’s strategy that supposed factional differences between hardliners versus reformists provided cover for.

Khamanei has referred to concepts such as ‘Jihad’ (holy war) and ‘Shahada’ (martyrdom) in the battle against Israel. On the occasions that Khamenei admitted to military losses, he justified the losses of the IRGC and Iranian terrorist proxies to Israel by framing it as the sacrifice of ‘shahada fighters’ or ‘men of faith.’ On other occasions, the Supreme Leader has refused to address the decimation of Hezbollah and Hamas.³⁶

It is a mistake to frame the regime choosing survivability based on a rational and pragmatic calculus in contrast to its extreme theological doctrine.

³³ Barbara Geddes, Joseph Wright, and Erica Frantz, “Autocratic Breakdown and Regime Transitions: A New Data Set”, *Perspectives on Politics*, Cambridge University Press, 14 July 2014, <https://www.cambridge.org/core/journals/perspectives-on-politics/article/abs/autocratic-breakdown-and-regime-transitions-a-new-data-set/EBDB9E5E64CF899AD50B9ACC630B593F>. Iran has already undergone an authoritarian regime change. The protests of 1979 that led to the fall of the Shah of Iran were followed by a radically different autocratic regime led by Ayatollah Khomeini who consolidated power, p.313.
³⁴ Khamenei sees himself as a source of religious authority and has issued fatwas emphasizing the preservation of Iran as a supreme value in the struggle against its enemies.
³⁵ “In Their Own Words: For Iranians, Negotiations = Stalling”, *Time*, 16 January 2012, <https://time.com/archive/7156057/in-their-own-words-for-iranians-negotiations-stalling/>. Hassan Rouhani repeatedly portrayed Iran’s nuclear development as foundational to national sovereignty and identity. Rouhani asserted, “The centrality of identity extends to the case of our peaceful nuclear energy program. To us, mastering the atomic fuel cycle and generating nuclear power is as much about diversifying our energy resources as it is about who Iranians are as a nation, our demand for dignity and respect and our consequent place in the world.” Similarly, at a Geneva agreement in 2013, Rouhani announced: “The nuclear deal ... recognizes Tehran’s ‘rights’ to maintain an atomic program.”; “Rouhani says Iran’s nuclear ‘rights’ sealed by deal”, AP & Gavriel Fiske, 24 November 2013, <https://www.timesofisrael.com/rouhani-says-nuclear-rights-sealed-by-deal/>.
³⁶ Ibid.

Regime survivability and Shiite eschatological doctrine of ushering the ‘final Mahdi’ are deeply intertwined to the point that losses can be used to shore up legitimacy and justify increased authoritarianism and repression. The ideology of the Iranian regime to export the Iranian Revolution and destabilise the Middle East via its nuclear program and terrorist proxies is driven by a desire to hasten the Mahdi’s return. As such, the regime will not willingly forgo the nuclear program and cede its enriched uranium, which advances Persian nationalistic impulses as well as the regime’s theological outlook.

While the Iranian regime derives legitimacy from its political Shiite doctrine, a gap has emerged between this doctrine and the public perception of the Supreme Leader which makes the regime vulnerable. As the Supreme Leader adopts a hardline and intractable position *vis a vis* the West, it undermines the Iranian economy. In a May 20th speech, the Supreme Leader doubled down on contentious nuclear policies as well as using aggressive rhetoric towards the US. The speech triggered a plunge in the country’s stock exchange as well as a further devaluation of the Iranian currency, the Rial.³⁷

There has been a crack within the cult of personality surrounding the Supreme Leader, amongst others regarding corruption and violent crackdowns in response to public unrest. “The Ayatollah’s continuous miscalculations, misjudgements, consistent U-turns have begun to crack this veneer for his radical cult of personality, repeatedly challenging the belief that their master can do no wrong due to his special divine connection.”³⁸ This Supreme Leader’s divinity has been undermined in the aftermath of Israel’s strikes on Iran that saw the Supreme Leader hiding in a bunker and being unable to make policy decisions.³⁹

More fundamentally, the regime’s Shiite ideology that bestows divinity upon the Supreme Leader is increasingly divorced from Iran’s demographic reality of which a majority does not subscribe to it. In 2024, a survey conducted by Iran’s Ministry of Culture and Islamic Guidance revealed that 85 percent of Iranians have become less religious compared to 5 years ago, while 73 percent of Iranians advocate for the separation of religion from state, indicating an unprecedented demand for a secular government.⁴⁰ Furthermore, the regime claims that 99.5% of its population is Muslim but a survey conducted in 2020 showed that only 40% of its population actually identified as Muslim.⁴¹ Within that percentage, only 32.2% identified as Shi’ite Muslim. Nonetheless, the survey showed that the majority of the population believe in God – 78.3%.⁴²

The Iranian regime is increasingly finding it challenging to penetrate Iranian society as Iran is undergoing a great degree of secularization of society, leading the Iranian state and society to move in different directions. A survey reported by *The Week* reported that about 80% of the population of 90 million oppose the religious ruling elite.⁴³

In the wake of Israel’s strikes against Iran in the 12 Day War, many Iranians cried, “Death to Khamenei” blaming Khamenei for “dragging the people into a pointless war.” This was as they

³⁷ Farid Mahoutchi, “Khamenei’s Hardline Stance on Nuclear Program Exposes Deepening Instability in Iran’s Regime”, NCRI, 20 May 2025, <https://www.ncr-iran.org/en/news/khameneis-hardline-stance-on-nuclear-program-exposes-deepening-instability-in-irans-regime/>.

³⁸ Saeid Golkar, Kasra Aarabi, “The Developing Cracks in Khamenei’s Cult of Personality”, *Fikra Forum*, 14 May 2025, <https://www.washingtoninstitute.org/policy-analysis/developing-cracks-khameneis-cult-personality>.

³⁹ Farnaz Fassihi, “Sheltering in a Bunker, Iran’s Supreme Leader Prepares for the Worst”, *The New York Times*, 21 June 2025, <https://www.nytimes.com/2025/06/21/world/middleeast/iran-ayatollah-israel-war.html>.

⁴⁰ “Government Study Shows Iranians Less Religious Than Before”, *Iran International*, 24 February 2024, <https://www.iranintl.com/en/202402245769>.

⁴¹ Ammar Maleki and Pooyan Tamimi Arab, “Iranians’ Attitudes Toward Religion: A 2020 Survey Report”, The Group for Analyzing and Measuring Attitudes in Iran, August 2020.

⁴² Ibid.

⁴³ “Iran: Is regime change possible?”, *The Week*, 7 July 2025, <https://theweek.com/politics/iran-regime-change-possible>.

perceived the conflict as a war between Khamenei’s regime and Israel, as opposed to an attack on the populace. On June 14, a video was posted of young people dancing as they watch the Israeli air raids through their window and a woman commented “they strike, we dance”.⁴⁴ This narrative illustrates a deliberate political backlash, with demonstrators using the strikes to reject not only clerical rule, but the Supreme Leader’s spiritual status that bestows him with political legitimacy.

Iran’s secularization of society and rejection of the Supreme Leader’s spiritual status resonates with the exiled Iranian opposition. The NCRI’s ‘Ten-Point Plan’ offers a secular-republican roadmap that seeks to dismantle the Iranian theocracy by removing the constitutional powers of the Supreme Leader.⁴⁵ This would be achieved by abolishing religious oversight bodies such as the Guardian Council, removing clerics from political authority, and codifying secular law. This is aligned with its leader and son of the last Shah of Iran, Reza Pahlavi’s, position of Iran being a secular democracy.⁴⁶ These secular policy positions amongst domestic and exiled opposition groups should be coordinated by Western states so that a future regime that emerges will separate mosque from state.

Persian Nationalism

Regardless of the weakening of the claims of divinity underpinning the Iranian regime, the state can make recourse to tap into Persian nationalism which is partially based on anti-Western sentiment. While Persian nationalism is not purely anti-Western,⁴⁷ anti-Western sentiment has been instrumental in shaping it, especially since 1979.

The Iranian Revolution in 1979 was partly a reaction against perceived Western influence and interference in Iranian affairs, especially under the Pahlavi regime and its close ties with the United States. As a result, Persian nationalism was sparked by the desire to establish an independent country free from Western powers, especially the US, rather than necessarily to establish a new nation. Some Iranians saw the US’s Westernized lifestyle as a threat to their cultural identity. Following the toppling of the Shah, Iran was undergoing significant upheavals, and Iranians sought to construct a common narrative for the people to rally around that was distinct from the West and that would oppose US engagement in cultural, economic and political matters in their bid to resist future imperialism. Therefore, following the revolution, Iranians developed a foreign and internal policy agenda emphasizing the necessity of opposing foreign forces.⁴⁸ The Iranian elite, coming mostly from religious backgrounds, emphasized “Iranian” in all facets of life to protect against these alleged Western dangers. In this respect, Persian nationalism and religion reinforced one another.

Since 1979, Iran’s internal and foreign policy has been built around the idea of resisting foreign domination. The hostage crisis at the US embassy in 1979 was a direct result of anti-Western sentiment and solidified this image of Iran as a nation resisting Western dominance. It served both internally, to unite the public behind a new revolutionary identity, and externally, to signal the end of US hegemony in Iranian affairs. The crisis entrenched resistance nationalism,

⁴⁴ Sayeh, Janatan, “‘They strike, we dance’ – Iranians damn the regime amid Israeli barrage”, *New York Post*, 17 June 2025, <https://nypost.com/2025/06/17/opinion/we-dance-iranians-damn-the-regime-amid-israeli-strikes/>.

⁴⁵ “Maryam Rajavi’s Ten Point Plan for the Future of Iran”, NCRI, 15 August 2025, <https://www.ncr-iran.org/en/maryam-rajavis-ten-point-plan-for-future-iran/>.

⁴⁶ Yuval Barnea, “‘This is our Berlin wall moment’: Crown Prince Reza Pahlavi calls for regime change in Iran”, *The Jerusalem Post*, 23 June 2025, <https://www.jpost.com/middle-east/iran-news/article-858704>.

⁴⁷ Persian nationalism draws on pre-Islamic heritage, celebrating ancient empires, language and monuments, and this can sometimes contrast with Islamic revolutionary nationalism.

⁴⁸ Ryan Schweitzer, “Nationalism through Insecurity: why 1979 Iranian Revolution started?”, *Armstrong History Journal*, 3 April 2019, <https://armstronghistoryjournal.wordpress.com/2019/04/03/nationalism-through-insecurity-why-1979-iranian-revolution-started/>.

legitimizing the Islamic Republic’s anti-Western posture for decades to come.⁴⁹ Resisting foreign domination has also included support for resistance movements such as Hezbollah and Hamas, framed as anti-imperial solidarity.

This has been coopted by the Iranian regime which has successfully pursued policy continuity, as like hardliners, reformist foreign policy has not deviated from Iran’s fostering of regional instability. Whether reformist or hardline, Iran has continued to back proxy forces like Hezbollah, militia groups in Iraq, and Palestinian resistance movements – a central tenet of its regional strategy. President Masoud Pezeshkian expressed staunch backing for Hezbollah and the broader ‘resistance’: “The Islamic Republic of Iran has always supported the resistance of the people in the region against the illegitimate Zionist regime. Supporting the resistance is rooted in the fundamental policies of the Islamic Republic of Iran, the ideals of the late Imam Khomeini, and the guidance of the Supreme Leader, and will continue with strength.”⁵⁰ Similarly, Rouhani referred to Israel as “a cancerous tumour” and emphasized regional resistance: “Syria has remained the only country in the region to resist Israeli expansionist policies.”⁵¹ While reformists may advocate conducting diplomacy with the West, it is never at the expense of abandoning these alliances with terrorist proxies.

Even opposition movements that reject the Islamic Republic often retain anti-western tones, viewing foreign powers as historically complicit in Iranian repression. This reflects a deep national memory of colonization, resource extraction and foreign meddling, such as British oil interests and the 1953 coup.⁵²

As a result, Israel’s military strikes triggered a surge of Iranian nationalism, momentarily bridging long-standing ideological divisions between nationalist and progressive Muslim groups as they both equally opposed strikes on Iran. However, this unity is tactical and transient as it reinforces regime narratives about external threats and distracts from the push for internal reform.⁵³ Thus, future military strikes must be accompanied by influence campaigns aimed at the Iranian public asserting that it is the Iranian regime that is an Iranian historical aberration as opposed to the West’s military intervention. The alternative is for military strikes alone to enable the regime to penetrate Iranian society with a rallying around the flag effect.

⁴⁹ Coscia, Monica, “The Fateful 52: How the American Media Sensationalized the Iran Hostage Crisis”, *E-International Relations*, 20 August 2016, https://www.e-ir.info/2016/08/20/the-fateful-52-how-the-american-media-sensationalized-the-iran-hostage-crisis/#google_vignette.

⁵⁰ “Iran: president-elect tells Hezbollah that support is ‘rooted’ in fundamental policies”, *Middle East Memo*, 9 July 2024, <https://www.middleeastmonitor.com/20240709-iran-president-elect-tells-hezbollah-that-support-is-rooted-in-fundamental-policies/>.

⁵¹ Cited in Suzanne Maloney, “Iran, Syria, And The Sectarian Challenge”, Brookings Institution, 1 July 2013, <https://www.brookings.edu/articles/iran-syria-and-the-sectarian-challenge/>.

⁵² “Key Events in the 1953 Coup”, *The New York Times*, available at: <https://archive.nytimes.com/www.nytimes.com/library/world/mideast/041600iran-coup-timeline.html>.

⁵³ Aarash Azizi, “I hate Khamenei’s regime. But I love Iran even more”, *The Washington Post*, 19 June 2025, <https://www.washingtonpost.com/opinions/2025/06/19/iran-israel-regime-change/>.

Chapter 3 – Schisms Within the Regime

Increased authoritarianism and concentration of power ironically creates cracks within the regime. In a political framework in which the Supreme Leader and the IRGC prevents pluralism and hinders consensus-building, a wedge can be created between rival factions such as hardliners and reformists. A foreign-led information/communications campaign can galvanize the opposition operating outside the regime, which can deny public support for reformists operating within the regime. This can push the regime towards implosion as schisms within the regime become genuine. Reformists who due to the public’s pressure no longer can serve to amplify the regime’s line can be induced to compete for influence rather than collaborate. These tensions can be heightened by military strikes on regime targets. Israel’s recent strikes on Iran exacerbated this atmosphere of fear and distrust between the regime and the Iranian public. It is noteworthy that the absence of an information/communications campaign did not lead to public opposition to pressure reformists to criticise the regime, which led reformists to instead rally around the regime.

Cracks & Distrust

Earlier in July 2024, Israel’s assassination of Hamas political leader Ismail Haniyeh, who was under IRGC protection in Tehran, triggered purges within the Iranian regime, amplifying its paranoia.⁵⁴ The purges aimed to eliminate Israeli intelligence penetration of the regime and sever any intelligence Israel was receiving from the IRGC or government bodies.⁵⁵ Similarly, in early September 2024, Israel detonation of Hezbollah members’ pagers and walkie-talkies further raised concerns amongst regime elites.⁵⁶ The tipping point came with Israel’s assassination of Hezbollah leader Hassan Nasrallah, which caused Supreme Leader Khamanei to fear for his life and lose trust in those around him.⁵⁷ In response, investigations were opened to verify if there was infiltration in elite-circles of the regime, and whether someone, especially within the military ranks, was responsible for a leak.⁵⁸ Due to the level of mistrust and people fearing being purged, there is currently a great opportunity for Western states to encourage Iranian officials to defect by offering financial incentives and sanctuary abroad.

The US should spearhead negotiating the defection of key security elements by offering financial incentives as well as guarantees for the safety of Iranian armed forces (*Artesh*) that are less radical than the IRGC, as well as members of the IRGC/Basij. By integrating defected military commanders in the NCRI’s idea of a National Uprising Council as well as into interim security forces under newly established civilian command, this would have the effect of undermining the IRGC.⁵⁹

⁵⁴ Arabi, Kasra and Brodsky, Jason, “The Iranian Intelligence Failure Behind the Haniyeh Assassination”, *Foreign Policy*, 5 August 2024, <https://foreignpolicy.com/2024/08/05/iran-israel-haniyeh-hamas-assassination-intelligence-failure-irgc-quds-khamenei/>.

⁵⁵ Ibid.

⁵⁶ Murphy, Matt and Tidy, Joe, “Hezbollah device explosions”, *BBC News*, 17 September 2024, <https://www.bbc.co.uk/news/articles/cz04m913m49o>.

⁵⁷ Smith, “Israeli infiltration sends Iran into paranoia after Nasrallah’s killing”, *The Arab Weekly*, 3 October 2024, <https://the arabweekly.com/israeli-infiltration-sends-iran-paranoia-after-nasrallahs-killing>.

⁵⁸ Ibid.

⁵⁹ Reza Pahlavi envisages that a National Uprising Council would emerge from representatives of provincial and diaspora councils formed during the uprising and include activist leaders. It would also seek to connect opposition leaders within Iran as well as coordinators from the diaspora. Reza Pahlavi emphasises gradual reform to ensure stability, integrating parts of old bureaucracy. To this end, Pahlavi has called for security and military personnel from the IRGC, and military ranks to defect or remain neutral to enable a smooth transition. By beginning this process prior to regime-collapse, this could also contribute to the NCRI’s aim of rapidly dismantling the regime’s coercive institutions that serve as tools of repression including the IRGC, Quds Force, Basij, and Ministry of Intelligence.

Once perceived as the “guardian of the revolution”, the “people’s army”, the IRGC was originally established to safeguard the regime from a coup or from being toppled by the military.⁶⁰ However, even before the 12 Day War, there was growing distrust of the IRGC. Conservative families were critical of the corruption in the religious elite, while Iran-Iraq war-wounded veterans accused the regime of not providing them with adequate care.⁶¹ After the 12 Day War, Iranians have come to hold the IRGC in even lower regard due to the successful military targeting of their leadership which has been accompanied by the significant degrading of Iran’s proxies – Hezbollah and Hamas.⁶²

In response to Israel’s strikes, the regime has regressed into increased authoritarianism and heightened levels of repression. Iranian authorities have launched a widespread crackdown on alleged Israeli espionage conducting over 700 arrests, including a high profile IRGC general detained on espionage charges.^{63, 64} These arrests have been framed as a “season of traitor-killing” aimed at eliminating Mossad collaborators believed to have aided Israel’s targeted high-profile assassinations and strikes on nuclear facilities.⁶⁵ Purged officers have been replaced by more hardliners aligned with the regime, including Ahmad Vahidi as the IRGC head and Majid Khademi as intelligence chief.⁶⁶

The Iranian regime has a history of responding to public protests by opting for increased repression to consolidate itself internally and increase its survivability. Basij forces have been posted at schools, checkpoints and local government offices across Kurdish and Baluch regions to suppress unrest. Furthermore, Iran has reinstated the morality police that patrols shopping areas and metro stations, especially in Tehran and Isfahan, while the IRGC has widened surveillance in Tehran including checkpoints.⁶⁷ The IRGC has increased its monitoring of protests and online dissent.

Below I include two historical examples of the symbiotic relationship between public protests that generated rifts within the regime, which were met by the regime adopting more repressive measures.

Green Revolution: Rifts Within the Regime

One of the few times reformists questioned the legitimacy of the regime was during the Green Revolution. This was sparked by the disputed 12 June 2009 presidential election, in which Mir-Hossein Mousavi, a prominent reformist claimed victory against hardliner Mahmoud Ahamadinejad and decried the fraud that stole from him the election. This increased the rift between reformists and hardliners. The regime’s response was increased repression, making

⁶⁰ CFR editors, “The Islamic Revolutionary Guard Corps”, updated 13 June 2025, Council on Foreign Relations, <https://www.cfr.org/backgrounder/irans-revolutionary-guards>.
⁶¹ Rubin, Michael, “Why Sanctions Alone Won’t Stop Iran – The IRGC Must Be Fractured”, *Middle East Forum*, 25 February 2025, <https://www.meforum.org/mef-online/why-sanctions-alone-wont-stop-iran-the-irgc-must-be-fractured>.
⁶² Saeid Golkar, Saeid and Kasma Aarabi, “Is Iran’s Regime About to Go the Way of Syria’s?”, *Foreign Policy*, 25 March 2025, <https://foreignpolicy.com/2025/03/25/iran-islamic-republic-syria-hard-base/>.
⁶³ “Iran carries out wave of arrests and executions in wake of Israel conflict”, *BBC News*, 26 June 2025, <https://www.bbc.co.uk/news/articles/ce8zv8j563po>.
⁶⁴ Callum Sutherland, “Iran Carries Out String of Executions and Arrests Amid Fears of Infiltration of Israeli Spies”, *Time*, 27 June 2025, <https://time.com/7298282/iran-israel-war-executions-arrests/>.
⁶⁵ Zand, Sahar and Malekian, Somayeh, “Iran crackdown deepens with speedy executions and arrests”, *ABC News*, 29 June 2025, <https://abcnews.go.com/International/iran-crackdown-deepens-speedy-executions-arrests/story?id=123253547>.
⁶⁶ Mohammed Ayatollahi Tabaar, “The Folly of Iran’s Hard-Liners”, *Foreign Affairs*, 12 October 2022 <https://www.foreignaffairs.com/iran/folly-irans-hard-liners>.
⁶⁷ Parisa Hafezi and Ahmed Rasheed, “Iran turns to internal crackdown in wake of 12 day war”, *Reuters*, 26 June 2025, <https://www.reuters.com/world/middle-east/iran-turns-internal-crackdown-wake-12-day-war-2025-06-25/>; Sudarsan Raghavan, Sune Engel Rasmussen, and Margherita Stancati, “Life in Iran After the Strikes: Executions, Arrests and Paranoia”, *The Wall Street Journal*, 28 June 2025, <https://www.wsj.com/world/middle-east/inside-iran-israel-strike-ceae4c34>.

schisms in the regime visible to the public and galvanizing millions of Iranians to protest and challenge the elections. This questioned the regime’s legitimacy which in turn evolved into a broad social movement demanding rights of all.⁶⁸

This resulted in a brutal crackdown on dissent enabled by growing authoritarianism, and a rigid ideology that does not promote people on merit, but rather promotes people on political loyalty due to the cult of the Supreme Leader and the Islamic basis of the revolution. The IRGC’s brutal crackdown on the dissent was not uniformly supported by all the senior clerics. Some clerics such as Akbar Hashemi Rafsanjani broke ranks.⁶⁹ One of the most senior clerical figures to outright reject President Mahmoud Ahmadinejad’s re-election was Grand Ayatollah Hossein-Ali Montazeri, He issued a fatwa condemning the crackdown on protesters and referred to the government as ‘neither Islamic nor a republic, but military’.⁷⁰ Similarly, Ayatollah Reza Ostadi a Guardian Council member, in July 2009, refused to lead Friday prayers in Qom and openly criticized Ahmadinejad.⁷¹

Even within the IRGC, particularly among mid-ranking officers and veterans of the Iran-Iraq War, there were those who sympathized with the Green Movement.⁷² Expulsions and torture were reported against those within the IRGC and Basij militia who were suspected of supporting the Green Movement or disobeying orders to suppress protests. Mere exposure of cracks within the regime does not threaten its survivability. However, dissent amongst the elite has consistently made the regime backslide into further authoritarianism with greater concentration of power.

Mahsa Amini Protests: Rifts Within the Regime

Mahsa Amini was arrested by the Guidance Patrol on 13 September 2022 for allegedly violating Iran’s mandatory hijab law. She was severely beaten by morality police while in custody before collapsing and dying three days later. This caused nation-wide protests to erupt that evolved into the ‘Women, Life, Freedom’ movement. The movement’s core demands included an end to compulsory hijab laws and oppression against women, as well as greater freedom for political views and religious practice.⁷³ This was met by repression by the Iranian regime which

⁶⁸ While on one hand it is a challenge for the regime to crack down on an opposition movement that is decentralized, on the other it is able to coopt the opposition by communicating nationalist or religious narratives. The decentralised nature of the Iranian opposition makes it organic to rapidly shift its positions. It can oppose the regime and subsequently rally around the flag before opposing the regime once again. The same dynamic can be seen with organs of the regime. The Basij is a grassroots social control network embedded in mosques, schools, and workplaces. This positions the Basij as a pervasive social control network that collects intelligence informally enabling it to rapidly mobilise, pre-empt opposition, and maintain social pressure. Ali Alfoneh, “The Basij Resistance Force”, *The Iran Primer*, US Institute for Peace, 6 October 2010, <https://iranprimer.usip.org/resource/basij-resistance-force>. Recruitment is conducted locally on a personal basis, and due to the Basij’s lack of a rigid centralized structure, territorial commanders in local bases enjoy significant autonomy. Bayram Sinkaya, *The Revolutionary Guards in Iranian Politics: Elites and Shifting Relations* (New York: Routledge, June 2015). This dynamic creates the potential for Basij territorial commanders to defect and assisting the opposition as a result of Western led defection campaigns. Reza Pahlavi seeks to leverage the flat and decentralised structure of the Basij and envisages a National Uprising Council emerging from representatives of provincial and diaspora councils formed during the uprising. The National Uprising Council would include activist leaders, defected military commanders, and diaspora coordinators.
⁶⁹ Alistair Lyon, “Iran hardliners in control, but still nervous”, *Reuters*, 27 April 2010, <https://www.reuters.com/article/world/iran-hardliners-in-control-but-still-nervous-idUSTRE63Q2H7/>.
⁷⁰ Secor, Laura, “Behind Iran’s Silence”, *The New Yorker*, 15 July 2009, <https://www.newyorker.com/news/news-desk/laura-secor-behind-irans-silence>. The consequences of his actions were minimal because he was already stripped of his title and placed under house arrest in 1997 for criticizing Khamenei.
⁷¹ Misagh Parsa, “The Rise and Demise of the Green Movement”, Harvard University Press, 2016, https://www.degruyterbrill.com/document/doi/10.4159/9780674970434-008/html?lang=en&srsId=AfmBOopC3VM7u86aRdDt4yrUml_ZExUF2dkxYXtDtYvlt-2sEFT_pZhB.
⁷² Sahimi, Muhammed, “A Hardliner’s Hardliner”, *PBS*, 21 January 2010, <https://www.pbs.org/wgbh/pages/frontline/tehranbureau/2010/01/a-hardliners-hardliner.html>.
⁷³ “Woman, Life, Freedom: Eight months of ongoing protests in Iran”, *Atlantic Council*, 11 May 2023, <https://www.atlanticcouncil.org/event/woman-life-freedom/>.

used blackouts, killings, arrests, kidnappings and/or torture to try to silence the uprisings.⁷⁴ Furthermore, the regime has added new restrictions on compulsory dress laws such as the ‘Protection of the Family through Promoting the Culture of Hijab and Chastity Law’ passed in November 2024.⁷⁵

The decentralized nature of public protests cornered reformists into the position where they could not support the regime without compromising their standing with the public. This in turn, led to reformists to express some sympathy for the protesters’ grievances and call for restraint to quell the protests. President Pezeshkian has declined to sign the legislation, revealing continuing tensions between elected officials and hardline unelected officials.⁷⁶ In contrast, hardliners called for an iron fist policy to make demonstrators face the consequences of being executed.⁷⁷

What made these protests more threatening was the response of Iran’s younger generation, expressing anger not only over the hijab laws, but challenging the ideological foundation of the Islamic Republic itself. This extended well beyond the hijab laws. The regime’s claims to moral authority were openly rejected by the younger generation, thus widening the gap between the regime and society. This demonstrates the vulnerability of the regime to public opposition outside of its hybrid structure. The regime is unable to anticipate the evolving nature of protests or its source due to the decentralized nature of the opposition. As a result, it must always play catch up to quell opposition.

Nature of the Opposition

The opposition is amorphous due to it being decentralized and non-hierarchical in structure in which ideological differences between opposition groups operate within. This makes the organization of sustained opposition logistically challenging, especially due to some opposition being exiled. For example, the NCRI is based out of France and Albania while the MEK is based in Albania.⁷⁸ While on one hand the opposition’s decentralized nature undermines its efficacy, on the other hand it makes it challenging for the regime to dismantle the opposition for this very reason.

It is the lack of structure and even defined opposition to the regime that makes it remain in flux and subject to evolution, causing the regime to always have to play catch-up to the opposition’s latest incarnation. Regardless of the opprobrium expressed by each opposition camp towards one another, the ideological fault lines between the regime change and reformist

⁷⁴ UN Human Rights, “Iran: Government continues systematic repression and escalates surveillance to crush dissent in the aftermath of protests, UN Fact-Finding Mission says”, United Nations Human Rights Office of the High Commissioner, 14 March 2025, <https://www.ohchr.org/en/press-releases/2025/03/iran-government-continues-systematic-repression-and-escalates-surveillance>.

⁷⁵ “Iran: New Hijab Law Adds Restrictions and Punishments”, Human Rights Watch, 14 October 2024, <https://www.hrw.org/news/2024/10/14/iran-new-hijab-law-adds-restrictions-and-punishments>. It empowers the Guardian Council to conduct surveillance on people and authorizes government detention of children 9-15 who disobey the hijab rule. The promotion of violating the dress code online is equally penalised, with online activities being monitored for violating hijab regulations.

⁷⁶ Evans, Margaret, “These women are defying Iran’s hijab laws – despite fears of reprisal”, *CBC News*, 26 May 2025, <https://www.cbc.ca/news/world/women-defying-iran-hijab-law-1.7542236>.

⁷⁷ Menachem, Ben, “The Internal Debate in the Iranian Elite over the Hijab Protest”, *Jewish Council for Public Affairs*, 19 January 2023, <https://jcpa.org/the-internal-debate-in-the-iranian-elite-over-the-hijab-protest/>. It has been reported that there is discord even amongst hardliners over the Iranian government’s handling of the hijab issue. Hamidreza Azizi and Erwin van Veen, “Fifty shades of hardliners: Intra-elite dynamics in Iran”, *Clingendael*, 26 July 2023, <https://www.clingendael.org/publication/fifty-shades-hardliners-intra-elite-dynamics-iran>.

⁷⁸ Despite these organisations being in exile, President Trump’s “maximum pressure” campaign has galvanised opposition groups like the NCRI, which held large protests. Keith Kellogg, President Trump’s Ukraine envoy, spoke at a January 2025 NCRI conference in Paris and called for “reinstating a maximum pressure” policy to inspire democratic change in Iran. This was perceived as a US endorsement of the NCRI as a legitimate opposition in exile. John Irish, “Trump’s Ukraine Envoy Says World Must Reinstate ‘Maximum Pressure’ on Iran”, *Reuters*, 12 January 2025, <https://www.reuters.com/world/us/trumps-ukraine-envoy-kellogg-attends-iran-opposition-event-paris-2025-01-11/>.

camp are not rigid, but subject to shifts. While reformists avoid calling for regime change, and advocate for reform within the system, such as expanding civil liberties and reducing theocratic oversight, many younger movements have shifted to calling for the end of the Islamic Republic altogether, especially after events like the 2022 ‘Women, Life, Freedom’ movement. The very concept of reform has evolved over the decades in Iran.⁷⁹ In the 1990s, reformists emphasized the importance of elected institutions, free press, civil society and the rule of law. Today reformists stress the importance of loosening cultural restrictions on women’s dress and the managing the economy better.

While Western policymakers should offer training for all opposition groups for the day after, the West should only support opposition groups that are outside of Iran’s political structures and who support regime collapse. This can capitalize on public alienation and empower the section of the opposition that seeks regime collapse, which can enhance the brittleness of the regime. The alternative is to unwittingly cause an authoritarian culture to become rooted.

Training and coordinating the opposition can help address its lack of a structured and unified leadership that is accepted by all opposition groups. Currently, the opposition is decentralized, fragmented and there is also no shared vision or strategy amongst the opposition.⁸⁰ This lack of coordination and mutual distrust has historically undermined cohesive resistance to the regime which benefits from the inability of opposition groups to bridge their ideological differences or by opposition leaders criticising one another. Such rifts prevents them from effectively building coalitions and coordinating activities.

In the past, the US Congress has allocated tens of millions to promote democracy in Iran and more recent programs have been funded through NGOs and human rights organisations.⁸¹ In recent years, the US Department of State has funnelled hundreds of millions of dollars in funds through their Near Eastern Regional Democracy (NERD) fund program to, so far unsuccessful, covert operations which aim to topple the sitting Iranian regime.⁸² The (NERD) fund also supports internet freedom in Iran. This has been undermined by USAID cuts that resulted from President Trump who in January 2025 signed an executive order to pause US foreign assistance for a 90-day review. In March 2025, the administration notified Congress of its intent to permanently dissolve USAID.⁸³ Any remaining USAID operations would be absorbed by the State Department with remaining global health activities to be integrated into the State Department’s Bureau of Global Health Security and Diplomacy (GHSD).⁸⁴ In May 2025, the State Department further notified Congress of a plan to relocate GHSD as part of a broader reorganization of the State Department.⁸⁵ In July 2025 the US House Appropriations Committee passed a \$44.7 billion budget bill for the State Department.⁸⁶ Yet, implementing this bill is likely to be undermined by extensive personnel cuts and the dissolution of the

⁷⁹ Ray Takeyh, “What Could Change Under Iran’s New ‘Reformist’ President?”, *Council on Foreign Relations*, 8 July 2024, <https://www.cfr.org/expert-brief/what-could-change-under-irans-new-reformist-president>.

⁸⁰ Andrew England, “Iran’s exiled royal calls for regime change – but few are listening”, *Financial Times*, 19 June 2025, <https://www.ft.com/content/fd7bba67-bb2a-410f-ab3e-024267f35c4f>. For a list of the range of opposition groups see Appendix 1.

⁸¹ Kit Klarenburg, “Leaked documents expose US interference projects in Iran”, *The Cradle*, 11 February 2025, <https://thecradle.co/articles/leaked-documents-expose-us-interference-projects-in-iran>.

⁸² Ibid. The recipients of these funds remain classified due to security concerns.

⁸³ “Congressional Notification Transmittal Letter”, 28 March 2025, https://www.usglc.org/media/2025/04/State_USAID_CN.pdf.

⁸⁴ Marco Rubio, Secretary of State, “Next Steps on Building an America First State Department”, 29 May 2025, <https://www.state.gov/releases/2025/05/next-steps-on-building-an-america-first-state-department/>.

⁸⁵ Ibid.

⁸⁶ Ben Fishman, “Congressional Funding Increase Not Enough to Strengthen State Department”, *PolicyWatch* 4090, 13 August 2025, <https://www.washingtoninstitute.org/policy-analysis/congressional-funding-increase-not-enough-strengthen-state-department>. This bill is \$13 billion less than the previous year’s budget, but much higher than the Trump administration’s \$27.5 billion request.

US Agency for International Development (USAID). While the US House Appropriations Committee made an extensive policy statement about the continued availability of funds to counter Iran’s proliferation and terrorist activities, it also emphasized the need to restore \$55 million to the (NERD) fund.⁸⁷

Similarly, EU member states are cutting overall development aid having relegated it to security and migration. The EU’s Thematic Programs on Human Rights and Democracy and for CSOs were both reduced slightly, by €38 million each, to just under €1.5 billion in each case.⁸⁸ Further budgetary reductions that are due for geographic aid budgets of which 15 percent is allocated to human rights, democracy and good governance, will lead to cuts in democracy aid.⁸⁹ The EU’s main source of funding to promote democratization is the Thematic Program on Human Rights and Democracy. In 2024, this program allocated €95.5 million of which the Middle East was granted €2.3 million which was the lowest amount allocated for democracy and human rights. Out of this, Iraq was allocated the highest amount of €820,000 out of any Middle East country.⁹⁰ Naturally this has an adverse impact on the Iranian opposition which has been celebrated by the Iranian regime.⁹¹

The US and EU must increase its funding for promoting democratization abroad. As the political will in the US and EU to fund democratization abroad is limited, funding strategies should be smart and targeted. They should make their funding of opposition initiatives contingent upon various opposition groups collaborating on various initiatives. This can in turn create cracks within the regime due the increased pressure placed by the public opposition on reformists operating within the framework of the regime.

The Opposition Reaction to Israeli Military Strikes on Iran

The Iranian state’s capacity to penetrate society is limited as its repression causes opposition to the regime to be amorphous and for opinions to shift. However, the shifts within the opposition can come to a grinding halt due to triggering events enabling the regime to penetrate Iranian society. This occurred in the 12 Day War that at the beginning saw many in the Iranian public offer support for Israel’s strikes. Many in the opposition directed blame for the military strikes on the Supreme Leader and emphasized their opposition to the regime.⁹²

In contrast to nationalist, reformist and progressive Muslim groups that rallied around the regime, after the announcement of the ceasefire, the NCRI and MEK opposition groups urged the Iranian population to bring down the Supreme Leader.⁹³ Furthermore, Reza Pahlavi called for the abandonment of the military, police and security apparatus.⁹⁴

⁸⁷ Fishman, “Congressional Funding Increase Not Enough to Strengthen State Department”.

⁸⁸ “Annex IV: Thematic Programmes”, European Commission Directorate-General for International Partnerships, https://international-partnerships.ec.europa.eu/document/download/9926cce9-c50c-486a-af04-02fe33eff540_en?filename=ad-mip-2024-c2024-7502-civil-society-organisation-human-rights-democracy-global-challenges-annex_en.pdf.

⁸⁹ Elissa Miolene, “Devex Newswire: EU Slashes Funding to the World’s Poorest”, Devex, 1 October 2024, <https://www.devex.com/news/devex-newswire-eu-slashes-funding-to-the-world-s-poorest-108445>.

⁹⁰ Cited in Richard Youngs (lead), Kinga Brudzińska, Zselyke Csaky, Ricardo Farinha, Ken Godfrey, Carlotta Magoga, Evelyn Mantoiu, Elene Panchulidze, Hélène Ramaroson and Elena Ventura, “European Democracy Support Annual Review 2024”, Carnegie Endowment for International Peace, <https://europeandemocracyhub.epd.eu/wp-content/uploads/2025/02/European-Democracy-Support-Annual-Review-2024-2.pdf>.

⁹¹ “Iran praises US for cutting foreign aid funding as it looks for a Trump message on nuclear talks”, *The Associated Press*, 5 February 2025, <https://www.nbcnews.com/news/world/iran-praises-us-cutting-foreign-aid-funding-looks-trump-message-nuclea-rcna190752>.

⁹² Arash Azizi, “‘This War Is Not Helping Us’: Members of Iran’s opposition want change, and fear for their lives”, *The Atlantic*, 16 June 2025, <https://www.theatlantic.com/international/archive/2025/06/iran-opposition-israel-war/683207/>.

⁹³ John Irish, “Dissident leader abroad urges Iranians”.

⁹⁴ Ibid.

However, as the war progressed, others deeply resented the idea of foreign invasion and rallied around the flag by tapping into Persian nationalism. The people of Iran do hold divergent views. Furthermore, stances taken are not static, but continually shift from opposition to the regime to rallying around the flag, and from seeking regime change to self-preservation. Members of the Iranian public could oppose the regime and then shift to oppose Israel and the US’s bombing of Iran, leading to a temporary rally-around-the-flag effect.⁹⁵

Thus, the public sentiment shifted as after the initial waves of strikes, *Tehran Times* reported at least 77% of Iranians say they felt “proud” of the Islamic Republic’s response to the “recent Israeli aggression” on Iran. 42.1% of respondents stated they felt extreme “anger and rage toward the enemy.” A total of 79.8% of respondents said the 12-day war had a “very high” or “high” impact on national cohesion and unity.⁹⁶

Activists concerned with the destruction of infrastructure, societal collapse, the already fragile economy and their safety voiced that they would prioritize these concerns over regime overthrow in these times: “I oppose the Islamic Republic and Khamenei with all my being. I took part in many demonstrations during the Women, Life, Freedom movement. But now I can’t even think about the regime or overthrowing it. I am scared. I am worried. I fear for the life of myself and everyone around me.”⁹⁷ As a result, the 12 Day War did not lead to a popular uprising and the overthrow of the sitting regime or the support of a war against the homeland.

This shift in attitudes was expressed by Arash Azizi, “Even ardent anti-regime activists I spoke with were hard-pressed to support Israeli attacks that have already killed almost 200 civilians, according to Iran’s health ministry. Some had cheered the killings of certain repressive military figures in the early hours of the strikes, but the mood has since turned to terror, the priority simple survival.”⁹⁸ This was echoed by Hossein Dabbagh, who pointed out that while the Iranian regime is “widely seen as oppressive, economically disastrous and out of touch with the needs of ordinary people”, strikes by a foreign nation on home soil may paradoxically generate support and bolster hardliners. Dabbagh, an Iranian, noted ‘The feeling on the ground is one of hopelessness and heartbreak. Yes, many Iranians hold their own government responsible for decades of corruption, repression and international isolation. But that doesn’t mean they accept or excuse Israel’s aggression, apart from those who openly supported the strikes. When bombs fall on cities like Tehran, Isfahan or Tabriz, and when children are killed, it’s very hard for people to see this as anything but an unlawful and disproportionate aggression’.⁹⁹ Dabbagh poignantly concluded ‘The Iranian people want change, but not through this kind of violence. If anything, these attacks complicate the democratic aspirations of many Iranians. They cast opposition voices as aligned with foreign enemies, when in fact most of us are simply calling for accountability, freedom and a future grounded in justice, not revenge’.¹⁰⁰

Hardliners perceived the war as a messianic mission to be carried through to the bitter end. As the news became filled with footage of civilian casualties and the Israeli attacks on Iran

⁹⁵ Tanner Stenning, “How do Israelis and Iranians feel about the Israel-Iran war?”, *Northeastern Global News*, 17 June 2025, <https://news.northeastern.edu/2025/06/17/israelis-iranians-the-israel-iran-war/>.

⁹⁶ “77% of Iranians proud of response to Israel: survey”, *Tehran Times*, 4 July 2025, <https://www.tehrantimes.com/news/515255/77-of-iranians-proud-of-response-to-israel-survey>. This survey was conducted by the Islamic Republic of Iran Broadcasting in late June 2025 across Tehran and 32 other cities. Its sample size is 4,943 individuals aged 15 and older. Of those surveyed, 51.6% were male and 48.8% female. As the Iranian regime conducted the survey, its reliability should be questioned. This same survey whether Iran’s military capability, as exhibited during the 12-day conflict, can help deter future acts of aggression, 76.8% of respondents gave it an effectiveness rating of “very high” or “high”.

⁹⁷ Arash Azizi, “This War Is Not Helping Us”, *The Atlantic*, 16 June 2025, <https://www.theatlantic.com/international/archive/2025/06/iran-opposition-israel-war/683207/>.

⁹⁸ Ibid.

⁹⁹ Tanner Stenning, “How do Israelis and Iranians feel about the Israel-Iran war?”, *Northeastern Global News*, 17 June 2025, <https://news.northeastern.edu/2025/06/17/israelis-iranians-the-israel-iran-war/>.

¹⁰⁰ Ibid.

became harsher, different social factions united around the notion of ‘watan’ (homeland). Acts of solidarity became more frequent such as landlords cancelling rent considering the crisis and people outside Tehran hosting those fleeing the capital. Many Iranians saw Europe’s support for Israel’s attacks as disregard for Iranian suffering. This has led to the idea of building a nuclear weapon to gain traction among ordinary people. One X user said, ‘No one seems concerned about the state of human rights in Korea’, implying that nuclear warheads remain the only reliable deterrent against aggression.¹⁰¹

Yet opposition representatives such as Maryam Rajavi (MEK) and Reza Pahlavi (NCRI) have been emphatic that Iran must become a non-nuclear state, with no weapons of mass destruction.

The regime’s penetration of Iranian society was seen with the convergence of hardliner attitudes with movements like ‘Women, Life, Freedom’ and grassroots youth groups who paused open dissent to defend Iran’s sovereignty, distinguishing between love for country and opposition to the government. Groups from traditional conservatives to secular and reformist critics have joined in public displays of national solidarity following the strikes, which are seen as attacks on the nation, not the government.¹⁰²

As a result, a multipronged information/communications campaign must accompany future military strikes as a pincer movement. An information/communications campaign must include multiple components to mobilise support for change. This includes countering state-sponsored disinformation campaigns and propaganda which seek to undermine the opposition. This would be complemented by reporting the Iranian regime’s human rights abuses, and personal stories of victims. This should be accompanied by the promotion of media literacy that educates opposition members within Iran on how to critically think to identify misinformation and propaganda.

Furthermore, the opposition’s voice can be amplified by showcasing various opposition positions and experiences which can foster shared understanding within the Iranian opposition. International solidarity with the Iranian opposition can be generated by sharing this information with multilateral organisations such as the UN and EU, as well as human rights NGOs to raise global awareness and encourage support for human rights in Iran. Sharing information with international bodies and human rights groups will raise global awareness and encourage support for human rights in Iran.

It is of critical importance to promote digital freedom by supporting access to information and communication technologies, including tools to circumvent online censorship. This can empower citizens and facilitate communication among opposition groups. The Iranian diaspora can facilitate this effort by sharing information and connecting with individuals inside Iran. Freedom House has asserted, “The international community should also take practical steps to ensure that Iranian protesters are able to share information with one another and with the outside world, for example by supporting Iranian broadcasters in exile and promoting access to virtual private networks that can be used to circumvent the regime’s online censorship and service disruptions.”¹⁰³ Offering technological platforms that can coordinate the opposition must be accompanied by governments, multilateral organisations and civil societal groups recognizing the various actors that make up the Iranian opposition and creating alliances with them.

¹⁰¹ Hossein Hamdieh, “In Iran, Israel’s attack has shattered any trust in the west – even for those with no love of the state”, *The Guardian*, 5 July 2025, <https://www.theguardian.com/commentisfree/2025/jul/05/iran-israel-attack-west-double-standards-state>.
¹⁰² “Iranians rally around the flag”, *Tehran Times*, 22 June 2025, <https://www.tehrantimes.com/news/514765/Iranians-rally-around-the-flag-commentary>. The ‘Neighbourhood Youth Alliance of Iran’, which emerged in 2022 calling for secular reform, also defended Iran’s territorial unity after airstrikes, even as they continued to push their internal political agenda.
¹⁰³ Michael Abramowitz, Goli Ameri, “How to Support Iran’s Democracy Movement”, *RealClearWorld*, 7 February 2023, https://www.realclearworld.com/articles/2023/02/03/how_to_support_irans_democracy_movement_879688.html.

Social media played a significant role in destabilizing the long-standing Egyptian regime during the Arab Spring as it did in Russia after the 2011 Russian parliamentary elections, in which opposition movements utilized online social media platforms like Facebook and Twitter to disseminate information about electoral fraud. Similarly, in Serbia, North Macedonia and Montenegro opposition movements utilized social media and other platforms to mobilize support and conduct sustained mass protests against regimes acting undemocratically. Similarly, a multipronged communications campaign can exert greater pressure on the Iranian regime and prevent the Iranian opposition from rallying around the flag, which only serves to bolster the regime.

This is not however sufficient. To protest the regime, the opposition must be empowered to establish a smooth transition post regime-collapse and mitigate the risk of a vacuum of governance that can lead to in-fighting amongst opposition groups, or a conflict between opposition members and regime loyalists. To this end, the NCRI’s ‘Ten-Point Plan’ envisages establishing rapid institutional transition led by a Transitional Executive Council composed of opposition leaders, diaspora technocrats, and defected officials. The ‘Ten-Point Plan’ aims to ensure administrative continuity over a six-month transition period by retaining civil servants to protect the function of ministries and local administrations. During this period, transitional laws would be passed to secure free elections for a Constituent Assembly that would draft a democratic constitution for a republican government. This would also serve to maintain essential services. All the while, the IRGC, Quds Force, Basij, and Ministry of Intelligence would be dissolved while new democratic systems are established.¹⁰⁴

Similarly, Reza Pahlavi has identified that a smooth transition is essential not only to a future Iranian government, but also how it can galvanise the opposition to protest against the existing regime. As a result, Reza Pahlavi envisages for a Temporary Executive Team that is an unelected interim administrative authority managing day-to-day governance to be formed over a transition phase of 100 days. The Temporary Executive Team would include vetted leaders of key opposition groups, legal experts, economists, technocrats, and defectors from existing state institutions. Passing transitional laws to protect the function of ministries and local administrations would ensure administrative continuity in bureaucratic operation would be safeguarded, and essential services would be maintained during the transition.

Both the NCRI and Reza Pahlavi share a vision for a future liberal democratic Iran that is secular, non-nuclear and offering civil liberties.¹⁰⁵ More broadly, many exiled or domestic based Iranian opposition groups share the same liberal democratic political ethos. While they differ in tactics, they share the same outlook. Thus, there is a great opportunity for Western states to complement their military interventionism with recognizing opposition groups in exile and within Iran, and coordinating their positions to mitigate the potential negative effects of regime collapse with a transition of power and authority.

¹⁰⁴ This risk exists that this would undermine orderly continuity. Hence proponents suggest phased dismantling of coercive institutions with immediate replacement by vetted, interim security forces from defected units.
¹⁰⁵ “Maryam Rajavi’s Ten Point Plan for the Future of Iran”, *NCRI*, 15 August 2025, <https://www.ncr-iran.org/en/maryam-rajavis-ten-point-plan-for-future-iran/>; Yuval Barnea, “‘This is our Berlin wall moment’: Crown Prince Reza Pahlavi calls for regime change in Iran”, *The Jerusalem Post*, 23 June 2025, <https://www.jpost.com/middle-east/iran-news/article-858704>.

Chapter 4 – Economic and Cultural Grievances Intersecting

Despite the shifts in public attitudes in the recent conflict between Iran and Israel, the Iranian regime is vulnerable to deep structural stresses that will continue to galvanise the opposition. This is due to the trends of lack of growth, high unemployment and high inflation, economic discontent and cultural grievances intersecting.¹⁰⁶ As a result, cultural grievances easily morph into economic discontent. The regime’s lack of responsiveness to public demands leads to economic grievances resulting from the regime’s poor investment in infrastructure, high levels of inflation, and unemployment to be interpreted by the public as a result of authoritarian governance and a denial of civil liberties. If these protests were to become violent, the Iranian regime could backslide into dictatorship. Furthermore, it would increase the chance of autocracy-to-autocracy transitions.¹⁰⁷

Yet, when fighting initially broke out in the 12 Day War, many Iranians were happy to see a foreign power targeting the IRGC as the destruction of Iranian infrastructure including oil refineries and oil depots by Israeli strikes would anger the part of the population that is employed by the government to work within energy and infrastructure. This in turn could have destabilised the regime as fuel is indispensable for the working of military infrastructure. Since the strikes, videos online showed Iranians expressing support for Israel or the US as a counter to the regime, denouncing government corruption. Only 22% now support the Islamic Republic, and 86% blame it for economic difficulties.¹⁰⁸

As a result, recent waves of opposition have evolved from cultural and political freedoms to now centre around economic survival and civic liberties. Protests share some similarities, especially regarding deep socio-economic grievances such as dissatisfaction with inflation, opposition to moral policing, crumbling infrastructure, high unemployment. Iranian protests are multi-causal, with economic distress, cultural repression, and demands for political accountability intersecting and amplifying each other. The persistent thread across protests is a deep frustration with authoritarian governance.¹⁰⁹ This includes:

- Student-led protests from 1999-2003 that demanded civil liberties and secular state governance.
- The 2019 Bloody November protests that were sparked by a 200% increase in fuel prices and occurred as part of the wider Iranian Democracy Movement.
- The 2022 ‘Women, Life, Freedom’ uprisings that took place after Mahsa Amini’s death, calling for secular democracy.
- Protests in 2020 called for accountability after the IRGC’s downing of a civilian airliner.
- Water shortage protests in 2021 erupting in towns facing drought and poor irrigation management.

¹⁰⁶ See Appendix 2 for Iran’s growth levels, inflation and unemployment rates.

¹⁰⁷ Mauricio Rivera Celestino and Kristian Skrede Gleditsch, “Fresh carnations or all thorn, no rose? Nonviolent campaigns and transitions in autocracies”, *Journal of Peace Research*, Volume 50, Issue 3, 16 May 2013, <https://journals.sagepub.com/doi/10.1177/0022343312469979>.

¹⁰⁸ Nazee Moinian, “Between horror and hope, ordinary Iranians brave an uncertain future”, *New York Post*, 5 July 2025, <https://nypost.com/2025/07/05/opinion/between-horror-and-hope-ordinary-iranians-brave-an-uncertain-future/>.

¹⁰⁹ “Interactive Iran Protest Timeline”, National Union for Democracy in Iran, 15 September 2024, https://nufdiran.org/resource_analysis/interactive-iran-protest-timeline/.

- Labour strikes in 2024-25 including the ongoing 2025 truckers’ strike across 135-155 cities, which have been driven by inflation, insurance, and unpaid wages.¹¹⁰

These public protests have created instability amongst regime elites on economic and cultural matters leading to high turnover of government personnel, including within the regime’s key economic structures.¹¹¹

Sanctions and a Western-led communications campaign geared towards empowering the Iranian opposition as mentioned earlier in Chapter 3 must accompany democratic protests. This can have a great impact in a backdrop of setting back Iranian proxies combined with underlying structural factors such as slow economic growth, poor infrastructure, unemployment and inflation.

¹¹⁰ Maryam Sinaiee, “Explained: why Iran’s truckers are on strike and what it means”, *Iran International Newsroom*, 30 May 2025, <https://www.iranintl.com/en/202505293457>.

¹¹¹ Hamidreza Azizi, Erwin van Veen, “Fifty shades of hardliners: Intra-elite dynamics in Iran”, *Clingendael*, 26 July 2023, <https://www.clingendael.org/publication/fifty-shades-hardliners-intra-elite-dynamics-iran>.

Chapter 5 – Regime Censorship & Disinformation

The usage of social media by the public, especially by the younger generation to coordinate protests precludes a hierarchy in opposition groups. This in turn enables public opinion on social issues to reach into the elite circles of government. This fosters turmoil as it reveals the changing views of the elites on these issues.¹¹² As opposed to the older generation, the younger generation may be willing to defy the regime and widen its cracks.

The Iranian regime has sought to ban social media platforms that it is unable to control. Despite internet censorship, an increasing number of videos of crackdowns, torture and public dissent have been circulated on social media including through private messaging applications and social media such as Twitter.¹¹³ Iranians have used multiple platforms with the aim to make it harder for the regime to find and eliminate any uploads.¹¹⁴

For example, the platform Tor, an anonymous web browsing network that can bypass internet blocks and is financially supported by a US nonprofit – the Tor Project – has been crucial in spreading video and information about protests against the regime.¹¹⁵

Despite state blocks on foreign platforms young Iranians frequently use VPNs and encryption. The World Bank estimates that 84% of Iranians access the internet and satellite TV.¹¹⁶

Furthermore, there are increasing ways to bypass authoritarian regimes control on the internet through encrypted, private messaging and networks.¹¹⁷ Information and communication technologies (ICT) tools can enhance democracy by promoting transparency, participation, and access to information. Furthermore, ICT tools pose a threat to the regime as they facilitate opposition groups to organise protests, launch campaigns, and more broadly mobilize support for social and political change. As a result, internet freedom and digital literacy are critical for the opposition to wield ICT tools.

The Iranian regime recognizes the threat posed by ICT tools that foster digital democracy by promoting transparency and broad participation. After the November 2019 protests triggered by huge protests in response to high levels of inflation, the regime came out with a new bill called “The User Protection Bill” which aimed to eliminate all connection to any kind of foreign service platform that refuses to cooperate with the Iranian authorities.¹¹⁸ This bill also seeks to rid the system of VPNs by criminalizing their use.¹¹⁹

¹¹² Hamidreza Azizi and Erwin van Veen, “Fifty shades of hardliners: Intra-elite dynamics in Iran”, *Clingendael*, 26 July 2023, <https://www.clingendael.org/publication/fifty-shades-hardliners-intra-elite-dynamics-iran>.
¹¹³ Alterman, Jon, “Protests, Social Media, and Censorship in Iran”, Centre for Strategic and International Studies, 18 October 2022, <https://www.csis.org/analysis/protest-social-media-and-censorship-iran>.
¹¹⁴ Kumar, Raksha, “Not quite the Arab Spring: how protestors in Iran are using social media in innovative ways”, *Reuters Institute*, 6 December 2022, <https://reutersinstitute.politics.ox.ac.uk/news/not-quite-arab-spring-how-protestors-iran-are-using-social-media-innovative-ways>.
¹¹⁵ Ibid.
¹¹⁶ Arash Aalaei, “US Public Diplomacy in Iran: Cutting Costs, Improving Impact”, *The Washington Institute*, 21 March 2022, <https://www.washingtoninstitute.org/policy-analysis/us-public-diplomacy-iran-cutting-costs-improving-impact>; Arash Aalaei, “Iranian Counterculture and Gen Z”, *The Washington Institute*, 4 January 2023, <https://www.washingtoninstitute.org/policy-analysis/iranian-counterculture-and-gen-z>. The Iranian underground counterculture has slowly been developing since the 1980s. The West’s cultural soft power has reached far and wide and heavily inserted itself within the younger generation in Iran. On top of that, the access to satellite TV within Iran has been estimated at 80% in urban areas.
¹¹⁷ Arash Aalaei, “US Public Diplomacy in Iran: Cutting Costs, Improving Impact”, *The Washington Institute*, 21 March 2022, <https://www.washingtoninstitute.org/policy-analysis/us-public-diplomacy-iran-cutting-costs-improving-impact>.
¹¹⁸ Alterman, Jon, “Protests, Social Media, and Censorship in Iran”, Centre for Strategic and International Studies, 18 October 2022, <https://www.csis.org/analysis/protest-social-media-and-censorship-iran>.
¹¹⁹ Ibid.

As a result, Iran is attempting as a result to enhance its widespread censorship and surveillance practices. To this end, the Iranian regime is exploring building a national internet in collaboration with China.¹²⁰

At the same time, the Iranian regime coopts social media to control the opposition. Instagram has become the Iranian regime’s primary political tool after Telegram was blocked in 2018, amassing a wide following from within the regime, as well as regime-friendly celebrities.¹²¹ Instagram is not solely a political tool but is also a contributor to the Iranian economy with a revenue of between \$700 million to \$1 billion being created from it.¹²² The regime also uses social media to target the opposition. An example of this is the regime using OSINT to sift through the platforms and target accounts (inside or outside of Iran).¹²³

Rather than simply always relying upon targeting the opposition, the regime also seeks to manipulate and coopt the opposition in the form of disinformation campaigns. Historically, the regime’s disinformation campaign, spread through state owned or pro-regime media outlets, focused on the narrative that the US was to blame for all Iran’s social and economic woes.¹²⁴ The regime adapted to increasing public scepticism around this narrative and so changed its tactics to tarnish the views of the opposition directly, targeting the credibility of influential dissidents as well as crushing any public hope of an alternative to the Islamic Regime.¹²⁵

Examples of disinformation campaigns have included “spreading rumours of infiltration amongst protesters”; “trivializing the demands of protestors”; “revealing dependence of the leaders of the protests” or creating new news waves.”¹²⁶ Other examples include a campaign launched by the regime claiming celebrities were trying to get people to protest in order for them to qualify for a US Green Card and another campaign aimed to smear the image of women celebrities who were not wearing the hijab by describing them as mentally ill.¹²⁷ The Iranian regime has conducted a number of counter narrative efforts with the use of troll farms and accounts.¹²⁸

The spreading of disinformation through social media is “conducive to the rapid and extensive dissemination of lies, outpacing the spread of truth” which would help the regime to maintain its grip on power.¹²⁹

Authoritarian regimes often use propaganda to divide and create mistrust between opposition groups. This propaganda described above contributes to infighting and could amplify

¹²⁰ Akbarzadeh, Shahram, et al., “Cyber Surveillance and Digital Authoritarianism in Iran”, *Global Policy Journal*, March 2024, <https://www.globalpolicyjournal.com/sites/default/files/pdf/Akbarzadeh%20et%20al.%20-%20Cyber%20Surveillance%20and%20Digital%20Authoritarianism%20in%20Iran.pdf>.
¹²¹ Kumar, Raksha, “Not quite the Arab Spring: how protestors in Iran are using social media in innovative ways”, *Reuters Institute*, 6 December 2022, <https://reutersinstitute.politics.ox.ac.uk/news/not-quite-arab-spring-how-protestors-iran-are-using-social-media-innovative-ways>.
¹²² Ibid.
¹²³ Alterman, Jon, “Protests, Social Media, and Censorship in Iran”, Centre for Strategic and International Studies, 18 October 2022, <https://www.csis.org/analysis/protest-social-media-and-censorship-iran>.
¹²⁴ Akbarzadeh, Shahram, et al., “Cyber Surveillance and Digital Authoritarianism in Iran”, *Global Policy Journal*, March 2024, <https://www.globalpolicyjournal.com/sites/default/files/pdf/Akbarzadeh%20et%20al.%20-%20Cyber%20Surveillance%20and%20Digital%20Authoritarianism%20in%20Iran.pdf>. Authoritarian regimes are known to use these types of disinformation campaigns to manipulate reality and advance political agendas, prioritising vested interests over the common good and allowing these regimes to control through information manipulation.
¹²⁵ Akbarzadeh, Shahram, et al., “Cyber Surveillance and Digital Authoritarianism in Iran”.
¹²⁶ Cited in Shahram Akbarzadeh, Amin Naeni, Galib Bashirov and Ihsan Yilmaz, “The web of Big Lies: state-sponsored disinformation in Iran”, *Contemporary Politics*, 10 July 2024, <https://www.tandfonline.com/doi/full/10.1080/13569775.2024.2374593#abstract>.
¹²⁷ Akbarzadeh, Shahram, et al., “Cyber Surveillance and Digital Authoritarianism in Iran”.
¹²⁸ Alterman, Jon, “Protests, Social Media, and Censorship in Iran”.
¹²⁹ Akbarzadeh, Shahram, et al., “Cyber Surveillance and Digital Authoritarianism in Iran”, p.341.

other destabilising factors pushing the country closer to internal fragmentation. Regime collapse could lead to a civil war due to the ensuing power vacuum and the breakdown in core institutions, followed by competing armed factions and foreign backers escalating conflict dynamics. Therefore, while Iran is not currently on the brink of civil war, the regime’s propaganda strategy is laying potentially dangerous foundations for fragmentation, and civil war in the event of regime collapse.

This must be countered by the US broadcasting into Iran and providing information and technologies to opposition groups enabling them to coordinate to oppose the regime. This had in previous administrations been conducted by USAID’s Middle East Partnership Initiative that provided millions to support independent media and rule of law initiatives inside Iran, and trained Iranian journalists in digital security and investigative reporting.¹³⁰ Similarly, while President Obama did not have formal meetings with opposition leaders, his administration did back tech efforts, including delayed Twitter maintenance during protests and distribution of circumvention tools like Tor which directly enabled coordination and online connectivity of activists.

Despite the Biden administration stressing de-escalation with Iran, and not providing public support to Iranian opposition groups, the US Treasury allowed for the export of internet services, software and hardware such as VPNs, encrypted communications, social media platforms and cloud services, to Iran to support civil society’s ability to communicate and share information freely.¹³¹

The Trump administration has slashed foreign aid including democratization efforts abroad which has drawn down the budget of the Middle East Partnership Initiative (MEPI) and significantly curtailed the operations of Voice of America, which had provided essential messaging to the Iranian opposition during Israel’s strikes.¹³² Yet, the Trump administration has also pushed for Elon Musk to provide free Starlink across Iran.¹³³ This move will enable the opposition to coordinate amongst themselves.

The trend of cutting broadcasting abroad must be reversed. It is critical for the US, EU, and Western nations to increase their expenditure on promoting democracy and human rights abroad. Increased broadcasting into Iran and equipping the Iranian opposition with the technologies to coordinate amongst themselves is essential for any attempt by the opposition to outpace the regime’s attempts to clamp down on them.

¹³⁰ “Democracy and Human Rights”, President Barack Obama, The White House, <https://obamawhitehouse.archives.gov/issues/foreign-policy/presidents-speech-cairo-a-new-beginning/democracy-human-rights>.

¹³¹ “US Treasury Issues Iran General License D-2 to Increase Support for Internet Freedom”, US Department of the Treasury, 23 September 2022, <https://home.treasury.gov/news/press-releases/jy0974#:~:text=WASHINGTON%20-%20Today%2C%20the%20US%20Department,of%20Iran%20GL%20D%2D1>.

¹³² David Bauder, “Layoff notices delivered to hundreds of Voice of America employees”, *Associated Press*, 20 June 2025, <https://apnews.com/article/voice-of-america-layoffs-trump-global-media-7a862bdc530dd3d48657c00d2df54539>.

¹³³ Kylie Atwood, Jennifer Hansler and Sean Lyngaas, “Activists sound alarm over US cuts to programs providing internet access and promoting democracy in Iran”, *CNN*, 3 July 2025, <https://amp.cnn.com/cnn/2025/07/03/politics/activists-sound-alarm-cuts-iran-internet-democracy>. This may be threatened by the White House proposing to cut all but a few programs in the State Department’s Bureau of Democracy, Human Rights, and Labor.

Chapter 6 – Regime’s Suppression of Iranian ethnic groups

Countering Separatism

Iran does not only seek to mitigate threats to its survivability emerging from domestic opposition. Iran’s military and political elites have been concerned about the possibility of a future “hybrid war” that might jeopardise the government’s existence since the mid-2000s, after a string of violent conflicts between the regime and the ethnic groups.¹³⁴ The combination of external strikes or lack of support coupled with separatist attacks threatens the regime.

Limited uprisings did indeed occur after Israel’s strikes on Iran whereby a separatist Kurdish party (PJAK) called upon the Iranian population to mobilize against the government (Christou, Baloch & Parent, 2025, *The Guardian*). It appeared that Kurdish and Baluchi separatist groups were also set to protest against the regime.¹³⁵ One of the groups is the Democratic Party of Iranian Kurdistan (PDKI) founded in 1945 and has had its leaders targeted by Iran.¹³⁶ In Iraq’s Kurdish region, leaders like Hussein Yazdanpanah and Abdullah Mohtadi have publicly called for resistance to Tehran.¹³⁷

The uprisings were not more widespread as the Iranian regime already anticipated this and had been modifying its defensive doctrine since the early 2010s to address this threat. The regime had anticipated the combination of external and internal pressures that could threaten the survivability of the regime.¹³⁸ Such a hybrid conflict would entail the regime contending with an external military assault with massive nationwide demonstrations that take place concurrently. As a result, since 2012, Iran shifted from passive border defence to a more proactive, hybrid posture which includes deploying proxy forces (eg Hezbollah) in neighbouring countries to offer Iran strategic depth.

The domestic component of Iran’s hybrid posture has resulted from internal ethnic uprisings. This has led the regime to expand the Basij and IRGC territorial forces to actively counter both armed minority mobilisation and political dissent. The IRGC achieves this by maintaining tight surveillance and intelligence gathering mechanisms to prevent significant opposition from coordinating.¹³⁹

Amongst ethnic groups there is a great deal of rivalry. The Kurdish groups do not have positive ties with all the dissident groups. Many of the Persian dissident groups oppose Kurdish rights and deem Kurds as “separatists”. An example of this is Kurds and Azeris in Iran who live near one another in western and northwest Iran yet maintain fraught relations with one another.¹⁴⁰

¹³⁴ Mustafa, Himdad, “Regime Change in Iran is Possible Only By Supporting Its Ethnic Minorities”, *Memri*, 18 October 2024, <https://www.memri.org/reports/regime-change-iran-possible-only-supporting-its-ethnic-minorities>.

¹³⁵ Parisa Hafezi, “Iran’s divided opposition senses its moment but activists remain wary of protests”, *Reuters*, 20 June 2025, <https://www.reuters.com/world/middle-east/irans-divided-opposition-senses-its-moment-activists-remain-wary-protests-2025-06-19/>.

¹³⁶ Seth Frantzman, “Kurdish parties demand uprising against regime’s oppression in Iran”, *The Jerusalem Post*, 16 June 2025, <https://www.jpost.com/middle-east/article-857931>.

¹³⁷ Stella Martany and Ellen Knickmeyer, “Iranian Kurdish dissidents abroad watch for signs of Tehran vulnerability after war with Israel”, *The Independent*, 27 June 2025, <https://www.independent.co.uk/news/world/americas/kurdish-iraq-tehran-washington-donald-trump-b2778034.html>. Not all Kurdish organizations support armed rebellion. Yazdanpanah urges people to “attack the enemy” within Iran, while Komala’s Mohtadi emphasizes federalism over separatism, advocating strategic readiness but not immediate insurgency.

¹³⁸ Sossef, Amr, “Upgrading Iran’s Military Doctrine: An Offensive ‘Forward Defence’”, *Middle East Institute*, 10 December 2019, <https://www.mei.edu/publications/upgrading-irans-military-doctrine-offensive-forward-defense>.

¹³⁹ Hamidreza Azizi and Erwin van Veen, “Fifty shades of hardliners: Intra-elite dynamics in Iran”, *Clingendael*, 26 July 2023, <https://www.clingendael.org/publication/fifty-shades-hardliners-intra-elite-dynamics-iran>.

¹⁴⁰ On the other hand, the minority Kurdish and Azeri groups maintain warmer ties with the Ahwaz Arabs that are based in southwestern Iran and Baloch that are based in southeastern Iran.

The Iranian regime has relied on keeping ethnic opposition towards the regime at bay by cultivating tensions between different ethnicities. The regime plays the Kurdish and Azeri groups mentioned above against each other.¹⁴¹ During the protests in 2022 following the death of Mahsa Amini, the regime labelled protests in Kurdistan and Sistan and Baluchestan as separatist rather than democratic.¹⁴² This weakened their solidarity and discouraged broader participation. This, however, is an unsustainable strategy to maintain regime stability.

The Iranian regime's suppression of ethnic groups such as Kurds, Arabs and Azeris that make up over 40% of the Iranian population leads to them to experience sectarian (Sunni-Shiite) inequality which is reinforced by disproportionate poverty. The Baluch-majority Sistan and Baluchestan Province is Iran's poorest, and protests there demonstrate how economic and sectarian Sunni-Shia inequality fuel one another.

Ethnic minorities in the border regions of Sistan and Baluchestan and Iranian Kurdistan have been denied any control over natural resources such as oil and gas in their regions. These underdeveloped peripheral regions that contain the majority of Iran's wealth include Sistan and Baluchestan Province, Khuzestan Province, Iranian Kurdistan and Kermanshah Province. The unequal distribution of resources (oil, gas, water) has contributed to high rates of deprivation, poverty and unemployment fuelling sectarianism.

The central authorities have always controlled key resources such as oil and gas, as well as water resources and dams.¹⁴³ Furthermore, the regime impoverishes ethnic minorities by extracting natural resources from Sistan and Baluchestan and Iranian Kurdistan and using the revenues to develop Iran's central regions and bolster Iran's military. It achieves the latter by using oil revenues from Khuzestan province to fund military expansion by being directed to IRGC owned companies as well as funding its proxies such as Hezbollah in Lebanon.¹⁴⁴ Secure central regions like Isfahan and Yazd host missile productions sites, drone factories and enrichment facilities. Furthermore, revenue from Khuzestan is used to finance industrialisation in Isfahan and transport infrastructure in Tehran. The regime has redirected water from Khuzestan and Lorestan to Tehran, Isfahan and Qom to support heavy industry and urban growth.

The deprivation in these border regions is reinforced by their political underrepresentation, and cultural and linguistic suppression such as bans on mother tongue education. This in turn stokes up their ethnic identity and mobilises them to aspire for autonomy. Thus, separatism becomes a self-fulfilling prophecy for the regime. Denying cultural autonomy such as banning the Kurdish language can be weaponised. Such measures can radicalise reformist ethnic movements, especially among Sunni minorities in Baluchistan and Kurdistan into armed resistance.

In this landscape, women's rights can spark off separatist resistance. During national uprisings such as the Mahsa Amini protests in September 2022, ethnic regions became a centre for resistance. Mahsa Amini's Kurdish identity caused her death to resonate in the Kurdistan and Sistan and Baluchestan provinces, causing freedom and human rights concerns to merge with separatist aspirations. This generated stresses for the regime as the fuelling of ethnic tensions undermined national unity.

¹⁴¹ Seth Frantzman, "Kurdish parties demand uprising against regime's oppression in Iran", *The Jerusalem Post*, 16 June 2025, <https://www.jpost.com/middle-east/article-857931>.

¹⁴² Rahim Hamid, Ruth Riegler, "As Anti-Regime Protests Swell Across Iran, Ethnic Minorities Demand Freedom and Equality", *Fikra Forum*, 14 October 2022, <https://www.washingtoninstitute.org/policy-analysis/anti-regime-protests-swell-across-iran-ethnic-minorities-demand-freedom-and>.

¹⁴³ The National Iranian Oil company is state owned.

¹⁴⁴ "Iran's Khuzestan: Thirst and Turmoil", International Crisis Group, 21 August 2023, <https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iran/241-irans-khuzestan-thirst-and-turmoil>.

The earliest and most sustained protests erupted in Kurdish areas like Sanandaj and Mahabad. Furthermore, Zahedan saw mass Friday protests with heavy casualties in September 2022. It is possible for ethnic tensions to escalate into armed separatism as some armed Kurdish parties in Iran maintain forces in the Kurdistan region of northern Iraq.

Foreign military intervention is likely to increase separatist resistance. Kurdish groups such as the Kurdish Freedom Party (PAK), and Democratic Party of Iranian Kurdistan (PDKI) responded to Israel's bombings at the outset of the 12 Day War by calling for regime change. On June 13, the PAK released a statement saying, "As expected, the Revolutionary Guards' nuclear and missile bases, drone production centres, military bases, and commanders in their hidden holes were finally attacked by Israel this morning. "PAK insists on a nationwide uprising to end the regime or to reduce it in Tehran. It hopes that the people's uprising will end in 46 years and bring the judgment of crime and plunder."

The PAK held the Iranian regime responsible for Israel's military strikes stating, "In the past 100 years in general and the 46 years of the Islamic Republic in particular, the Iranian state has spent its public revenues on military, security and terrorist projects at the expense of starving the people; It has never succeeded in any foreign war and its entire war and security machinery has been in the service of suppressing the oppressed nations and preserving its non-native and colonial structure." This was echoed by the PDKI that said, "As long as this regime remains in power, the situation will only deteriorate. Therefore, the first and most important prerequisite for saving Iran's citizens from this crisis, destruction, and darkness is to completely remove and end this regime."¹⁴⁵

Secessionists Militarized

Sectarianism in the periphery can become militarised as ethnic groups resist the deployment of the Basij-IRGC in their regions. Furthermore, in the event that the Iranian regime undergoes further military strikes or experiences stress resulting from mass protests due to economic and cultural grievances, this may embolden secessionist groups to increase their attacks on regime targets.

Secessionist groups with paramilitary arms include:

- KDPI, PJAK, and Komala who operate in East Kurdistan, Kermanshah and West Azerbaijan.
- Arab Struggle Movement for the Liberation of Ahwaz (ASMLA) and the Al-Ahwaz Arab Liberation Movement who operate in the Khuzestan Province on behalf of Ahwazi Arabs.
- Jaish al-Adl and Jaish al-Adl who operate in the Sistan and Baluchestan province on behalf of the Baloch and the Sistani Persians.

These secessionist groups could target the IRGC or regular army, and could prevent resources and revenues from being diverted in the event of Iran coming under external attack. This would undermine Iran's military and infrastructure development in the centre, and contribute to the collapse of the regime. This is not unprecedented. In 2007, the CIA hired Jaysh al-Adl (JAA), formerly known as Jundallah, a Baluch insurgent group, for sabotage inside Iran. This was part of a covert CIA program against the Iranian regime authorized by President Bush.¹⁴⁶

¹⁴⁵ Despite not advocating regime collapse, The Free Life Party of Kurdistan (PJAK) saw it as an opportunity for social upheaval. PJAK adopted a less revolutionary stance by not calling for regime-change, but rather advocated for a new phase of the Woman, Life, Freedom protests. The Kurdish group, Komala adopted an even more cautious approach, favouring political engagement over armed confrontation. Elham Yaghoubian, "Three Irans: How Israel's strikes have fractured Iran's political discourse", *The Jerusalem Post*, 25 June 2025, <https://www.jpost.com/middle-east/article-858900>.

¹⁴⁶ Khalaji, Mehdi, "US Support for the Iranian Opposition", *The Washington Institute for Near East Policy*, 9 July 2007, <https://www.washingtoninstitute.org/policy-analysis/us-support-iranian-opposition>.

The toppling of the regime will not necessarily lead to a centralized and coherent regime that represents all of Iran’s different ethnic groups. Rather, the collapse of the Islamic regime could create decentralised power struggles that leads to a void. In this void, ethnic groups could fight one another, and ethnic insurgencies could escalate in Sistan, Baluchestan, Khuzestan, Kurdistan, Kermanshah provinces and West Azerbaijan as these regions assert their independence. An example of this has been Kurdish areas forming autonomous councils, or the Baluchis asserting their independence.

This could to be accompanied by the rapid breakdown in the army’s cohesive structure. While 80% of the Iranian army’s senior officers are Persians due to the army’s distrust of non-Persian ethnic groups, at least half of Iran’s armed forces are composed of troops conscripted from ethnic minorities. This reflects Iran’s demography in which ethnic minorities make up half of its population. Soldiers are prohibited from serving within their ethnic territory to ensure that if ethnic tensions arise, the military won’t become a source of division. Yet, it would be unlikely that ethnic conscripts would obey orders to suppress the secessionist ambitions of other ethnic secessionist regions that could cause defections within the military.¹⁴⁷

Some opposition groups including the Kurdish Democratic Party of Iran and some Azerbaijani autonomy advocates offer enhanced regional self-administration but stop short of full secession. This is opposed by parties that advocate a strong central government. These include Monarchist factions such as the Constitutionalist Party of Iran and the Iran Revival Movement (Farashgard), as well as some centralist republican groups such as the National Front of Iran oppose these measures.

Opposition groups including the Democratic Party of Iranian Kurdistan (PDKI), Komala, and Azerbaijani federalist organisations offer to integrate and include secessionist groups into a broader Iranian political system through federal-style governance proposals, cultural autonomy guarantees, and proportional representation in national institutions.

A break-up of Iran, or an Iran marked by widescale conflict is an outcome that must be mitigated against. The best way to do this would be for Western states to help Iran’s various opposition movements integrate non-secessionist ethnic movements into a post-regime framework of government that manages competing identities, and to provide a stake for ethnic groupings such as Arabs, Azeris, Kurds and Baluchis in a post-regime future.

The Hague Initiative for International Cooperation (thinc) identifies that internal self-determination and pluralism are essential to reduce the appeal of separatism and strengthen the legitimacy of the state. “Federal or decentralised governance models – adapted to Iran’s context – could ensure local autonomy while preserving national unity.”

To this end, thinc advocates for the UN to support a conference for all national stakeholders to have a dialogue. This could lead to a future Iranian government that establishes regional governance structures with real administrative authority for the various ethnic groupings. Moreover, thinc advances that a future constitution will recognize Iran’s multi-ethnic character and prevent secessionism.¹⁴⁸

¹⁴⁷ This would be comparable to the Shah’s army during the 1979 revolution which was dominated by ethnic Persians and officers from urban, upper-class backgrounds. Many rank-and-file conscripts were from ethnic minorities such as Kurds, Arabs and Lors who were often poorer and had less allegiance to the monarchy. These conscripts refused to fire on civilians during urban protests, especially in ethnic regions. This led to fighting between Khomeini’s supporters and Shah loyalists within some army units. The army’s internal structure was harmed as many soldiers disobeyed orders, and many conscripts deserted.

¹⁴⁸ “Europe’s Options to Promote Regime Change in Iran”, The Hague Initiative for International Cooperation (thinc), July 2025, https://mcusercontent.com/38a420e8e16638bb80e1e30ab/files/99594da4-99a7-796b-26fa-66302aaa645a/thinc_Policy_Paper_EUROPE_039_S_OPTIONS_TO_PROMOTE_CHANGE_IN_IRAN_0725.pdf.

Regional Powers Exploiting Iran’s Power Vacuum

In the ensuing vacuum of governance, regional actors could extend their spheres of influence and take territory, or merely capitalise on mass dissent and coopt armed secessionist groups that attack the Iranian regime.¹⁴⁹

These regional actors could include:

- Saudi Arabia which could back Arab separatists in Khuzestan to destabilise regime influence.
- Turkey which could intervene to prevent Kurdish unification or secession in Iranian Kurdistan, similar to its posture in Iraq and Syria.
- Syria and Iraq would resist Kurdish independence efforts.
- Pakistan could also become involved to secure its border with Sistan and Baluchestan due to its long struggle with cross border Baluch insurgents.
- Azerbaijan could intervene in Iran’s northwestern region on behalf of the Azeris. This could have a broader ripple effect throughout Iran as Azeris have migrated to central Iran to areas including Tehran, Karaj and Qum.

To mitigate the risk of surrounding states expanding their spheres of influence within Iran, a UN Security Council resolution must affirm Iran’s territorial integrity. Furthermore, a strategy should be in place for promoting defections from within the IRGC and Iranian military. During a transition period, this could enable security units that are made up of personnel that have defected to conduct rapid border monitoring post-regime collapse. This must be complemented by Western states already now coordinating with neighbouring states to stabilize bordering regions in the event of regime collapse which could prevent further fragmentation.

Currently, these plans do not appear to be advanced by Western states. Yet, surrounding states have a vested interest in not having a vacuum of governance with chaos spilling over from its borders. As such, Western states must diplomatically engage with them to develop capacity building among opposition groups. This would entail Western states and surrounding states providing training and support to opposition movements, while developing strategies for building coalitions, and contributing to developing transition plans.

¹⁴⁹ “A Time for Talks: Toward Dialogue between the Gulf Arab States and Iran”, International Crisis Group, 24 August 2021, [https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iran-united-arab-emirates-saudi-arabia-qatar#:~:text=The%20rise%20of%20Mohammed%20bin,more%20confrontational%20course%20toward%20Iran.&text=Bin%20Salman%20made%20containing%20and,the%20Arab%20world%20and%20elsewhere".&text=Crisis%20Group%20interview%2C%20Riyadh%2C%20March,state%20allies%20without%20US%20pressure.&text=Crisis%20Group%20interviews%2C%20Riyadh%2C%20March,attack%20by%20its%20larger%20neighbour](https://www.crisisgroup.org/middle-east-north-africa/gulf-and-arabian-peninsula/iran-united-arab-emirates-saudi-arabia-qatar#:~:text=The%20rise%20of%20Mohammed%20bin,more%20confrontational%20course%20toward%20Iran.&text=Bin%20Salman%20made%20containing%20and,the%20Arab%20world%20and%20elsewhere).

Chapter 7 – Iran’s Fortress Regime

Iran’s ‘Look East’ Foreign Policy

Sectarianism in the periphery can become militarised as ethnic groups resist the deployment The Iranian regime seeks to mitigate pressure from international factors and has pursued a “Look East” policy, in an effort to circumvent US led sanctions and gain access to alternative financing systems, technology transfers and energy markets beyond the Western sphere of influence.¹⁵⁰ This feeds into a Persian nationalist agenda that rejects Western investment, while emphasizing their own economic self-reliance.¹⁵¹ In turn, this positions Iran’s fortress economy in the ‘axis of resistance’ as an informal coalition of Iran, Russia and China who all seek to undermine US primacy in the international system.

Foreign trading partners are essential for the Iranian regime’s economic reliance on extractive and primary sectors, such as oil, gas, minerals and basic agricultural commodities, rather than high value manufacturing or services¹⁵² that are export oriented.

As a result, the ‘Look East’ policy plays into the Iranian regime’s ideological aspiration for self-reliance and detachment from Western economic norms.

In March 2021, China and Iran signed a 25-year cooperation agreement, centred on an economic partnership between them.¹⁵³ This was followed by Iran joining the BRICS group in January 2024. In January 2025, Iran signed a new security partnership with Russia.¹⁵⁴ Yet, Iran’s economic relationships with Russia and China are built on pragmatic opportunism rather than a forward-looking long-lasting alliance. As the axis states all try to counter Western and US trade, pressure, and/or sanctions, this led the World Bank to report that Iran was experiencing a fourth consecutive year of growth thanks to the oil sector as well as non-oil sectors such as manufacturing and services.¹⁵⁵

Yet, the partnerships created by the ‘Look East’ policy are largely transactional and serve as a band aid for Iran’s economic mismanagement. These partnerships do not compensate for the depth of market access, current stability or advanced imports once enabled by European and US connections. Furthermore, China and Russia have shown little willingness to damage their own economic relations with the West to shield Iran from sanctions. While the

¹⁵⁰ “Iran’s Eastern Strategy”, International Institute for Strategic Studies, November 2018, <https://www.iiss.org/publications/strategic-comments/2018/irans-eastern-strategy/>.

¹⁵¹ Dr Leslie Vinjamuri, Professor Senem Aydın-Düzgit, Dr Chietigj Bajpae, Professor Alexander Cooley, Dr Alexandra de Hoop Scheffer, Dr Ralf Emmers, M. Taylor Fravel, Dr Jennifer Lind, Professor Vali Nasr, Martin Quencez, Dr Constanze Stelzenmüller, Professor Ayşe Zarakol, “Competing visions of international order”, Chatham House, 28 March 2025, <https://www.chathamhouse.org/2025/03/competing-visions-international-order/04-resistance-mantra-behind-irans-worldview>.

¹⁵² Bijan Khajehpour, “Approaching the precipe: Near term prospects of Iran’s economy”, *Clingendael*, 30 January 2025, <https://www.clingendael.org/publication/approaching-precipe-near-term-prospects-irans-economy>. “Iran’s main economy is driven by the production of raw goods and material so having a trading partner is essential”.

¹⁵³ Tomer Fadlon and Raz Zimmt, “Growing but Limited: Iranian Economic Relations with China”, *INSS*, 20 August 2024, <https://www.inss.org.il/publication/china-iran-economy/>.

¹⁵⁴ Renad Mansour and Mark White, “Why peacebuilding fails and what to do about it”, Chatham House, 11 June 2025, <https://www.chathamhouse.org/2025/06/why-peacebuilding-fails-and-what-do-about-it/01-introduction-rise-multi-alignment>. In turn, the Russia-Ukraine war been advantageous to Iran’s production/manufacturing defence capabilities. Similarly, the Iran-China energy cooperation not only brings mutual economic benefits but fosters technological collaboration too. Prof. Engr. Zamir Ahmed Awan, “Iran-China Relations: A Strategic Partnership for Regional and Global Stability”, *Modern Diplomacy*, 3 January 2025, <https://moderndiplomacy.eu/2025/01/03/iran-china-relations-a-strategic-partnership-for-regional-and-global-stability/>.

¹⁵⁵ Alex Vatanka, “Iran’s Look East Policy: Ideals vs Harsh Realities”, *Perry World House*, 16 April 2025, <https://perryworldhouse.upenn.edu/news-and-insight/irans-look-east-policy-ideals-vs-harsh-realities/>; “Iran Economic Monitor, Spring 2024: Sustaining Growth Amid Rising Geopolitical Tensions”, World Bank, 12 July 12 2024, <https://openknowledge.worldbank.org/entities/publication/6790f292-cf7f-4f16-b522-7f35e9d1161f>.

Iranian regime keeps itself afloat by sending 90% of its oil to China¹⁵⁶ which in turn receives 40% of its oil from Iran,¹⁵⁷ trade volumes with key eastern partners remain relatively low. Moreover, relying on exporting oil to Russia and China is a source of vulnerability for the Iranian regime and discourages diversification into more stable and productive sectors, like industry, tech or agriculture.

Manufacturing

The purely transactional relationship between China and Iran has offered economic respite for the Iranian regime. The export of oil from Iran to China and Russia has helped ease unemployment rates in the last 12 months as it has offered jobs to some industrial workers. Nonetheless, this is nothing more than a short-term fix for the Iranian regime.

Sanctions coupled with the Trump administration’s policy of ‘Maximum Pressure’ have had an enormous impact on the state’s capacity to penetrate society to extract resources. This can be seen with the ageing infrastructure across the entire production and supply chain. Such ageing infrastructure has prevented industrial plants from working properly due to power changes, while preventing manufacturers from accessing newer technology. This impedes their ability to offer the adequate products whose sophistication and quality are slowly decaying.¹⁵⁸ This is compounded by energy problems that have brought manufacturing to a halt. The manufacturing sector, once a cornerstone of Iran’s drive for self-sufficiency, is now showing signs of systemic exhaustion.

As the regime fails to upgrade production lines or improving energy efficiency, many firms have been forced into survival mode by scaling back operations, reducing output quality or shifting to informal, low value-added activity. In the absence of reliable electricity and affordable inputs, Iranian manufacturing risks becoming increasingly hollowed out, losing both domestic competitiveness and export potential. This threatens employment in urban industrial centres like Isfahan and Yazd.

Energy Crisis

Iran’s fortress economy is not immune to international factors such as renewed US sanctions that have targeted oil, gas, and petrochemicals which are key sources of revenue for Iran. Furthermore, on 13 June 2024, the EU3 countries: France, Germany and the UK told the United Nations they are prepared to trigger the snapback sanctions in the 2015 Joint Comprehensive Plan of Action (JCPOA) to prevent Iran from developing its nuclear program.¹⁵⁹

Iran’s Ministry of Intelligence identified that snapback sanctions would include a ban on arms sales, freezing of assets and foreign currency accounts of companies abroad. Iran’s Ministry of Intelligence issued a secret guidance for ministries and major companies to prepare for the snapback sanctions warning them that, “Re-sanctioning of legal and natural persons active in industries such as oil, petrochemicals, banking, shipping, insurance and sensitive technologies will be activated.” The guidance warned that, “Severe currency fluctuations,

¹⁵⁶ John Calabrese, “Iran’s Economy: Past the Point of No Return?”, *Modern Diplomacy*, 15 November 2024, <https://moderndiplomacy.eu/2024/11/15/irans-economy-past-the-point-of-no-return/>.

¹⁵⁷ Erica Downs, Testimony Before the US-China Economic and Security Review Commission. Cited in Centre on Global Energy Policy, “China’s Oil Demand, Imports and Supply Security”, Centre on Global Energy Policy, 30 April 2025, <https://www.energypolicy.columbia.edu/publications/chinas-oil-demand-imports-and-supply-security/#::-text=Figure%203:%20China's%20Oil%20Imports%20by%20Region%2C,recorded%20zero%20shipments%20from%20Iran%20in%202024>.

¹⁵⁸ Esfandiyar Batmanghelidj, “The limit of Iran’s industrial resilience”, *Clingendael*, 28 March 2024, <https://www.clingendael.org/publication/limit-irans-industrial-resilience>.

¹⁵⁹ “France, Germany and UK say they are ready to reimpose Iran sanctions”, *Al Jazeera*, 13 August 2025, <https://www.aljazeera.com/news/2025/8/13/france-germany-and-uk-say-they-are-ready-to-reimpose-iran-sanctions>.

reduced purchasing power, increased unemployment, layoffs and heightened social discontent are to be expected.”¹⁶⁰

A sanctioned Iran cannot attract foreign investment which restricts Iran’s capability to expand and modernize its energy sector.¹⁶¹ This has had an unequal impact on geographical areas in Iran as wealthier northern Tehran sees only 1% of outages while poorer southern districts suffer up to 32% of blackout time.¹⁶²

Fatemeh Mohajerani, a regime spokesperson has publicly acknowledged the extreme energy crisis that Iran is facing by saying “we are facing an imbalance of about 20,000 megawatts, and this imbalance is not the result of a day or two but years of underinvestment on the one hand, and the expansion of disruption networks on the other, and the increased consumption resulting from these expansions.”¹⁶³

Reports show a struggling nation. Shop owners have complained about the decline in sales and the additional strain caused by noisy, inadequate generators. Perishable products like milk, yoghurt, and ice cream are destroyed by hours’ long blackouts during busy business periods. While households experience damage to vital appliances like freezers and security systems burning out due to an unstable power supply, businesses are forced to send workers home, which greatly impacts stability and wages.¹⁶⁴ This has led to losses of tens of billions of dollars for industrial leaders as power cuts force factory workers to be laid off, increasing the already high unemployment rates in Iran.¹⁶⁵

Energy disruptions are connected to Iran’s water crisis. In August 2025, Tehran was at risk of running out of water within weeks. This led Iranian authorities to order government ministries and public institutions to close in an attempt to cut down on power consumption due to scorching temperatures and severe drought. The US State Department attributed the water crisis to corruption and mismanagement.¹⁶⁶

Geoeconomic Vulnerability

The stresses on the Iranian regime are not only internally induced, but external pressures are considerable too. Iran’s overdependence on oil exports is a structural weakness as oil markets are volatile, and exposes the regime to external shocks, like prices crashes, geopolitical disruptions or sanctions.¹⁶⁷

In the recent conflict between Israel and Iran, the US requested that China press Iran not to close the Strait of Hormuz. Indeed, Iran ultimately chose not to; however its long-term role as

¹⁶⁰ “Sanctions are coming: Iranian intel warns ministries, firms on ‘snapback’”, *Iran International*, 11 August 2025, <https://www.iranintl.com/en/202508115352>.
¹⁶¹ Farnaz Fassihi and Leila Nikounazar, “Iran’s Energy Crisis Hits Dire Points”, *The New York Times*, 21 December 2024, <https://www.nytimes.com/2024/12/21/world/middleeast/iran-economy-energy-crisis.html>.
¹⁶² Arezoo Karimi, “Power Outages in Iran: The Rich Stay Lit, The Poor Go Dark”, *Iran Wire*, 20 May 2025, <https://iranwire.com/en/economy/141340-power-outages-in-iran-the-rich-stay-lit-the-poor-go-dark/>.
¹⁶³ Mansoureh Galestan, “Iran’s Electricity Crisis: Regime Admits Decades of Neglect, Exposing Fear of Public Fury”, *Iran Economy News*, 15 May 2025, <https://www.ncr-iran.org/en/news/economy/irans-electricity-crisis-regime-admits-decades-of-neglect-exposing-fear-of-public-fury/>.
¹⁶⁴ Ibid.
¹⁶⁵ Farnaz Fassihi and Leila Nikounazar, “Iran’s Energy Crisis Hits Dire Points”, *The New York Times*, 21 December 2024, <https://www.nytimes.com/2024/12/21/world/middleeast/iran-economy-energy-crisis.html>. Youth unemployment alone exceeds 20%.
¹⁶⁶ “Water Crisis in Tehran: Interview with Prof. Kaveh Madani (UNU-INWEH Director)”, *BBC World News*, 11 August 2025, https://www.youtube.com/watch?v=_fgOTMqLbW4.
¹⁶⁷ Ray Takeyh, “Iran’s Regime Rattled but Resilient – So Far”, Council on Foreign Relations, 20 June 2025, <https://www.cfr.org/expert-brief/irans-regime-rattled-resilient-so-far>. Having as a main driver oil trade limits the diversity of their economy and makes it vulnerable to fluctuations in the market.

an energy supplier has been undermined as China is acutely aware that Iran’s foreign policy undermines its role as an energy exporter. This along with secondary sanctions imposed by the US on importers of Iranian oil will undermine Iran in the long-term as China is strategically driven to diversify energy routes, including overland pipelines through Central Asia and the China-Pakistan Economic Corridor (CPEC), and may also reignite China’s interest in the Power of Siberia 2 pipeline.¹⁶⁸

Furthermore, there is an inherent vulnerability in Iran’s strategy of overreliance upon its Eastern partners. If Tehran continues to stake its future on assumed support from Russia and China, it risks deeper isolation, declining regional relevance, and a weakening of its strategic hand”.¹⁶⁹ This is because Iran’s pivot towards the BRICS, Iraq, and the UAE as economic partners is a double-edged sword providing some economic relief as well as the concrete act of defying the West, but deepening Iran’s dependency on autocratic partners all the while still failing to resolve domestic economic grievances.¹⁷⁰

As Iran’s strategic partnership with China and Russia limits any alignment with other partners, especially the West due to their sanctions, Iran will not be able to sustain its economy.¹⁷¹ Moreover, while Iran’s foreign policy of ‘Look East’ addresses its short-term export-import needs, Iran’s trade numbers remain low with other Asian states with mutual trade just surpassing \$1.5 billion.¹⁷²

Fortress Economy Benefiting the IRGC

While Iran seeks to fortress Iran’s economy from the international community, Iran’s leaders are isolated from the Iranian people. While Iran’s trade with the East assists the regime, it does not however generate an economic boost to Iran. Any revenues resulting from ‘Look East’ go to businesses connected to the Supreme Leader and the IRGC who are the direct beneficiaries of any economic relief.¹⁷³ This consolidates the IRGC’s authoritarianism that has a hold on foreign policy decisions, reinforcing its security-oriented and more centralized power structure ideals, and those who reject any ties to the West.¹⁷⁴

The IRGC has even been able to benefit from energy shortages at the expense of the broader Iranian population. A large amount of the country’s electricity is allegedly being diverted to cryptocurrency mining operations that need significant power. Many of these operations are connected to the IRGC and organisations controlled by the Supreme Leader, like Astan Quds Razavi. These organisations run enormous cryptocurrency mining farms while frequently receiving free or heavily discounted electricity, shielding them from the very crisis they are exacerbating. This creates a sharp contrast where organisations such as the IRGC are using

¹⁶⁸ John Calabrese, “The 12 day war Israel-Iran war: China’s response and its implications”, *Middle East Institute*, 10 July 2025, <https://www.mei.edu/publications/12-day-israel-iran-war-chinas-response-and-its-implications>.
¹⁶⁹ Alex Vatanka, “Iran’s Look East Policy: Ideals vs Harsh Realities”, *Perry World House*, 16 April 2025, <https://perryworldhouse.upenn.edu/news-and-insight/irans-look-east-policy-ideals-vs-harsh-realities/>.
¹⁷⁰ Hamidreza Azizi and Erwin van Veen, “Running out of road: Iran’s strategic predicament”, *Clingendael*, 31 March 2025, <https://www.clingendael.org/publication/running-out-road-irans-strategic-predicament>.
¹⁷¹ Hamidreza Azizi, “Iran’s ‘Look East’ Strategy: Continuity and Change under Raisi”, *Middle East Council on Global Affairs*, September 2023, https://mecouncil.org/wp-content/uploads/2023/09/MECGA_Issue-Brief-17_Hamidreza-Azizi_Final-WEB.pdf.
¹⁷² Javad Heiran-Nia, “What Can Iran Achieve from BRICS Membership?”, *Stimson*, 30 August 2023, <https://www.stimson.org/2023/what-can-iran-achieve-from-brics-membership/>; Nargiza Umarova, “Why Is Iran Strengthening Its Ties With Central Asia?”, *The Diplomat*, 20 May 2025, <https://thediplomat.com/2025/05/why-is-iran-strengthening-its-ties-with-central-asia/>.
¹⁷³ Zep Kalb, “Who Benefits From Sanctions?”, *Phenomenal World*, 15 August 2024, <https://www.phenomenalworld.org/reviews/how-sanctions-work/>.
¹⁷⁴ Hamidreza Azizi, “Iran’s ‘Look East’ Strategy”.

vast amounts of power for their own strategic and financial gain, while citizens are being instructed to tighten their belts and put up with the blackouts.¹⁷⁵

The resistance economy, which depends on domestic industry to fill the void left by international isolation, has not fared well.¹⁷⁶ Persistent blackouts, food insecurity, pharmaceutical shortages and soaring inflation are eroding public confidence. The resistance economy, originally designed to weather short term external shocks, is now being tested by long term structural vulnerabilities, including underinvestment in infrastructure, widespread corruption and a state dominated industrial base prone to inefficiency.

The worsening economic picture also calls into question the viability of Iran’s “resistance economy”, a doctrine built on self-sufficiency, regional trade and resilience in the face of sanctions.¹⁷⁷ While this model once offered rhetorical strength, its practical limits are becoming increasingly visible. Iran’s “Look East” fortress economy lacks practical long-term sustainability *vis a vis* Iran’s energy and manufacturing sectors.¹⁷⁸ As a result, the regime’s economy is not merely fortified from the West, but is alienated from its own population and may now be facing increasing challenges as to how long it can outrun deep internal issues. This undermines the regime’s ability to tap into Iran’s identity that justifies its authoritarianism through concepts such as the Islamic revolution, and Persian nationalism. This ultimately threatens its survival.

In the event of regime collapse, it is essential for the opposition to create economic continuity by implementing a comprehensive set of technocratic economic transition plans. The National Union for Democracy in Iran (NUFDI) supported by Reza Pahlazi, established the Iran Prosperity Project that recognizes the intersection of social, political and economic freedoms. As such, it promotes liberal democratic principles such as freedom of individuals to make interest-based decisions, respect for private property and fostering personal responsibility and innovation. These freedoms are reflected economically as the Iran Prosperity Project advocates eliminating barriers for domestic entrepreneurs, and for women to participate in the labour market. Modernisation is advanced as the Iran Prosperity Project seeks to drive productivity by enhancing human capital and adopting technology.

The Iran Prosperity Project proposes phased macro-economic stabilisation to avoid economic shock – beginning with an attempt to control inflation by an independent central bank that advances currency stabilisation, and restoring international trade to attract foreign investment. Ultimately, the Iran Prosperity Project envisages a limited role for the state, and instead advocates for relying upon market mechanisms to guide economic interactions.

The IRGC dominates the Iranian economy, being an economic conglomerate. Khatam-al Anbiya, an Iranian engineering firm controlled by the IRGC, and affiliated networks effectively own industries including energy, automobile manufacturing, electronic sensors, construction and logistics. To prevent this type of corruption from taking root in a future Iranian government,

¹⁷⁵ Mansoureh Galestan, “Iran Protests Erupts Over Regime’s Economic Mismanagement and Neglect”, National Council of Resistance of Iran, 7 June 2025, <https://www.ncr-iran.org/en/news/iran-protests/iran-protests-erupts-over-regimes-economic-mismanagement-and-neglect/>. The Iranian regime in of itself is a huge kleptocracy that “dates back to the aftermath of the 1979 revolution when the regime expropriated thousands of private businesses and transferred key sectors to state control” (Sibley, 2022, Hudson Institute). The religious elite controls an array of big financial institutions, pension funds, companies and cooperatives called “Bonyads” (Sibley, 2022). They use Bonyads to their own advantage with bribery, embezzlement, fraud or nepotism to accumulate more wealth and privileges; Nate Sibley, “How to Target Iran’s Kleptocracy”, Hudson Institute, 11 October 2022, <https://www.hudson.org/corruption/how-target-irans-kleptocracy>.

¹⁷⁶ Amir Taghati, “Iran’s industrial sector gutted by regime’s crippling energy crisis”, National Council of Resistance of Iran, 21 May 2025, <https://www.ncr-iran.org/en/news/economy/irans-industrial-sector-gutted-by-regimes-crippling-energy-crisis/>.

¹⁷⁷ Djavad Salehi-Isfahani, “The Dilemma of Iran’s Resistance Economy”, *Foreign Affairs*, 17 March 2021, <https://www.foreignaffairs.com/articles/middle-east/2021-03-17/dilemma-irans-resistance-economy>.

¹⁷⁸ Azizi van Veen, “Running out of road”.

the Iran Prosperity Project emphasizes the importance for a future Iranian government to establish transparency and regulatory frameworks. This is a critical measure before privatising state-owned enterprises to prevent corruption and avoid elite asset capture. This will safeguard essential services to ensure that water, electricity, food distribution, and healthcare would be provided uninterrupted through transitional budgets and oversight mechanisms during transition.¹⁷⁹ Ultimately, uprooting corruption and establishing regulatory frameworks in which private enterprise can flourish is essential to attract foreign investment.

¹⁷⁹ “Iran Prosperity Project: A Realistic Way Forward for a Liberated Iran”, NUFDI Fund, <https://fund.nufdiran.org/projects/ipp/>.

Chapter 8 – Conclusion

The current Iranian regime remains wedded to the Iranian revolution. Its commitment to reconstituting its nuclear program and exporting terrorism both regionally and internationally makes it an ongoing danger to the West. While Israel’s and the US’s strikes on Iran’s nuclear facilities set back the regime, it has not eliminated the strategic and security threats posed by the regime. Iran’s Defence Minister, Aziz Nassirzadeh claims to have developed missiles with greater capabilities than those used during the 12 Day War.¹⁸⁰ Regardless of the damage done to Iran’s nuclear sites, Iran possesses the necessary technology, scientists, and the capacity to rebuild its facilities. Iran remains committed to its nuclear development and enrichment activities, and according to Rafael Grossi, director general of the International Atomic Energy Agency (IAEA), Iran could restart enriching uranium “in a matter of months.”¹⁸¹

Furthermore, Iran is preparing for a future war. Yahya Rahim Safavi, a senior military adviser to Iran’s Supreme Leader Ali Khamenei, declared in August 2025, “We are not in a ceasefire, we are in a stage of war. No protocol, regulation or agreement has been written between us and the US or Israel.”¹⁸²

The Iranian regime’s belligerent foreign policy is directly related to its oppression at home. The Iranian opposition is culturally liberal and yearns for freedom. Yet, the Iranian opposition risks being abandoned by Western states that are reducing their foreign aid for democratization efforts abroad, including Iran. This undermines the Iranian opposition. Furthermore, there does not appear to be a concerted effort by Western states to reach out to surrounding states to quell secessionist impulses, and to promote capacity building by coordinating the Iranian opposition. Naturally, this plays into the hands of the regime.

Supporting the Iranian opposition can undercut both the very nature of the regime as well as its strategy which is a double-edged sword in that its strength is its weakness. Maintaining a hybrid regime on one hand invites participation, but on the other hand alienates the public. Similarly, the regime’s ability to coopt and quell the opposition creates for itself greater risk as cultural opposition and economic discontent inform one another. This is to the extent that these have ripple effects on secessionist groups being militarized. Moreover, the repression of periphery regions and forced extraction of resources threatens the central cities and core installations of the regime. The same paradox is illustrated by Iran’s fortress economy that “Looks East” and benefits businesses related to the IRGC as well as the coffers of the elites including the Supreme Leader. Yet this alienates the regime from the people. Similarly, it makes Iran vulnerable to international markets while its overreliance on China makes Beijing to urgently seek to diversify its energy sources.

Yet, it is not practical for the international community to wait for sanctions to take its toll on the Iranian economy which will make the regime implode or for the regime’s contradictions to play out. This is because Iran remains a sponsor of terrorism and will attempt to reconstitute its nuclear program. Iran’s President Masoud Pezeshkian declared, “It is not the case that if

¹⁸⁰ “Iran says it has developed new, better missiles; will use them if Israel attacks again”, *Times of Israel* and *Agence France Presse*, 20 August 2025, <https://www.timesofisrael.com/iran-says-it-has-developed-new-better-missiles-will-use-them-if-israel-attacks-again/>.
¹⁸¹ Laura Sharman and Sophie Tanno, “UN nuclear watchdog chief says Iran could again begin enriching uranium in ‘matter of months’”, *CNN*, 30 June 2025, <https://edition.cnn.com/2025/06/29/world/iaea-iran-enriched-uranium-intl#:~:text=In%20an%20interview%20with%20CBS,program%20is%20for%20peaceful%20purposes.&text=The%20US%20then%20struck%-20three,as%20destructive%20as%20they%20anticipated>.
¹⁸² “‘No ceasefire’: Khamenei military adviser warns war with Israel could restart at any time”, *Times of Israel*, 18 August 2025, <https://www.timesofisrael.com/no-ceasefire-khamenei-military-adviser-warns-war-with-israel-could-restart-at-any-time/>.

they destroy our facilities with bombs, everything will be lost – these capabilities exist in our minds, and therefore, whatever they do we will rebuild again.”¹⁸³

If Iran rebuilds its air defences, long-range missiles, and missile launchers or develops further enriched uranium as part of reconstituting its nuclear program, both Israel and the US should consider military strikes against a broad range of the Iranian regime’s assets. This entails Israel maintaining its newly established air superiority over Iran to prevent Iran from restoring its air defences. The objective of regime collapse is legitimate as Iran repeatedly states that it will not forfeit its enriched uranium or give up the desire to enrich uranium and restart its nuclear program. This leaves Israel and the US in the position where they must determine whether their strategic goal is to eliminate Iran’s nuclear threat or continually set it back. The only effective way to stop Iran from rebuilding its damaged nuclear facilities may ultimately consist of two stages: In the short term, additional airstrikes by Israel and the US on Iran’s nuclear sites, and in the longer term, the overthrow of the Iranian regime and its leadership currently in power, as well as the command and control abilities of the IRGC.

Military intervention alone is a counter-productive response as it serves to cause people to rally around the flag and entrench the regime’s true authoritarianism which is masquerades as being hybrid. It is essential to create a pincer movement by applying external pressure and at the same time foster internal pressure to the regime. To create cracks within the regime and widen them, airstrikes will need to be preceded by sanctions, and a communications strategy that redefines Persian nationalism and Iran’s Islamic identity. Rather than Persian nationalism shunning Western interventionism due to its disruption of Iran’s history of governance, the Iranian regime’s religious fanaticism should be presented as a historical aberration of Iran’s history and identity. Communication campaigns should include increased broadcasting to the Iranian people as well as covert assistance to the domestic opposition and funding of NGOs. This should be coupled with support for exiled Iranian opposition groups, offering financial inducements for senior officials to defect, conducting covert operations and funding separatist groups that conduct sabotage against regime targets.

President Trump’s stated aim of “Make Iran Great Again” should be considered within the context of promoting regime collapse. But this is only a viable strategy to follow if the chaos that could erupt in the aftermath of the collapse of an Iranian regime whose stability is based on suppressing its internal contradictions, can be avoided. The prize of the total elimination of Iran’s terrorist and nuclear capabilities is worthing thinking strategically about. This means that advancing regime collapse via military intervention and a communications campaign must be coupled with Western states coordinating with Iran’s neighbouring states to offer relief and stabilize border regions. This should be accompanied by Western states coordinating the positions of opposition groups that are dedicated to a liberal democratic Iran, and helping to usher in an Iranian future that as broad a base as possible of Iranians themselves participate in the creation of.

The challenge the Iranian opposition faces is three-fold: connecting the opposition in exile with domestic opposition groups; coordinating their positions; and preventing a vacuum of governance from emerging in the aftermath of the collapse of the Iranian regime. To mitigate the risk of a vacuum of governance which would disincentivize opposition to the Iranian regime, Western states must coordinate between Iranian opposition groups prior to regime-collapse to facilitate a government structure that emerges in its place. This coordination can be achieved via a multipronged information/communications campaign which must both precede and

¹⁸³ “‘We will maintain enrichment program’: Iran’s Pezeshkian”, *Tehran Times*, 12 June 2025, <https://www.tehrantimes.com/news/514222/We-will-maintain-enrichment-program-Iran-s-Pezeshkian>.

accompany future military strikes against regime targets. An information/communications campaign can assist Iranian opposition groups to coordinate their activities and share their positions amongst themselves as well as with the international community. The international community must in turn offer recognition and strike up alliances with the opposition that is equipped with information and communication technologies to circumvent the regime's online censorship.

Part of coordinating the opposition entails a UN supported conference for various secessionist groups to plan how they could integrate into a federal or decentralized framework of government that ensures local autonomy while preserving national unity. At the same time, Western states should coordinate with Iran's neighbouring states to stabilize bordering regions in the event of regime collapse. Security units made up of defected personnel can conduct rapid border monitoring.

This offers a greater prospect of galvanizing the Iranian opposition if there is a plan for the day after as opposed to a vacuum of governance. And in so doing, it contains the best prescription for both resolving the threat the Iranian regime poses to the international community, and to its own people.

APPENDIX 1

Opposition groups include:¹⁸⁴

- Reformists within government who are represented by symbols of the 2009 Green Movement such as Mir-Hossein Mousavi, Medhi Karroubi and Mohammed Khatami. Reformists advocate for incremental change through legal and constitutional means that would lead to a peaceful transition of power.
- Monarchists are represented by the Constitutionalist Party of Iran who want a symbolic monarchy like the UK, see the Shah as a unifying figure, not a ruler. In contrast, hardline royalists seek full restoration of the monarchy under Reza Pahlavi, and are more prone to aligning with foreign actors like Israel.
- Republicans such as the National Council of Resistance of Iran (NCRI) that is a broad coalition of organisations led by the MEK seeking to establish a democratic, secular, and coalition government.
- Nationalists are represented by the National Front of Iran who are secular, favouring the strict separation of religion and state, prioritise sovereignty and anti-interventionism. In contrast, the Freedom Movement of Iran are religious nationalists who oppose theocracy, and advocate for reform from within believing that Islam can complement democracy, and support a civil state with religious values.
- Leftists are represented by the Tudeh Party of Iran that is Communist and opposes imperialism. The Tudeh Party was once allied with the Islamic Republic before being purged, and is now largely defunct. Other leftist parties include the Fedayin (Organization of Iranian People's Guerillas) and the Worker Communist Party of Iran which is secular, anti-nationalist and libertarian Marxist. It supports social freedoms, and women's rights.
- Progressive Muslims are represented by the Freedom Movement of Iran that wants a republic with Islamic moral values but opposes *velayat-e faqih*; nationalist religious activists that seek to bridge between the Islamic faith and nationalist democratic values; some nationalist religious activists who support decentralisation or greater provincial autonomy; and Khatami-Era reformists that push for constitutional change from within the Islamic Republic, and who are heavily criticised by hardliners for being too conciliatory.
- Ethnic-based groups include Kurdish, Baluchi, and others who are based in the West of Iran and who link national rights to broader democracy and decentralised governance.¹⁸⁵
- Civil society networks: Reza Pahlavi has founded the Iran National Council for Free Elections (NCI) and stands in opposition to the NCRI.¹⁸⁶ Secular democratic activists have formed grassroots networks. In 2022, the United Youth of Iran (UYI) was formed as an alliance of underground youth groups made up of activists, worker's associations, women's rights groups and student organisations. The regime was able to effectively suppress UYI as its network spread over 35 Iranian cities, however its size was reduced after the regime arrested or killed several of its members.¹⁸⁷

¹⁸⁴ This is not an exhaustive list of opposition groups, but demonstrates their range of ideologies and areas of concern.

¹⁸⁵ Rahim Hamid and Ruth Riegler, "As Anti-Regime Protests Swell Across Iran, Ethnic Minorities Demand Freedom and Equality", *Fikra Forum*, October 2022, <https://www.washingtoninstitute.org/policy-analysis/anti-regime-protests-swell-across-iran-ethnic-minorities-demand-freedom-and>.

¹⁸⁶ Neville Teller, "Is a democratic Iran possible? - opinion", *The Jerusalem Post*, 11 July 2025, <https://www.jpost.com/opinion/article-860474>.

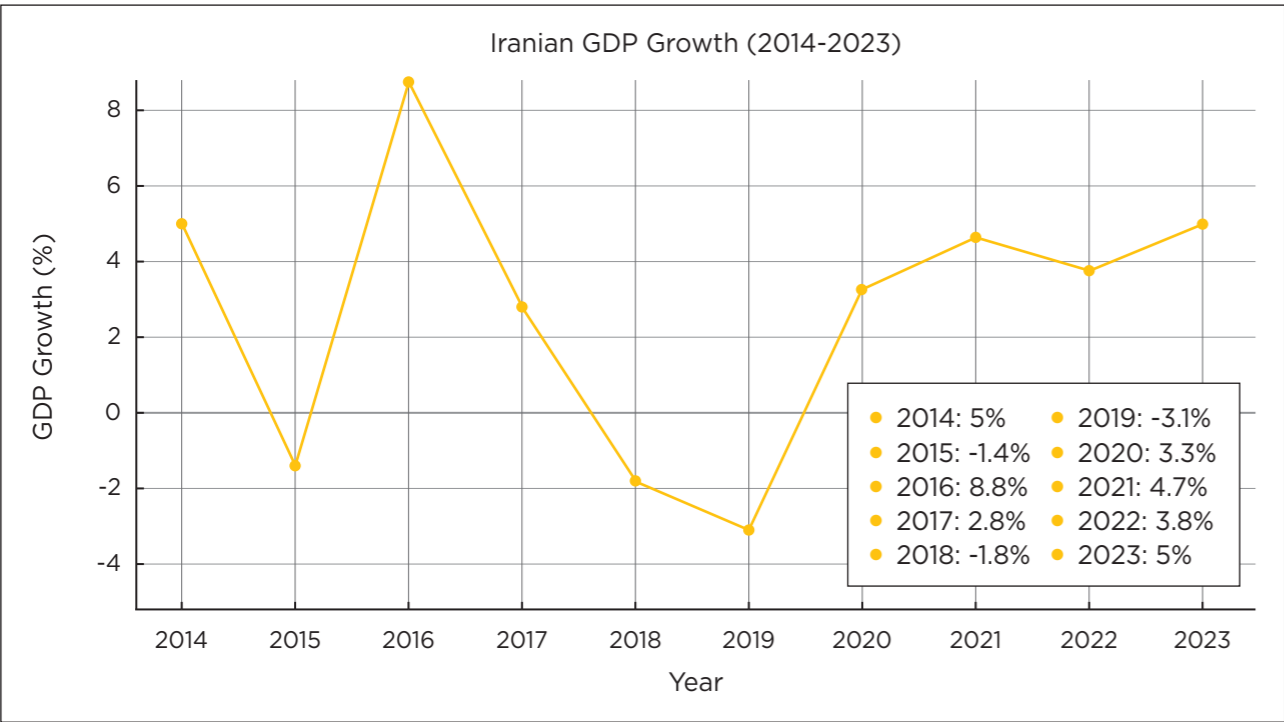
¹⁸⁷ Henna Moussavi and Elnaz Sharifi, "Iranian youth and the protest movement in 2023: Drivers and limitations", *Middle East Institute*, 16 January 2024, <https://www.mei.edu/blog/iranian-youth-and-protest-movement-2023-drivers-and-limitations>.

APPENDIX 2

Growth, Inflation and Unemployment Trends in Iran

Growth

GDP growth (annual percentage) over the years: ¹⁸⁸



The pre-2015 surge of GDP was driven by the nuclear deal’s oil export boost. However, renewed US sanctions in 2015 to 2016 triggered a brief downturn and were followed by resilience in 2016 as firms adapted and oil prices rebounded. Further contraction in 2018 to 2019 coincided with restored sanctions and declining oil production. The recovery in 2021 to 2021 was fuelled by rising global oil demand and increased Iranian exports, especially to China. Although growth has since moderated, ongoing sanctions, lingering energy crisis constraints and high inflation continue to limit significant expansion.

When the Trump administration withdrew from the Joint Comprehensive Plan of Action (JCPOA) in 2018 and reimposed comprehensive sanctions, including targeting oil exports and banks, Iran’s GDP contracted sharply to -1.8% in 2018 and -3.1% in 2019, compared to modest growth during the JCPOA period in 2016 and 2017. ¹⁸⁹ Sanctions have hindered Iran’s access to spare parts and funding, leading to widespread power blackouts and fuel shortages which are critical for energy intensive industries. The World Bank notes that much of Iran’s industry essentially faced a 30 to 50% capacity loss due to power instability by late 2024. ¹⁹⁰ Iran did rebound modestly after 2022 but was a result of circumventing sanctions by exporting oil

¹⁸⁸ “GDP growth (annual %) – Iran, Islamic Rep.”, Data, World Bank Group, <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?end=2023&locations=IR&start=2014&view=chart>.
¹⁸⁹ “Iran nuclear deal: Trump pulls US out in break with Europe allies”, *BBC News*, 9 May 2018, <https://www.bbc.co.uk/news/world-us-canada-44045957>.
¹⁹⁰ “Iran Economic Monitor: Sustaining Growth Amid Rising Geopolitical Tensions”, The World Bank, Spring 2024, <https://documents1.worldbank.org/curated/en/099051007102421530/pdf/IDU1398008291628d14b5a1a9f91728b946987e4.pdf>.

to China and illicit fuel and oil smuggling. Therefore, maximum pressure sanctions triggered a deep economic downturn in 2018 to 2019, primarily by decimating Iran’s oil exports. Iran’s partial recovery since 2020 has been exclusively through shadow oil markets and barter arrangements, rather than genuine structural reform or investment. While GDP has rebounded in headline figures, the growth is fragile and vulnerable to new sanctions.

Inflation

Iranian inflation rates over the years: ¹⁹¹



The data shows Iran’s inflation has been modest in the mid-2010s surging to sustained highs above 30% more recently. This is driven firstly by severe sanctions which constrict oil exports and foreign exchange inflows, causing sharp depreciation of the rial, which directly inflates the cost of imports and widens price instability. Secondly, the government’s large fiscal deficits lead to higher money supply as it monetizes spending, embedding inflationary pressures in the economy. Thirdly, the energy crises disrupt industrial production and raises production costs, which are passed onto customers. Lastly, structural inefficiencies, including corruption and weak supply chains, exacerbate price increases, especially for essential goods like food. The combined effect of these pressures explained the steep rise inflation from 6.84% in 2016 to a peak of 45.75% in 2022, before easing moderately to 32.6% in 2024, though it remains deeply entrenched.

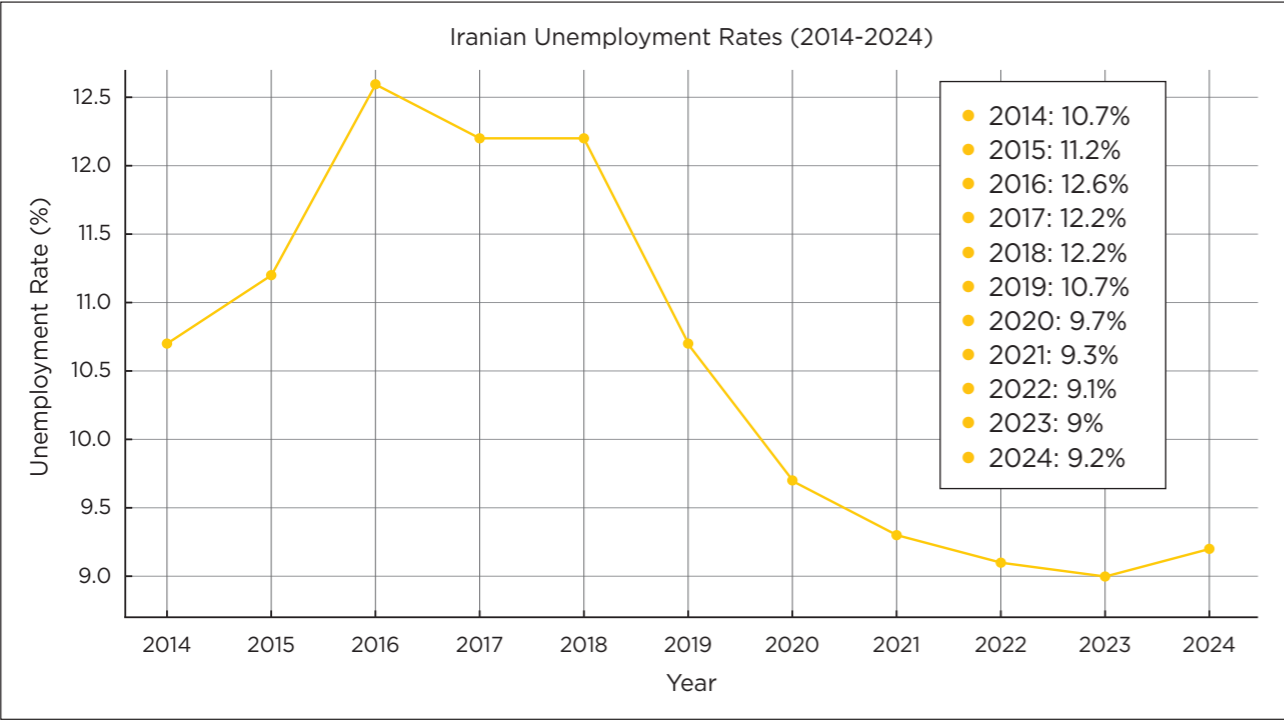
Iran’s inflation remained moderate from 2014 to 2017 but skyrocketed to 26.92% in 2018 following the US withdrawal from the JCPOA and imposition of maximum pressure sanctions. These measures drastically reduced oil revenues and foreign currency reserves, triggering a sharp depreciation of the rial, which directly translated into higher import and domestic prices. ¹⁹² As

¹⁹¹ “Iran: Inflation rate from 1987 to 2030”, Statista, April 2025, <https://www.statista.com/statistics/294320/iran-inflation-rate/>. This data is taken from IMF datasets. The IMF primarily relies on data from Iran’s Statistical Centre of Iran which tends to underestimate the actual market inflation trends.
¹⁹² Saeed Ghasseminejad and Richard Goldberg, “The Impact of Sanctions Two Years After US Withdrawal From the Nuclear Deal”, *Foundation for Defense of Democracies*, 6 May 2020, <https://www.fdd.org/analysis/2020/05/06/sanctions-impact-two-years-after-jcpoa-withdrawal/>.

sanctions intensified from 2019 to 2021, inflation surged further with fiscal deficits expanding, which the government financed by printing money, adding to inflationary pressures. Despite attempts at relief and clandestine oil exports, from 2022 to 2024 inflation remained high. These years of high inflation in Iran have eroded purchasing power, with over 80% of consumers' spending now allocated to necessities.¹⁹³

Unemployment

Unemployment rates over the years:¹⁹⁴



Unemployment data shows a rise from 10.7% in 2014 to a peak of 12.6% in 2016 before gradually falling to 9.2% in 2024. The rise between 2014 and 2016 was due to intensified international sanctions which reduced oil revenues causing widespread business closures. At the same time, Iran's large youth population entered the workforce in growing numbers, amplifying competition for limited jobs. However, after 2016, unemployment rates began to decline gradually. This improvement reflects the partial recovery of oil exports, especially via covert sales to China, and increased state support for domestic manufacturing and strategic industries, which created employment opportunities in sectors like defence and steel. Additionally, many discouraged workers likely exited the formal job market altogether, masking deeper structural unemployment.

Trump's withdrawal from the JCPoA and reimposing of sweeping sanctions on Iran's oil, banking, shipping and trade sectors majorly impacted unemployment. By 2018, industrial and

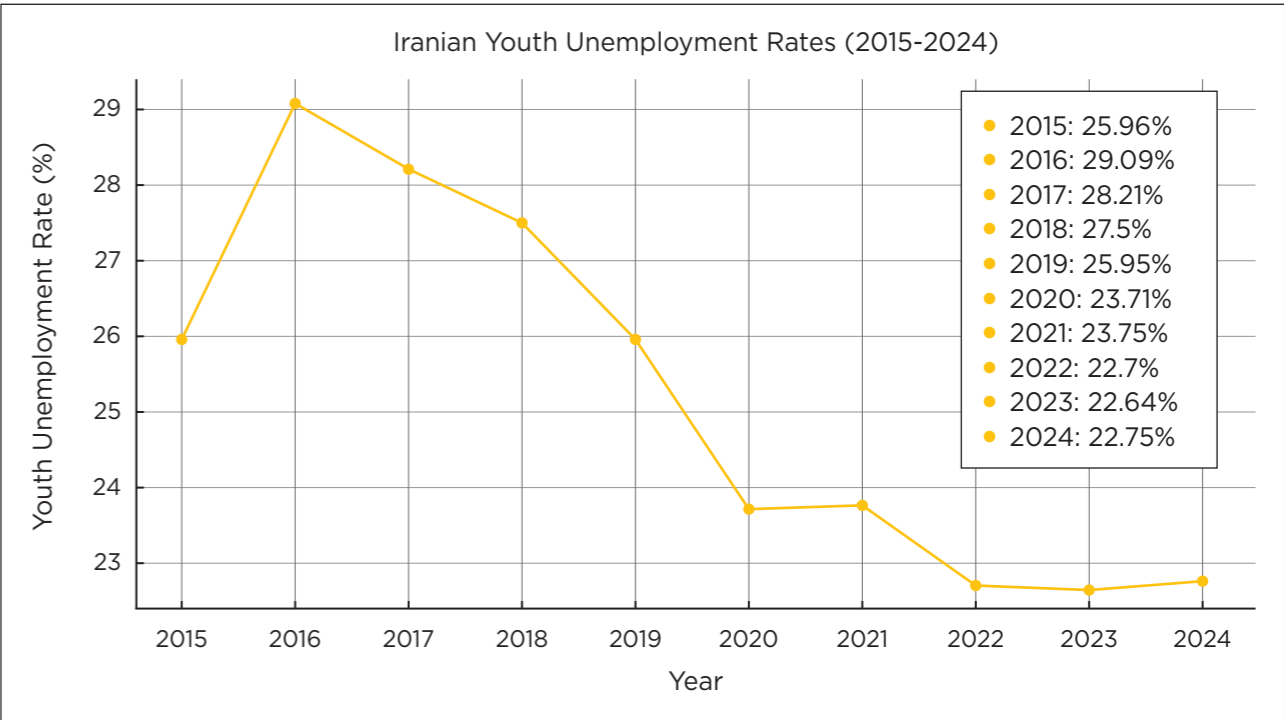
¹⁹³ Yasmina Zamel, "Iran's 2024 Outlook: Hyperinflation and currency fluctuations", *Frontierview*, 14 March 2024, <https://frontierview.com/insights/irans-2024-outlook-hyperinflation-and-currency-fluctuations/>.
¹⁹⁴ "Unemployment, total (% of total labour force) (modelled ILO estimate) - Iran, Islamic Rep.", Data, World Bank Group, <https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=IR&start=2014>. The World Bank primarily relies on data from the International Labour Organisation for unemployment and youth unemployment rates in Iran. These can be found here: <https://ilostat.ilo.org/data/>. The ILO primarily relies on data from national statistical offices of member countries, including Iran. The ILO then processes this data according to international standards to produce internationally comparable statistics, which may differ from the figures reported by the country itself. It does by this using a modelling approach to estimate unemployment rates, particularly when data from national sources is inconsistent. This model uses input data from national sources and applies adjustments to produce internationally comparable figures. A significant portion of the input data for the ILO's modelled estimates comes from microdata tabulations, which are derived from national datasets and processed by the ILO.

manufacturing employment took a major hit. This can be seen in the high unemployment rate in 2018 of 12.2%. By late 2018, industrial and manufacturing employment took a major hit as manufacturing job growth declined by approximately 16.4% compared to the period before 2018.¹⁹⁵ In 2018, industrial value added plunged 9.1% and this dragged down employment in factories and related sectors.¹⁹⁶ According to CEPR, informal employment spiked as sanctions made formal jobs scarcer, with workers in trade exposed industries falling into informal work like street vending or construction labour at higher rates by 2019.¹⁹⁷

Formal job creation remains weak, especially in sectors still affected by sanctions and supply chain bottlenecks. Therefore, the main impacts that maximum pressure sanctions had was rapid layoffs in manufacturing, a shift to informal work as formal jobs vanished and incomplete post 2020 recovery with many new jobs being low quality.

Youth Unemployment

Iranian youth unemployment rates from 2015 to 2024:¹⁹⁸



Even before the Trump era sanctions, youth unemployment was already high at 25.96% in 2015 and 29.09% in 2016. The US withdrawal from the JCPoA in May 2018 led to sweeping sanctions against oil, banking, shipping and trade sectors. The formal sector contracted sharply, and youth were the first to lose entry level jobs, pushing many into insecure sectors.¹⁹⁹ Sanctions caused a 16% drop in manufacturing growth, hitting youth particularly hard, as they

¹⁹⁵ Ali Moghaddasi and Roberto Nistico, "Employment effects of economic sanctions in Iran", *World Development*, March 2022, https://www.researchgate.net/publication/356866073_Employment_effects_of_economic_sanctions_in_Iran.
¹⁹⁶ Mohammed Farzanegan, "What are the big economic challenges facing the government in Iran?", *Economics Observatory*, 6 March 2023, <https://www.economicsobservatory.com/what-are-the-big-economic-challenges-facing-the-government-in-iran>.
¹⁹⁷ Ali Moghaddasi Kelishomi, "The impact of international economic sanctions on informal employment", *Centre for Economic Policy Research*, 9 May 2025, <https://cepr.org/voxeu/columns/impact-international-economic-sanctions-informal-employment>.
¹⁹⁸ "Iran: Youth unemployment rate from 2005 to 2024", Statista, March 2025, <https://www.statista.com/statistics/812112/youth-unemployment-rate-in-iran/>.
¹⁹⁹ Bijan Khajepour, "Approaching the precipice: Near-term prospects of Iran's economy", *Clingendael*, 30 January 2025, <https://www.clingendael.org/publication/approaching-precipice-near-term-prospects-irans-economy>.

occupy junior roles in these industries.²⁰⁰ Many displaced youths moved into informal labour in unregistered services. Youth unemployment remained high, above 20%, through 2024. After 2020, there was a reported drop from 29.09% in 2016 to 22.75% in 2024. This largely reflects dropout from formal job seeking and increased informal sector absorption, not genuine employment recovery.

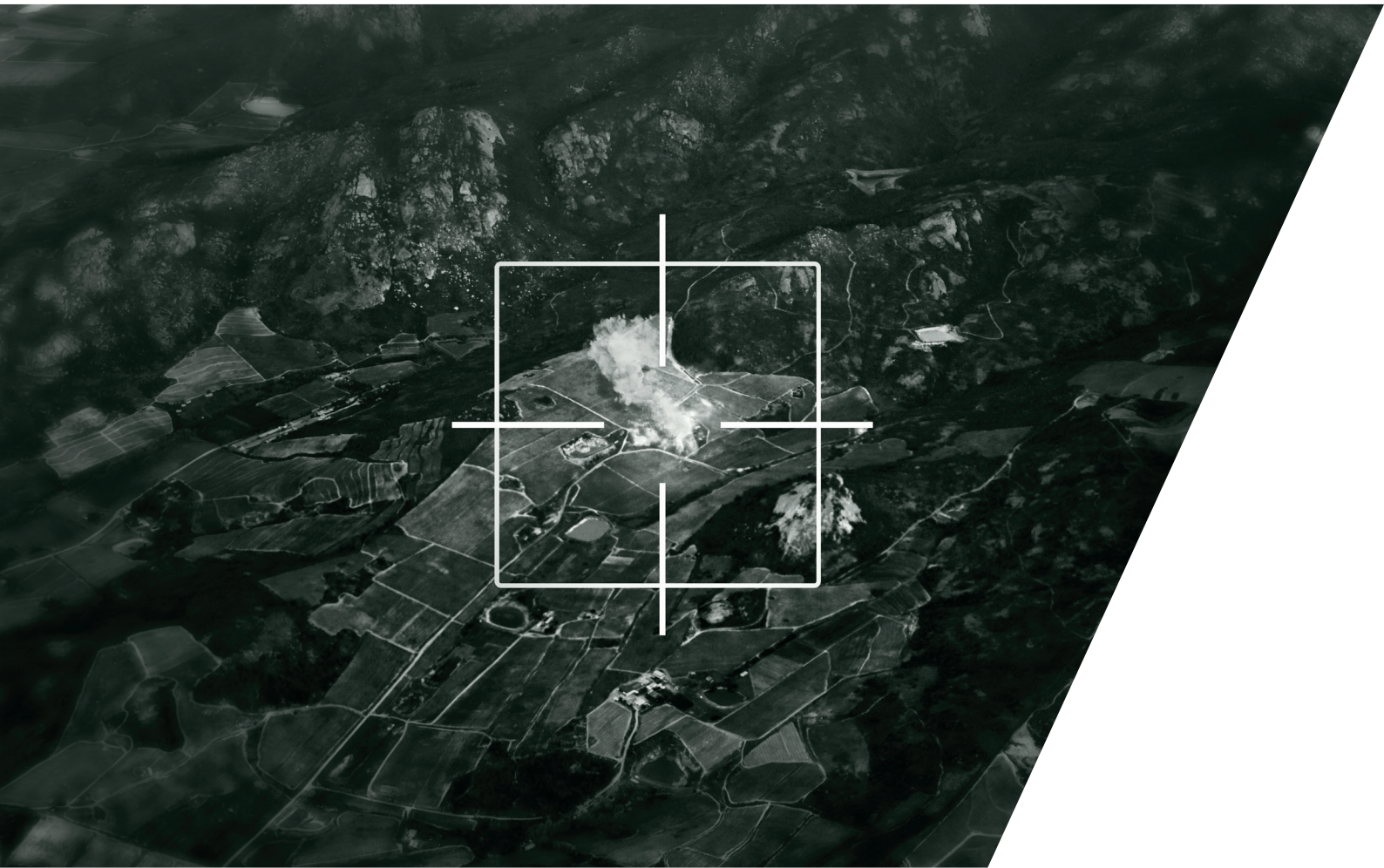
²⁰⁰ Mohammed Farzanegan, “What are the big economic challenges facing the government in Iran?”, *Economics Observatory*, 6 March 2023, <https://www.economicsobservatory.com/what-are-the-big-economic-challenges-facing-the-government-in-iran>.

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