



ASSESSING UNREST IN IRAN: THE WIDER IMPLICATIONS FOR THE SOUTH CAUCASUS

Richard Giragosian

22 January 2026

Implications of Unrest in Iran

- Risk of refugee flight into Armenia (and Türkiye)
- The “South Azerbaijan” issue (December 1989 & 1990-1991)
- Georgia loses importance to Iran
- Russia more exposed as pragmatic partner not strategic supporter

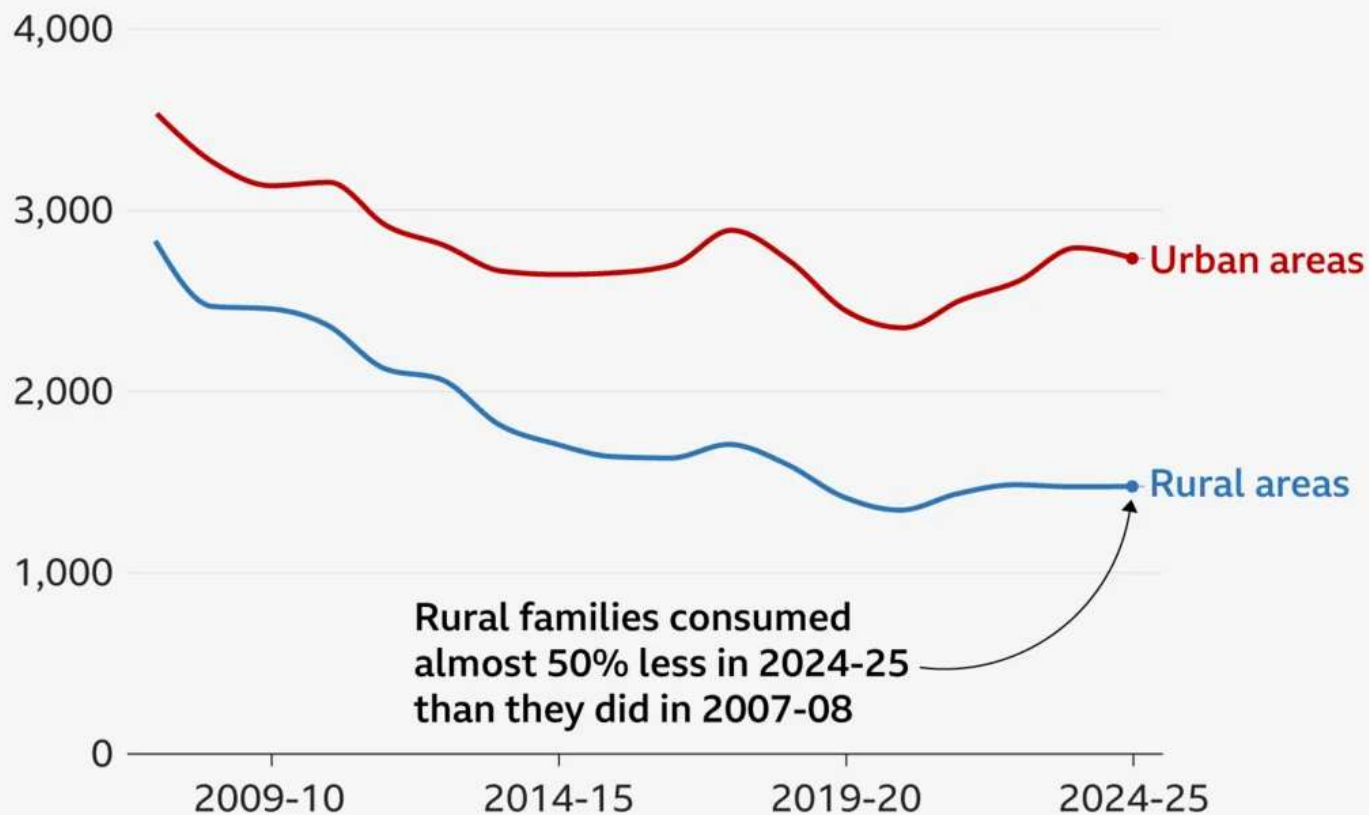
Protests Escalate Into Unrest

- Protests break out on 28 December in Tehran by shopkeepers & merchants over inflation & currency
- Economic protests spread throughout major Iranian cities & expand to include demands for social freedoms & real change

Economics of Discontent

Living standards in Iran have fallen dramatically since the 2008 crash

Annual gross household expenditure* in constant 2024-25 prices (million rials)



*The value of all goods and services consumed by a household, including food, healthcare, education, fuel, electricity and rent.

Unrest Expands Into Crisis

- Regime response & calculated crackdown helps to expand unrest into crisis; over 26,000 arrests
- Verified deaths at 4519; 9050 reported & over 5800 wounded
- Violent regime response triggers escalation of violent protests, attacks on mosques significant

Unrest Expands Into Crisis



What is Different?

- Latest in a series of pronounced protest & deep discontent
- But this crisis is different in three ways
 - Frequency: more often & more locations
 - Fervor: more radical & more violent
 - Fragility: regime response more desperate

Iran's Theocratic Mindset

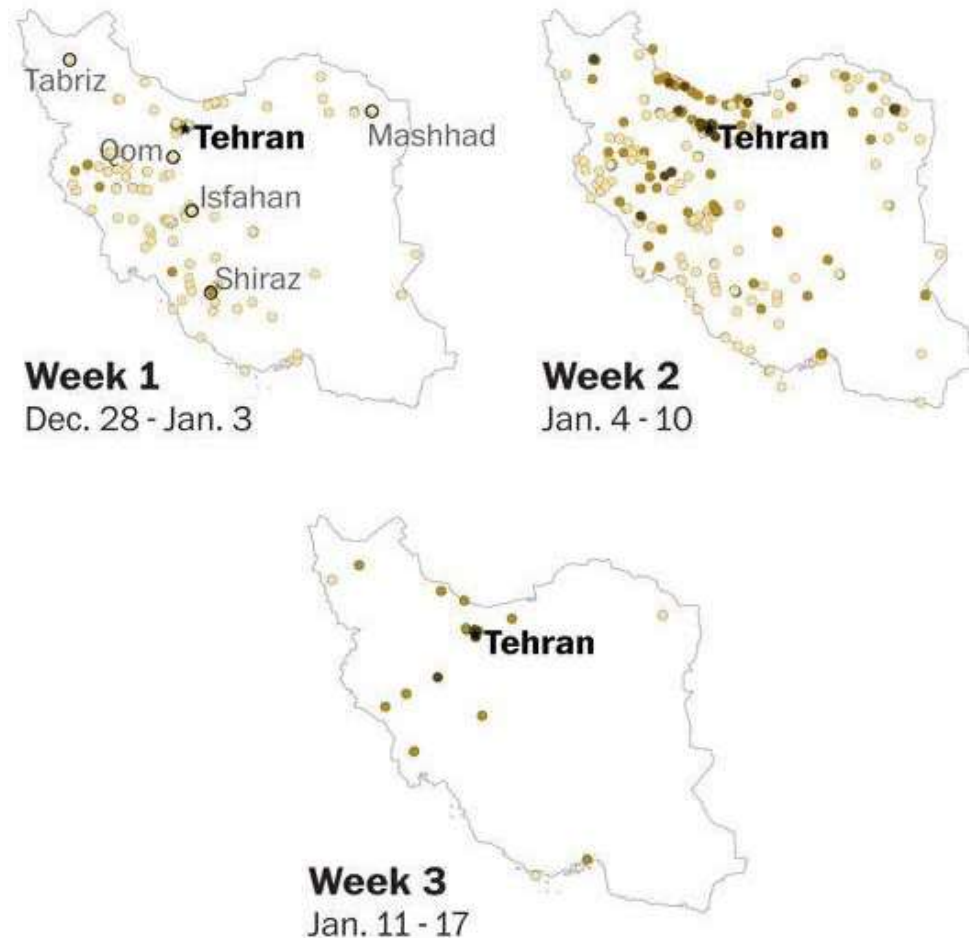
- Seriously believe protests are externally directed; thus, not genuine grievances
- Sincerely convinced of “regime righteousness” and no other path
- Shaped by three defining lessons: 1979 Islamic Revolution; 1989 China's Tiananmen square; Gorbachev demise

Where Are We Now?

- Wave of protests & unrest waning
- But this crisis has passed “tipping point”
 - Economic pressure & fewer options
 - Coercion & power no longer instills fear; protesters feel they have nothing to lose
 - Protesters’ demands now fundamental: regime change not policy compromise

Waning Unrest

Protest size ● Small ● Medium ● Large



Data as of Jan. 13. The map shows reported protests since Dec. 29, 2025.

Source: Institute for the Study of War and AEI's Critical Threats Project

What Will Come Next?

- Test of tactics for protesters
- Regime “triad of power” divided
 - Civilian leadership see need for reform
 - Supreme Leader Khamenei & Islamic elite seek small steps & half-measures
 - Hardline security IRGC & Basij paramilitary stress need for resolute repression

Fundamental Weakness of Regime Power

- Unprecedented tipping point
 - Reign & rule of supreme leader: since 1979 held by only two men Ayatollah Ruhollah Khomeini and Khamenei; no precedent & no process for political change
 - 86-year-old Khamenei in power for 37 years; has no deputy and no successor; power vacuum sparks power struggle

The Faces of Regime Power



Short Term Scenarios

- Weakening resiliency of regime power
 - Legitimacy & ideology undermined after 47 years of Islamic misrule & corruption
 - 86 year-old Supreme Leader Khamenei as the personal test, like the Shah
 - Coercion and conflict with security forces & IRGC not sustainable; less fear

Medium-Term Scenarios

- Regime power struggle
 - Iran has **always** been the outlier: ruled by “**kings and clerics**” - democracy or **military coup would be highly unlikely & wholly unacceptable**
 - New Supreme Leader installed as **prisoner & protegee of Revolutionary Guards (IRGC)**; Unrivalled power of IRGC suggest **more aggressive & militant policies**

From Clerics to King?

What is the appeal of a new Shah?



Pahlavi: Prominent Perhaps But Not Pivotal

- With no political opposition since 1979, Pahlavi holds unchallenged name recognition, secular standing and uninformed nostalgia for “past glory”
- But lacks legitimacy & an external exile
- Popular resistance to any appeal of yet another period of strongman rule

Long-Term Scenarios

- Atrophy of power & secular appeal
 - IRGC unsuited to sustained power; not a solution or a resolution of underlying crisis
 - Rise of warlordism & risk of fragmentation
 - Weakening of Iran to enhance Israeli & Turkish power projection, neighboring Syria & Iraq gain greater regional influence, as does Saudi power & Sunni dominance



For more information:

Richard Giragosian
Director

Regional Studies Center (RSC)

Yerevan, Armenia

Director@regional-studies.org