

IRAN: FROM ECONOMIC PROTEST TO POLITICAL CHALLENGE

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Iran: From Economic Protest to Political Challenge

The 2025–2026 riots in Iran: from economic protest to political challenge - background and origins of the demonstrations

The most recent wave of unrest in Iran emerged in late 2025 against a backdrop of accelerating economic deterioration and intensifying environmental stress. Prolonged sanctions, structural mismanagement, endemic corruption, and sustained currency depreciation had driven large segments of the population into severe financial insecurity, while an acute water crisis compounded daily pressures. Extended drought, aquifer depletion, degraded infrastructure, and chronic misallocation of water resources left both urban and rural populations facing persistent shortages. Inflation sharply reduced purchasing power, staple food prices rose steeply, the Iranian rial reached historic lows, and water scarcity disrupted agricultural production, industrial activity, and household stability. The convergence of these pressures generated widespread disaffection that increasingly cut across social, regional, and ideological lines.

Initial manifestations of unrest appeared in a politically significant arena: traditional urban bazaars. Protests first erupted in major commercial centers, most notably Tehran's Grand Bazaar, historically regarded as both a core economic hub and a conservative constituency aligned with the Islamic Republic. Merchants shuttered businesses and organized walkouts in response to collapsing trade volumes, rising import costs, currency volatility, and the state's apparent inability to stabilize macroeconomic conditions. Demonstrations within the bazaars carried substantial symbolic weight, indicating that dissent had expanded beyond students and urban youth to encompass segments of the commercial class that had traditionally avoided direct confrontation with state authority.

Geographic expansion and protest dynamics

From these initial economic nodes, unrest spread rapidly beyond Tehran. Within days, demonstrations were reported across 27 provinces, encompassing more than one hundred cities and towns. Protests reached provincial capitals, industrial corridors, and water-stressed regions, where long-standing grievances related to unemployment, unpaid wages, environmental degradation, and perceived corruption intersected. In numerous locations, daytime protests transitioned into nighttime confrontations, characterized by barricade construction, anti-government chants, and direct clashes with security forces.

The social composition of the protests diversified over time. Participants included students, industrial and service-sector workers, small business owners, residents of working-class districts, rural migrants, and unemployed youth. While initial demands centered on economic relief and access to water, protest messaging increasingly targeted senior political leadership and questioned the legitimacy of

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the governing system itself. This evolution in rhetoric marked a shift from sectoral grievance expression to a broader political challenge.

Geographic expansion and protest dynamics

The state responded through a calibrated mix of coercive force, surveillance, and information control. Riot police, Basij units, and plainclothes security personnel were deployed extensively to identified protest centers. As unrest intensified, security forces escalated the use of tear gas, batons, pellet weapons, and live ammunition, particularly during nighttime enforcement operations. In several urban areas, armored vehicles and temporary checkpoints were established to restrict movement and suppress protest activity.

To degrade protest coordination, authorities imposed rolling internet shutdowns and disrupted landline communications nationwide (as of the evening of 8 January, Iranian authorities had completely shut down internet service). These measures limited organizational capacity, constrained information flows, and isolated protest zones from national visibility. However, the communications restrictions also impaired emergency services, commercial activity, and routine civilian communications, further exacerbating public frustration and economic disruption.

Casualties, escalation, and social impact

As unrest continued, human and social costs escalated. During the first ten days of demonstrations, at least 45 fatalities were reported, including several members of the security forces, reflecting the increasing intensity of confrontations between protesters and state actors. Most deaths occurred in high-intensity urban flashpoints and during nighttime clashes, where the use of live ammunition and aggressive crowd-control measures was most prevalent. Hundreds of additional injuries were reported, with many individuals avoiding medical facilities due to concerns over arrest or identification. Over 1,300 people were reportedly arrested, though actual numbers are likely higher.

Hospitals in multiple cities were placed under heightened security, with reports of monitoring of emergency wards and the questioning of injured individuals. Families of those killed or wounded reported intimidation, surveillance, and pressure to conform to official accounts. Funeral gatherings frequently became secondary protest events, at times prompting renewed demonstrations and subsequent crackdowns. The cumulative effect included widespread psychological trauma, intensified public anger, and a deepening perception of systemic injustice.

Economic and physical damage expanded in parallel with rising casualties. Recurrent strikes, commercial shutdowns, transportation disruptions, communications outages, and damage to commercial infrastructure further strained an economy already under significant stress. Markets, bazaars, financial institutions, and government facilities sustained varying levels of damage, particularly in provincial capitals and densely populated working-class areas. Prolonged internet and landline disruptions further isolated affected communities, undermining livelihoods and daily socioeconomic activity.

Detentions increased sharply alongside escalating violence. Human rights organizations and opposition-linked networks estimated that several thousand individuals were detained nationwide during the initial phase of unrest. Detainees reportedly included students, labor organizers, journalists, and local protest coordinators. Many were held without formal charges, transferred to undisclosed detention sites, or denied access to legal representation, reinforcing concerns

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regarding enforced disappearances and long-term coercive control.

From economic grievance to legitimacy crisis

In working-class districts and provincial towns, protest activity increasingly reflected survival-driven motivations rather than ideological alignment. Demonstrators framed their actions as demands for basic security and dignity, including access to water, affordable food, employment opportunities, and protection from arbitrary state violence. Economic collapse, environmental stress, and coercive governance increasingly merged into a unified narrative of systemic failure.

Despite sustained repression, protest activity continued intermittently across much of the country. The persistence and geographic dispersion of unrest suggested that coercion alone was insufficient to restore durable stability. Instead, cumulative casualties, detentions, and economic losses further eroded public confidence in state institutions. By early 2026, the unrest had evolved into a significant legitimacy challenge for the Islamic Republic, exposing structural vulnerabilities and underscoring the limitations of force-based responses to grievances rooted in economic deterioration, environmental scarcity, and political exclusion.

Likely outcomes for the demonstrators

The probable trajectory of unrest in Iran remains shaped by the balance between popular mobilization and regime cohesion. A successful overthrow scenario would require sustained nationwide mobilization combined with visible defections or fractures within the security apparatus and the clerical-military elite – conditions that, while conceivable, have not materialized at scale. The more likely outcome is a managed containment of unrest through arrests, selective coercion, and narrative control, supplemented by limited tactical concessions intended to alleviate immediate pressure without altering core power structures.

Once internal control is consolidated, the leadership may again externalize domestic pressures by intensifying confrontation with Israel, whether through proxy activity, escalatory rhetoric, or limited direct engagement. Such actions would aim to reframe domestic dissent as subversive or externally driven and to reconstitute internal cohesion around resistance narratives. Under this scenario, the protest movement neither achieves systemic change nor fully dissipates; instead, it becomes embedded in a cyclical pattern in which unresolved domestic grievances persist alongside periodic external crises, enabling regime survival through deflection rather than resolution of its underlying legitimacy deficit.

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