



### Unrest in Iran Driven by Economic Hardship and Outside Forces

Since late December of 2025, widespread unrest and anti-government protests have emerged across Iran which have been largely driven by a severe economic crisis and exacerbated by outside forces seeking to destabilize the country. The demonstrations represent the largest wave of civil unrest since the 2022 solidarity movement that materialized following the killing of Mahsa Amini, with the current iteration taking place in at least 27 of Iran's 31 provinces. The unrest began with merchants and shopkeepers in commercial districts launching strikes and closing their businesses to protest major economic grievances. This has seen the rapid collapse of the national currency (as the Iranian rial has plummeted to a new historic low), ballooning inflation rates, and soaring prices for staples such as rice and meat. Economic hardships have been intensified by the resumption of "snapback" sanctions on the Iranian regime which have deepened the country's already significant isolation from the global financial system. External factors including U.S. President Trump's threat of American intervention and Israeli covert support for rioters have heightened the crisis and the threat of destabilization.

Observers have tried to shed light on Israel's attempts to cynically capitalize on the unrest in Iran, with some suspecting that this is designed to create a window for further military actions against Iran in the coming months. The Israeli Mossad has even gone so far as to publicly claim that it was operating within the protests, stating shortly after the unrest started that "We are with you. Not just from afar and verbally. We are with you in the field as well." This prompted Former U.S. Secretary of State Mike Pompeo to post on X expressing "Happy New Year to every Iranian in the streets. Also to every Mossad agent walking beside them." Israel's strategy seeks to foment instability within Iran and exploit existing domestic grievances to amplify civil unrest and threats to the regime in Tehran. In addition to this, U.S. President Trump's warning regarding potential American military intervention against the regime must be taken seriously when coupled with the recent abduction of Venezuelan President Nicolas Maduro. In fact, the U.S. State Department's Farsi-language social media account even doubled down on this, posting an image of Trump overseeing the Maduro raid with a threatening caption. Ultimately, many contend that the threats against Iran hold more weight and cannot be casually dismissed in light of what happened to Maduro.

While outside forces have certainly sought to exacerbate the crisis, the dire levels of economic hardship that have sparked the unrest are serious concerns that affect a growing number of

ordinary citizens in Iran. As one of the most sanctioned countries in the world, these global restrictions have left Iran struggling to access international financial markets and increasingly reliant on imports – which has fueled skyrocketing inflation and deteriorating economic conditions. In just the past six months alone, the Iranian rial has seen a higher than 50% drop in value. This has ballooned inflation and led to food prices soaring by an average of nearly 75% compared to the previous year. On top of the sharp depreciation of the national currency, there have also been criticisms of the government only offering wage increases that amount to a mere two-fifths of the surging rate of inflation. Furthermore, systemic failures in the energy sector have resulted in nationwide blackouts and gas and water shortages. All of this has left Iran facing an exceptionally severe economic crisis.

What transpires next in Iran of course remains to be seen, however many believe that the country is in the midst of a highly volatile period marked by a concerning convergence of domestic unrest, massive economic collapse, external pressure, and the threat of potential new military intervention from Israel and the United States. The economic crisis itself could very well worsen, as prices for essential goods are expected to jump even further following the government's decision to end subsidized exchange rates for imports. Public dissatisfaction is also likely to persist given that many deem the planned government concessions to be insufficient. These combined with outside pressures and threats leave the regime in a highly vulnerable state.