



ASIA MAIOR

Vol. XXXVI / 2025

**Asia in 2025:
Great power rivalry, contested politics,
and global disorder**

viella



CENTRO STUDI PER I POPOLI EXTRA-EUROPEI “CESARE BONACOSSA” - UNIVERSITÀ DI PAVIA

ASIA MAIOR

The Journal of the Italian think tank on Asia founded by Giorgio Borsa in 1989

Vol. XXXVI / 2025

Asia in 2025: Great power rivalry, contested polities, and global disorder

viella

Asia Maior. The Journal of the Italian Think Tank on Asia founded by Giorgio Borsa in 1989.

Copyright © 2026 - Viella s.r.l. & Associazione Asia Maior

ISBN 979-12-5701-257-1 (Paper) 979-12-5701-258-8 (Online)

ISSN 2385-2526 (Paper) ISSN 2612-6680 (Online)

Annual journal - Vol. XXXVI, 2025

This journal is published jointly by the think tank Asia Maior (Associazione Asia Maior) & the CSPE - Centro Studi per i Popoli Extra-europei "Cesare Bonacossa", University of Pavia

Asia Maior: The Journal of the Italian Think Tank on Asia founded by Giorgio Borsa in 1989 is an open-access journal, whose issues and single articles can be freely downloaded from the think tank webpage: www.asiamaior.org.

The reference year is the one on which the analyses of the volume are focused. Each *Asia Maior* volume is always published in the year following the one indicated on the cover.

Paper version	Italy	€ 50.00	Abroad	€ 65.00
Subscription	abbonamenti@viella.it www.viella.it			

EDITORIAL BOARD

Editor-in-chief (direttore responsabile):

Michलगuglielmo Torri, University of Turin.

Co-editors:

Axel Berkofsky, University of Pavia;

Filippo Boni, The Open University;

Diego Maiorano, The University of Naples «L'Orientale»;

Marco Pinfari, University of Pavia;

Elena Valdameri, ETH Zürich;

Consulting editors:

Elisabetta Basile, University of Rome «Sapienza»; Kerry Brown, King's College London;

Peter Brian Ramsay Carey, Oxford University;

Rosa Caroli, University of Venice;

Jaewoo Choo, Kyung Hee University (Seoul, South Korea);

Jamie Seth Davidson, National University of Singapore;

Ritu Dewan, Indian Association for Women Studies;

Laura De Giorgi, University of Venice;

Hewison, University of North Carolina at Chapel Hill;

Lucia Husenicova, University Matej Bel (Banská Bystrica, Slovakia);

David C. Kang, Maria Crutcher Professor of International Relations,
University of Southern California;
Rohit Karki, Kathmandu School of Law;
Jeff Kingston, Temple University – Japan Campus;
Mirjam Künkler, Swedish Collegium for Advanced Study – Uppsala;
Noemi Lanna, University of Naples «L'Orientale»;
James Manor, School of Advanced Studies – University of London;
Aditya Mukherjee, Jawaharlal Nehru University;
Mridula Mukherjee, Jawaharlal Nehru University;
Giulio Pugliese, European University Institute, Fiesole;
Parimala Rao, University of Delhi;
Guido Samarani, University of Venice;
Marisa Siddivò, University of Naples «L'Orientale»;
Eswaran Sridharan, Institute for the Advanced Study of India, University of
Pennsylvania;
Arun Swamy, University of Guam;
Akio Takahara, University of Tokyo;
Edsel Tupaz, Harvard University alumnus, Ateneo de Manila University and
Far Eastern University;
Pierluigi Valsecchi, University of Pavia;
Sten Widmalm, Uppsala University;
Ather Zia, University of Northern Colorado.

Book reviews editors:

Elena Valdameri, ETH Zurich (Review-editor- in-chief);
Teuku Reza Fadeli, Universitas Indonesia (UI), Jakarta.

Graphic project:

Nicola Mocchi, University of Florence.

Before being published in *Asia Maior*, all articles, whether commissioned or unsolicited, after being first evaluated by the Journal's editors, are then submitted to a double-blind peer review involving up to three anonymous referees. Coherently with the spirit of the double-blind peer review process, *Asia Maior* does not make public the name of the reviewers. However, the reviewers' names – and, if need be, the whole correspondence between the Journal's editors and the reviewer/s – can be disclosed to interested institutions, upon a formal request made directly to the Editor in Chief of the journal.

Articles meant for publication should be sent to Michelguglielmo Torri (mg.torri@gmail.com), Filippo Boni (filippo.boni@open.ac.uk), Diego Maiorano (dmaiorano@unior.it); book reviews should be sent to Elena Valdameri (elena.valdameri@gess.ethz.ch).



ASSOCIAZIONE ASIA MAIOR

Steering Committee: Filippo Boni, Marzia Casolari, Matteo Fumagalli, Michelguglielmo Torri (President).

Scientific Board: Guido Abbattista (Università di Trieste), Domenico Amirante (Università «Federico II», Napoli), Elisabetta Basile (Università «La Sapienza», Roma), Luigi Bonanate (Università di Torino), Claudio Cecchi (Università «La Sapienza», Roma), Alessandro Colombo (Università di Milano), Anton Giulio Maria de Robertis (Università di Bari), Thierry Di Costanzo (Université de Strasbourg), Max Guderzo (Università di Siena), Giorgio Milanetti (Università «La Sapienza», Roma), Paolo Puddinu (Università di Sassari), Adriano Rossi (Università «L'Orientale», Napoli), Giuseppe Sacco (Università «Roma Tre», Roma), Guido Samarani (Università «Ca' Foscari», Venezia), Filippo Sabetti (McGill University, Montréal), Gianni Vaggi (Università di Pavia).



CSPE - Centro Studi per i Popoli extra-europei
"Cesare Bonacossa" - Università di Pavia

Steering Committee: Axel Berkofsky, Alfredo Ferrante, Marco Gardini, Marco Pinfari, Maria Sassi, Pierluigi Valsecchi, Massimo Zaccaria (President)



viella

libreria editrice

via delle Alpi, 32

I-00198 ROMA

tel. 06 84 17 758

fax 06 85 35 39 60

www.viella.it

CONTENTS

IX Foreword

MICHEL GUGLIELMO TORRI, *Asia in 2025: The unravelling of the Asian order in the pincer of great power pressure and domestic strain*

Articles

- 1 FLORA SAPIO, *China 2025: «Focus our energies on doing our own things well»*
- 25 VERONICA STRINA, *China's 2025: Forging a new global role*
- 53 MARCO MILANI & ANTONIO FIORI, *Korean peninsula 2025: Political transition and strategic consolidation*
- 87 RAYMOND YAMAMOTO & MARCO ZAPPA, *Japan 2025: External shocks, domestic turbulence and the rise of Takaichi Sanae*
- 131 STEFANO PELAGGI, *Taiwan 2024-2025: Constraint, adaptation, and the cross-strait equilibrium*
- 155 THAN KIÜ, *Hong Kong 2025: Conditioned continuity under National Security*
- 173 ENRICO GLORIA, *The Philippines 2024-2025: Feuding families, weak institutions, and the limits of Philippine democracy*
- 193 EMANUELA MANGIAROTTI & NÜR RAFEEDA DAUT, *Malaysia 2025: ASEAN chairmanship under the Madani framework*
- 209 TEUKU REZA FADELI, *Indonesia 2025: The «Red-and-White» project and the consolidation of executive dominance*
- 267 CHRISTINE CABASSET, *Timor-Leste 2025: The 11th ASEAN member and new challenges*
- 285 FABIO FIGIACONI, *Vietnam 2025: Tô Lâm's powerplay and the limits of bamboo diplomacy*
- 299 CAROLINE BENNETT, *Cambodia 2025: Resilience in the face of economic and geopolitical insecurity*
- 319 PAUL CHAMBERS, *Thailand 2025: A year of insecurity and transition*
- 341 MATTEO FUMAGALLI, *Myanmar 2025: The military eschews off-ramping and fights back, as the polycrisis carries on*
- 361 AMIT RANJAN, *Bangladesh in 2025: Under the shadow of «Monsoon Revolution»*
- 389 DIEGO MAIORANO & RAGHAW KHATTRI, *India 2025: Economic paradoxes, political recovery, and the battle for electoral integrity*
- 411 IAN HALL, *India 2025: Turbulence and turmoil in foreign policy*
- 431 PUSPA SHARMA, *Nepal 2024-2025: Political upheaval, economic challenges and mixed foreign relations*
- 453 GULBIN SULTANA, *Sri Lanka 2025: Maiden year of the NPP administration*

477	MARCO CORSI, <i>Pakistan 2025: Internal governance challenges, security perils and foreign policy crosswinds</i>
499	ANAHITA MOTAZED RAD, <i>Iran 2024-2025: Strategic retrenchment amid regional setbacks and systemic pressures</i>
521	CARLO FRAPPI, <i>Azerbaijan 2025: Foreign policy behaviour in a fragmenting Eurasian order</i>
	<i>Special articles</i>
543	DAVID SCOTT, <i>Naval Hegemony and Deterrence: Aircraft carrier strategies and power projection in Asian waters</i>
559	SARA BERLOTO & NICOLÒ FASOLA, <i>From Monopoly to Dual Patronage: The evolution of Russian and Chinese influence in Central Asia (1991-2025)</i>
585	HAMIDEH SABERI, «We did not make a revolution to go backwards»: <i>The Iranian women's uprising of march 1979 and its systematic erasure from historical memory</i>
601	ENRICO BARTOLOMEI, «Colonialism of a Dual Nature»: <i>Fayez A. Sayegh, the Palestine Research Center and a Palestinian genealogy of the settler colonial paradigm</i>
625	<i>Reviews</i>
653	<i>Appendix</i>

IRAN 2024-2025: STRATEGIC RETRENCHMENT AMID REGIONAL SETBACKS AND SYSTEMIC PRESSURES

Anahita Motazed Rad

London School of Economics and Political Science
a.motazed-rad@lse.ac.uk

The years 2024-2025 marked a pivotal phase for the Islamic Republic of Iran, defined by converging and overlapping internal fragility and external pressures. The death of President Ebrahim Raisi in May 2024 disrupted elite continuity, while low turnout in the subsequent presidential election underscored deepening legitimacy deficits. Meanwhile, persistent inflation, currency depreciation, and rising living costs intensified labour unrest and widened the state-society divide, culminating in renewed public protests in late 2025 as the sharp decline of the rial and escalating prices rendered large segments of the population unable to meet basic living costs. Regionally, Israeli military operations against Iran-aligned actors, the collapse of the Assad regime, stalled nuclear diplomacy, renewed UN sanctions, and the June 2025 direct confrontation with the United States significantly narrowed Tehran's strategic space. While pursuing its «Look East» strategy, Iran institutionalized partnerships with Russia and China and sought broader ties across Asia. Yet limited reciprocal support from both powers following the June war and sanctions reimposition exposed the constraints of eastward alignment. Rather than achieving strategic insulation, Iran's external posture increasingly reflected managed interdependence under conditions of asymmetry and sustained pressure.

KEYWORDS – Labour protests; state-society rupture; look east strategy; regional strategic recalibration; nuclear negotiations.

1. Introduction

Following Hamas's 7 October 2023 attack on Israel (Al-Aqsa Storm), and throughout 2024-2025, Iran confronted a convergence of internal and external pressures that constrained both strategic choice and domestic governance. On the domestic front, social discontent persisted and found expression in recurrent protests and labour strikes, reflecting unresolved economic grievances and a widening state-society divide. These overlapping pressures compelled reassessments in regional policy, nuclear diplomacy, and economic management, while simultaneously deepening political polarization within the system.

A major internal shock occurred in May 2024 with the death of President Ebrahim Raisi and Foreign Minister Hossein Amir-Abdollahian in a helicopter crash, disrupting elite continuity at a moment of heightened

instability. The subsequent presidential election, which brought Masoud Pezeshkian to office, unfolded amid low voter turnout and widespread political disengagement, underscoring enduring deficits in the state legitimacy. The new administration inherited severe structural constraints and proved unable to implement effective measures to curb persistently high inflation and the rising cost of living, including escalating housing, asset, and food prices.

These domestic challenges were compounded by a tightening external environment. At the regional level, Israel's sustained military campaign between April and September 2024 against Hamas, Hezbollah, and Iran-aligned forces in Syria significantly weakened the operational capacity of the so-called «Axis of Resistance». High-profile assassinations, including the killing of senior Hezbollah leadership, together with extensive losses among allied militias, eroded Iran's deterrent posture and curtailed its regional reach. The subsequent collapse of the Assad regime in December 2024 further reduced Iran's strategic depth, sharply constraining its leverage across the Levant.

External pressure intensified throughout 2025 as nuclear negotiations remained stalled and diplomatic engagement narrowed. In September 2025, European parties reactivated the UN snapback mechanism, reinforcing Iran's economic and diplomatic isolation and further limiting its room for manoeuvre. These developments unfolded alongside growing expectations of renewed direct confrontation with Israel, particularly following the June 2025 Iran-Israel escalation, during which coordinated Israeli and U.S. strikes targeted Iranian military, missile, and nuclear-related infrastructure and eliminated senior security and military officials. Collectively, these dynamics left Iran facing a markedly constrained strategic environment, in which external pressure interacted with domestic fragility to produce an increasingly securitized policy posture, extending beyond foreign and security policy to intensified political control over public spaces and individual freedoms. By the final months of 2025, mounting economic strain – marked by high inflation, currency depreciation, and declining purchasing power – began to trigger renewed social unrest, further tightening the regime's reliance on coercive and securitized governance.

Against this backdrop, this article conceptualizes these developments through the lens of «strategic retrenchment». Rather than implying simple withdrawal or decline, strategic retrenchment is understood as a constrained and adaptive recalibration of Iranian state behaviour under intensifying systemic pressures. It captures a shift in policy orientation away from the long-standing logic of regional expansion associated with the «forward defence» doctrine, toward a more defensive posture centred on regime preservation, deterrence management, and the containment of accumulated vulnerabilities. This retrenchment is reflected in the weakening of Iran's regional network of partners, growing constraints on military power projec-

tion, the narrowing of diplomatic space amid stalled nuclear negotiations and renewed international pressure, and increasing economic fragility under sanctions and domestic strain. Accordingly, strategic retrenchment in this article refers not only to military or regional contraction, but also to the diplomatic, economic, and deterrence-related recalibration of Iranian state behaviour under cumulative systemic pressure. In this sense, it does not denote absolute retreat, but a reorientation shaped by the convergence of external setbacks and domestic fragility, which has progressively narrowed Iran's strategic options across 2024-2025.

2. *Domestic Policy*

During 2024-2025, domestic dynamics in Iran were marked by persistent social discontent and recurring labour mobilisation, reflecting deepening state-society tensions. Economic hardship, rising living costs, and continued political repression drove sustained protest activity among workers, retirees, and other social groups, while restrictions on personal freedoms further eroded regime legitimacy. Rather than pursuing structural reform, the state increasingly relied on coercive and securitised responses, contributing to the intensification and continuity of dissent during the period.

2.1. *Protest Dynamics and Social Contestation*

Despite extensive repression in previous years, social discontent remained evident during 2024-2025 through continuing acts of civil disobedience and resistance to compulsory hijab regulations. The authorities responded with intensified enforcement measures, including arrests, fines, and business closures, underscoring the persistence of tensions between state authority and society [Abbasi 2025]. According to reporting by Human Rights Activists News Agency [HRANA 2024], authorities reportedly took action against more than 30,000 women in 2024 for alleged non-compliance with compulsory hijab regulations. Of these, 644 were arrested – 618 under the so-called «Noor Project» – and at least ten detainees received a combined 57 months in prison alongside 14 million tomans in fines. In the same period, 365 businesses were reportedly sealed by the Public Places Supervision Department for alleged violations. These figures illustrate the breadth of enforcement efforts aimed at reasserting control amid continuing civil disobedience.

They also sit alongside intensifying elite-level tensions: while President Massoud Pezeshkian has publicly questioned compulsory veiling, telling NBC News that «human beings have a right to choose», Supreme Leader Ayatollah Ali Khamenei has dismissed the hijab debate as an «imposed challenge», insisting that «hijab is a law, and those who believe in Sharia and

those who do not must observe it», thereby framing compulsory veiling as a non-negotiable pillar of ideological order [The Guardian 2025, 7 December; Khodadadi 2025, 8 December]. Aligning with his position, conservative institutions have moved to reinforce enforcement mechanisms: 155 members of parliament signed a letter urging the implementation of the *Hijab and Chastity* regulation, and Speaker Mohammad Baqer Qalibaf announced that the December 14 law would be formally communicated to the government for execution [Khabar Online 2025, 2 December].

2.1.1. *Labour Protests 2024*

Alongside women's rights mobilizations, labour protests in Iran remained intense and widespread throughout 2024, echoing patterns of contention observed since 2018 and underscoring the state's persistent failure to address workers' grievances. According to Workers Rights Watch, between July and December 2024 mobilization spanned oil and gas, industrial production, road construction and heavy machinery, trucking, healthcare, education, and retail. Pensioners – constituting the largest and most consistently mobilized group in 2024 – played a central role, particularly those affiliated with major publicsector pension funds. Participation was not confined to bluecollar workers: nurses, teachers (including nonpermanent and retired educators), school service staff, and gold retailers featured prominently, underscoring the broad social base of labour discontent [Workers Right Watch 2024, December].

It was notable that these protests were geographically dispersed, extending far beyond Tehran to an average of at least 74 cities nationwide, and they employed diverse repertoires of contention.

Workers and retirees expressed demands through strikes, workplace stoppages, and public gatherings – often staged outside government institutions or management offices – while coordinated online campaigns and public statements amplified mobilization. The diversity of sectors involved, the nationwide spread of activity, and the combination of physical and digital tactics underscore the sustained and multifaceted character of labour activism during this period [Deutsche Welle 2024, 13 May].

Death of a 34-year-old nurse at Imam Hossein Hospital in Sepidan due to severe work-related stress has sparked widespread protests among nurses and became a powerful mobilizing symbol, accelerating nationwide protests. Nurses demanded improved pay, an end to mandatory overtime, adequate staffing, and implementation of the nursing services tariff law. Slogans such as: «A nurse will die but will not accept humiliation» and «Expenses in dollars, our wages in rials» captured the fusion of economic precarity and political frustration. While some actions emerged spontaneously, the newly formed «Coordinating Council of Nurses' Protest» played a key role in issuing calls for collective action [Qanbarpour 2024, 4 September]. The scale and coordination of these strikes disrupted medical services na-

tionwide, including suspension of nonemergency procedures, underscoring nurses' strategic position within Iran's broader labour unrest.

Therefore, structurally and in analytical terms, labour and tradeunion mobilization across 2024 increasingly took the form of coordinated campaigns that can be grouped into four overlapping categories. First were livelihoodoriented campaigns focused on wage erosion, inflation adjustment, and pension security, including nurses' mobilizations and retirees' demands for pension parity. Second were campaigns centred on workplace safety and job security, which gained momentum following fatal mining accidents – most notably the Tabas incident – and called for stricter safety standards and greater state accountability. A third set targeted the approval and implementation of stalled labour legislation, particularly efforts to eliminate subcontracting in government employment. Finally, defensive campaigns sought to protect labour representatives and associations from repression, alongside antidiscrimination initiatives by female workers especially in the oil and petrochemical sectors challenging genderbased exclusion [Tehran Times 2017, 6 November]. Many of these campaigns combined street-level protest with digitally mediated tools, reflecting labour activists' strategic adaptation to legal and political constraints [Workers Right Watch 2024, December].

2.1.2. *Labour Protests 2025*

Against the backdrop of worsening inflation, sanctions pressure, and declining living standards, labour unrest intensified across multiple sectors in 2025. Economic disruption following the June conflict, recurrent blackouts, rising food and fuel prices, and deteriorating public services fuelled growing anger over state mismanagement and corruption. According to Workers Rights Watch, nurses, farmers, bakers, industrial workers, truckers, and drivers staged coordinated strikes across more than 155 cities during the first half of 2025 in response to rising insurance premiums, fuel costs, low freight rates, and deepening energy and food crises. These protests increasingly coalesced into more organised nationwide strikes (*E'tesabat Sarasari*), signalling a shift from episodic unrest toward sustained economic disruption. Complementing these findings, an analysis of 455 labour protests recorded during this period showed that demonstrations spread across at least 83 cities amid accelerating inflation and currency depreciation, which intensified pressure on labour groups [Rasaneh 2026, January; Workers' Right Watch 2025, June].

Although labour unrest spanned multiple sectors, retirees, teachers, farmers in Isfahan, and bakers emerged as particularly visible focal points of collective mobilization around shared socio-economic grievances. Their demands centred on delayed wages, salary increases aligned with living costs, pension equalization, improved healthcare and social services, and resistance to layoffs and exploitative contracting practices. Among these ac-

tions, the nationwide truckers' strike in May 2025 – involving approximately 365,000 drivers – became one of the most prominent labour mobilizations, receiving widespread domestic support and international attention. The International Transport Workers' Federation (ITF) condemned judicial threats against the drivers and urged Iranian authorities to address their economic demands. [Workers' Right Watch 2025, June] The strike also inspired further labour actions, including renewed protests by bakers and teachers. As Hadi Ghaemi of the Centre for Human Rights in Iran observed, the mobilization resonated widely because truck drivers were seen not only as defending their own rights but also exposing broader systemic injustices affecting millions [Centre for Human Rights in Iran 2025, 4 June].

2.1.3. *Occupational Safety and Workplace Fatalities (2024-2025)*

Among the various major issues confronting Iranian labour, unsafe working conditions – caused by systematic non-compliance with safety regulations and weak state oversight – stand out as one of the most serious and worsening grievances. Official reporting and human-rights monitors document a sustained rise in workplace fatalities: more than 125 workers were killed in work-related accidents between late December 2023 and June 2024, and over 2,100 deaths were recorded during the 1402 Persian year (March 2023-March 2024), predominantly among construction workers, miners, and industrial labourers – many employed informally. A stark example occurred in June 2024, when a landslide at the Shazand Arak sand and gravel mine killed four informal workers who lacked accident insurance, highlighting the erosion of safety standards in privatized extractive sectors.

These patterns persisted into 2025 and helped catalyze labour mobilization. The trend of structural insecurity was further underscored in 2025 by the Shahid Rajaei Port explosion in Bandar Abbas (April), caused by improperly registered hazardous materials and resulting in dozens of fatalities and widespread disruption to trade infrastructure, and by the Mehman-Douyeh mine suffocation incident near Damghan, where seven miners died from gas asphyxiation. The port blast was particularly consequential because Shahid Rajaei is Iran's largest commercial gateway; the incident exposed regulatory lapses in hazardous-materials handling, disrupted supply chains and local livelihoods, and made safety failures highly visible – thereby intensifying public outrage and lending symbolic weight to the truckers' strike that originated in Bandar Abbas. Taken together, these cases indicate that workplace insecurity in Iran is not episodic but structural, reflecting enduring deficiencies in labour protection, regulatory oversight, and state accountability – factors that feed into the broader cycle of protest and labour contention. These structural failures and highly visible workplace disasters not only fuelled labour mobilization but also shaped the state's subsequent responses, revealing a pattern of containment rather than substantive reform [Workers' Right Watch 2025, 2024].

2.1.4. *Government Responses to Labour Mobilization*

Even the most authoritarian regimes periodically project a degree of socio-economic responsiveness to sustain minimal legitimacy. In Iran, however, this logic has been only weakly reflected in state responses to long-standing labour demands. While authorities occasionally offered selective concessions – sometimes through legislative or administrative measures – these were accompanied by intensified repression of labour activists, including surveillance, crackdowns, arbitrary detentions, and harsh judicial sentences.

Beyond overt coercion, the government's response to labour mobilization in 2024 and 2025, particularly until June 2025, followed two additional patterns. First, authorities often adopted a passive stance, refraining from forcefully dispersing protests or breaking strikes. This inaction suggests a tacit acknowledgment of the protests' social legitimacy, yet it simultaneously resulted in the continued neglect of workers' demands, even when legally grounded or previously promised. Second, although most mobilizations yielded few tangible gains, a limited number secured partial and tightly circumscribed concessions.

For example, during the truck drivers' protests, Parliament publicly discussed grievances related to fuel quotas, insurance premiums, tire costs, and transport rates, leading in June 2025 to modest policy adjustments, including moderated insurance fees and revised fuel allocations [Pakzad 2025, 24 May]. Similarly, sustained mobilization by municipal workers contributed to the parliamentary approval of special income bonuses (*fou-qol'adeh khas*) in April 2025, marginally narrowing wage disparities within the public sector. These cases illustrate a broader state strategy of containment rather than resolution, in which selective concessions functioned to defuse pressure without addressing the structural roots of labour discontent [Workers' Right Watch 2025, June].

2.2. *Internal Fragmentation and Instabilities*

During 2024-2025, Iran's political system faced intensifying internal fragmentation. Elite rivalries sharpened across executive, parliamentary, and unelected institutions, revealing growing tensions within the governing coalition. These divisions unfolded alongside mounting economic strain and sustained social mobilization, deepening pressures on regime cohesion. Rather than presenting a unified front, the political establishment displayed signs of strategic incoherence and institutional competition. At the same time, the regime's long-standing revolutionary legitimacy came under heightened scrutiny. Corruption scandals, governance failures, and the persistence of political repression eroded public trust, while labour, women, and ethnic rights movements continued to articulate demands that challenged not only policy performance but the foundations of the political or-

der itself. Together, these dynamics exposed structural vulnerabilities within the state and amplified the risk of systemic instability.

These pressures became especially visible at the outset of 2024, when the regime's efforts to mobilize mass participation for the 11 February anniversary of the «1979 Islamic Revolution» failed to generate the expected public turnout. The muted response to what has long been a core ritual of regime legitimacy signalled a widening disconnect (gap) between state and society and marked an early indicator of the political and symbolic challenges that would continue to confront the Islamic Republic throughout the year. This disconnect was further laid bare when, despite the Supreme Leader's early-2024 campaign urging participation in the parliamentary elections as a means of confronting «the enemies» [Reuters 2024, 3 July], the March vote was met with widespread boycotts – official turnout reached only around 30% nationwide and just 15% in Tehran, while independent estimates suggested participation as low as 8.2% – underscoring the depth of public disillusionment with electoral politics and the regime's mechanisms of consent [Mazaheri 2024, 26 March; Hafezi 2024, 4 March].

The sudden death of President Ebrahim Raisi and Foreign Minister Hossein Amir-Abdollahian in a helicopter crash on 19 May 2024 further destabilized Iran's already fragile domestic political landscape [Hafezi and Ehab 2024, 21 May]. Occurring shortly after the March parliamentary elections – marked by one of the lowest voter-turnout rates in the Islamic Republic's history – the incident forced the regime to organize an early presidential election within the constitutionally mandated 50-day window. The 28 June presidential election, culminating in the contested victory of Masoud Pezeshkian, unfolded amid severe economic strain, intensifying regional and international pressures (which will be discussed later in the foreign policy section), and a profound crisis of public legitimacy. Voter participation remained historically low: the first round was boycotted by at least 60% of eligible voters – the lowest turnout since 1979 – while the second round on 5 July saw only a modest increase to 49.6% by the regime's own figures, still reflecting widespread disengagement. Supreme Leader Ali Khamenei's subsequent attribution of low turnout to an externally orchestrated campaign of «despair» underscored the regime's growing reliance on externalization narratives to deflect responsibility for deepening governance failures [Foundation for Defense of Democracies 2024, 6 July].

Raisi's death was politically consequential not merely because he was the sitting president, but because he was one of the Islamic Republic's most strategically groomed figures. His rise to the presidency in 2021 was widely realized as a managed process: the electoral field was effectively engineered to ensure his near-uncontested victory, reflecting elite consensus around his role as a loyal custodian of the regime's revolutionary ideology. Unlike his predecessor, the moderate Hassan Rouhani, Raisi demonstrated an ideological and political alignment with Supreme Leader Ali Khamenei, reinforcing widespread perceptions that he was being positioned as a potential

successor to the 85-year-old leader [Glinski 2024, 30 May]. During his tenure, power became increasingly centralized across both domestic and foreign policy domains. Raisi presided over an intensified authoritarian turn, most notably through the brutal suppression of the youth-led «Woman, Life, Freedom» uprising, triggered by repressive social controls such as compulsory hijab laws [Human Rights Watch 2023, 15 September]. The state's reliance on lethal force, mass arrests, and sustained surveillance continued well beyond the peak of the protests, further eroding societal trust. Against this backdrop of economic deterioration, political repression, and legitimacy decline, Raisi's sudden death represented fresh uncertainty into a political system already under acute strain.

3. Economic Crisis and Governance Failure

Throughout 2024-2025, Iran's economy deteriorated under the combined pressures of structural inefficiencies, sustained sanctions, and escalating regional confrontation. Despite political transition following President Ebrahim Raisi's death, underlying fiscal and monetary distortions persisted, contributing to inflation, currency depreciation, and declining industrial output.

3.1. Structural Mismanagement and Internal Economic Failures

Iran's contemporary economic crisis reflects long-standing structural dysfunction, later intensified by external sanctions pressures. The 2018 United States withdrawal from the Joint Comprehensive Plan of Action marked an important inflection point by reimposing sanctions and exacerbating currency instability, but the underlying vulnerabilities predated this shift. Decades of systemic corruption, chronic fiscal mismanagement, persistent budget deficits financed through Central Bank support, and the dominance of state-linked monopolies – including entities affiliated with the Islamic Revolutionary Guard Corps – had already weakened productive capacity and constrained domestic growth [Sahit 2025, 9 May].

By 2024, these structural weaknesses were fully manifest in macroeconomic performance. International Monetary Fund [2024, October] and World Bank [World Bank Group 2024, 3 April] estimates placed annual inflation at approximately 32.5-35.8%, with GDP growth projected at around 3.7%. Domestic sources reported higher inflation exceeding 37% and weaker growth closer to 3%, reflecting tighter fiscal conditions and reduced policy flexibility [Statista 2026, 21 January; Donyaye-Eghtesad 2025, 22 October]. Across international and domestic sources, Iran's macroeconomic performance in 2024 reflected persistently weak growth, underscoring ongoing monetary and fiscal instability and indicating a deeper structural deterioration rather than a cyclical slowdown.

Economic conditions deteriorated further in 2025 amid escalating regional tensions, including the June confrontation with Israel, and the reactivation of pre-2015 United Nations «snapback» sanctions in late September. In its October 2025 assessment, the World Bank projected a contraction of -1.7% in 2025 and -2.8% in 2026, driven by declining export revenues, weakening non-oil activity, and the disruptive effects of intensifying geopolitical tensions and risks [World Bank Group 2025a, October]. These shocks accelerated capital flight, reignited inflation expectations, and precipitated a steep decline in domestic financial markets: the Tehran Stock Exchange fell by approximately 26% from its May 2025 peak, while the Iranian rial reached historic lows by December, having lost nearly half its value between mid-2024 and early 2025 [International Crisis Group, 2025, October].

Inflationary pressures intensified throughout 2025, particularly in food and essential goods markets. Food inflation rose from earlier stabilisation in 2024 to 58% by September 2025 and approximately 72% by November. Prices of basic commodities increased sharply, including legumes (over 250%), rice (over 150%), and meat (25-30%), indicating severe volatility in household consumption costs [Donyaye-Eghtesad 2025, 22 October]. Independent estimates suggest that overall inflation likely exceeded official figures, approaching or surpassing 40% by late 2025.

These dynamics produced a sharp deterioration in living standards and a rapid expansion of poverty. By 2024, independent and domestic estimates indicated that approximately 36% of Iran's population – nearly 30 million people – were living below the poverty line, a figure confirmed by Iran's Parliament Research Center and domestic economic reporting and representing the highest level recorded in more than a decade [Khabar Online 2025, 29 November]. Official acknowledgements were broadly consistent with these findings: in September 2024, former welfare minister *Ahmad Meydani* conceded that at least 30% of the population (approximately 25 million people) were living in poverty, while around 6% (roughly five million individuals) were in extreme poverty [Donyaye-Eghtesad 2025, 22 October; Khajehpour 2024, 31 October].

Beyond official and semi-official estimates, alternative projections suggested a significantly deeper crisis. Government-affiliated economists, including *Hossein Raghfar*, and international-facing domestic reporting indicated that up to half of the population – over 40 million people – may already be living below the poverty line [Khabar Online, 2025, 10 November]. The government's upward revision of the official poverty line in October 2025 – by nearly 70% within a single year – further underscored the extent of purchasing-power compression and implicitly acknowledged the scale of income erosion [World Bank 2025b, October].¹

1. For a more detailed analysis of the Iranian economy, see World Bank Group [2024, Spring].

By late 2025, labour mobilisation intensified, with coordinated workplace action and bazaar strikes following sharp currency depreciation. The participation of the merchant class, given its historical significance, was particularly notable [Adib-Moghaddam 2018, 3 July; Jonoobi 2016].

3.2. Sanctions, Geopolitics, and External Constraints

These internally generated vulnerabilities did not operate in isolation but were significantly intensified by a tightening external environment shaped by sanctions, geopolitical escalation, and growing international economic isolation. Since 2018, Iran has confronted increasingly severe external economic pressures, most notably the expansion of international sanctions that curtailed foreign investment, deepened banking and financial isolation, and sharply restricted access to global markets. Beyond formal sanctions, the Islamic Republic faced persistent constraints in terms of limited investable resources, weak institutional transparency, and the absence of a credible and internationally integrated banking system, all of which undermined its attractiveness to foreign investors and constrained access to external finance. In response to these constraints, Tehran pursued a strategic eastward reorientation – commonly framed as the «Look East» policy – seeking long-term cooperation arrangements with China and Russia [Snegovaya, Fenton and Dolbaia 2025, 4 September].

Slowing GDP growth to 3.7% in 2024/25 (the Iranian calendar year) marked the weakest performance in five years and reflected a sharp deceleration in the hydrocarbon sector. According to the World Bank, oil GDP growth fell to 4.6% from 18.8% a year earlier, underscoring the combined effects of weaker demand, sanctions-related constraints, and chronic underinvestment [World Bank Group 2025b, October]. Given that hydrocarbons remain the state's principal source of fiscal revenue and foreign exchange, this slowdown exposed the structural fragility of Iran's growth model.

Within this context of oil-sector vulnerability, Iran-China economic relations deepened under the 25-year comprehensive strategic partnership [Salmiati and Kumar 2024]. As sanctions tightened and export channels narrowed, China absorbed the overwhelming share of Iranian crude – typically at discounted prices – while bilateral non-oil trade exceeded \$26 billion in early 2025 [Tehran Times 2025, 8 February]. Although expanded sales to China partially stabilized export volumes in 2023-2024, this reliance did not produce durable fiscal consolidation; instead, it entrenched asymmetric dependence and tied Iran's macroeconomic stability to a single external buyer. By 2025, China reportedly absorbed over 90% of Iranian crude exports (approximately 1.3-1.4 million barrels per day), while bilateral trade remained structurally imbalanced, with Chinese exports significantly exceeding Iranian non-oil exports [Reuters 2026, 13 January]. Despite the headline 25-year cooperation framework, major Chinese state-owned enterprises continued to exercise caution under U.S. secondary sanctions,

limiting large-scale investment and often resorting to discounted pricing, barter mechanisms, or Renminbi settlements. As US «maximum pressure» intensified, Beijing calibrated its engagement to safeguard its broader regional and global interests – particularly vis-à-vis Washington – thereby constraining the structural economic gains available to Iran.

Alongside expanded energy cooperation, Iran sought deeper integration into China's Belt and Road Initiative, including the establishment of the Qom-Yiwu-Europe rail corridor in 2024 and a 2025-2027 connectivity roadmap. Tehran's accession to BRICS in 2024 and its enhanced role within the Shanghai Cooperation Organization further signalled a strategic eastward pivot. Yet these developments did not fundamentally alter the asymmetrical structure of the relationship [Mazaheri 2025, 4 July]. Sanctions, limited capital inflows, and continued reliance on discounted oil exports constrained tangible economic gains. The partnership faced practical tests during the June 2025 Israel-Iran crisis, when Beijing offered diplomatic backing but avoided security commitments that might escalate tensions with the United States. President Masoud Pezeshkian's September 2025 visit to Beijing aimed to consolidate cooperation, but China maintained a pragmatic, interest-driven approach rather than entering into a formal defence arrangement.

While China functions as Iran's primary economic lifeline amid tightening Western sanctions, Russia has concurrently emerged as a strategic partner, providing targeted investment and infrastructural support. Leveraging Tehran's eastward reorientation, Moscow has sought to deepen its role across key sectors – including energy, mining, industry, and transport – complementing Iran's dependence on China while navigating the constraints of sanctions and limited access to global financial markets [Azizi 2025; Belov and Ranjbar 2024].

Since 2024, Russia has consolidated its position as Iran's most significant foreign investor, with projected commitments of up to \$8 billion for 2024-2025, of which approximately \$5 billion had reportedly been formalized by mid-2025. This represented a sharp increase from the estimated \$2.76 billion invested during 2022-2023, which nonetheless accounted for nearly two-thirds of Iran's total foreign direct investment in that period [TASS 2025, Eghtesadonline 2025, 5 June]. Crucially, this quantitative expansion of economic cooperation did not occur in isolation but was institutionalized politically in January 2025, when President Masoud Pezeshkian and President Vladimir Putin signed a Comprehensive Strategic Partnership Agreement in Moscow [Rasanah 2025, 25 February]. This accord translated earlier economic coordination into a formal long-term framework aimed explicitly at sustaining bilateral integration under conditions of continued Western sanctions. Subsequent engagement at the 19th Iran-Russia Joint Economic Commission later in 2025 further consolidated this trajectory, with senior officials concluding additional agreements in energy, transit

infrastructure, and trade facilitation, thereby operationalising the institutional commitments established earlier in the year. [Joint Economic Cooperation Commission 2026, 16 February; Tehran Times 2026, 16 February].

Energy and infrastructure cooperation have been central to this rapprochement. In early 2025, Tehran and Moscow agreed on the route of a major gas pipeline, initially delivering 2 billion cubic metres (bcm) per year, with long-term potential up to 55 bcm annually; concurrently, a Russian consortium led by Zarubezhneft and Lukoil signed a \$4 billion agreement to develop seven southern Iranian oilfields, collectively aiming to increase output by an estimated 200,000 barrels per day [Bramston & Associates 2025, 1 May]. Transit infrastructure has also expanded under the International North-South Transport Corridor (INSTC): a 2025 transit roadmap for the Rasht-Astara railway was adopted, and cargo throughput along the corridor grew by 19% in 2024, reaching 26.9 million tons [Hussain, Malik and Mahmood 2024; Avdaliani 2025, 26 August]. Complementing these developments, a fullscale Free Trade Agreement (FTA) with the Eurasian Economic Union (EAEU) entered into force on 15 May 2025, significantly reducing tariffs on over 90% of goods and creating conditions for expanded preferential trade with Russia and other EAEU members. This agreement, alongside enhanced financial linkages and reciprocal payment mechanisms, is expected to support mutual trade turnover exceeding \$10 billion annually [Eurasian Economic Commission, 2025, 15 May; International Information Group 2025, 17 March].

4. *Iran's Foreign Policy*

Iran's foreign policy was significantly reshaped in 2024-2025 by a combination of regional, diplomatic, and domestic developments. The weakening of Tehran's regional network – marked by setbacks to key allied actors and the collapse of the Assad government in late 2024 – reduced its strategic depth and altered its deterrence environment. At the same time, direct confrontation with Israel, renewed nuclear escalation, and the reimposition of UN sanctions intensified external pressure. While Iran continued to pursue eastward alignment with Russia and China and maintained cautious engagement with Gulf states, its foreign policy increasingly reflected constraint and adjustment rather than expansion.

4.1. *Collapse and Recalibration of the 'Axis of Resistance'*

By 2024, the shifting strategic landscape of the Middle East had begun to exert significant pressure on Iran's regional posture, forcing Tehran toward increasingly consequential choices in 2025. Nowhere was this more apparent than in the weakening of the «Axis of Resistance» – a network designed

to project deterrence through allied non-state actors while keeping conflict away from Iran's borders. Built on strategic depth, delegated deterrence, and hybrid warfare capabilities in Syria and Lebanon, this model had long underpinned Iran's regional strategy, but between 2023 and 2025 it proved increasingly unsustainable both politically and militarily.

The immediate catalyst for this shift was the 7 October 2023 Hamas attack on Israel, which triggered a cycle of escalation that Tehran was unable to control. Israel's subsequent military campaign in Gaza not only led to the effective decimation of Hamas's military capabilities but also exposed the limitations of Iran's regional alliance. Despite expectations of multi-front escalation, key partners – most notably Hezbollah – remained constrained, engaging only in calibrated exchanges. This revealed a growing gap between Iran's strategic ambitions and the willingness or capacity of its allies to absorb escalating costs [Mansour and Al-Shakeri 2025, 6 March].

Israel further intensified pressure through a series of strikes targeting Iranian and allied assets across the region. Beginning with the April 2024 attack on Iran's consulate in Damascus and expanding through 2025, these operations focused on degrading leadership structures and strategic infrastructure across Gaza, Lebanon, and Syria [Carl 2024, 10 December]. The killing of senior Hezbollah figures, including Hassan Nasrallah, and the destruction of key military assets significantly weakened Iran's reliance on proxy forces. This position was further undermined by the collapse of the Assad regime in late 2024, which eliminated a key state ally and disrupted Iran's regional depth and logistical corridors [Hamdach 2025, 7 May; ITIC 2024, 12 December].

4.2. Direct Confrontation, Nuclear Escalation, and Sanctions

The transition from managed indirect conflict to direct confrontation in 2024-2025 fundamentally reshaped the strategic role of Iran's nuclear programme. As Tehran's regional deterrence architecture weakened, the nuclear file shifted from a calibrated bargaining instrument to a central component of deterrence, regime security, and strategic hedging. In this context, the nuclear programme was no longer merely a source of external pressure or diplomatic contention, but a compensatory strategic asset within Iran's evolving security framework. For over a decade, Tehran had sought to compartmentalize the nuclear issue from regional escalation, relying on proxy deterrence to maintain strategic distance; by 2025, this separation had largely collapsed.

Following the re-imposition of «maximum pressure» in early 2025, Iran's nuclear diplomacy entered a volatile phase shaped by coercive deadlines and limited engagement. In March 2025, U.S. President Donald Trump issued a 60-day deadline for a new agreement while intensifying sanctions and signalling escalation risks tied to Iran's regional policies. Subsequent Omani-mediated talks between April and May produced a tempo-

rary diplomatic opening but failed to resolve core disputes, particularly over uranium enrichment. Iran's insistence on maintaining enrichment capacity, in contrast to U.S. demands for its elimination, underscored the growing strategic value Tehran attached to the programme. At the same time, Israeli's signalling of potential military action further constrained diplomatic space and heightened escalation risks [Lob 2025, 5 November].

This strategic shift was reflected in a January 2025 International Atomic Energy Agency report warning of a «very worrisome» acceleration in enrichment activity, highlighting Iran's increasing reliance on its nuclear programme as a deterrent amid mounting military vulnerability. Diplomatic stalemate ultimately culminated in June 2025, when Israel, joined by the United States, launched direct strikes against Iranian targets. This marked the first large-scale direct interstate confrontation between the two sides, breaking the long-standing pattern of indirect conflict. Rather than restoring deterrence, the confrontation reinforced the securitization of the nuclear file and intensified internal debates within Iran regarding nuclear escalation as a response to strategic exposure [Gramer, Schwartz, and Bazail-Eimil 2025, 11 April].

In the aftermath of the conflict, the limited space for diplomacy narrowed further. In August 2025, the E3 (France, Germany, and the United Kingdom) triggered the UN «snapback» mechanism, leading to the restoration of pre-2015 sanctions by September. This move reflected growing concern that Iran's nuclear posture had shifted beyond tactical bargaining toward longer-term strategic hedging. Tehran, supported diplomatically by Russia and China, rejected the sanctions, underscoring both its increasing isolation and the limits of alternative alignments in compensating for lost engagement with the West.

The crisis deepened in November 2025 when the IAEA Board of Governors called on Iran to clarify outstanding safeguards issues and restore inspections, prompting a sharp rejection from Tehran and further entrenching positions on all sides [International Crisis Group 2025, December].

4.3. *Strategic Retrenchment and the «Look East» Turn*

Building on its long-standing «Look East» doctrine, Iran's relations with Russia and China evolved from symbolic alignment to institutional consolidation centred on economic integration, energy security, and coordinated resistance to Western pressure. At the same time, the depth and durability of these bilateral partnerships were put to a renewed test following Iran's regional setbacks in 2024-2025, prompting a recalibration in the trajectory of the relationship. Tehran's accession to BRICS in 2024 and its active participation in the Shanghai Cooperation Organization (SCO) formalized its integration into China-centred multilateral frameworks and enhanced its diplomatic visibility while offering only limited economic insulation under sustained sanctions. The 25-Year Comprehensive Cooperation Plan contin-

ued to serve as the principal bilateral framework, structuring cooperation in energy, infrastructure, and trade. Yet the partnership increasingly reflected pragmatic coordination as China remains Iran's primary economic outlet under sanctions, while Tehran occupies a secondary but functional role within Beijing's broader strategy of regional stability and energy diversification.

The June 2025 Israel-Iran war subjected this eastward strategy to a critical test. Although Beijing provided diplomatic backing, emphasized Iranian sovereignty, and opposed escalation, it refrained from offering security guarantees or material military support that could risk confrontation with the United States or Israel. This calibrated response still exposed long structural asymmetry: Iran relies heavily on China for economic and diplomatic cover, whereas China approaches Iran primarily through the lens of stability management and great-power competition. Even in the security domain, cooperation has remained carefully bounded. Participation in joint naval drills such as the Maritime Security Belt 2025 exercise in the Gulf of Oman signalled operational coordination, but these activities were confined to maritime security scenarios rather than comprehensive military integration [The Arab Weekly 2025, 1 September]. Post-war defence assessments indicate no confirmed major Chinese arms transfers to Tehran, underscoring Beijing's continued caution [Kasapoğlu 2025, 9 September]. Although multilateral inclusion enhanced Tehran's diplomatic visibility and opened alternative financial channels, it proved insufficient to offset the structural constraints imposed by sanctions, conflict exposure, and Beijing's broader geopolitical risk calculations. Within this context, Iran's expectations of deeper strategic reciprocity remained limited by China's regional balancing strategy and sensitivity to secondary sanctions. Yet despite evident disappointment, Tehran continues to deepen engagement and preserve the partnership even in the absence of robust reciprocal support, recognizing that the «Look East» turn has evolved less into bloc consolidation.

In the case of Russia, bilateral relations in 2024-2025 moved beyond predominantly economic and energy cooperation toward a more politically institutionalized partnership marked by strategic coordination. The 17 January 2025 signing of a 20-year Comprehensive Strategic Partnership Treaty by President Masoud Pezeshkian and President Vladimir Putin formalized cooperation across defence, energy, trade, and multilateral diplomacy, superseding earlier agreements from 1993 and 2001 [Siddiqi 2025, 4 March]. Although the treaty signalled deeper alignment, it deliberately avoided binding mutual-defence commitments, reflecting both sides' preference for strategic flexibility in managing third-party relations [The Sentinel 2025, 9 June].

Security coordination also intensified, albeit selectively. Iran's provision of military assistance to Moscow during the Ukraine war – particularly in unmanned aerial systems – was accompanied by expanded defence-industrial cooperation, joint naval drills, cyber engagement, and satellite coordination. Yet, as with China, expectations of reciprocal strategic backing

proved constrained. Following the June 2025 U.S.-Israeli strikes on Iranian nuclear facilities, Russia limited its response to diplomatic and political support, condemning the attacks in multilateral forums, raising the issue at the UN Security Council, and reaffirming the January 2025 partnership treaty. The absence of material or military backing exposed the asymmetry underlying the relationship and contributed to growing disappointment in Tehran, if not a gradual erosion of trust. This has not, however, produced rupture, but it has contributed to a more cautious and interest-driven reassessment of expectations [Azizi 2025; Rasanah 2025].

Overall, the warming of Iran's relations with China has unfolded against a backdrop of growing disappointment with Moscow. While there is no indication that Tehran is abandoning Russia, it has clearly sought to diversify its strategic options – particularly in advanced weapons procurement, where Russian delivery has fallen short of expectations [Nadimi 2025, 30 December]. The performance of Iran's air defence systems during the war with Israel exposed operational vulnerabilities, intensifying efforts to acquire more sophisticated platforms such as the S-400 and Su-35 from Russia or comparable systems from China. Competition over these systems may ultimately serve as a practical measure of each partner's willingness to translate political alignment into material support [Davidi 2025, 12 November].

Within this context, Tehran appears intent on reshaping its external posture – not as a subordinate actor within an anti-Western bloc, but as a regional power cultivating differentiated partnerships with China, India, and Southeast Asian states. Looking ahead, Iran's relations with both Russia and China are likely to operate along a spectrum between transactional cooperation and structured coordination – advancing where interests converge while preserving flexibility and strategic distance. The 2024-2025 period therefore underscores a central paradox of the «Look East» turn: sanctions and geopolitical isolation have accelerated partnership consolidation, but they have not eliminated asymmetry, limited reciprocity, or strategic caution. Rather than bloc formation, what has emerged is a pattern of calibrated interdependence shaped by mutual convenience and constrained trust.

5. Conclusion

During 2024-2025, the Islamic Republic of Iran encountered an acute convergence of domestic fragility and external constraint that exposed the cumulative limits of its governance and foreign policy model. These years marked a period in which long-standing structural weaknesses – economic mismanagement, institutional fragmentation, and declining state capacity – interacted with intensifying regional instability and a deteriorating international environment, placing the regime under sustained multidimensional strain.

Domestically, persistent economic hardship, soaring inflation, rising unemployment, and declining living standards pushed poverty to alarming levels. Social discontent, initially dispersed and sporadic, became a consistent feature of everyday life, with protests driven by demands for higher wages and basic economic relief. The state's response remained predominantly coercive, relying on surveillance, arrests, dismissals, and legal sanctions rather than substantive policy adjustment. The political transition following President Raisi's death in May 2024 and the subsequent formation of a reformist-led administration under Pezeshkian did not generate meaningful institutional recalibration. Instead, intensified parliamentary consolidation by conservative factions further entrenched intra-elite fragmentation, limiting executive capacity and reinforcing policy inertia.

Externally, Iran's regional environment deteriorated significantly. The weakening of its traditional network of regional partners, alongside the collapse of key strategic footholds and sustained conflict dynamics in Gaza and Lebanon, constrained the operational effectiveness of the «Axis of Resistance» framework. At the same time, the transition from indirect confrontation with Israel to episodes of direct military escalation underscored a shift in the regional security architecture that reduced Iran's strategic ambiguity and increased its exposure to direct deterrence pressures. In response, Tehran intensified efforts to consolidate its «Look East» orientation through closer engagement with China and Russia. However, these partnerships remained largely asymmetrical and insufficiently institutionalized to offset sanctions pressures or provide substantive security guarantees, thereby limiting their capacity to function as a durable strategic alternative.

Taken together, these dynamics indicate that Iran's conduct during 2024-2025 was increasingly shaped by constraint-driven adaptation rather than expansionary strategy. Across regional, diplomatic, economic, and domestic domains, policy behaviour reflected a progressive narrowing of strategic options under cumulative systemic pressure, rather than the pursuit of a coherent agenda of influence maximization. Decision-making increasingly prioritized regime preservation, deterrence maintenance, and the mitigation of structural vulnerability, signalling a shift towards adaptive crisis management rather than long-term strategic redesign. Overall, Iran's trajectory in this period reflects multidimensional strategic retrenchment driven by the mutual reinforcement of regional setbacks, economic strain, and domestic instability, resulting in a gradual erosion of policy autonomy and reduced strategic flexibility.

BIBLIOGRAPHY

- Abbasi, E., 2025, 'Political challenges and crisis management in the Islamic Republic of Iran: a comprehensive analysis', *Discover global society*, 3 (93). <https://doi.org/10.1007/s44282-025-00247-9>.
- Adib-Moghaddam, Arshin, 2018, 3 July, 'Iran's Grand Bazaar: once a hotbed of revolution, now a conservative power base', *The Conversation*. <https://theconversation.com/irans-grand-bazaar-once-a-hotbed-of-revolution-now-a-conservative-power-base-99155>
- The Arab Weekly, 2025, 1 September, 'Iran looks to China to rebuild missile capabilities after conflict with Israel'. <https://www.thearabweekly.com/iran-looks-china-rebuild-missile-capabilities-after-conflict-israel>
- Avdaliani, Emil, 2025, 26 August, 'The International North-South Transport Corridor', *Gulf Research Center*, Gulf Research Center | GRC.
- Azizi, Hamidreza 2025, 'Strategic Transactionalism: The Iran-Russia Partnership'. <https://mecouncil.org/publication/strategic-transactionalism-the-iran-russia-partnership/>
- Bramston & Associates, 2025, 1 May, 'Russia and Iran Forge Strategic Energy and Trade Alliance Amid Western Sanctions'. Russia and Iran Forge Strategic Energy and Trade Alliance Amid Western Sanctions | Bramston & Associates
- Belov V. I., and D. M. Ranjbar , 2024, 'Iran and Russia on the Path to Building a Comprehensive, Principled Partnership', *Information and Innovations*, 19(4), pp. 29-40. <https://doaj.org/article/e23e326ba0a44807ad8e9fc417ffaf22>
- Carl, Nicholas, 2024, 10 December, 'The Reshaping of Iran's Axis of Resistance', *Institute for the Study of War (ISW)*. <https://understandingwar.org/research/middle-east/the-reshaping-of-irans-axis-of-resistance/>
- Center for Human Rights in Iran (CHRI), 2025, 4 June, 'Iran's truck drivers' strike sweeps 163 cities, dozens arrested'. <https://iranhumanrights.org/2025/06/irans-truck-drivers-strike-sweeps-163-cities-dozens-arrested/>
- Davidi, Avi, 2025, 12 November, 'Iranian Disappointment with Russia and the Strategic Turn to China', *The Jerusalem Institute for Strategy and Security (JISS)*. <https://jiss.org.il/en/davidi-iranian-disappointment-with-russia-and-the-strategic-turn-to-china/>
- Deutsche Welle (DW Persian), 2024, 13 May, 'Three Iranian nurses die in their sleep within a month due to overwork', <https://www.dw.com/fa-ir/AF/a-69058359>
- Donyaye-Eghtesad, 2025, 22 October, 'Behind the New Poverty Rate', <https://donyaye-eqtesad.com/>
- Eurasian Economic Commission, 2025, 15 May, EAEU & Iran: full-fledged free trade agreement entered into force, *Eurasian Economic Commission Trade Bloc*. <https://ecc.eaunion.org/en/news/eaes-iran-vstupilo-v-silu-polnoformatnoe-soglashe-nie-o-svobodnoy-torgovle-/>
- Eghtesadonline (نیازنا داصتقا), 2025, 5 June, 'Russia became Iran's largest foreign investor in 2024'. Russia became Iran's largest foreign investor in 2024
- Foundation for Defense of Democracies, 2024, 6 July, 'Mass Boycott by Voters Persists as Masoud Pezeshkian Wins Iran Presidential Election'. Mass Boycott by Voters Persists as Masoud Pezeshkian Wins Iran Presidential Election
- Gliniski, Stefanie, 2024, 30 May, 'The Mood from Tehran: As Iran gears up for elections to replace Raisi, the country is divided'. <https://foreignpolicy.com/2024/05/30/iran-raisi-death-funeral-elections-tehran/>

- The Guardian, 2025, 7 December, 'Two marathon organisers arrested in Iran over women running without hijabs'. <https://www.theguardian.com/world/2025/dec/07/marathon-organisers-arrested-iran-women-running-without-hijabs-kish-island>
- Gramer, Robbie, Felicia Schwartz, and Eric Bazail-Eimil, 2025, 11 April, 'The Clock Is Ticking for Iran', National Security Daily (*Politico*). <https://www.politico.com/newsletters/national-security-daily/2025/04/11/the-clock-is-ticking-for-iran-00287080>
- Hafezi, Parisa, 2024, March 4, 'Iran election turnout hits record low, hardliners maintain grip on parliament', *Reuters*. <https://www.reuters.com/world/middle-east/iran-election-turnout-hits-record-low-hardliners-maintain-grip-parliament-2024-03-04/>
- Hafezi, Parisa, and Yonna Ehab, 2024, 21 May, 'Iranian President Ebrahim Raisi, hardline ally of Khamenei, killed in helicopter crash', *Reuters*. <https://www.reuters.com/world/middle-east/hopes-fade-wreckage-found-helicopter-carrying-iranian-president-raisi-2024-05-20/>
- Hamdach, Widyane, 2025, 7 May, 'The Fall of Bashar al-Assad: Winners, Losers, and Challenges Ahead', *Georgetown Journal of International Affairs*. <https://gjia.georgetown.edu/2025/05/07/the-fall-of-bashar-al-assad-winners-losers-and-challenges-ahead/>
- Human Rights Activists News Agency (HRANA), 2024, December, 'Annual Statistical Report of Human Rights Conditions in Iran 2024', 2024, pp. 49-50. <https://www.en-hrana.org/wp-content/uploads/2024/12/HRANA%20Annual%20Report%202024%20-%20English.pdf>
- Human Rights Watch, 2023, 15 September, 'Iran: Crackdown on Dissent Ahead of Protest Anniversary'. Iran: Crackdown on Dissent Ahead of Protest Anniversary | Human Rights Watch
- Hussain, Raziq & Malik, Rimsha & Mahmood, Muhammad, 2024, 'International North-South Transport Corridor: A Geo-Economic Initiative in a Geopolitical World', *NUST Journal of Social Sciences and Humanities*. 10(1), pp.75-94. https://www.researchgate.net/publication/402390600_International_North-South_Transport_Corridor_A_Geo-Economic_Initiative_in_a_Geopolitical_World/citation/download
- International Crisis Group, 2025, December, 'Tracking Conflict Worldwide: Iran', Crisis Watch Database | International Crisis Group
- International Information Group (Interfax), 2025, 17 Mar, 'Free trade agreement between EAEU and Iran to go into effect on May 15'. Free trade agreement between EAEU and Iran to go into effect on May 15.
- International Monetary Fund 2024, October, *World Economic Outlook. Policy Pivot, Rising Threats*.
- ITIC (The Meir Amit Intelligence Information Center), 2024, 12 December, 'The power groups in Syria after the fall of the Assad regime', *Eurasia*. The Power Groups in Syria after the Fall of the Assad Regime
- Joint Economic Cooperation Commission, 2026, 16 February, 'Expanding Horizons of Iran-Russia Joint Cooperation, Key Strategic Priorities of the 19th Commission'. میسر و ناریا یداصتقا یاه یراکمه کرتشم نویسی مک
- Kasapoğlu, Can, 2025, 9 September 'Assessing Defense Cooperation Between Iran and China in the Wake of the 12-Day War | MENA Defense Intelligence Digest', *Hudson Institute*. Assessing Defense Cooperation Between Iran and China in the Wake of the 12-Day War | MENA Defense Intelligence Digest | Hudson Institute

- Khabar Online, 2025, 10 November, '7 million people are below the hunger line/ Raghfar: Growing poverty and corruption at the Ayandeh Bank are linked/ Iran is moving towards "São Pauloization"'. <https://www.khabaronline.ir/news/2140374/7->
- Khabar Online, 2025, 29 November, 'Faculty member of the Majlis Research Center: 30 million people are in "absolute poverty" and "extreme poverty" / The income of four million people is not enough to feed them'. <https://www.khabaronline.ir/news/2136152>
- Khabar Online, 2025, 2 December, 'Implementation of the Law on Chastity and Hijab+Details'. <https://www.khabaronline.ir/news/2150501/>
- Khajehpour, Bijan, 2024, 31 October, 'Deep Data: The Pezeshkian administration's first budget bill', *Amwaj Media*, <https://amwaj.media/en/article/deep-data-the-pezeskian-administration-s-first-budget-bill>.
- Khodadadi, Amin, 2025, 8 December, 'Marathon organizers arrested in Iran after women ran without hijabs', *NBC Universal*. <https://www.aol.com/articles/marathon-organizers-arrested-iran-women-171157431.html>.
- Lob, Eric, 2025, 5 November, 'The United States and Iran Must Overcome Four Challenges for Nuclear Talks to Succeed', Carnegie Endowment for International Peace. <https://carnegieendowment.org/research/2025/11/the-united-states-and-iran-must-overcome-four-challenges-for-nuclear-talks-to-succeed>
- Mansour, Renad, and Hayder Al-Shakeri., 2025, 6 March, 'The Shape-Shifting "Axis of Resistance": How Iran and Its Networks Adapt to External Pressures', *Chatham House*. DOI: 10.55317/9781784136369.
- Mazaheri, Mohammad Mahdi, 2025, 4 July, 'Iran-China Cooperation: Strategic Convergence amid Complex Challenges', *International Peace Studies Centre (IPSC)*. Iran-China Cooperation: Strategic Convergence amid Complex Challenges.
- Mazaheri, Mohammad, 2024, 26 March, 'Low Voter Turnout in Iran Highlights Candidate Disqualifications and Foggy Polling Data'. <https://www.wilsoncenter.org/article/low-voter-turnout-iran-highlights-candidate-disqualifications-and-foggy-polling-data>
- Nadimi, Farzin 2025, 30 December, 'Iran's Failing Eastward Pivot? The Limits and Risks of Russia-China Alignment', *The Washington Institute for Near East Policy*. <https://www.washingtoninstitute.org/policy-analysis/irans-failing-eastward-pivot-limits-and-risks-russia-china-alignment> ;
- Pakzad, Soroush, 2025, 24 May, 'Why did the truck drivers go on strike and what are their demands?', *BBC Persian*. <https://www.bbc.com/persian/articles/cgleg-7p4l60o>
- Qanbarpour, Sina, 2024, 4 September, 'Low wages, grueling work, and constant mistreatment; nurses in Iran reveal reasons for months of protest', *BBC Persian*. <https://www.bbc.com/persian/articles/c6283n51g72o>
- Rasanah, 2025, 25 February, 'The Iran-Russia Strategic Partnership Agreement: Scope and Impact'. The Iran-Russia Strategic Partnership Agreement: Scope and Impact | International Institute for Iranian Studies
- Rasanah, 2026, 21 January, 'Iran Case File: November-December 2025'. <https://rasanah-iiis.org/english/wp-content/uploads/sites/2/2026/01/November-December-2025.pdf>
- Reuters, 2024, 3 July, 'Iran's Khamenei downplays low election turnout'. <https://www.reuters.com/world/middle-east/irans-khamenei-says-turnout-presidential-election-was-lower-than-expected-2024-07-03/>.

- Reuters, 2026, 13 January, 'China's heavy reliance on Iranian oil imports'. China's heavy reliance on Iranian oil imports | Reuters
- Sahit, Ata, 2025, 9 May, 'Iran's economy declined sharply in two decades. Now it is staring into an abyss', *TRT World*. <https://www.trtworld.com/article/2344b-84b96e8> Iran's economy declined sharply in two decades. Now it is staring into an abyss. - TRT World
- Salmiati, and S. N. Kumar, 2024, 30 September, 'Transformation of Iran's Foreign Policy Post-Ebrahim Raisi: Analysis of Nuclear Strategy, International Relations, and Middle Eastern Geopolitics', *Electronic Journal of Social and Strategic Studies*, 5 (30). <https://doi.org/10.47362/EJSS.2024.5205>.
- The Sentinel, 2025, 9 June, 'Russia emerges as Iran's largest foreign investor in 2024 with \$8 billion boost'. Russia emerges as Iran's largest foreign investor in 2024
- Siddiq, Arhama, 2025, 4 March, 'Russia-Iran Strategic Partnership: Forging New Avenues in Geopolitics', *Institute of Strategic Studies Islamabad*, https://issi.org.pk/wp-content/uploads/2025/03/IB_Arhama_March_04_2025.pdf
- Snegovaya, Maria, Nicholas Fenton, and Tina Dolbaia, 2025, 4 September, 'CRINK Economic Ties: Uneven Patterns of Collaboration', *Centre for Strategic International Studies (CSIS)*. 250904_Snegovaya_CRINK_Ties.pdf
- Statista, 2026, 21 January, 'Iran: Inflation rate from 1987 to 2030', <https://www.statista.com/statistics/294320/iran-inflation-rate/>
- TASS, 2025, 5 June, 'Russia became Iran's largest foreign investor in 2024 – Ambassador in Moscow'. Russia became Iran's largest foreign investor in 2024 – Ambassador in Moscow - World - TASS
- Tehran Times, 2017, 6 November, 'No more discrimination for women in oil industry: Zanganeh'. <https://www.tehrantimes.com/news/418272/No-more-discrimination-for-women-in-oil-industry-Zanganeh>.
- Tehran Times, 2025, 8 February, 'Iran-China non-oil trade stands at \$26.7b in 10 months Economy'. Iran-China non-oil trade stands at \$26.7b in 10 months – Tehran Times.
- Tehran Times, 2026, 16 February, 'Iran, Russia stress deeper strategic ties as joint economic committee meeting opens'. Iran, Russia stress deeper strategic ties as joint economic committee meeting opens – Tehran Times
- Worker Rights Watch, 2025, 'A semi-annual report on labor protests and legal development in Iran, January-June 2025', *Volunteer Activists Institute*. <https://worker-rightswatch.org/publications/jan-to-june-2025>
- Worker Rights Watch, 2025, 'A semi-annual report on labor issues, protests and evolving labour regulations in Iran: July-December 2024', *Volunteer Activists Institute*. 68c84a2e5f13d74cb3690e0f_WRW_5.pdf
- World Bank Group, 2024, 3 April, Brief No. 188937 (Iran, Islamic Republic of)
- World Bank Group, 2024, Spring, 'Iran Economic Monitor, Spring 2024: Sustaining Growth Amid Rising Geopolitical Tensions – With a Special Focus: Recent Poverty and Inequality Trends in Iran (2020-2022)' (English).
- World Bank Group, 2025a, October, 'Middle East, North Africa, Afghanistan and Pakistan Economic Update, October 2025: Jobs and Women: Untapped Talent, Unrealized Growth'.
- World Bank Group, 2025b, October, 'Macro Poverty Outlook (Iran, Islamic Republic of - Poverty and Shared Prosperity)'.