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MAPPING IRAN'S ALTERNATIVE FUTURES

ILAN BERMAN



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AUTHOR'S NOTE

This report is the product of a closed-door subject matter expert roundtable and a subsequent virtual wargame with former senior officials from multiple U.S. administrations. Both events were convened by the American Foreign Policy Council in the first half of 2025. In the wake of the subsequent June 2025 war between Israel and Iran, the resulting conclusions were updated to reflect the consequences of the conflict on Iran's strategic capabilities and regional standing.

ABOUT THE AUTHOR



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Mr. Berman is the editor of six books: *Dismantling Tyranny: Transitioning Beyond Totalitarian Regimes* (Rowman & Littlefield, 2005), co-edited with J. Michael Waller; *Taking on Tehran: Strategies for Confronting the Islamic Republic* (Rowman & Littlefield, 2007); *Iran's Strategic Penetration of Latin America* (Lexington Books, 2015), co-edited with Joseph Humire; *The Logic of Irregular War: Asymmetry and America's Adversaries* (Rowman & Littlefield, 2017); *Digital Dictators: Media, Authoritarianism, and America's New Challenge* (Rowman & Littlefield, 2018); and, most recently, *Wars of Ideas: Theology, Interpretation and Power in the Muslim World* (Rowman & Littlefield, 2021).

EXECUTIVE SUMMARY

Iran is a nation ripe for change. Forty-six years after the 1979 Islamic Revolution, its radical religious government is riven by internal contradictions, unable to supply the basic functions of governance, and increasingly rejected by its 92.5 million citizens. The June 2025 “Twelve-Day War” with Israel further exposed Iran’s vulnerabilities but did not spark a significant uprising or major opposition activity. Instead, the regime hardened its rule, passing emergency legislation, executing suspected collaborators, and accelerating succession planning.

Three “alternative futures” now loom large:

- **A Technocratic Transition**, in which generational change brings to power a more technocratically minded and bureaucratically competent elite. With parallels to post-Mao Zedong-era China, such a path would emphasize administrative modernization, hiring competent officials, reforming banking, and deploying advanced resource management systems. Such measures would aim to restore legitimacy, but represent merely superficial modernization, leaving core U.S. strategic concerns unchanged. As a result, such a scenario would require the maintenance of sanctions, vigilance on nuclear and military programs, and a strong regional force presence on the part of the United States.
- **Protracted Regime Collapse**, in which chronic economic underperformance, informal markets, labor unrest, and eroding rural support steadily diminish regime control, while authorities retain cohesion via the armed forces and security services. The historical analogue here is Venezuela under Nicholas Maduro: a protracted decline, reliance on coercion, and blame of foreign conspiracies, even as informal economies proliferate and legitimacy erodes. Such a deterioration, even if tempered by security force control, would necessitate proactive measures to protect American and allied forces, the monitoring of Iran’s strategic programs and informal economy, and close coordination with regional partners.
- **An Internal Takeover**, in which the IRGC consolidates control through the gradual absorption of state functions, leveraging its economic holdings and strategic programs to do so. Like the KGB in post-Soviet Russia, the IRGC could thereby become the country’s central governing institution, subordinating clerical authorities and establishing a “state within a state.” Such a trajectory would sharpen the risks to the United States and its partners, emphasizing the need for sustained multi-domain pressure, expanded sanctions, and unified coalition strategies to contain an entrenched, IRGC-dominated government.

In reality, hybrid scenarios are the most likely outcome, as Iran today already bears indicators of all three potential paths outlined above. Nevertheless, the years ahead will inevitably bring an evolution in the nature of the Iranian regime. Only by understanding these scenarios can U.S. policymakers hope to craft a cogent strategy to mitigate them.

MAPPING IRAN'S ALTERNATIVE FUTURES

Iran is a nation ripe for change. Forty-six years after 1979's Islamic Revolution, the radical religious government ushered in by the Ayatollah Ruhollah Khomeini's religious revolt against the Shah is riven by internal contradictions. The country's population of 92.5 million is increasingly secular in nature and self-identification.¹ An overwhelming majority of Iranians now reject the country's current clerical form of government.² And more and more, Iran's leaders themselves do not appear able to supply the basic functions of governance, or do so dependably – something that has led to sustained and widespread discontent.³

But what kind of change will come as a result? Predictions and projections have varied widely. Some scholars and analysts have suggested that Iran is steadily transitioning – indeed, has already transitioned – into some sort of military dictatorship.⁴ Others have argued that the Iranian leadership is gravitating toward a more personalized, and corrupt, form of politics that will grow to subsume its rule.⁵ Still others have envisioned a popular uprising that unseats the clerical regime in Tehran in favor of a post-theocratic future. (We explored this last subject, as well as the prerequisites for American national security, at length in an earlier AFPC *Special Report*, entitled “Navigating the Iranian Opposition.”)

This conversation has been made significantly more acute by Israel's June 2025 military campaign against the Islamic Republic. The twelve-day offensive, which expanded to involve the United States, was aimed at degrading and setting back the Iranian regime's nuclear program, which in preceding months had shown alarming signs of acceleration.⁶ However, Israel's targets also included key nodes of regime power, ranging from police stations to the headquarters of the *basij*, the Iranian regime's feared domestic militia. Nevertheless, despite at least some public pronouncements by Israeli officials, the objective of the Israeli campaign was not regime change. Rather, the strikes were intended to affect a measure of “regime destabilization.”⁷ The apparent hope was that, if Israel could sufficiently erode the tools and institutions by which the Islamic Republic projected

power inward, Iran's opposition forces would be emboldened enough to coalesce into a meaningful challenge to the current regime.

That, however, didn't happen. Neither the duration of the "Twelve-Day War" nor the weeks after witnessed a significant uprising by the Iranian people, or even major organized demonstrations by the plethora of Iranian opposition groups now active in the Diaspora. As a result, the emerging consensus view in the West is that Iran's opposition is increasingly a spent force – at least for the foreseeable future.⁸

Iran's regime, for its part, is actively working to prevent such an eventuality. In the immediate aftermath of the Israeli campaign, Iran's parliament, the *majles*, passed emergency legislation classifying espionage on behalf of the United States or Israel as "corruption on Earth," a capital offense under Iran's Islamic penal code – and making a wide array of activities, from the sharing of images with foreign media to social media engagement with Israeli-linked accounts to contact with exiled opposition figures, tantamount to that crime.⁹

That development mirrored (and enabled) a new regime clampdown on suspected spies and suspected collaborators, complete with mass arrests and executions. (Iranian security forces have now reported detaining some 21,000 over the course of the June conflict and the period immediately after – far higher than initially believed.)¹⁰

At the same time, Iranian planning for succession to the country's top ideological post, that of Supreme Leader, accelerated. Up until now, the country's current Supreme Leader, Ali Khamenei, has studiously avoided appointing a successor, despite his advanced age and infirmity. He has instead preferred to play various factions in the Islamic Republic's byzantine political structure off against one another. In the aftermath of the recent war with Israel, however, such a strategy has become unsustainable, and increased the urgency of planning for regime succession. Indeed, the clerical committee tasked with selecting Khamenei's successor has reportedly stepped up its search efforts in recent days.¹¹

Meanwhile, Iran's clerical army, the Islamic Revolutionary Guard Corps (IRGC), is steadily gaining in power. The IRGC is already a key regime power center. It serves as the custodian for the regime's strategic programs, including the country's still-substantial arsenal of ballistic missiles and its national nuclear effort.¹² Economically, meanwhile, the IRGC is estimated to control a third or more of the national economy through an extensive web of companies, charitable foundations and commercial enterprises.¹³ Nevertheless, the recent conflict has left the IRGC on the precipice of becoming *the* dominant political force in the country. Ahead of the war, Iran's Supreme Leader is said to have delegated key national security and strategic decision-making authority to the IRGC. And, in brokering a ceasefire with Israel, the Guards reportedly bypassed direct communication with Khamenei and hammered out the deal themselves.¹⁴

These developments cumulatively suggest that the Iranian regime is working diligently to harden its rule so as to eliminate potential nodes of domestic opposition and reestablish deterrence vis-à-vis its captive population. But if revolution within Iran isn't a realistic option, an evolution of its governing regime assuredly is. By dint of the nation's demographics, the advanced age of the Iranian Supreme Leader and other key regime decisionmakers, and a variety of other factors, the years ahead will see a significant – perhaps fundamental – transformation of the Iranian system.

Such a shift, when it occurs, could take widely disparate forms. However, expert consensus, bolstered by credible in-depth reporting on internal Iranian politics, suggests that three options in particular rank as the most likely “alternative futures” facing Iran.

- A **technocratic transition**, as generational change brings to power a more technocratically-minded and bureaucratically competent elite;
- A **protracted collapse** of the current clerical regime, with a progressive loss of control over the core functions of government; and
- An **internal takeover** of the country's levers of power by its most powerful and consolidated strategic actor, the Islamic Revolutionary Guard Corps (IRGC).

Each of these potential evolutionary paths holds enormous consequences, not only for Iran itself but also for the complexion of the broader Middle East. In much the same way, the future course taken by Iran will have a dramatic impact on U.S. strategic interests in one of the world's most volatile and consequential regions. The pages that follow examine each of these potential paths in turn, drawing on historical analogies as well as on the insights provided by former high-ranking officials in multiple U.S. administrations.

SCENARIO I: TECHNOCRATIC TRANSITION

Iran's leadership could respond to increasingly widespread societal discontent by embarking upon a campaign of internal technological improvement. Such an effort would seek to address the Iranian regime's present internal shortcomings – its poor handling of the national economy, its gross mismanagement of natural resources, and general governmental inefficiency. Today, these factors are increasingly recognized by Iranian officials as a threat to the legitimacy, and perhaps even the longevity, of the Islamic Republic. Conversely, some Iranian officials have argued, technological sophistication could amplify its ability to promote and defend Islamic revolutionary values both domestically and regionally. Should these calculations drive Iranian policy, the government can be expected to launch a program of administrative modernization focused on addressing chronic sources of popular discontent.



Source: Pexels

Significantly, this would not need to entail major political reforms. Rather, the regime can be expected to concentrate on actions that demonstrate competence in essential services and economic management. These could include: the hiring of new, more competent mid-level bureaucrats and administrators to oversee key governmental programs; the establishment of training partnerships with allied countries, such as China, for key industries and sectors; the deployment of advanced resource management systems to address persistent water and energy shortages and disruptions; the implementation of banking reforms, including a comprehensive overhaul of payment systems and credit allocation; and the introduction of a digital payments system to reduce corruption and improve transparency. In this way, the regime would seek to reestablish its legitimacy among the country's disaffected populace, dilute the cohesion and effectiveness of opposition forces, and improve its standing with the Iranian working class.

HISTORICAL PARALLELS

The clear historical analogue in this scenario is **China following the death of Communist Party Chairman Mao Zedong**. Mao's rule, which spanned from the establishment of the PRC in 1949 to his death in 1976, was characterized by radical social-engineering strategies that resulted in widespread destruction and the destabilization of the state.

The Great Leap Forward (1958-1962) forced the collectivization of farms, creating what scholars have termed “the worst famine in human history” and leading to the death of as many as 45 million rural Chinese.¹⁵ Subsequently, the Cultural Revolution (1966-1976), which sought to purge “counter-revolutionary” elements in the Chinese system through mass mobilization (particularly of youth), resulted in the death of 1.5 million or more Chinese, with millions of others tortured, abused or imprisoned.¹⁶ Other campaigns built around issues like land reform and ideological purity tests led to the deaths of millions more.

These excesses had a material effect on societal cohesion and political solvency within Communist China. Trust in the system declined as divisive policies broke apart families and displaced millions. Such trends culminated in the April 1976 Tiananmen Incident, in which a public commemoration for deceased Premier Zhou Enlai transformed into a mass protest against Maoism.

Upon taking power, Mao’s successor as CCP Chairman, Deng Xiaoping, launched a sweeping series of economic and political reforms that were instrumental in nature. They were not intended to alter the core ideology of the PRC, but rather to make it more appealing and competitive. They did so by rejecting the excesses of Maoism, launching a “reform and opening up” of the Chinese economic system, and expanding the country’s international profile. As Andrew Nathan has explained, Deng’s reforms were “never aimed at democratization.” Rather, they were designed to establish a more technocratic, high-functioning authoritarian regime.¹⁷

Signs of such a pragmatic evolution are already present within the Islamic Republic. Over the past half-decade, in response to mounting domestic discontent relating to economic, social and management issues, the Iranian regime has prioritized technocratic and administrative competence in its hiring.

During his tenure as president, Ebrahim Raisi – despite his reputation as a hardline cleric – appointed technocrats to key roles with the goal of stabilizing the national economy and society. Members of this new cohort included economics minister Ehsan Khandoozi, deputy foreign minister Ali Bagheri Kani, and Ali Salehabadi, governor of the Central Bank of Iran. In their November 2021 study on the subject, Saeid Golkar and Kasra Aarabi noted that, “Raisi is replacing the Islamic Republic’s old cohort of specialists... with new, so-called jihadi and *hizballahi* technocrats who have undergone years of intensive ideological indoctrination alongside their skills training. These changes, the first of their kind in 42 years, are shifting the power equilibrium in Iran’s regime.”¹⁸

Such changes have continued. When Masoud Pezeshkian became president in mid-2024, following Raisi’s death, he likewise moved to appoint a technocratically-minded cabinet. Its members have included, among others, vascular surgeon and academic Mohammad-Reza Zafarghandi as Minister of Health, and Farzaneh Sadegh, an architect and urban planner,

as Minister of Roads and Urban Development.¹⁹ And, in the wake of the June 2025 “Twelve-Day War” with Israel, Iranian officials have signaled additional forthcoming “structural reforms” in what appears to be an effort to restore public confidence in regime administration.²⁰

IMPLICATIONS FOR THE UNITED STATES

From the perspective of the United States, changes along these lines would represent merely superficial modernization. While these steps would, potentially, stabilize the internal situation within Iran, they would do little or nothing to address core U.S. national security concerns relating to the Islamic Republic (ranging from regime support for terrorism to revitalized nuclear development efforts).

Under such a scenario, the United States should continue to exhibit strong skepticism about Iranian regime intentions and move slowly to either normalize relations or ease sanctions. Concrete examples of Iranian behavioral change would need to take place in order to spur reciprocal actions on the part of the U.S. government.

Economically, the United States would do well to maintain existing restrictions on the Iranian regime. This includes continued disconnection of Iran from the SWIFT banking system, as well as maintaining the extensive array of sanctions that constitute a policy of “maximum pressure” against the Iranian regime (absent a bilateral agreement that includes their rescission). The U.S. would also need to monitor the particulars of Iran’s financial modernization efforts, as well as the potential economic support that could be provided to the regime by Russia, China or others. At the same time, the U.S. will need to guard against Iranian sanctions evasion, as well as mitigate any steps by the Islamic Republic to migrate to less transparent forms of commerce, such as cryptocurrency or barter systems (a trend that is already underway).²¹

Militarily, it is recommended that the United States maintain its current force presence in the Middle East as a hedge against Iranian aggression and the hostile actions of its proxies. Washington should likewise continue to encourage and facilitate the spread of missile defense technologies throughout the region as a preemptive hedge against the potential future Iranian use of ballistic missiles, cruise missiles and drones against Israel or another friendly or allied regional nation. Continued monitoring of the military activities of the IRGC likewise remains vital, given the potential for the regime to prioritize the reconstitution of its strategic programs.

In terms of intelligence, the United States will need to continue to monitor for signs that the Iranian regime is making serious efforts to reconstitute its nuclear effort. The U.S. intelligence community will likewise need to track economic reforms that are instituted in Iran to identify signs that key Iranian sectors are adopting China-like civilian-military “fusion” that could lead to an expansion of Iranian military capabilities. At the same time, it will need to continue to analyze



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the comparative influence of the IRGC within the Iranian regime and monitor for signs that the country's clerical army is growing in influence and impact.

In the aggregate, this scenario would represent merely a cosmetic change in Iranian behavior, from an American perspective – falling far short of a meaningful strategic reset that would fundamentally alter the current trajectory of U.S.-Iranian relations. The U.S. would need to remain vigilant to signs of Iranian rogue behavior or renewed nuclear development, as well as preserve and update policies designed to contain the regime both politically and economically. Changes in restrictive policies, including a lessening of sanctions or renewed diplomatic engagement with Tehran, would need to be founded in verifiable reforms on the part of the Islamic Republic across a range of domains.

SCENARIO II: PROTRACTED REGIME COLLAPSE

Alternatively, the Iranian regime's hold on power could begin to fray as a consequence of sustained internal pressure. In such a scenario, chronic economic underperformance would lead to the proliferation of gray and informal markets, and the diminution of the traditional role

played by Iran's *bazaari* class as an economic mediator between state and society. The country's security services, meanwhile, would begin to experience subtle fissures, along with an overall (and worrying) decline in enthusiasm for suppressing public dissent. Labor unrest would spread through key industries, particularly in the energy sector, and worker demands would evolve from economic grievances to broader questions about management and oversight. Urban-rural dynamics would also experience a shift, as agricultural communities, struggling with water scarcity and reduced subsidies, would begin to develop autonomous solutions to local problems. As a result, rural communities, which have traditionally served as reliable sources of support for the regime, would become less so, and instead increasingly focus on local resilience rather than national solidarity. This state of affairs would naturally be most pronounced in the country's periphery, where ethnic and religious minorities can be expected to demonstrate growing organization and autonomy.

Nevertheless, Iranian authorities would retain enough organizational cohesion and political legitimacy to maintain control of the country's standing armed forces, the *Artesh*, as well as the IRGC. The regime's traditional tools of control – patronage, coercion, and ideological legitimacy – would likewise remain functional. Regime authorities themselves, meanwhile, would maintain a significant degree of ideological cohesion, and depict their progressive loss of control over the functioning of the state as a product of foreign conspiracies, domestic disloyalty and ideological drift on the part of the country's population.

HISTORICAL CONTEXT

In form, such a scenario is most closely analogous to the trajectory taken in recent years by **the regime of populist strongman Nicolas Maduro in Venezuela**. Maduro, who has served as Venezuela's president since the death of his predecessor, Hugo Chavez, in 2013, has presided over a protracted – and pronounced – national decline. And while it was Chavez who was responsible for Venezuela's transformation into a leftist dictatorship, the defining features of his rule have both persisted and worsened during Maduro's twelve years in power.

The country's formal economy has largely collapsed due to long-running hyperinflation and mismanagement.²² In its place, informal, dollarized economies now predominate. Labor unrest has become a key feature of Venezuelan society, with recurring mismanagement and unpaid wages resulting in protests by oil workers and public sector employees.²³ Peripheral regions and remote rural areas in the country (such as Orinoco and Zulia) have developed autonomous governing structures separate from – but still subservient to – central government control, while the national government in Caracas has retained influence through coercion and the spread of conspiracies about foreign interference as the cause of national malaise.²⁴ In the security sphere, meanwhile, internal divisions have emerged within both the national military and the police, with organizational loyalty maintained largely via patronage and graft.²⁵

Nevertheless, Venezuela's regime remains intact, in control of the country's armed forces and able to project force inward against its political opposition. This was on display following the country's contested July 2024 election, in which Maduro claimed political victory despite massive

irregularities, international condemnation, and opposition data detailing that he had lost.²⁶ In the immediate aftermath of the vote, Maduro mobilized security forces to carry out raids against and mass detentions of political activists and secured the public loyalty of top military officials.²⁷ Since then, his regime has prioritized strengthened ties to external sources of support (such as the regimes of China, Russia and Iran) as a way of dampening international pressure and consolidating control.²⁸

The similarities with contemporary Iran are significant. Iran's economy today remains under sustained stress because of external pressure (in the form of Western sanctions), widespread structural mismanagement, and rampant elite corruption. This decline has fostered the rise of informal economic systems, ranging from gray- and black-market trade to cash-based transactions to commodities smuggling²⁹ – systems which are, in turn, overseen and directed by the IRGC.

Official dysfunction has also contributed to the erosion of popular trust in the competence and authority of the clerical state. This has resulted in significant disruptions in Iran's labor sector, such as a nationwide truckers' protest in the May-June 2025 timeframe and recent protests by farmers across the country in response to widespread water shortages.³⁰ Likewise, Iran's southern regions have been the sites of local protests and activism over regime shortcomings.³¹

Nevertheless, as in Venezuela, internal fragmentation does not appear to have extended to the country's security apparatus, which has remained strong and cohesive even as the regime has expanded surveillance and suppressed dissent – a trend that has accelerated in the aftermath of the June 2025 “Twelve Day War.”³² Likewise, the IRGC remains both cohesive and increasingly powerful, dominating national security and significant sectors of the Iranian economy, with loyalist networks rewarded and cohesion maintained through purges and promotions.³³

IMPLICATIONS FOR THE UNITED STATES

A “partial collapse” of the Iranian regime would represent a logical continuation of the current trajectory of the Islamic Republic – one that accelerates and accentuates many of the trendlines already prevalent within the country. Nevertheless, a further erosion of regime legitimacy and support, even if tempered by heightened control on the part of the regime's security forces or the IRGC, would necessitate a series of proactive measures on the part of the United States.

Strategically, such a deterioration would require a carefully calibrated response. A regional posture that is too forceful or relies too heavily on U.S. or allied shows of force could have the effect of unintentionally strengthening the regime or granting it renewed legitimacy as a guarantor of security for its citizens against potential external aggression. Instead, the United States will need to focus most immediately on the protection of American and allied forces in the region – even as it considers opportunities to influence the full collapse of the regime in Tehran.

Economically, the United States will need to keep abreast of the growth of informal economies within the country by tracking alternative payment systems (including crypto currency). It will likewise need to monitor financial flows from Iranian external partners, such as China and Russia, who have a vested interest in keeping the Islamic Republic afloat. Finally, U.S. sanctions



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pressure should not be lessened, absent a material change in the regime's support for regional proxies and nuclear development, or its alignment with China, Russia and North Korea.

Militarily, the U.S. would need to maintain a heightened alert status for its forces and make preparations for a potential augmentation of assets should regime control erode further, and if the resulting disorder escalates the threat to regional partners. At the same time, the United States would need to closely monitor the status of the regime's nuclear material, in addition to the activities of proxy forces – and be prepared to respond to changes to the status of either as a result of regime weakness.

A further deterioration of conditions within Iran, however, would offer heightened opportunity for enhanced security cooperation among the United States and its Gulf partners, which have shown concrete interest in a more durable regional security architecture to guard against the Iranian threat.³⁴ This interest has been reenforced by substantial investments by Gulf nations in military capabilities.

Given the potential danger of domestic instability to the security of Iran's nuclear program, the U.S. will need to maintain close relations with the Israeli government and remain informed of Israeli security policies. Coordination with Jerusalem on actions designed to mitigate both the unconventional and conventional threats posed by a loss of control on the part of the Iranian

regime may be required. Both Israel and the United States likewise would need to monitor and share information regarding Iran's nuclear development with a focus on signs of a renewed potential for covert "break out," in addition to possible diversion of nuclear materials to foreign allies or aligned non-state actors.

SCENARIO III: INTERNAL TAKEOVER

Mounting domestic growing discontent with Iran's clerical elite, together with expanding international pressure, could destabilize the country's current regime and pave the way for an assumption of power by its most organized and capable strategic force: the Islamic Revolutionary Guard Corps (IRGC). However, the IRGC's transformation from praetorian guard to ruling institution would occur not through dramatic coup but via the gradual absorption of state functions, with IRGC commanders leveraging their extensive economic holdings and control over key infrastructure to position themselves as guarantors of stability. The IRGC would consolidate power through the strategic placement of personnel and pervasive economic control. Former IRGC officers, already prevalent throughout Iran's bureaucracy, would systematically expand their influence by positioning loyalists in key financial and security institutions.

IRGC-linked financial institutions, operating through a network of front companies and informal currency exchanges, could thereby emerge as critical stabilizers of a national economy ravaged by redoubled Western sanctions. The Guard, in turn, would leverage this economic role to extract further concessions from the civilian government, particularly control over key regulatory bodies and state enterprises. In this way, the IRGC's military-economic complex would become the dominant political player in the Islamic Republic and the primary instrument of state power.

Rather than abolish clerical institutions outright, however, the Guards could subordinate them through a combination of coercion and cooptation. While maintaining the trappings of clerical control, the IRGC would then effectively operate as a "state within a state," controlling key economic sectors, security functions, and bureaucratic appointments.

HISTORICAL CONTEXT

Such a scenario, should it materialize, would most closely parallel the **renewed ascendance of the KGB in post-Soviet Russia**. During the decades of the Cold War, the Soviet Union's secret police steadily grew in both power and prestige as a result of its institutional role within the Soviet system as "the sword and shield of the USSR." The service's functions extended from domestic repression and surveillance to foreign intelligence and assassinations to "active measures" – political warfare against Soviet enemies (primarily in the West).³⁵

Thereafter, because of the power amassed by the KGB, the Soviet collapse was mirrored by a significant focus on limiting its power on the part of Russia's new President, Boris Yeltsin. During the early 1990s, the Soviet intelligence agency (first rebranded the FSK, and subsequently as the

FSB) was broken up into constituent parts as part of a serious effort to dismantle the sprawling bureaucracy that had been wielded by the Soviet secret police.³⁶ That effort, however, proved short-lived. By the mid-1990s, a process of reconsolidation had already begun, with the FSB regaining power and authority over vital government functions. The result was a reconstituted, revitalized intelligence bureaucracy that once again expanded to gain controlling interest over state functioning. The ultimate culmination of this trend was the elevation of a former KGB colonel, Vladimir Putin, to serve as Yeltsin's successor in the last days of 1999. In this way, the KGB succeeded in surviving the Soviet collapse to assume a central role in the politics and power structure of today's Russia.

The power and authority wielded by the IRGC in contemporary Iran closely mirrors that of the intelligence apparatus in modern Russia. The IRGC functions as a true “state within a state” within the Islamic Republic, in control of the regime's strategic programs and its extensive network of proxies across the Greater Middle East, as well as maintaining an extensive stake in the national economy. This pervasive influence has led some scholars and analysts to conclude that the IRGC has become a predominant – perhaps the predominant – power center in today's Iran.

This analysis appears increasingly accurate in the wake of the country's June 2025 war with Israel. By all accounts, the recent conflict has left the IRGC on the precipice of becoming the controlling political force within the Islamic Republic.³⁷ Ahead of the war, Iran's Supreme Leader is said to have delegated key national security and strategic decision-making authority to the IRGC. And, in brokering a ceasefire with Israel to end the war, the Guards bypassed direct communication with Khamenei and concluded the deal themselves.³⁸

IMPLICATIONS FOR THE UNITED STATES

The trajectory of an Iran in which the IRGC has effectuated a takeover of the country's political system will depend, in significant part, on the group's own ideological outlook. Some scholars and analysts have argued that, in the event of a political takeover, an IRGC-dominated government might act in more pragmatic, calculating fashion than its clerical predecessor.³⁹ If that proves to be the case, the United States and its regional partners might find it easier to hammer out a *modus vivendi* with the new military order in Tehran. Such a system might also prove more susceptible to strategic pressure that deters it from fully supporting regional proxy groups or accelerating its pursuit of strategic programs.

However, the alternative – an entrenched, consolidated and ideological military elite – could also be a possibility. Some experts have argued that the IRGC represents both an ideologically-committed and ideologically-consolidated strategic actor, one that will not abandon the core tenets of the regime's guiding ideology of *velayat e-faqih*.⁴⁰ If that turns out to be the case, the new IRGC-dominated government can be expected to continue to pursue a policy designed to expand



Source: Pexels

its regional influence, erode the sovereignty of vulnerable neighbors, and seek to subvert U.S. regional allies and the Western order more broadly.

In either circumstance, the United States will need to recalibrate its approach significantly.

Politically, the clarity afforded by unambiguous IRGC rule will give the United States greater opportunity to maintain and, as needed, further build a broad multilateral architecture of sanctions and pressure with partners in Europe and Asia. Current and future IRGC designations can be used to cement a common international approach to Iran, as well as to expand legal tools against Guard-affiliated financial and proxy networks. At the same time, the U.S. will need to continually probe for factional cracks within the IRGC, thereby testing whether it is feasible to co-opt and peel away more pragmatic elements as a way of shaping regime behavior.

Economically, the United States will need to continue and likely to accelerate current pressure policies. Absent the unlikely circumstance of a significant change in regime behavior, financial and sectoral sanctions should be tightened against affiliated conglomerates, front companies and other IRGC-linked actors. Enforcement of these measures should be coordinated with European

and Asian partners, while U.S. interdiction of illicit trade – now unquestionably controlled by the IRGC – should be stepped up in coordination with allied nations.

Strategically, the IRGC, as the regime's most influential and effective decisionmaker, can be expected to carry out higher risk-tolerance and testing behavior across a range of domains. America's strategic posture will therefore need to assume a heightened alert baseline, involving assured and, if needed, expanded regional basing, as well as revitalized interdiction networks to constrain and prevent both proliferation and sanctions evasion. Simultaneously, the United States should seek to rebuild unified diplomatic, political and economic pressure against Tehran as a way of ensuring long-term containment of the IRGC.

Fundamentally, state capture by the IRGC would sharpen the risks the Iranian regime poses to the United States and its regional partners, given the IRGC's control of vital government functions and capabilities. At the same time, however, it would simplify the challenge of potential coalition politics while highlighting the need for sustained multi-domain pressure to prevent Iran's new order from operating in more aggressive and destabilizing fashion.

PREPARING FOR HYBRID EVOLUTION

The scenarios outlined above represent, in the judgement of most experts consulted for this study, the most probable “alternative futures” now facing the Islamic Republic. However, these pathways are not necessarily isolated and discrete in nature. In fact, hybrid scenarios – encapsulating some aspects of technocratic transition, partial regime collapse, or internal takeover – are the most likely evolutionary paths facing the Islamic Republic.

Indeed, the Iranian regime today already bears indicators of all three scenarios outlined above. In an effort to alleviate internal discontent brought about by chronic mismanagement, the government of President Masoud Pezeshkian has prioritized technocratic competence among a significant portion of its political functionaries.⁴¹ At the same time, the Iranian regime confronts growing protests and social discontent in many of the country's ethnic minority regions.⁴² Concomitantly, Iran's clerical army, the IRGC, is exhibiting growing signs of greater power and political autonomy, as international crises challenge the control of the country's clerical regime.⁴³ As such, a future Iran may not proceed down one specific path. Rather, it could bear the hallmarks of one, two or all three of the scenarios noted above.

Whatever the direction taken, the years ahead will inevitably bring an evolution in the nature of the Iranian regime. That change will be precipitated by a confluence of internal factors and external stressors that will cumulatively dictate the way in which the Islamic Republic responds as it seeks to survive. Only by understanding the most likely scenarios confronting the Iranian regime can American policymakers hope to craft a cogent strategy to mitigate them.

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