

IRAN'S TURMOIL AND THE SOUTH CAUCASUS: WHY STABILITY IN TEHRAN MATTERS

PROTESTS ROCK IRAN, BUT NO REGIME COLLAPSE IMMINENT

Iran is again convulsed by mass protests over a collapsing currency and soaring prices, but regional observers doubt this unrest will topple the Islamic Republic. Even Türkiye's President Recep Tayyip Erdoğan – often a rival of Tehran – views the current uprising as unlikely to threaten Iran's regime. Türkiye's Foreign Minister Hakan Fidan noted that while Iranians have real economic grievances after decades of sanctions, the latest protests remain limited in scope and partly spurred by external agitators. In Ankara's assessment, Iran's dynamic populace wants change, but foreign adversaries (like Israel) are also fanning discontent online – a combination that Tehran can still withstand. Crucially, Erdoğan's government does not seek Iran's destabilization; on the contrary, Türkiye is counseling de-escalation. Fidan has emphasized the need for Iran to resolve issues with the West via diplomacy, saying that reaching a negotiated agreement (for example, on the nuclear file) is vital for regional stability.



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In other words, neighboring Türkiye prefers that Iran make compromises to calm tensions rather than see chaos next door. This realpolitik stance underscores a broader regional consensus: an abrupt regime collapse in Iran would create a dangerous power vacuum, so no major player is actively pushing for that outcome.

Stability in Iran as a Key to South Caucasus Peace



PRO-GOVERNMENT SUPPORTERS GATHER DURING MASS RALLIES AMID IRAN PROTESTS.



IMAGE CREDIT: X

The South Caucasus – particularly Armenia and Azerbaijan- has a huge stake in Iran's stability. After the 2020 Karabakh war, the Armenia-Azerbaijan peace remains fragile. A stable Iran provides a calming anchor in this volatile environment. Tehran has actually acted as an informal guarantor for Armenia's security in recent years. For instance, Iran vehemently opposes Azerbaijan's demand for an extraterritorial "Zangezur Corridor" through southern Armenia's Syunik province, seeing it as a direct threat to Iran's own strategic access to the Caucasus. Such a corridor, backed by Türkiye, would cut off Iran's 44 km border with Armenia – something Tehran won't tolerate. By blocking any scheme that isolates Armenia, Iran effectively serves as a buffer against coercive regional designs. This alignment was evident when Baku upped its rhetoric about a corridor; Iran's military drills along the border sent a clear signal that Armenia's frontiers must remain inviolate.

In fact, Iran's commitment to Armenia's territorial integrity has even aligned with U.S. and EU efforts to deter Azerbaijani aggression – a rare convergence given their usual geopolitical rivalries.

The message is that any new war or forced land grab in the Caucasus would face not just Western condemnation but Iranian pushback as well. Thus, Iran's steady hand has helped keep the Armenia-Azerbaijan peace process on track by dissuading adventurism. Armenian analysts openly recognize that a friendly, or at least stable, Iran is crucial for the region's security balance.

Armenia's Lifeline: Iran as the Open Gateway

For Armenia in particular, Iran has long been the only reliable neighbor consistently open for business and transit. Since the 1990s, Türkiye and Azerbaijan have often blocked Armenia's access to regional trade as a form of pressure.

In this context, Iran (along with Georgia) serves as one of Armenia's only land gateways to the outside world. Critical supplies, energy resources, and commerce flow via the Iran-Armenia border. Tehran has been a tolerant partner, keeping that border open even during times of international isolation. Iran was literally Armenia's lifeline during the years of blockade, providing fuel and trade links when other routes were shut. Today, Iran enables Armenia's access to Middle Eastern markets, the Persian Gulf, and onwards to South Asia. Yerevan is also developing a north-south transport corridor with Iran and India, which could be a game-changer for Armenia's economy. All this means the viability of Armenia's border with Iran is indispensable to Armenia's economic security and diversification. Any serious instability in Iran – let alone a collapse – such as expanded sanctions (imposing 25% tariffs on countries that do business with Iran) would sever this vital artery. Armenia would be virtually encircled by hostile or closed frontiers. No wonder Armenian strategists quietly prefer the status quo in Tehran over a revolutionary upheaval. A friendly Iran may not align with all of Armenia's foreign policy values, but it is an irreplaceable strategic partner in sustaining Armenia's sovereignty in a tough neighborhood.

The Perils of a Fractured Iran: Regional Ripple Effects

Those cheering for regime change in Iran should be careful what they wish for. An unstable or divided Iran could unleash chaos well beyond its borders. Analysts warn that Iran's internal instability could easily spill over into the South Caucasus and the Middle East. Iran is an enormous, multi-ethnic state of 85 million people.

If the central government in Tehran loses control, the result might not be a peaceful transition to democracy, but rather a meltdown akin to Syria or Libya – only on a much larger scale.

Iran's multi-ethnic makeup includes some 20 million ethnic Azerbaijanis in the northwest, adjacent to Armenia and Azerbaijan. In a fragmentation scenario, separatist forces supported by Baku or irredentist movements could ignite – for instance, a push to unite "Southern Azerbaijan" (Iran's Azeri provinces) with the Republic of Azerbaijan. That specter deeply worries both Tehran and Baku. It could draw in Türkiye (as a patron of Azerbaijan) and destabilize the Caucasus overnight. Likewise, Iran's Kurdish, Baluchi, and Arab regions might erupt, potentially providing havens for extremist militias or terrorist groups if state authority collapses. An Iran in civil war would be a magnet for jihadists, proxy militias, and great-power interventions – a nightmare for all neighboring states. Armenia could face waves of refugees and security spillover if Iran imploded.

Even faraway Persian Gulf states would feel the tremors: a power vacuum in Iran could threaten shipping lanes and embolden groups like ISIS looking for new footholds.



Russia, too, prefers a stable Iran on its southern flank – the last thing Moscow wants is unrest creeping toward the Caucasus or a pro-Western regime in Tehran undermining its regional influence. In short, an Iran in chaos would imperil the entire region's stability, from the Black Sea to the Persian Gulf. This is why even Iran's adversaries often stop short of pushing for full destabilization. The old saying applies: "better the devil you know than the devil you don't." A contained, status-quo Iran is far less dangerous than a failed Iranian state filled with ungoverned spaces.

A Prudent Path Forward: Reform, Not Revolution

Given these high stakes, the most likely outcome of Iran's upheaval is reform rather than revolution. Iran's leadership seems to recognize that a heavy-handed crackdown alone is too risky – it could shatter the fragile post-war calm and invite even more foreign pressure. So far, authorities have responded more cautiously than in past uprisings, avoiding an indiscriminate bloodbath. President Masoud Pezeshkian's government has even held back from an outright crackdown and signaled willingness to hear "legitimate demands" of protesters. Instead of doubling down on repression, Tehran is mixing limited force with concessions. For example, officials swiftly appointed a new central bank chief and removed unpopular campus security police – gestures aimed at addressing public anger. Pezeshkian has appealed for national unity and vowed to overhaul Iran's struggling, sanctions-hit economy to ease people's pain. This likely means injecting subsidies, tackling corruption, and crucially, seeking sanctions relief abroad. Indeed, to calm the economic storm fueling unrest, Iran's rulers may cave on some nuclear ambitions in exchange for breathing room.

There are growing hints that Tehran will re-engage in nuclear negotiations with Washington, even if that means accepting tougher limits on its nuclear program. Observers note the urgent need to return to a nuclear deal framework, especially after the scare of last year's military clashes, in order to prevent catastrophe and rebuild Iran's economy. Türkiye has explicitly urged Iran to "open a new chapter" with neighbors and the West – framing a diplomatic compromise as the best safeguard against further Israeli or American military action. In practice, this could see Iran freeze high-level uranium enrichment and agree to more monitoring in return for phased sanctions relief. Such a course would not be a capitulation so much as a strategic retreat to ensure the regime's survival. Paired with modest social relaxations (for instance, easing internet restrictions or morality policing), these steps could take the steam out of the protests.



South Caucasus Interests Lie in a Stable Iran

From the South Caucasus perspective, a stable Iran – even an Islamic Republic under pressure – is far preferable to a fractured Iran in turmoil. Armenia, in particular, benefits from having a predictable neighbor to its south that keeps trade routes open and checkmates regional hegemonic projects. The recent unrest in Iran is a sobering reminder that while change may be needed, chaos in Tehran would endanger the entire neighborhood. The likely scenario in the coming months is an Iran that survives by bending: dialing back its most provocative policies and tending to economic grievances, rather than breaking under revolutionary fervor. Such an outcome would be welcomed in Yerevan, Baku, Ankara, Moscow, and even the cautious Persian Gulf capitals. A wounded but stable Iran can continue to play its role as a counter-balance and connector in the region, whereas a power vacuum in Iran could open Pandora's box of extremism and conflict. For the sake of the Armenia-Azerbaijan peace process and wider regional security, the South Caucasus needs Tehran to restore stability at home. That likely means Iran's leaders will do just enough – at home and in nuclear talks – to defuse this crisis. On the grand chessboard of Eurasia, keeping Iran intact and stable is a strategy that serves the interests of almost all players. The South Caucasus, perched between great powers and conflict zones, has learned the hard way that the collapse of one pillar of regional order can bring down many others. A calm, reforming Iran may not make headlines – but it is the best guarantee that the fragile peace in our region endures.



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