

The Unpalatable Choice on Iran



by Riccardo Alcaro

- The assumption that the Islamic Republic is on the verge of collapse is problematic; neither internal opposition nor military action offers a credible path to regime change.
- A “Maduro model” based on intensified economic pressure and limited military strikes risks uncontrolled escalation and would impose its highest costs on the Iranian population.
- A strategy of entangling Iran through sustained economic-military pressure and targeted sanctions relief can advance security goals and keep open the possibility of gradual internal change.

War with Israel, US strikes on the nuclear programme, the return of an effectively universal sanctions regime, economic deterioration and recurrent protests have fuelled a narrative of an Islamic Republic of Iran on the brink of collapse. The regime’s end is near, the argument goes, whether through internal implosion or as a result of external military intervention.

This narrative is not without empirical grounding. However, there is no immediate solution that can reconcile security imperatives with the promotion of Iran’s internal political transition. For the United States and its partners in the region and in Europe, these objectives can only be pursued sequentially. Doing so entails politically unpalatable choices in light of ongoing repression, but with the ultimate aim of improving the living conditions of



the population that is the first target of that repression.

Fragile assumptions

The Islamic Republic has indeed been significantly weakened. Its uranium enrichment programme, as well as the network of alliances with regional militias known as the “axis of resistance”, have been badly damaged by the **United States** and **Israel**.

The Islamic Republic now rests exclusively on its coercive apparatus – which, however, remains intact

Domestically, the economy has stagnated since the United States in 2018 **withdrew** from a landmark nuclear agreement struck just a few years prior, triggering a downward spiral that has eventually resulted in a de facto **international embargo**. Declining growth, soaring inflation and increasingly unsustainable living conditions, combined with corruption and government mismanagement, have led to ever more frequent **protest** waves, crushed with **lethal force**.

The Islamic Republic now rests exclusively on its coercive apparatus – which, however, remains intact. Internal opposition is widespread and driven by radical aspirations for change, but it is also fragmented and with no shared agenda, recognised leadership or access to coercive tools. There are no visible defections within the security services, without which an internal revolution is unlikely. In fact, US military threats, the **reactivation** of UN and European sanctions, and the EU’s designation as a **terrorist organisation** of the Islamic Revolutionary Guards Corps (IRGC), the paramilitary organisation that controls much of Iran’s security policy, may have, at least for now, reinforced elite cohesion.

The idea that the diaspora can provide an immediately viable alternative is, at best, questionable. Exiled opposition forces are divided and fractious, as illustrated by the inability of the most prominent figure – Reza Pahlavi, the son of the shah deposed in 1979 – to act as a unifying catalyst. Moreover, its success hinges on US intervention. Yet in recent weeks President Donald Trump has sent mixed signals on this front.

Military threats and diplomatic openings

After pledging support for protesters, Trump ordered a major **naval deployment** to the Gulf, reinforcing the roughly 40,000 US troops already stationed at regional bases. This created the expectation of an imminent US strike.

Subsequently, the message was recalibrated, and the use-of-force threat has been made conditional on the failure of diplomacy. Notably, the Trump Administration’s demands to Iran make no reference to protests, focusing on **three security dossiers**: the nuclear programme, the axis of resistance and Iran’s ballistic arsenal.

This recalibration appears to reflect an internal debate within the US government. The notion of a decisive military blow runs up against the limits and unpredictability of armed intervention. Large-scale air and missile strikes, drone warfare and special forces operations are unlikely to produce regime change in the absence of an organised internal opposition or a territorial occupation. The latter is politically unfeasible: Trump would lack the support of both his base and, in all likelihood, Congress.

Nor is regime decapitation – the killing of Supreme Leader Ali Khamenei and senior security officials – an easy option. After suffering scores of high-level targeted killings during Israel’s attack in June 2025, the government reinforced succession procedures for key command positions. Moreover, eliminating Khamenei, a figure of both political and religious



authority, would risk radicalising rather than weakening the regime. Finally, the Islamic Republic's polycentric structure is designed to survive the loss of any single leader.

For its part, the Islamic Republic is preparing for a worst-case scenario of existential conflict, in which it could externalise the confrontation through attacks on US bases and forces in the region and sabotage of Gulf energy shipment routes. Still, its predictable military defeat would be unlikely to open the way to an orderly transition; instead, it could generate internal instability with regional spillovers.

The United States, though, has other options. The current naval deployment, combined with existing assets deployed to the region, can be used to interdict Iran's remaining oil exports (primarily to China), strengthen deterrence and defence against Iranian attacks, and conduct military operations of varying intensity. The central issue is the definition of the strategic objectives to which these instruments should be subordinated.

Short- and long-term objectives

The debate within the Trump Administration is also shaped by external pressures. Israel advocates at least the destruction of Iran's **missile arsenal**, depriving Tehran of its primary retaliatory capability. By contrast, Saudi Arabia, Turkey, Egypt and Qatar, fearful of the consequences of a regional war, are pressing for a **diplomatic solution** aimed at the containment rather than destabilisation of Iran.

Assuming – though this cannot be taken for granted – that a large-scale intervention is ruled out, the US Administration can take one of two roads. The first is a variant of the “Maduro model”: intensifying economic pressure and limited military strikes, potentially extending to regime decapitation, to strangle the system into submission. This approach carries a risk of uncontrolled escalation and would impose its greatest costs on the population.

The alternative path points to intercepting the Islamic Republic's interest in extricating itself from strategic deadlock. Iranian leaders will not accept substantial limits on their missile arsenal or renounce their anti-imperialist narrative, but are prepared to make concessions on the nuclear file. A long-term strategy that combines diplomacy, targeted concessions and calibrated economic-military pressure stands a chance of advancing security and regional stability while also preserving the possibility of internal transition.

Iranian leaders are prepared to make concessions on the nuclear file

Contours of a deal

The first step would be to use pressure to secure a new comprehensive nuclear agreement coupled with a tacit scaling back of the axis of resistance in Iran's regional policy. The deal would also be based on the expectations that the government ends the continuing repression of protesters by releasing most of the thousands detained and indefinitely pausing executions.

In return, Washington would have to accept Iran's retaining its missile capabilities and agree to sanctions relief. The latter, however, should be structured to maximise benefits for the population rather than the state.

Iranian central bank assets deposited abroad but inaccessible because of US sanctions could be unfrozen under strict conditions: their use would be earmarked for predefined purposes and disbursed through monitored procedures, following the limited **precedent** set under the Biden Administration to facilitate the release of detained Americans in the summer of 2022. Healthcare, food imports, water management and the fight against environmental degradation are some of the areas where the money could be spent. Foreign investment in security-sensitive



sectors should remain restricted or blocked altogether, and Iran's oil export capacity should be kept below potential. Targeted sanctions against individuals and entities most responsible for repression would stay in place.

At the same time, the US government could work with regional partners and Europe to relax sanctions on non-sensitive economic sectors, thereby reviving trade and helping to contain inflation, with positive effects on the cost of living of ordinary Iranians. Easing visa and travel restrictions and people-to-people exchanges, from academic ties to cultural collaboration, would also be beneficial to the population. The designation of the IRGC as a terrorist organisation by the United States and now the EU complicates matters given its deep hold on vast sectors of Iran's economy. Special exemptions would be needed to allow certain commercial flows, alongside strengthened safeguards, including Iran's implementation of Financial Action Task Force anti-money laundering standards.

Implementing such a non-linear sanctions relief system requires sustained political investment, technical expertise, international coordination and regional ownership. The agreement should not be a one-shot occurrence, but a broader and longer process of entanglement of Iran by the combination of US economic and military power and partnerships in the region and Europe. While there is much of this that the Iranian leadership does not like, it would still spare it from an all-out war, while the Iranian population would get some relief from sanctions. The United States would get security gains while avoiding the costs and risks of a destabilised Iran, and President Trump a 'win' he can boast about internally – not without cause.

A bitter compromise

Whether in the next months or a few years, change will come to Iran, because the regime is nearing the exhaustion of its resources to keep external pressure and internal demands

for reform at bay simultaneously. The question is whether change will be bloody, chaotic and perhaps result in an equally repressive state (even if with a different foreign policy orientation); or whether it can be incremental and based on internal political organisation and transformation processes.

The strategy of entangling Iran in a stable but constraining security environment while giving respite to ordinary Iranians is meant to facilitate this second scenario, especially once the 86-year-old Khamenei, a drag on change, exits the scene. It is also consistent with the appeals of many internal dissidents who – even from prison – have coupled demands for radical internal change with opposition to sanctions and military intervention. There are no easy solutions to the Iran challenge. Over time, though, a combination of pressure and limited openings may create conditions conducive to internal renewal, while shaping an external environment less prone to slide into violence – or worse, chaos.

5 February 2026

The Istituto Affari Internazionali (IAI) is a private, independent non-profit think tank, founded in 1965 on the initiative of Altiero Spinelli. IAI seeks to promote awareness of international politics and to contribute to the advancement of European integration and multilateral cooperation. Its focus embraces topics of strategic relevance such as European integration, security and defence, international economics and global governance, energy, climate and Italian foreign policy; as well as the dynamics of cooperation and conflict in key geographical regions such as the Mediterranean and Middle East, Asia, Eurasia, Africa and the Americas. IAI publishes an English-language quarterly (*The International Spectator*), an online webzine (*Affari Internazionali*), two book series (*Trends and Perspectives in International Politics* and *IAI Research Studies*) and some papers' series related to IAI research projects (*Documenti IAI*, *IAI Papers*, etc.).

Via dei Montecatini, 17
I-00186 Rome, Italy
T +39 06 6976831
www.iai.it



Latest IAI Commentaries

Editor: **Leo Goretti** (l.goretti@iai.it)
ISSN 2532-6570

-
- 26 | 06** Riccardo Alcaro, *The Unpalatable Choice on Iran*
-
- 26 | 05** Matteo Bursi, *Last Tango in Paris: As Macron's Presidency Is Over, What's Next?*
-
- 26 | 04** João Paulo Nicolini Gabriel, *A Washington Effect? How the United States Reasserts Monetary Power through Stablecoins*
-
- 26 | 03** Benedetta Morari, *Europe after America: A Survival Guide for Moving on*
-
- 26 | 02** Riccardo Alcaro, *The Fateful Consequences of Forced Regime Change in Venezuela*
-
- 26 | 01** Nona Mikhelidze, *Maduro's Fall: Russia's Strategic Defeat in a World Without Rules*
-
- 25 | 64** Riccardo Alcaro, *The Cracks in Trump's Armour*
-
- 25 | 63** Rafael Ramírez, *Venezuela: What Transition Ahead?*
-
- 25 | 62** Riccardo Alcaro, *The Roots of US Right-Wing Hostility toward Europe*
-
- 25 | 61** Nona Mikhelidze, *The Kremlin Sets Its Sights on Kyiv: The Bluff behind Russia's "Peace Plan"*
-