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Iranian Soft-Power and Its Proxy Network in a Changing Regional Order: External Reach and Domestic Constraint

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Iran's projection of influence through soft power and proxy networks remains a defining feature of Western Asian geopolitics. Yet since the Hamas attack on Israel on 7 October 2023 and the regional conflict that followed, this model has been subjected to unprecedented pressures and scrutiny. As of early January 2026, the regional environment has been profoundly reshaped: Israeli military operations have devastated Gaza and destabilised Lebanon, Ansar Allah has expanded the conflict across the Red Sea, and U.S.-Iran tensions have returned to levels reminiscent of the pre-2021 era.

At the same time, widespread protests have shaken Iran internally. Since late December 2025, Iran has experienced a new and particularly intense protest cycle, initially triggered by the sharp depreciation of the national currency and rapidly escalating from socioeconomic grievances into openly anti-regime demands. What began among bazaar merchants affected by inflation and currency collapse has evolved into nationwide unrest marked by political fragmentation and unprecedented levels of state violence and repression, dynamics that form a critical backdrop against which Iran's external strategy and proxy network must now be reassessed. A challenge further intensified through the new presidency of Donald Trump, whose policy rhetoric and early actions indicate a return to coercive strategies towards Tehran. Taken together, these external and internal pressures expose a central tension in Iran's regional strategy: the durability of its proxy network increasingly rests on a domestic political order marked by declining legitimacy and economic crisis.

The Iranian Proxy Network: a decentralised defence model

Iranian reliance on proxies is rooted in structural vulnerabilities. The Islamic Republic emerged from the 1979 Revolution and the subsequent war with Iraq with a deep sense of encirclement and isolation, let alone military inferiority, but also a strong ideological exceptionalism. It has already been demonstrated¹ how the Islamic Revolutionary Guard Corps (IRGC) and its Quds Force² developed partnerships with militant movements across Lebanon, Iraq, Syria, Palestine and Yemen to extend Iran's deterrence perimeter, raising the costs of attack for its adversaries and externalising conflict away from Iranian territory. Over four decades, this strategy crystallised into what Iran and its partners term the "Axis of Resistance". Hezbollah in Lebanon, the Palestinian Islamic Jihad (PIJ), Hamas, the Popular Mobilisation Forces (PMF) in Iraq and Ansar Allah in Yemen collectively constitute a hybrid architecture combining elements such as insurgent capacity, political participation, social service provision and, of course, ideological mobilisation.

However, this structure must not be seen simply as a chain of command; still, it should be described more as a "network of networks", connected less by vertical hierarchy than by a shared narrative of resistance against Israel, the U.S., and regional authoritarian elites³. The IRGC often provides financing, weapons, intelligence, and training; however, many of its partners retain high degrees of autonomy, rooted in local political legitimacy and distinct national agendas. Soft power, meaning ideological framing, religious symbolism, education and media, functions as the connective tissue of this ecosystem. Nevertheless, the effectiveness of this connective tissue increasingly depends on the regime's domestic legitimacy; the persistence of protest cycles inside Iran has begun to erode the moral credibility underpinning Tehran's narrative of "resistance" and social justice. The contrast

¹ A. M. Tabatabai, J. Martini, B. Wasser, "The Iran Threat Network (ITN) – Four Models of Iran's Nonstate Client Partnerships", *Rand*, https://www.rand.org/pubs/research_reports/RR4231.html

² The Quds Force (*Nirū-ye Quds*) is the IRGC military intelligence branch responsible for extraterritorial operations and the support of allied non-state actors in the region.

³ L. Forlani, "Il soft power iraniano e la sua rete di milizie", *Orient XXI*, September 2, 2024, <https://orientxxi.info/il-soft-power-iraniano-e-la-sua-rete-di-milizie.7570>

between Iran's external posture as a champion of the oppressed and its internal reliance on coercion weakens the persuasive power of its ideological appeal over time.

It has been argued that Iran's great innovation is the translation of "mission command", meaning a central strategic intent paired with decentralised execution, from the military to the geopolitical level⁴. Node-based networks such as Hezbollah and Ansar Allah operate through semi-autonomous cells capable of coordinated swarm-style actions that overwhelm hierarchically organised militaries, with commanders acting as hubs rather than dictators. Even deep strikes and assassinations leave the broader structure intact because resilience derives from multiplicity, redundancy and ideological cohesion rather than from charismatic leadership alone. This helps explain why the killings of senior Hezbollah and Hamas figures, and even Iranian officers, have so rarely altered the strategic balance⁵.

Soft power remains a crucial element of this architecture. The Islamic Republic has long invested in religious and cultural ecosystems that diffuse narratives sympathetic to Iranian worldviews. Shiite clerical networks linking Najaf, Qom and Beirut provide religious legitimacy, facilitating transnational mobilisation; media platforms associated with Iran or its allies promote frames centred on resistance and Western duplicity; Hezbollah, in particular, has combined militia, party, welfare provider and media empire, embedding itself deeply within Lebanon's Shiite communities. The sum of these activities enables Iran-aligned actors to cultivate legitimacy in fragile states where governance vacuums persist.

Yet decentralisation also constrains Tehran. The U.S. and regional assessments highlighted that Iranian leverage over proxies is uneven and largely persuasive rather than directive⁶. The assassination of Qassem Soleimani in 2020 diminished Iran's human network capacity for crisis arbitration and informal discipline. Ansar Allah, perhaps the most autonomous actor in the Axis (along with Hezbollah), now controls territory, institutions and taxation systems within Yemen and basically constitutes a sovereign authority rather than a dependent militia. The PMF have become political stakeholders within Baghdad, balancing Iranian ties with domestic nationalist credibility. Hamas has had a turbulent relationship with Tehran, shaped by ideological differences and shifting calculations over Syria and the Arab uprisings. Iran, therefore, often acts as *primus inter pares* rather than master puppeteer, as it is too often perceived by Western analysts.

Pressure, Fragmentation, and Adaptation in the Axis of Resistance

The period following 7 October 2023 exposed both the resilience and limitations of this model. Iran denied prior knowledge of the Hamas assault, and reports suggested that even Tehran's leadership had not been informed in advance⁷. Regardless, the attack triggered a regional chain reaction: Israel's campaign in Gaza sought to degrade Hamas and restore deterrence, but it also provoked Hezbollah to escalate cross-border fire beginning on 8 October; Ansar Allah, invoking solidarity with

⁴ A. Krieg, "Network model shows resilience as Iran-Israel clash expands", *Amwaj Media*, July 15, 2024, <https://amwaj.media/en/article/network-model-shows-resilience-as-iran-israel-clash-expands>

⁵ For a more analytical view of how Iranian decentralised strategic defence works, see also A. Krieg, J. Rickli, *Surrogate Warfare: The Transformation of War in the Twenty-First Century*, Georgetown University Press, 2019, <https://doi.org/10.2307/j.ctvf34hnd>, especially chapter 7, "Iran's Externalization of Strategic Defense through Surrogate Warfare", 164-190.

⁶ E. Banco, "US intelligence officials estimate Tehran does not have full control of its proxy groups", *Politico*, January 2, 2024, <https://www.politico.com/news/2024/02/01/iran-proxies-intel-houthis-00139099>

⁷ J. Landay, M. Spetelnick, "Hamas attack surprised some Iranian leaders, says US source, citing initial intelligence", *Reuters*, October 11, 2023, <https://www.reuters.com/world/initial-us-intelligence-shows-hamas-attack-surprised-iranian-leaders-ny-times-2023-10-11/> ; "Iranian Officials Claim Tehran Had No Foreknowledge Of Hamas Attack", *Iran International*, November 15, 2023, <https://www.iranintl.com/en/202311154861>

Palestinians, initiated drone and missile attacks on commercial shipping transiting the Red Sea and Gulf of Aden; Iraqi Shiite factions resumed intermittent rocket attacks on U.S. bases. None of these theatres were centrally choreographed by Tehran, yet they collectively transformed the crisis into a multi-front confrontation stretching from the Mediterranean to the Arabian Sea.

Nevertheless, the Gaza war amplified the emotional resonance of the Islamic Republic's narrative centred on the fight against Western injustice. Images of destruction and civilian casualties reinforced widespread identification across the Arab street with Palestinian suffering: for many, Iran's insistence on framing the conflict as civilisational resistance to Israeli aggression carried moral traction. However, this effect is neither uniform nor unchallenged. The prolonged devastation and lack of tangible political outcome also exposed the limits of "resistance" as a governing philosophy. Hezbollah's role in Lebanon has been increasingly criticised as contributing to political paralysis and economic collapse. In Iraq, public opinion has often turned against militia corruption and impunity. Across the region, social exhaustion with armed movements has grown, even when support for the Palestinian cause remains high.

The internal situation inside Iran adds further complexity. After the nationwide uprising sparked by the death of Mahsa Amini in 2022, protests again erupted in May 2025, due to the water crisis, but also driven by economic crisis, unemployment, inflation and frustration with elite repression, the same reasons that led to renewed demonstrations in December and early 2026, with harsh warnings from the new U.S. administration against violent repression⁸. Lacking centralised leadership or unified organisational structures, the protests nonetheless achieved unprecedented geographic diffusion before entering a phase of frontal confrontation with the state. The regime's response has resulted in the deadliest crackdown on street protesters in the history of the Islamic Republic.

These developments not only erode the Islamic Republic's domestic legitimacy and weaken its claim to moral leadership abroad, but also place fiscal strain on a state already under heavy sanctions, raising the political cost of financing overseas networks: it goes without saying that sustaining an extensive proxy network becomes increasingly costly when sanctions and internal security expenditures strain fiscal resources, and when the regime must prioritize internal survival over external activism. That said, the regime still commands powerful coercive apparatuses and retains significant support among segments of the population, preventing any immediate collapse.

In fact, this protest wave also underscores a structural asymmetry between popular mobilisation and state power within Iran. Despite the scale and intensity of unrest, the Islamic Republic's coercive apparatus, meaning the IRGC, Basij, police, and intelligence services, has remained intact, unified, and operational. Expectations among segments of protesters and the diaspora regarding imminent regime collapse or foreign military intervention proved largely illusory. This internal equilibrium of "structural suspension" in which neither society nor the state can decisively overpower the other, reinforces Tehran's reliance on externalised deterrence through proxies rather than conventional escalation.

The return of Donald Trump to U.S.' presidency has reshaped the international environment facing Iran. During his first term, Trump withdrew from the Joint Comprehensive Plan of Action (JCPOA) nuclear agreement and introduced a policy explicitly labelled "maximum pressure"⁹, combining

⁸ "Trump threatens Iran over protest crackdown as deadly unrest flares", *Reuters*, January 3, 2026, <https://www.reuters.com/world/middle-east/trump-threatens-iran-over-protest-deaths-unrest-flares-2026-01-02/>

⁹ "Fact Sheet: President Donald J. Trump Restores Maximum Pressure on Iran", February 4, 2025, <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-restores-maximum-pressure-on-iran/>

sanctions with selective military actions. Early steps in his second term point to a renewal of this doctrine, with the enforcement of expanded sanctions, as well as targeting the Axis of Resistance, with more forceful responses to Ansar Allah's attacks on shipping, and renewed designation measures against militant actors¹⁰. This has both symbolic and material consequences: it reassures Israel and Gulf partners that Washington will again adopt a confrontational line, and it tightens restrictions on Iranian financial flows to proxies. But it also risks reviving the cycle of retaliation and asymmetric escalation, in which Iran turns to its network precisely because its conventional options are constrained.

Against this backdrop, the Axis of Resistance itself has entered a phase of fragmentation and realignment: it has already been observed that the network now comprises actors who share broad narratives but diverge on tactics, end-states and political priorities¹¹. Hamas, weakened militarily in Gaza, has been forced to recalibrate and faces internal divisions¹²; Hezbollah is constrained both by the sustained military confrontation with Israel and by mounting political pressures within Lebanon, where growing segments of society and elements of the political establishment are calling for its disarmament and reintegration into the state security apparatus¹³; Iraqi militias attempt to institutionalise their power while avoiding open confrontation that might jeopardise their economic and political influence¹⁴. Iran must therefore operate less as a commander than as a coalition manager.

The strategic paradox is clear: the network model gives Iran unprecedented depth and flexibility, allowing Tehran to project deterrence far beyond its borders while maintaining plausible deniability; it also complicates adversaries' military planning and reduces the probability of direct war. But, on the other hand, it simultaneously diminishes Iran's control and exposes Tehran to reputational damage resulting from actions carried out by nominal partners. It also means that the "cost-imposition" logic of the Axis of Resistance – winning by not losing, as it has already been remarked¹⁵ – risks locking the region into permanent instability without offering positive political alternatives. At the same time, it contrasts sharply with Iran's internal fragility. Recurrent protest cycles and escalating repression generate a condition of domestic paralysis that increasingly undermines the regime's claim to represent a viable alternative model of governance. The more Iran relies on coercion at home, the more its soft-power narrative abroad is hollowed out, even as its proxy network continues to function militarily.

Yet Iran's capacity to absorb these contradictions and sustain its regional posture cannot be understood only through the logic of its proxy network, but it is also embedded in a broader geopolitical framework shaped by Tehran's evolving partnership with Russia. Rather than constituting a formal alliance (or an ideologically coherent bloc), the Iran-Russia relationship has

¹⁰ "Treasury Imposes Additional Sanctions on Iran's Shadow Fleet as Part of Maximum Pressure Campaign", February 24, 2025, <https://home.treasury.gov/news/press-releases/sb0026> ; I. Ali, P. Stewart, M. Ghobari, "Trump vows to hold Iran responsible for Houthi attacks", *Reuters*, March 17, 2025, <https://www.reuters.com/world/middle-east/us-piles-pressure-yemens-houthis-with-new-airstrikes-2025-03-17/>

¹¹ See R. Mansour, H. Al-Shakeri, H. Haid, "The shape-shifting 'axis of resistance' – How Iran and its networks adapt to external pressures", *Chatham House*, March 6, 2025, <https://doi.org/10.55317/9781784136369>

¹² S. Jawhar, "Disarming Palestinian Factions in Lebanon: Can a Security Experiment Evolve into Sovereign Policy?", *Sada*, September 26, 2025, https://carnegieendowment.org/sada/2025/09/disarming-palestinian-factions-in-lebanon-can-a-security-experiment-evolve-into-sovereign-policy?utm_source=chatgpt.com&lang=en

¹³ F. Di Bella, "Hezbollah e il nodo del disarmo: pressione diplomatica o transizione graduale?", *CeSPI*, July 2025, <https://www.cespi.it/it/ricerche/osservatori/osservatorio-mediterraneo-medio-orientale/focus/hezbollah-il-nodo-del-disarmo>

¹⁴ A. Rasheed, "Exclusive: Iran-backed militias in Iraq ready to disarm to avert Trump wrath", *Reuters*, April 8, 2025, <https://www.reuters.com/world/middle-east/iran-backed-militias-iraq-ready-disarm-avert-trump-wrath-2025-04-07/>

¹⁵ As cited in L. Forlani, "Il soft power iraniano e la sua rete di milizie".

increasingly taken the form of what is described as “strategic transactionalism”¹⁶, meaning an interest-driven alignment grounded in shared opposition to Western pressure (primarily U.S. regional primacy) and sanctions regimes. This cooperation, deepened through military coordination, but also cooperation in the energy sector and diplomatic synchronisation, does not integrate Moscow into Iran’s proxy architecture, nor does it eliminate asymmetries between the two actors: although a formal comprehensive strategic partnership was codified in 2025, and has been ratified by both parliaments, the substance of Moscow’s support remains largely symbolic, with no mutual defence commitment embedded in the treaty and limited capacity to absorb major escalations in Iran’s security environment. This reveals a key constraint: Russia’s adherence to non-proliferation norms and its own geopolitical priorities effectively cap the depth of cooperation, particularly should Iran pursue more assertive security options or cross contentious thresholds such as weaponisation. Nevertheless, this partnership provides Tehran with external strategic depth and diplomatic breathing space, partially offsetting both the reputational costs of proxy warfare and the regime’s internal vulnerabilities. In other words, Russia functions as a systemic balancer whose parallel confrontation with Western pressure indirectly reinforces Tehran’s room for manoeuvre¹⁷.

Conclusion

Iran’s soft power itself is a double-edged sword: on one hand, the Islamic Republic has successfully cultivated ideological and religious bonds with communities that perceive themselves as marginalised or threatened; Palestinian suffering, Lebanese insecurity and Iraqi state weakness provide fertile ground for narratives stressing resistance and social justice. On the other hand, Iran’s domestic repression, economic stagnation and factional struggles undermine the appeal of its model. The gap between rhetoric and reality erodes the effectiveness of soft power over time.

Several implications emerge consequently. First, the Axis of Resistance must be understood as a socio-political ecosystem rather than merely a military instrument; attempts to destroy it purely through force will likely fail, as Israel’s experience since 2023 suggests. Military pressure can degrade capabilities, but it rarely dismantles embedded networks that command loyalty through ideology and identity politics (and social services as well). Second, fragmentation within the Axis opens diplomatic and political space; Iraqi militias engaged in politics can sometimes be nudged toward national rather than transnational priorities; even actors as hard-line as Ansar Allah have shown a willingness to engage in bargaining when it suits their interests. Third, renewed U.S. maximum pressure risks escalation unless accompanied by pathways for de-escalatory dialogue; pressure without diplomacy reinforces hard-liner narratives in Tehran and pushes the regime deeper into asymmetric postures.

Finally, analysis must avoid simplistic binaries. Iran is neither omnipotent puppet-master nor irrelevant bystander. Rather, it is a pivotal actor operating through a flexible but increasingly unwieldy network. The events from October 2023 to January 2026 reveal both the durability and the fragility of this system; if Iran’s proxies have “surrounded” Israel through dispersion, they have also tied Iran’s fate to conflict systems it cannot fully control. At the same time, domestic protest movements inside Iran illustrate the extent to which the regime’s international ambitions rest on shaky internal legitimacy. The current uprising highlights the limits of a model that privileges resistance abroad while foreclosing reform at home. Iran’s proxy network may continue to provide strategic depth and

¹⁶ H. Azizi, “Strategic Transactionalism: The Iran-Russia Partnership”, *Middle East Council on Global Affairs*, June 5, 2025, <https://mecouncil.org/publication/strategic-transactionalism-the-iran-russia-partnership/>

¹⁷ See also V. Gergiieva, M. Herrera, “Strategic Boundaries and Limitations of Iran-Russia Partnership”, *IAI*, December 3, 2025, <https://www.iai.it/it/pubblicazioni/c03/strategic-boundaries-and-limitations-iran-russia-partnership>

deterrence, but its long-term sustainability depends on a domestic political order increasingly characterised by fragmentation and coercive stasis.

Understanding these dynamics requires attention not only to weapons flows and militant operations but also to narratives, media, religious authority and social provision, meaning the full spectrum of Iranian soft power. The challenge for international actors is to reduce incentives for armed mobilisation while addressing the governance deficits that allow Iranian-aligned groups to present themselves as protectors and providers. Without such a comprehensive approach, the SWANA region is likely to remain trapped in the paradox of a network that wins by not losing, and a region that loses by never winning.

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