

IRAN CRISIS: STRATEGIC UNCERTAINTY, GULF ENERGY SECURITY, AND INDIA'S STAKES

ANU SHARMA

INTRODUCTION

The ongoing crisis in Iran and the larger West Asian region was triggered by the large scale offensive strikes by the United States and Israel against Iran in late February 2026. One of these strikes resulted in the death of Iranian Supreme Leader Ayatollah Ali Khamenei in early March 2026, marking an unprecedented escalation in regional hostilities. In retaliation, Iran launched a series of missile and drone strikes directed at several US military assets across the Gulf region and Israeli strategic targets. This has not only intensified military confrontation across the West Asian region, resulting in the killing of several Iranian top military leaders, but also led to domestic turmoil within the Iranian political structure, enhancing concerns about regime stability and the succession dynamics at that time. The death of Iran's Supreme Leader Ayatollah Ali Khamenei corresponded to a watershed moment in the evolution of the Islamic Republic of Iran. It introduced a period of acute strategic uncertainty for some time at both the domestic and regional levels. For more than three decades,

Dr. **Anu Sharma** is an Assistant Professor at the Amity Institute of Defence and Strategic Studies, Amity University, Noida.

Ayatollah Khamenei had served not merely as a political authority but as the central pillar of Iran's ideological rationality, institutional stability, and geopolitical posture. During his rule, clerical authority was strengthened within a system combining religious control and elected institutions. The Supreme Leader holds direct or indirect power over all matters of the state in Iran related to foreign policy and domestic politics and is appointed for life. This is the uniqueness of the Iranian political system, defined by a dual structure i.e., democratically elected leaders operating alongside religious bodies. In this scenario, Ayatollah Khamenei's death and the selection of new Supreme Leader i.e., Ayatollah Mojtaba Khamenei has enhanced the apprehensions regarding Iran's future trajectory.

The Iranian political structure and constitutional framework provides a formal mechanism for succession of the Supreme Leader or *Velayet-e-Faqih*. Historically, the only precedent for such a transition occurred in 1989 following the death of Ayatollah Ruhollah Khomeini, when Ayatollah Khamenei became the Supreme Leader. In the current context, the regime faces the dual imperative of ensuring continuity while simultaneously managing external pressures and internal vulnerabilities. So, the succession process is an important test for Iran's resilience as a political system. However, the leadership succession in Iran is unlikely to produce a transformative shift towards moderation or systemic reform. Rather, it is understood more as a process with the aim of preserving the core ideological and institutional foundations of Iran, even as it navigates one of the most consequential crises in its post-revolutionary history. In this context, this paper analyses the impact of this transition on the Iranian domestic and foreign policies during the chaotic times in West Asia and its impact globally and on India.

IRAN'S POWER ARCHITECTURE IN A CHANGING STRATEGIC LANDSCAPE

The Iranian political system can be described as "power pyramid." It is a hierarchical structure in which authority is concentrated at the top i.e., the office of the Supreme Leader. The Supreme Leader's office is supported by interconnected religious, political, and

military institutions.¹ This structure is embedded in the ideological foundations following the Islamic Revolution (1979). However, recent developments related to the death of the Supreme Leader and the subsequent leadership transition amidst the US–Israeli military escalation against Iran have laid bare both the resilience and vulnerabilities of this system.

At the top of the leadership is the Supreme Leader, who holds ultimate authority over political, military, and religious affairs, surpassing all elected institutions. This authority is derived from the doctrine of *Velayat-e-Faqih* or ‘guardianship of the Islamic jurist’, which legitimises clerical rule. The Supreme Leader commands the Iranian armed forces, appoints major judicial and security officials, eventually shaping the Iranian domestic and foreign policies.² This was included in Iran’s Constitution after 1979. Articles 5 and 110 of the Iranian Constitution designate the Supreme Leader as the highest authority in the land, empowered to oversee the armed forces, judiciary, media, and all major state functions.³ Following this are the elected bodies such as the president and Parliament or *Majlis*, as well as authoritative institutions like the Guardian Council or *Šurā-ye Negahbān* and the Expediency Council or *Majma‘-e taškīš-e masleḥat-e neẓām*, which together ensure ideological conventionality and regime continuity.⁴

Another important pillar within the Iranian political structure is the Islamic Revolutionary Guard Corps (IRGC), which functions

-
1. Stanly Johny, “Iran’s Political System: Explained”, *The Hindu*, March 06, 2026, <https://www.thehindu.com/news/international/irans-political-system-explained/article70707512.ece>. Accessed on March 13, 2026.
 2. Mohsen Sharifi and Seyyed Hassan Malaekheh, “Velayat-e Faqih in Political Thought of Imam Khomeini and Ayatollah Javadi Amoli”, *International Journal of Political Science*, vol 9, no 3, Autumn 2019, pp. 55-69, <https://oiccpres.com/ijps/article/download/7580/4240/5260>. Accessed on March 13, 2026.
 3. Alireza Nader, David E. Thaler, and S. R. Bohandy, “Five Scenarios for Succession of the Supreme Leader in the Near Term,” *The Next Supreme Leader: Succession in the Islamic Republic of Iran* (RAND Corporation, 2011), https://www.jstor.org/content/oa_chapter_monograph/10.7249/mg1052osd.12?searchText=&searchUri=&ab_segments=&searchKey=&refreqid=fastly-default%3A86c5a656827d9e16427b05ddc2a6ea3d&initiator=recommender&seq=1. Accessed on March 15, 2026.
 4. Asghar Shirazi, “GUARDIAN COUNCIL”, *Encyclopaedia Iranica*, December 15, 2002, <https://www.iranicaonline.org/articles/guardian-council/>. Accessed on March 15, 2026.

both as the military force and a political and economic actor. The IRGC mainly works to protect the tenets of the Iranian Revolution, expand Iran's influence in the region, and keep the country stable in terms of internal domestic pressures. Gradually, its influence has expanded significantly, making it a key component of the power pyramid and a significant stakeholder in leadership transitions.⁵ The historical evolution of this system reflects the strong linkages of religion and politics in Iran. After the revolution, the Iranian Constitution established clerical authority while integrating democratic aspects such as elections, thereby creating a theocratic or hybrid political system. This layout allowed both ideological control and a certain degree of political pluralism in the Iranian political system.

In the current scenario, the death of Ayatollah Khamenei in the US–Israeli strike activated the constitutionally defined but politically complex succession process. In the interim period, a three-member leadership council including the president, the head of the judiciary, and a cleric from the Guardian Council assumes the duties of the Supreme Leader.⁶ This mechanism reflects the institutional preparedness of the Iranian system to manage leadership transitions even under crisis conditions. The selection of Ayatollah Mojtaba Khamenei as the new Supreme Leader signals continuity rather than transformation. It also indicates the increasing dominance of conservative factions and the IRGC within the Iranian political system, indicating that the core ideological and strategic directions are unlikely to change. Moreover, the ongoing hostilities may further strengthen the hardline elements within the system following external pressures.

The current crisis has further highlighted the structural tension. Although the Iranian political system is designed to ensure continuity, the concentration of power vested in the Supreme Leader

5. "Backgrounder: The Islamic Revolutionary Guard Corps (IRGC)", *CFR*, January 30, 2026, <https://www.cfr.org/backgrounders/irans-revolutionary-guards>. Accessed on March 16, 2026.

6. Maryam Sinaiee, "Inside Iran's Succession: Who Could Replace Ali Khamenei?", *Iran International*, March 2, 2026, <https://www.iranintl.com/en/202603027355>. Accessed on March 20, 2026.

creates a potential vulnerability during periods of transition.⁷ The absence of a successor and the simultaneous targeting of key political figures like Ali Larijani, have increased apprehensions related to the coordination and decision-making within the elite. Furthermore, the growing dominance of the IRGC poses risks of altering the balance of power away from the clerical institutions toward a more militarised governance model.⁸ Another important dimension is the growing discontentment in the Iranian society due to economic challenges, international sanctions, and social unrest. These faultlines have highlighted the public dissatisfaction with the current Iranian regime. While the power pyramid is effective in maintaining control, it has struggled to address these underlying socio-economic grievances. However, the current conflict may temporarily suppress internal dissent by promoting nationalist sentiment and support for the regime.⁹ From the strategic perspective, the resilience of Iran's political structure lies in its institutional depth and ideological coherence. Despite the loss of its long-standing leader and ongoing military tension, the Iranian system has shown the ability to adapt and maintain stability. However, the increasing significance of security institutions, the potential loss of clerical legitimacy, and the persistent disconnect between the state and its population have the ability to dent this political system.

THE EXPANDING ROLE OF THE REVOLUTIONARY GUARD

The increasing influence of the IRGC can play a significant role in the Iranian influence in the region. In the past decades, the IRGC has consolidated power as an institution, supporting Iran's strategic interests across West Asia. It plays a central role in Iran's regional military strategy through the Quds Force, which has been

-
7. Ebrahim Abbasi, "Political Challenges and Crisis Management in the Islamic Republic of Iran: A Comprehensive Analysis", *Discover Global Society*, vol. 3, Article number 93, 2025, <https://link.springer.com/article/10.1007/s44282-025-00247-9>. Accessed on March 20, 2026.
 8. Charbel Antoun, "Iran After Larijani and Khamenei", *The National Interest*, March 21, 2026, <https://nationalinterest.org/blog/middle-east-watch/iran-after-larijani-and-khamenei>. Accessed on March 26, 2026.
 9. Mohammed- Al-Sulami, "Is Growing Discontent in Iran a Signal to the Regime or the World?", *Arab News*, October 21, 2024, <https://www.arabnews.com/node/2576148>. Accessed on March 16, 2026.

instrumental in shaping Iran's influence in Iraq, Syria, Lebanon, and Yemen.¹⁰ In the contemporary scenario, the prospect of a shift towards a more security dominated political system can lead to the IRGC emerging as the primary power broker. Under such a scenario, the role of the Supreme Leader could become like that of a symbolic religious head, while the real authority will rest with the military and security elites. This trajectory reflects a broader structural transformation within Iran.¹¹ Recent developments in Iran further reinforce this possibility and the current scenario is marked by sustained external pressure, stringent sanctions, regional hostilities, and the ongoing confrontation with Israel and the US. The escalation of proxy conflicts in the region such as the Gaza crisis and the tensions in the Red Sea has enhanced the strategic significance of the IRGC in Iran's national security architecture. Moreover, the increasing securitisation of foreign policy has strengthened the narrative that Iran must rely on its military institutions for regime survival, thereby legitimising the IRGC's expanded role in governance.¹² The socio-economic and political challenges faced by the Iranian society in the past decades like the repeated waves of protests have highlighted the inherent discontentment due to economic hardship, political repression, and social restrictions. High inflation, currency devaluation, rising unemployment, and corruption have exacerbated public dissatisfaction amongst the Iranian youth population. To counter this, the IRGC and its affiliated security forces have played a key role in maintaining internal order, further entrenching the IRGC's influence not only as a military institution but also as a

10. "Backgrounder: The Islamic Revolutionary Guard Corps (IRGC)", *CFR*, January 30, 2026, <https://www.cfr.org/backgrounders/irans-revolutionary-guards>. Accessed on March 16, 2026.

11. "The Future of Iran After Khamenei", *Trends Research and Advisory*, March 6, 2026, <https://trendsresearch.org/insight/the-future-of-iran-after-khamenei/?srsltid=AfmBOoqCzbo0KSIpnOnX2-ac57BSB9vG12jUXRmIENBSjsSaeVIx1Td0>. Accessed on March 17, 2026.

12. H. F. Şimşek, "Iran's Proxy War Paradox: Strategic Gains, Control Issues, and Operational Constraints", *Small Wars & Insurgencies*, vol. 36, no. 6, 2025, pp. 997–1024, <https://www.tandfonline.com/doi/full/10.1080/09592318.2025.2512807#d1e126>. Accessed on March 17, 2026.

key pillar of regime stability.¹³ Furthermore, there are chances that factional rivalries within Iran's elite will influence the post-Khamenei transition. Despite conservative dominance, there is competition amongst the clerics, elected bodies, and military leaders.¹⁴ However, despite these struggles, it cannot be ruled out that the Iranian regime will show resilience. Historically, Iran has demonstrated the ability to adapt to crises through institutional restructuring and strategic repression.

IRAN'S STRATEGIC POSTURE AMIDST THE CRISIS

The leadership transition may lead to more assertive regional behaviour as the Iranian leaders have resorted to every possible means to deter external threats. In fact, Iran's recent strategy of missile strikes and drone operations across the region indicates an attempt to maintain deterrence despite political uncertainty. These actions are consistent with Iran's persistent military doctrine of "forward defence," which underlines projecting power beyond its borders through missile capabilities, proxy networks, and asymmetric warfare.¹⁵ By signalling operational readiness and retaliatory capacity during this internal crisis, Iran's political and military elites, especially the IRGC, are looking forward to reassuring the Iranian population that its strategic posture remains fundamental. This demonstration of force also serves to deter adversaries from interpreting Iran's internal crisis as a moment of vulnerability. At the same time, the new leadership could eventually pursue a pragmatic foreign policy, especially if economic pressures and domestic unrest deepen.

Iran's economy has been severely constrained due to the sanctions, inflation, and structural inadequacies, putting significant pressure on Iran's fiscal capacity and social stability. In this context, the incoming leadership will need to gradually adopt a more calibrated regional strategy, balancing deterrence with

13. Ida Nikou, "Governing Crisis—Sanctions, Austerity and Social Unrest in Iran", *Middle East Research and Information Process*, January 29, 2026, <https://www.merip.org/2026/01/governing-crisis-sanctions-austerity-and-social-unrest-in-iran/>. Accessed on March 17, 2026.

14. n. 11.

15. Şimşek, n. 12.

diplomatic engagement. However, this will not be possible without stabilising relations with the neighbouring states, reducing the risk of direct confrontation, and manoeuvring sanctions relief through careful diplomatic initiatives. The leadership transition in Iran has marked the beginning of an uncertain phase in its history. At the same time, underlying this façade of structural stability, there are undercurrent tensions that could shape Iran's political future. So, the post-Khamenei era cannot simply be referred to as a leadership transition: it can be a defining moment that may determine whether Iran consolidates its existing power structures or gradually evolves into a different political order.

IMPLICATIONS FOR INDIA

Iran's leadership transition does not represent a normal political change but has evolved into a geopolitical shock ensuing during the escalation of crisis in the West Asian region. This has also highlighted the fragility of maritime routes that has unfolded due to this crisis. In the case of India, this turmoil underlines its strategic vulnerability and its huge dependence on West Asian energy resources. This risk has become more acute during the current crisis, as almost 35–50 percent of India's crude imports transit through the Strait of Hormuz—a chokepoint now subjected to disruption and active militarisation¹⁶ (during the writing of this paper). Even with diversification efforts, a substantial share of oil, Liquefied Natural Gas (LNG), and Liquefied Petroleum Gas (LPG) supplies remains dependent on this important Sea Lane of Communication (SLOC), reinforcing India's vulnerability to supply shocks and price volatility.¹⁷ The transition in leadership in Iran implies a more unpredictable regional environment marked by proxy warfare, missile signalling, and maritime insecurity. Such a change increases risks to shipping lanes, insurance costs, and uninterrupted energy flows which directly affect India's economic

-
16. Richard Hay, "Hormuz Test: India's Shift from Vulnerability to Strategy", *Gulf News*, March 25, 2026, <https://gulfnews.com/opinion/op-eds/hormuz-test-indias-shift-from-vulnerability-to-strategy-1.500484501>. Accessed on March 26, 2026.
 17. "Middle East on Edge: What Does it Mean for Indian Oil Markets?", *The Times of India*, March 2, 2026, <https://timesofindia.indiatimes.com/business/india-business/middle-east-on-edge-what-does-it-mean-for-indian-oil-markets/articleshow/128942692.cms>. Accessed on March 25, 2026.

stability and strategic planning. The ongoing crisis has already sharply increased the prices of crude oil, and any prolonged instability linked to Iran's post-transition posture will keep prices volatile. This can have a domino effect i.e., rising inflation, increased fiscal burden due to fuel subsidies, and pressure on economic growth, with estimates suggesting that every \$10 rise in oil prices can reduce India's Gross Domestic Product (GDP) growth and raise inflation.¹⁸ There are several other sectoral and domestic economic implications beyond crude oil emerging out of this crisis in West Asia. The disruption in oil and gas supply can affect household consumption, industrial production, fertiliser supply, and the petrochemical sectors. This increases the risks from the energy issue to a wider economic stability concern.¹⁹ Furthermore, this transition introduces strategic uncertainty for India's West Asia policy and connectivity aspirations. A more hardline Iran reduces the scope for diplomatic balancing among Iran, the Gulf states, and Israel that India has very carefully tried to maintain. It also complicates continuing projects such as Chabahar Port and broader regional connectivity initiatives envisioned under the India-Middle East Economic Corridor (IMEC), which depend on a stable regional environment.

Also, the instability in the West Asian region directly affects the welfare of the Indian diaspora and remittance flows. With almost 9 million Indians working in the region, any escalation linked to the post-transition geopolitical posture by Iran could create humanitarian and economic challenges for New Delhi. At a broader strategic level, the transition reinforces a fundamental reality for Indian policymaking circles i.e., India remains deeply tied to West Asian stability. The continuity of a hardline Iranian regime with the ongoing conflict (during the writing of this paper), suggests that volatility

18. "How Persistently High Oil Prices amid Iran War Could Impact India's Economy", *The Economic Times*, March 12, 2026, <https://economictimes.indiatimes.com/news/economy/indicators/how-persistently-high-oil-prices-amid-iran-war-could-impact-indias-economy/articleshow/129497746.cms?from=mdr>.

19. "Beyond Oil: How US-Iran War and Middle East Crisis May hit India's Economy – Sector-Wise Impact Explained", *The Economic Times*, March 6, 2026, <https://energy.economictimes.indiatimes.com/news/oil-and-gas/beyond-oil-how-us-iran-war-middle-east-crisis-may-hit-indias-economy-sector-wise-impact-explained/129135614>. Accessed on March 26, 2026.

in West Asia is not temporary but structural. This requires New Delhi to rethink its approach to energy security, maritime strategy, and regional diplomacy in a more uncertain and militarised West Asian order. The implications of this current crisis for India are not limited to energy disruption alone—they extend towards economic resilience, strategic autonomy, regional diplomacy, and long-term geopolitical positioning, thereby making Iran's leadership transition a critical external variable in India's national security calculus.

CONCLUSION

The transition in the top Iranian leadership should be understood not merely as a succession, but as a structural stress test for a political system that has historically relied on ideological cohesion, centralised authority, and controlled institutional balance. The effect of this phase will likely shape the long-term character of Iran, especially in defining how authority is balanced between clerical legitimacy and security-oriented governance structures. The growing salience of coercive institutions like the IRGC in the Iranian political process suggests that Iran may be entering a phase where regime stability is increasingly related to its capacity for strategic control rather than ideological consent. At the regional level, this transition contributes to a broader reconfiguration of West Asia's strategic environment, wherein instability seems to be continuous, structural, and deeply rooted, not temporary. The persistence of confrontation, combined with changing alliances and engagements, indicates that the region is moving toward a prolonged phase of managed conflict. In this context, Iran's internal development will remain deeply connected with external dynamics.

For India, the significance of this transition lies in its ability to expose deeper structural dependencies rather than simply initiate interim disruptions. The crisis also highlights the need to conceptualise West Asia not just as an energy supplier, but as a complex strategic theatre where political transitions, military escalation, and economic flows are tightly interconnected, for New Delhi. Iran's transition can be characteristic of a wider transformation in global geopolitics, where uncertainty itself becomes a defining feature of the international system. The trajectory of post-Khamenei

Iran will not be determined solely by leadership choices, but by how effectively the system negotiates the tension between continuity and adaptation. The outcome of this process will shape not only Iran's future, but also the strategic landscape within which regional and extra-regional actors, including India, must operate.

Disclaimer: The views expressed are those of the author and do not represent any institution.

Some parts of this paper have been previously published as a commentary in *India Narrative* titled "Leadership Transition in Iran: Strategic Uncertainty After the Death of the Supreme Leader," on March 10, 2026, <https://www.indianarrative.com/opinion/leadership-transition-in-iran-strategic-uncertainty-after-the-death-of-the-supreme-leader/>.