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Decisive New Factors in the Iranian Conundrum

Context

- The **civic unrest** that unfolded in Iran in late 2025 has played out amid intense media polarisation and competing geopolitical narratives.
- While the crisis is often filtered through simplified binaries of **regime repression** versus foreign-instigated dissent, a more granular analysis reveals that the underlying drivers are deeply structural, socio-economic and political.
- Given **Iran's strategic weight** in West Asia, its proximity to India's extended neighbourhood, and the cascading effects on global markets and regional security, the episode warrants careful examination.

Economic Origins of the Unrest

- The immediate catalyst for the protests was the **collapse of the Iranian rial** and deteriorating economic conditions.
- The unrest began on December 28, 2025, when Tehran's merchant class, the Bazaaris, launched a shutdown protesting a currency regime that made basic imports unviable.
- Although the official exchange rate stood at 42,000 rials per U.S. dollar, the market rate had plunged to 1.45 million, a 35-fold gap and a staggering 20,000-fold decline since 1979.
- The **rial's 45% depreciation** in 2025 alone eroded profit margins on staples such as rice and oil, sparking broader socio-economic anger.
- What began as an economic grievance rapidly escalated into a cross-class protest movement involving unemployed youth and low-wage workers.

The Regime's Four-Stage Playbook

- Since the Islamic Revolution, Iran's leadership has developed a **distinctive playbook** for containing mass unrest, honed during crises in 2009, 2019 and 2022. The pattern consists of:
 - **Initial repression** via stern police action and information control.
 - **Dual messaging**, combining conspiracy rhetoric with conciliatory gestures.
 - **Attrition tactics**, including social media shutdowns, pro-government rallies, and organisational fragmentation of protesters.
 - **Post-crisis retaliation**, including arrests, show trials and executions.
- By early 2026, the unrest appeared to have entered the third stage.

- The government announced token economic relief, a monthly cash transfer of 10 million rials (approximately \$7), and deployed symbolism through funerals of security personnel and mass rallies denouncing foreign interference.
- Crucially, the Pasdaran (IRGC) and conventional military remained loyal, the oil sector was uninterrupted, and no coherent alternative leadership emerged among the protesters.

Structural Vulnerabilities Exposed

• Breakdown of the Bazaar-Clergy Nexus

- Historically, the Bazaaris were a decisive political force, their withdrawal of support contributed directly to the fall of the Shah in 1979.
- Their erstwhile symbiosis with the clerical elite was built on preferential access to imports and arbitrage between fixed and market exchange rates.
- However, U.S. sanctions, internal corruption and competition from IRGC-linked businesses have eroded this alliance.
- Whether the IRGC, now central to regime survival, will cede lucrative economic space to appease merchants remains uncertain.

• Socio-Political Disconnect Between State and Society

- Two-thirds of Iranians are post-Revolution citizens with aspirations shaped more by the consumerist Gulf than by revolutionary austerity.
- They witness systemic corruption among elites, lack of economic opportunity, and social restrictions affecting women, minorities and the secular middle class.
- The election of a technocratic moderate in 2024 briefly raised hopes, yet regional instability and entrenched clerical power blunted reform.

• Foreign Pressures and the Externalisation of Conflict

- S. President Donald Trump and Israeli Prime Minister Benjamin Netanyahu openly encouraged protesters and threatened punitive action.
- Yet direct intervention remains fraught. Iran's political culture valorises resistance and martyrdom, enabling national consolidation against foreign aggression, as seen during Iraq's 1980 invasion.
- Moreover, despite losses in the June 2025 clash with Israel and the U.S., Iran retains capacities for asymmetric retaliation, particularly across the Persian Gulf and Strait of Hormuz.

Consequences for India

• Gulf Stability

- Any escalation in Iran could destabilise the Gulf, jeopardising Indian energy security, remittances from its 9-million-strong diaspora, and bilateral trade.

- **Strategic Geography**

- Iran provides India with access to Afghanistan and Central Asia via the Chabahar port, an alternative to Pakistan's geostrategic chokehold.

- **Domestic Social Linkages**

- India hosts the world's second-largest Shia population after Iran; developments in Tehran resonate among Indian Shias and influence regional sectarian dynamics.

- **Economic Opportunity**

- Post-sanctions reconstruction of Iran could offer major commercial openings for India in infrastructure, energy, manufacturing and healthcare, particularly given Tehran's indigenous industrial ambitions.

Conclusion

- The 2025–26 unrest in Iran reflects not merely episodic dissent but accumulated **structural contradictions** within a sanction-strained petro-religious state facing generational transformation.
- The regime has shown resilience through coercion, elite cohesion and the absence of viable opposition leadership.
- Yet its inability to address underlying economic and socio-political fissures ensures that **instability will recur**.
- For external actors, including India, the crisis underscores the interplay between domestic fragility and regional geopolitics in West Asia.

Decisive New Factors in the Iranian Conundrum FAQs

Q1. What triggered the unrest in Iran in late 2025?

Ans. The unrest was triggered by the collapse of the rial and worsening economic conditions, beginning with a merchants' shutdown in Tehran.

Q2. How did the Iranian government attempt to contain the protests?

Ans. The government used a four-stage playbook involving repression, dual messaging, attrition tactics and post-crisis punishment of protest leaders.

Q3. Why was the Bazaaris' involvement significant?

Ans. The Bazaaris' participation was significant because they have historically been influential political actors and had not previously opposed the clerical regime so openly.

Q4. What broader socio-political tensions were exposed by the crisis?

Ans. The crisis exposed tensions between a young population seeking economic opportunity and a gerontocratic religious leadership prioritising strategic and ideological goals.

Q5. Why does the Iran unrest matter for India?

Ans. The unrest matters for India because it affects Gulf stability, regional access routes, domestic Shia linkages and potential future economic opportunities in Iran.

Source: **The Hindu**

India Must Focus on AI and Its Environmental Impact

Context

- While Artificial Intelligence is widely discussed for its applications across sectors, its environmental impact has received limited attention.
- An Organisation for Economic Co-operation and Development working paper highlights that developing and deploying AI algorithms entails environmental costs, notably an **increased carbon footprint** that worsens climate change challenges.
- The report estimates that the global ICT industry contributes about **8%-2.8%** of global greenhouse gas emissions, with some estimates placing this figure even higher.
- At the same time, reliable data on AI's carbon footprint remains contested.
- A 2025 report by Google claims that a single AI text prompt consumes minimal electricity, but this has been criticised for offering incomplete and potentially misleading conclusions about AI's true environmental impact.
- This article highlights the growing but under-recognised **environmental impact of Artificial Intelligence**, examining its carbon, energy, and water costs, global regulatory responses, and the urgent need for India to integrate sustainability into AI governance.

Environmental Impact of AI Across Its Life Cycle

- An issue note by the United Nations Environment Programme (UNEP) warns that the full AI life cycle could significantly strain natural resources.
- It estimates that **AI servers** may consume **2-6.6 billion cubic metres of water** by 2027, intensifying water scarcity.
- Studies cited by UNEP indicate that training a single large language model can generate nearly **300,000 kg of carbon emissions**.
- Similarly, earlier research found that training one large AI model can emit over 626,000 pounds of carbon dioxide—comparable to the lifetime emissions of five cars.
- Further, AI usage also raises energy demands: a UNEP study notes that a single ChatGPT query consumes about ten times more energy than a standard Google search, underscoring AI's growing contribution to climate change.

Global Efforts to Address AI's Environmental Costs

- In 2021, UNESCO released its **Recommendation on the Ethics of Artificial Intelligence**, urging recognition of AI's negative impacts on society and the environment.

- Though **non-binding**, it was adopted by around 190 countries.
- Among major jurisdictions, the United States and the European Union have taken the lead by proposing legislation specifically addressing AI's environmental footprint, including the *Artificial Intelligence Environmental Impacts Act, 2024*, and the *EU's harmonised AI rules*.

The Indian Gap in AI-Environment Discourse

- While global debates increasingly focus on AI's carbon costs, discussions in India largely emphasise how AI can help address climate change, overlooking the environmental downsides of developing large AI models.
- There is a growing need for India to formally recognise and address these hidden environmental costs.

• Measuring Environmental Impact of AI

- A crucial first step is to systematically measure the environmental impact of AI development and deployment.
- In India, the **Environmental Impact Assessment Notification, 2006** mandates EIAs for major infrastructure and development projects.
- Its scope could be expanded to include AI systems and algorithms, given their increasing resource intensity.

• Standards, Stakeholders, and Data Collection

- The government could also establish common standards to assess AI's environmental impact by involving technology companies, think tanks, and environmental NGOs.
- This would help build consensus on definitions, indicators, and reporting requirements.
- Alongside this, systematic data collection using sustainability metrics—such as greenhouse gas emissions, energy use, water consumption, and land and resource impacts—would enable evidence-based and environmentally informed AI policy-making.

Integrating AI into ESG Disclosure and Sustainability Frameworks

- The government can consider including the environmental impact of developing and deploying AI models within environmental, social and governance (ESG) disclosure standards overseen by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.
- India could draw lessons from the European Union, where the Corporate Sustainability Reporting Directive mandates disclosure of emissions from data centres and high-compute activities, including the training of large language models.
- At the same time, the emphasis should move toward positioning AI as part of the solution for global sustainability goals.
- This includes adopting sustainable AI practices such as using pre-trained models to reduce compute intensity, powering data centres with renewable energy, and reporting AI-specific environmental impact estimates to minimise AI's ecological footprint.

India Must Focus on AI and Its Environmental Impact FAQs

Q1. Why is the environmental impact of AI a growing concern?

Ans. AI development and deployment consume significant energy, water, and resources, increasing carbon emissions and intensifying climate change, yet these impacts remain poorly measured and regulated.

Q2. What do global studies reveal about AI's carbon and water footprint?

Ans. Studies by OECD and UNEP show AI training emits hundreds of thousands of kilograms of carbon dioxide and AI data centres may consume billions of cubic metres of water.

Q3. How does AI usage compare with conventional digital services in energy consumption?

Ans. UNEP estimates that a single ChatGPT query consumes about ten times more energy than a standard Google search, highlighting AI's higher operational energy demands.

Q4. What steps have global institutions taken to address AI's environmental costs?

Ans. UNESCO issued ethical AI recommendations, while the US and EU proposed laws mandating disclosure and regulation of AI's environmental footprint, including high-compute activities.

Q5. What policy measures should India adopt to manage AI's environmental impact?

Ans. India should expand EIA frameworks to AI, set measurement standards, mandate ESG disclosures, and promote sustainable AI practices like renewable-powered data centres and efficient model use.

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