



FROM WAR TO PROTESTS:

Recurrent Internet Shutdowns and the Gradual Displacement of Women from the Labor Market

February 2026

The internet shutdowns in Iran have become a primary driver contributing to the widespread collapse of digital online businesses and undermining the livelihood of millions of Iranians, especially women who are employed in online micro-businesses. Internet shutdowns, which are occurring more regularly under the pretext of maintaining “public security” and enforced by high-level authorities such as the Supreme National Security Council, in response to crises and popular protests.

The 12-day war which began on June 7, 2025, was accompanied by a near-total national internet blackout. Over 40% of companies lost between 25% to 50% of their revenue, and nearly half reported losses exceeding 50%. With an estimated damage of \$1.5 million for every hour of disruption and at least 400,000 to one million online businesses affected.

Now, only six months after the massive economic shock of the 12-day war, a renewed internet blackout which began on January 8, 2026, in response to national protests, sparked by the rapid devaluation of Iran’s currency, has dealt another blow to the digital economy. The shutdown has obliterated the few remaining avenues for covering living costs for many women, freelancers, and workers within Iran’s tech ecosystem.

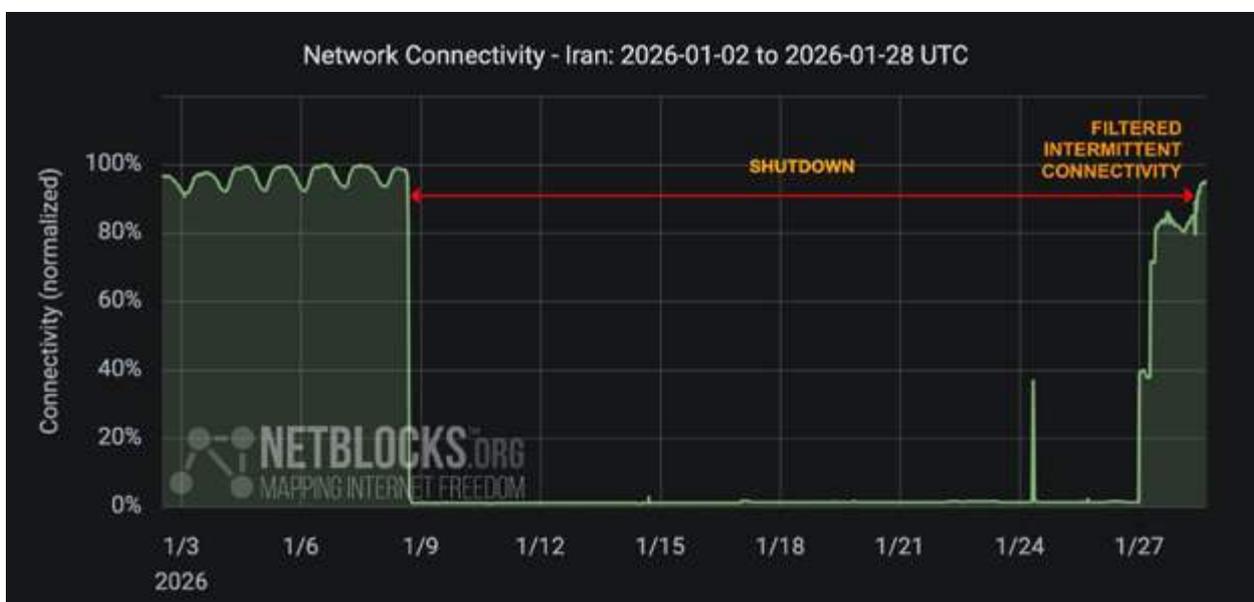
Estimates indicate that the “social commerce” ecosystem in Iran, largely built on social media platforms like Instagram, generates an annual turnover of between 100 to 120 trillion Tomans (approximately \$600 to \$750 million) and supports about one million direct jobs, along with numerous indirect ones.

In the Iranian context, social commerce refers to small and home-based businesses that relay on social media, especially Instagram, and to a lesser degree WhatsApp and Telegram, for marketing, sales and customer communications. Typical examples are online shops selling clothing, handicrafts, cosmetics, food products, and art; freelancers offering services such as design, translation, education, or content creation; and informal sellers who take orders via DMs and complete payments through bank transfers. Because access to formal platforms, payment gateways, and global marketplaces is restricted, social media has become a critical and often the only channel for income generation for many women, freelancers, and tech-adjacent workers.

This market, which has emerged as a pillar of Iran’s digital economy in recent years, shrinks with every week of internet disruption. In fact, a significant portion of this sector is now being irreversibly pushed out of the country’s economic cycle.

From Strike to Total Blackout

The current protests began in Iran's bazaar on December 28, 2025, in response to the rapid devaluation of Iran's currency. They quickly spread across the country, culminating in 2 days of mass protests which were met with extreme and deadly violence. As the protests spread, many independent and micro-businesses, particularly those operating on Instagram, spontaneously suspended their commercial activities. This wave of solidarity on social media encompassed a range of sectors, from cafes and restaurants to online shops selling clothing, food, and handmade products; platforms for which Instagram was not merely an auxiliary channel, but their sole medium for sales and customer engagement.



This voluntary suspension occurred against a backdrop of already declining online transaction volumes, driven by inflation, diminished purchasing power, and social uncertainty. Approximately ten days later, on January 8, 2026, Iran's internet was completely shutdown. Neither international bandwidth nor many domestically hosted services operating on Iran's so-called "National Information Network" which is a state-controlled intranet intended to function independently of the global internet, were accessible. This blackout effectively dismantled the last remaining communication and economic channels for online businesses, transforming a temporary hiatus into an absolute cessation of sales.

Selective Connectivity and Unstable Internet

Confronted with the severe economic fallout of a total internet blackout, the government began providing limited international access starting January 15, 2026, through the Tehran Chamber of Commerce. This access was restricted exclusively to formally registered businesses holding a valid chamber membership and commercial registration.

Access was granted only after identity verification, device and IP registration, and the signing of a written commitment pledging not to “misuse” the connection. Connectivity was available solely within designated areas of the Chamber’s premises, for limited periods of time, and was not extended to other floors, staff, or remote use.



Qasedak will not be selling products until further notice. We stand together and are united. Long Live our free Iran. Qasedak is the bearer of good news.

We will not be selling products until further notice. Iranian girls are more beautiful without makeup. In the hopes of better days.

Dear customers given the situation in our dear country Iran, we will not be operational until further notice. Hoping for better days.

We will not be operational until further notice. Given the current situation business is not possible. Hopefully once the challenges are addressed, we will be able to serve you again.

According to Chamber officials, approximately 2,500 individuals were able to use this access. Similar arrangements were implemented in a small number of other chambers, including Bushehr, Bandar Abbas, and Mashhad. In practice, this highly controlled, location-bound, and time-limited access benefited only a narrow group of formal businesses and was entirely inaccessible—and therefore ineffective—for micro, home-based, and informal digital enterprises that constitute the majority of Iran’s online economy.

On January 26, the Minister of Information and Communications Technology announced that the internet shutdown caused daily losses of approximately 5 trillion Tomans (about USD 31.25 million) per day, totaling 90 trillion Tomans (around USD 562.5 million) over 18 days. While this figure provides a macro view of the economic damage, it does not provide a clear picture of the deeper and more serious losses, particularly in the social commerce sector. Market experts estimate that in the recent two-week blackout alone, approximately 5 trillion Tomans (USD 31.25 million) in sales were lost.

Starting January 27, access was partially restored in a limited, selective, and unstable manner. Connectivity varied significantly by operator and location, rendering access arbitrary and unpredictable. As a result, many users remained dependent on circumvention tools (VPNs) to connect. Experts note that this instability reflects a shift toward a more controlled access model, and that a full return to pre-January 8 connectivity has not occurred. Under such conditions, internet access remains fundamentally unreliable for sustained economic activity.



Women-Owned Micro-Businesses: The Primary Victims

Amidst the pressures mounting on large digital corporations, online micro-businesses, many of which are women-led, face total annihilation. These enterprises often serve as the sole source of income for their owners and, unlike larger firms, lack financial reserves or the capacity for risk mitigation.

According to a 2023 [report](#) by an Iranian social media monitoring firm, approximately 3.7 million businesses were active on Instagram. Of these, 33% operated in fashion and apparel, 25% in beauty and health, and 12% in the food industry, sectors where women's employment is disproportionately high. For these businesses, internet shutdowns and disrupted access to the platform signify the destruction of customer networks, the loss of communication channels, and the functional collapse of their entire business model.

Mahsa, who has run a page selling handmade ceramics for over six years, says that the shutdowns have completely severed her connection with customers. Her attempts to

sell her products through physical stores have also failed due to a sharp decline in overall market demand.

Nasim, who started a home-based catering and bakery business during the COVID-19 pandemic, notes that while she typically begins receiving orders for the Iranian New Year (March 20th) in February, there is currently neither the financial capacity nor the morale among customers to buy. This is particularly devastating as the period from February to April usually represents the annual peak for such businesses.

Yasamin, whose previous clothing business page was blocked due to violations of mandatory hijab regulations, attempted to pivot to a home-food delivery website. However, the food delivery platform informed her that they were facing a 30% drop in sales and are currently unwilling to onboard new service provider partners. Her experience underscores a critical reality: even having a standalone website is not an effective solution without stable social media access to drive traffic and reach customers.

Concurrent Economic and Social Pressures

The internet blackout is not the sole factor driving the collapse of these businesses. A drastic decline in purchasing power, rampant inflation, and a public atmosphere thick with collective grief, anger, and exhaustion have reduced consumer demand to a minimum. Market analysts emphasize that commerce does not thrive in an environment of psychological and economic insecurity, especially for products commonly sold on social media, which are often non-essential goods.

Alongside this economic strain, business owners face serious social pressures. Continued or resumed commercial activities have been interpreted as “normalizing the situation.” These entrepreneurs frequently face accusations of failing to show solidarity with the protests, as business-related posts can be seen as distracting attention from ongoing events in Iran or minimizing the impact of the repression and massacre.

*This twitter user is responding to a tweet that stated the following:
There are some dis-honorable people who began advertising their businesses the minute the internet shutdown ended.*

Response:

If Struggling to stay alive is dishonorable, then that is what I am. My landlord, who is the fairest, sent me a message at 6:00am to give me his new bank account number. Because the account number had changed, he had not received rent on the exact due date. You don't need to pay my rent, but can you ask my landlord for an extensio



Consequently, many businesses were initially unable to operate due to social circumstances and public sentiment; subsequently, with the total internet shutdown, even that limited potential for resumption of activities was undermined and in some cases even totally extinguished.

Spontaneous Efforts for Survival

In response to concerns over “normalizing the situation” and to avoid diverting the flow of public attention to issues other than the political developments, some users and activists have created limited, targeted support communities for micro-businesses. These spaces have primarily emerged on X (formerly Twitter), Telegram, and even domestic platforms like “Bale,” allowing business owners to showcase their products without being subjected to broad algorithmic distribution.

On networks like Instagram and X, any published commercial content can gain repeated visibility in the public timeline through algorithmic mechanisms such as the “Explore” page, retweets, and content recommendations. During times of crisis, this cycle of redistribution can inadvertently cause commercial content to overshadow the main flow of information regarding the situation in Iran, triggering negative reactions.

In contrast, closed or channel-based community models are designed to limit content distribution strictly to a target



The group Support for Iranian Businesses has stated its aims as follows:

The aim of this group is to introduce Iranian businesses so that as Iranians we can support one another during difficult economic times. This group belongs to all of us.

The tweet reads:

I am sending this tweet with great embarrassment. I am a writer and content creator, but given the situation of the internet I have become unemployed and desperate. My only income at present is through the sale of my book and knitting...

audience. In this structure, product promotion occurs within spaces that users must join consciously and intentionally, rather than appearing on a public timeline. In other words, only those who are potential customers or supporters of these businesses gain access, preventing the content from entering organic public circulation. This distinction is particularly sharp in messaging apps like Telegram and Bale; unlike algorithm-driven social networks, these platforms function more like niche, demand-driven marketplaces rather than pervasive advertising tools.

While these grassroots initiatives represent an effort to balance social information flow with economic survival, their impact remains limited. They cannot replace a sustainable ecosystem. This limitation is not merely technical; it is rooted in the very nature of how social commerce evolved in Iran.

Social commerce in Iran was never a luxury or an elective alternative; it was a direct response to structural constraints in accessing formal markets and platforms. This online ecosystem began to take shape in 2018 following the blocking of Telegram. Over the next five years, social networks became the primary infrastructure for millions of micro and home-based businesses—

serving as the main gateway for women to enter the digital economy. However, this trend was interrupted with the blocking of Instagram during the “Woman, Life, Freedom” (WLF) Movement, which began in 2022.

The experience of internet restrictions during the WLF movement proved the forced migration of online shops to domestic platforms ineffective. Businesses stay where the users are. Migrating to domestic messengers or new platforms means starting from scratch and the total loss of customer networks that were built over years through heavy social and economic costs.

Even launching a standalone website is often an ineffective solution. A significant portion of traffic for online shops was driven by networks like Instagram. During the recent blackouts, many businesses lacked the means to even inform their existing customers of their website’s existence. In the absence of this communication channel, a functional website does not translate to sales; the audience neither has the URL nor the motivation to actively search for it amidst psychological and economic insecurity.

The example of one woman in Gilan province who makes a living selling rice [online](#), highlights a deeper crisis. She not only has to face internet restrictions, but now is faced with the impossible task of selling rice at 450,000 Tomans per kilogram to a population who is faced with severely diminished purchasing power. The combination of these developments, represent a profound crisis faced by Iranians, which short-term initiatives cannot resolve.

Ultimately, the migration to domestic platforms or reliance on small support marketplaces fails not because of business resistance or incompetence, but because of the loss of

“network intelligence” and the collapse of customer bases. These cannot serve as sustainable solutions for preserving the ecosystem.



Fatemeh Bahrami/Anadolu/Getty Images

Freelancers and the Digital Ecosystem Workforce

The crisis is not limited to product-based businesses. Freelancers in content creation, communications, and digital marketing have effectively lost one of their primary professional channels due to the disruption of platforms like Instagram. For many, social media serves as more than just a publishing tool; it is a marketplace for finding projects, communicating with clients, and establishing a professional identity. The instability or total severing of these platforms has led to a sudden cessation of workflow and income.

At the corporate level, the consequences of this disruption have surfaced rapidly. Mass layoffs, non-renewal of contracts, and partial or staggered salary payments have become common practices within digital ecosystem firms. This trend disproportionately targets contract workers, freelancers, and employees on temporary agreements, of which women comprise a majority.

A visible indicator of this instability is the dramatic surge in the use of the “Open to Work” badge on LinkedIn. A review of posts and lists shared on this professional network reveals a wave of job seekers emerging from projects that have been downsized, suspended, or terminated.

In response, much like the grassroots efforts seen among micro-businesses, spontaneous support initiatives have emerged within the tech community. Some business coaches and consultants have offered pro-bono advisory services to companies and teams, aiming to design resilience strategies that might prevent mass layoffs or, at the very least, buy these businesses more time to survive.

Simultaneously, groups of Human Resources (HR) professionals have mobilized voluntarily. They have curated lists of laid-off or at-risk workers to facilitate their visibility and introduction to potential employers. [In one such list of 100 job seekers](#), more than half were women—a statistic that again underscores how the burden of this crisis falls disproportionately on women's shoulders.

While these lists and informal networks demonstrate a high level of solidarity and social responsibility within the digital sector, they cannot act as a substitute for job security, stable market access, or structural support policies. In the absence of sustainable communication and economic infrastructure, even the most effective support networks can only mitigate the severity of the crisis, not resolve it.

Psychological Collapse of the Workforce

Beyond economic and infrastructural factors, the psychological collapse and burnout of the workforce have emerged as a critical dimension of the crisis. Many employees report a severe loss of concentration following the violent suppression of protests, persistent anxiety, fear of making mistakes, and a constant dread of reprimand or dismissal. This continuous psychological strain has not only diminished work quality and productivity but has also stripped many of their capacity to function, becoming a catalyst for their gradual withdrawal from the labor market.

Interviews with employees and field reports indicate that even individuals not formally at risk of layoffs or contract non-renewals are suffering from profound stress due to the overarching climate of instability and uncertainty.

Neda, who has worked for over 12 years in a government organization under the presidential administration, describes a grueling and corrosive work environment. Despite having no immediate concerns about her contract or job security, she says the atmosphere is overwhelming. In business meetings, she observes colleagues frequently suffering emotional breakdowns; crying in meetings has become an unsettling norm.

She explains that the professional and psychological pressure is so intense that there is neither the possibility of reducing the workload nor the opportunity for staff to take leave. Simultaneously, many employees experience acute anxiety during daily tasks, fearing that their lack of focus will lead to errors resulting in administrative consequences. Neda describes this state as a form of "collective paralysis": a condition where employees

know they must work, but find it impossible to discern how or with what quality they can continue under such duress.

This experience demonstrates that the current crisis is not limited to job losses or income reduction; it is systematically eroding the mental health of the workforce. Such damage is likely to lead to a widespread decline in productivity, increased absenteeism, and a “brain drain” of specialized human capital in the medium to long term.

Social Crises and Lack of Legal Protections

In response to crises such as war or widespread protests, the Iranian Labor Law provides for the “suspension of employment contracts” to temporarily manage labor relations. According to [Articles](#) 14 to 20 (specifically Article 15) employment contracts may be suspended in the event of unforeseen circumstances. The determination of such conditions rests with the Ministry of Cooperatives, Labour, and Social Welfare.

In practice, however, the boundary between legal suspension and unlawful dismissal has been extensively violated. Arbitrary salary reductions, forced unpaid leave, and the non-renewal of temporary contracts are tools employers use to shift the burden of crisis risks onto the workforce. Field reports indicate that this situation is even more severe for women, particularly those in freelance roles or on temporary contracts. Persistent and misguided assumptions that women bear less responsibility for providing for their households than men, also undermines and threatens their employment in challenging economic times, even further.

Retirees and unemployment insurance applicants are also caught in this turmoil. According to domestic media [reports](#), in January, the wages of some Social Security retirees were subject to significant deductions. Amounts ranging from approximately 1 million to 1.7 million Tomans were deducted under the guise of “supplementary insurance premiums.” This has sparked protests among retirees, adding a double layer of economic pressure on one of the most vulnerable segments of society.

Alongside these economic and employment challenges, the digital and service infrastructures provided by official institutions for processing unemployment insurance and labor rights claims are also [malfunctioning](#). Disruptions in the “Comprehensive Labor Relations System” have caused severe delays in registering and paying unemployment benefits. Workers and beneficiaries are often left in a state of limbo, unable to track their requests or secure their legal entitlements in a timely manner.



Femena supports women human rights defenders, their organizations and feminist movements in the Southwest Asia and North Africa (SWANA) region. Femena's work is particularly focused on contexts where civic space is shrinking or closed, as well as contexts impacted by authoritarianism, conflict, extremism and fascism. Femena aims to raise awareness about the impact of these trends on women, feminist movements and civic organizing. Femena's country and regional reports provide analysis about trends in the region, especially those that pushback on women's rights and target feminist movements. These reports also provide recommendations on how to support women's rights, women human rights defenders at risk and protect civic space, while strengthening feminist movements.