The Middle East Beyond the Iran War

Middle East Institute

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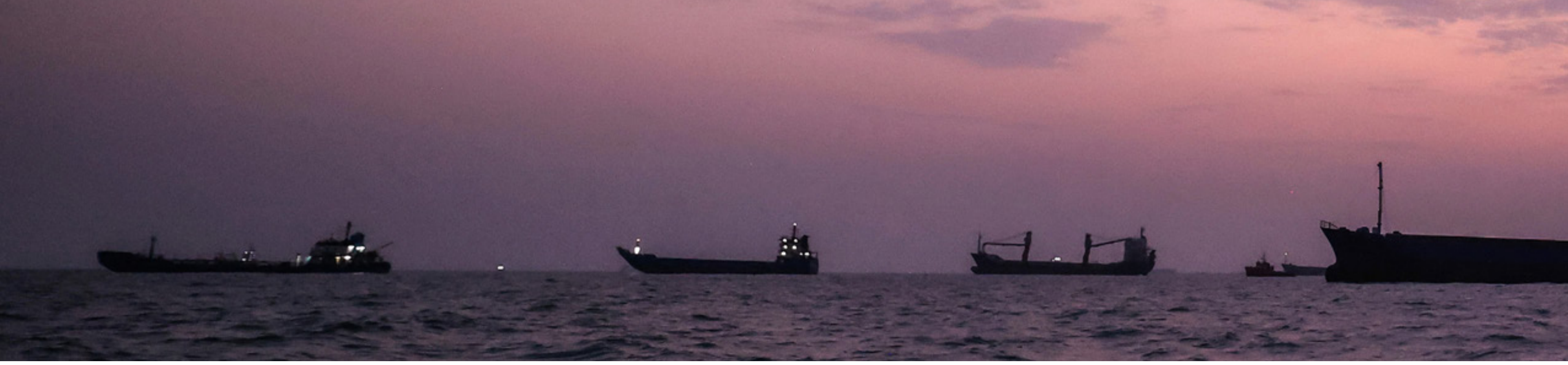

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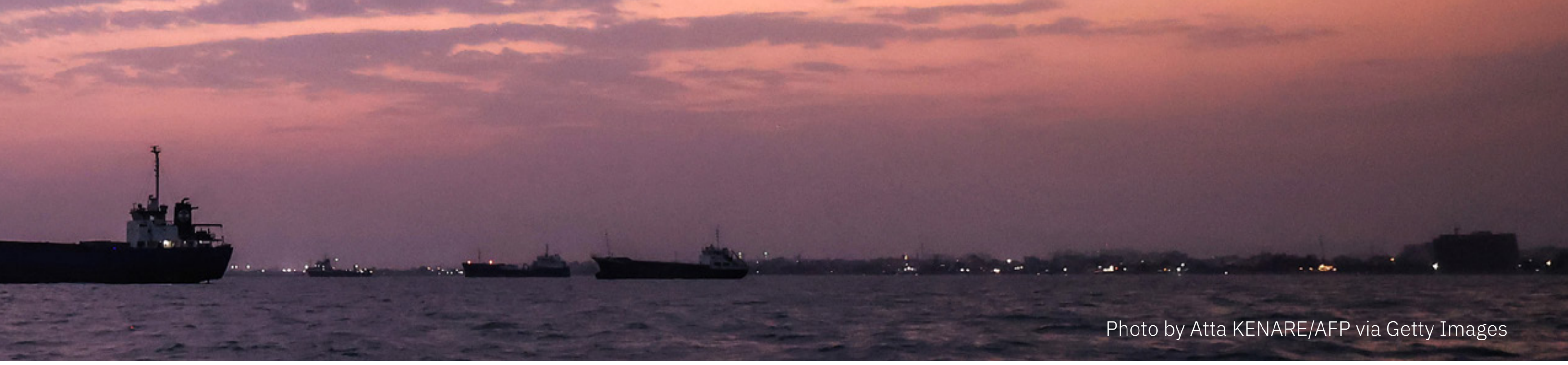

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Preface

This report presents a collection of short essays written by the Fellows of the Middle East Institute to explore aspects of the ongoing war with Iran that have received less attention than they merit. This is not to say that the coverage of the war has been insufficient or misguided. Only that, as experts on the Middle East, we see this war having impacts well beyond what even a ceaseless, ubiquitous news cycle can cover.

Our charge in fashioning these essays was to help readers see new and unexpected elements of the dynamics and impact of the ongoing hostilities. Some highlight unrecognized ways that the war is shaping different parts of the world. Some place its events in a different context. Some point out potential pitfalls or opportunities deep into the future, while others illustrate immediate issues that have been hidden by the explosive storylines that understandably monopolize attention. All of them present new insights into aspects of the conflict that illuminate it more fully than it has been so far.

There is no unified perspective or overarching theme to these essays except the implicit consensus that the impact of the war is likely to reverberate across the Middle East and the world in unexpected ways for many years to come. To some extent, that is the nature of all interstate conflicts. However, the current war with Iran has been exceptional in this respect both because of the salience of the countries waging it and the relevance of its central issues to so many nations around the world. The war is bound up with questions regarding the global energy supply, the security of key transportation chokepoints, nuclear proliferation, the emergence of new military technologies, the changing distribution of power across the globe, and the utility of force in the information age. Even countries very far from the principal theater of combat have both direct and indirect interests in each of these matters, making this war potentially far more important than the number of combatants or casualties alone might suggest.

We hope these essays both help and challenge you to think harder, deeper, and broader about the implications of this long, strange, new war.

Kenneth M. Pollack
Vice President for Policy, Middle East Institute
September 15, 2026

Regional Maps

Political map of the Middle East. iStock/Getty Images Plus

Political map of the Strait of Hormuz. iStock/Getty Images Plus

CFOTO/Future Publishing via Getty Images

China: From Access to Exposure

John Calabrese

The conventional framing of China's role in the Middle East in policy discourse centers on a familiar question: what challenge does Beijing pose to US primacy? The answer is often framed as a largely linear story in which expanding economic influence gradually translates into geopolitical leverage.

Yet this view captures only part of the reality. It assumes that deeper economic integration insulates China from geopolitical shocks, overlooking the extent to which Beijing's growing regional footprint has also increased its exposure to them.

The Iran war brings this tension into sharp focus. Rather than a discrete geopolitical episode, it functions as a stress test of China's regional position, revealing how deeply Beijing has become embedded in a regional order it does not shape and is reluctant to underwrite.

China has a direct stake in Iran itself. It purchases the overwhelming majority of Iran's sanctioned crude oil exports, has deepened economic ties through a long-term strategic cooperation agreement, and has expanded diplomatic engagement in recent years. Beijing has interests on both sides of the Gulf: preserving stable relations with Saudi Arabia and the United Arab Emirates while maintaining its partnership with Tehran. This balancing act becomes increasingly difficult when confrontation between Iran and the United States or Israel intensifies.

China's Rise Through Access

For more than two decades, China's Middle East strategy has been organized around the principle of access, not in a narrow diplomatic sense, but as a multi-layered structure encompassing energy flows, infrastructure and logistics connectivity, market access, and, increasingly, digital and technological integration. China's rise as the world's largest energy importer cemented deep interdependence with Gulf producers, transforming oil and gas from transactional commodities into strategic inputs within a broader economic relationship.

China's energy security remains closely tied to the Middle East. In 2025, the region supplied roughly half of China's crude oil imports and nearly one-third of its liquefied natural gas (LNG), with Gulf producers alone accounting for 42% of crude imports. China also received more than 5 million barrels per day (bpd) of oil transiting the Strait of Hormuz, underscoring the strategic importance of Gulf energy flows and the vulnerability created by reliance on a single chokepoint.

Over time, Beijing has constructed a wider physical and institutional presence in the Middle East comprising ports, industrial zones, telecommunications networks, and large-scale projects under the Belt and Road Initiative (BRI). Chinese state-owned enterprises and policy banks embedded capital within these systems, producing a sustained and increasingly durable material footprint across the region.

This was something both sides chose, as Gulf states moving their economies beyond oil found in China a partner well aligned with their infrastructure financing and industrial development needs — a logic that also extended to Egypt, Algeria, and Morocco.

In recent years, this convergence has broadened into renewable energy, digital infrastructure, and artificial intelligence, further deepening interdependence across sectors. Crucially, this integration unfolded within a regional order still underwritten by the United States as the primary security guarantor, an arrangement China benefited from without directly challenging it.

Yet that success has come with greater exposure. As China's economic and strategic footprint has expanded across the region, so too have the channels through which instability can affect its interests. The Iran war has made this reality unmistakable, revealing vulnerabilities that had previously remained largely latent.

The Iran War as a Strategic Stress Test

The Iran war marked a sharp deterioration in regional security conditions, particularly through maritime disruption, heightened insurance costs, and increased risk to energy infrastructure and shipping corridors such as the Strait of Hormuz and, more recently, the Red Sea and Bab el-Mandeb Strait. While the conflict does not appear to have fundamentally reordered Gulf alignments, it introduced sustained operational uncertainty into the arteries of regional trade.

For China, the significance of the war lay not in direct military or diplomatic confrontation, but in systemic stress. Its model of access depends on relatively stable commercial flows, even in periods of political tension. The Iran war challenged that assumption.

Although China imports oil from a diverse range of suppliers, roughly 12% of its crude imports come from discounted Iranian shipments, leaving Beijing exposed to disruptions in Iran's exports or tighter enforcement of US sanctions. Chinese energy imports were not fully interrupted, and strategic stockpiles as well as diversification across suppliers helped prevent acute shortages. But the broader system through which China's Gulf engagement operates — shipping, insurance, port throughput, and logistics predictability — was exposed to heightened friction.

Costs rose, routing became less efficient, and operational planning became more contingent. The benchmark very large crude carrier (VLCC) freight rate for the Middle East-China route hit an all-time high of $14 per barrel in March 2026. In relative terms, China's exposure to Hormuz-linked flows (37.7%) far exceeded India's, Japan's, and South Korea's (each at less than 15%). The effects were indirect but widespread, as rerouting and greater volatility strained Chinese-linked ports, industrial zones, and logistics hubs. The result was not breakdown but reduced efficiency across a network built on predictability.

Diplomatically, Beijing maintained its standard repertoire of calls for restraint, support for cease-fires, and appeals to international law. It also positioned itself as a potential facilitator of dialogue. But these instruments proved decoupled from crisis influence. China lacked leverage over Iranian escalation decisions and possessed no coercive or military tools to alter the trajectory of events once conflict dynamics intensified. Beyond immediate economic costs, repeated disruptions also risk exposing the limits of China's long-standing preference for economic engagement without corresponding security commitments. Partners may increasingly question whether Beijing can protect the overseas interests that accompany its expanding global footprint.

The earlier Saudi-Iran rapprochement, brokered with Chinese support in 2023, illustrated both the reach and the limits of this diplomatic role. It was effective under conditions of mutual political interest in de-escalation, but it was not underwritten by enforcement capacity. Once regional tensions shifted from diplomacy to military exchange, its durability proved conditional.

Gulf responses reinforced the same pattern. Faced with direct threats, regional states relied on established security partners for missile defense, intelligence, logistics, and maritime protection. Despite diversification, crisis management remained anchored in the security architecture led by the US, which retains the only full-spectrum operational capacity in the region.

The Iran war therefore did not change China's trajectory. It clarified its boundaries. China remained economically central but structurally absent from crisis management.

China's Security Ceiling

Despite its expanding economic and infrastructural footprint in the Gulf, China faces a durable ceiling on its ability — and willingness — to translate presence into security provision. This ceiling is not the result of a single constraint but the interaction of three reinforcing limits: doctrinal restraint, capability shortfall, and regional political design.

At the doctrinal level, China continues to prioritize non-intervention and to resist the development of formal alliance structures or sustained overseas security commitments. While its overseas military activities have expanded at the margins, these remain episodic and narrowly defined, shaped by the protection of nationals, anti-piracy operations, and limited escort functions rather than any broader security role.

At the capability level, China's naval reach and ability to supply forces far from home continue to improve, but they remain insufficient to underwrite credible security guarantees in a contested maritime environment such as the Gulf. At the same time, expanding expeditionary capabilities may gradually create pressure for a more active security role. As Chinese citizens, investments, and commercial interests become more exposed overseas, Beijing may find it increasingly difficult to maintain its traditional preference for limited military involvement beyond its immediate neighborhood. The ability to project presence is not the same as the ability to sustain control under conditions of escalation or protracted conflict.

At the regional level, China's economic attractiveness is partly contingent on its political restraint. Gulf states have sought to diversify partnerships precisely to avoid overdependence on a single security provider. A more assertive Chinese security posture would risk introducing new political constraints that could erode rather than enhance Beijing's access.

This division of labor is structural, not episodic. China can finance, build, and connect, but it cannot enforce stability or manage escalation.

The deeper implication is that China's security ceiling is a defining feature of its regional strategy. The very model that enables deep access — avoidance of alignment, conditionality, and military entanglement — also limits its ability to convert that access into control when instability rises.

The Limited Expansion of China's Security Role

Beijing is gradually assuming security-adjacent roles that protect its interests without crossing into alliance commitments or sustained military responsibility. This reflects pragmatic risk management under conditions of rising exposure. It is designed to manage vulnerabilities at the margins of China's economic footprint, not to transform China into a security guarantor.

Three broad forms of this are visible in practice.

1. **Protection of Strategic Nodes, Not the Region:** China's most consistent security-related activity in the Gulf is the *protection of discrete assets rather than the stabilization of the wider environment*. This includes limited naval deployments in anti-piracy operations, periodic evacuation capacity, and contingency planning for the protection of Chinese nationals and commercial assets. The conflict also highlighted the limits of China's growing military presence in the region. Although Beijing maintains its only overseas military base in Djibouti overlooking the Bab el-Mandeb Strait, there is little public evidence that it relied on military power to secure its shipping. Instead, China appears to have depended primarily on diplomacy and its relationships with both Iran and the Houthis to preserve its access to critical maritime routes.

   More structurally, it involves treating specific infrastructure nodes where Chinese commercial stakes are concentrated as security concerns — ports, logistics hubs, and facilities linked to the energy sector with Chinese ownership or long-term operational involvement.

   However, these activities remain fundamentally asset-centered rather than system-centered, meaning that China is not attempting to secure maritime commons, guarantee shipping lanes, or enforce regional order. It is instead insulating points of high Chinese exposure within an otherwise externally secured system.

   This distinction is crucial in that China is selectively protecting its footprint, not extending protection to the environment in which that footprint operates.

2. **Commercial Actors on the Front Lines of China's Overseas Security:** A second element of China's approach is the *commercialization of security functions*. Chinese firms involved in infrastructure development increasingly incorporate surveillance systems, access control technologies, and digital monitoring platforms into their projects.

   In some cases, this creates a blurred boundary between commercial infrastructure and security architecture. Smart port systems, logistics tracking platforms, and integrated digital management tools can enhance situational awareness and operational control without requiring an overt military presence.

   This extends China's security reach through technology rather than force. It allows Beijing to increase visibility over its exposures while maintaining formal adherence to non-intervention principles.

   At the same time, this approach has limits. It enhances informational and operational control but does not translate into coercive or deterrent capability in a crisis environment. It is a tool of monitoring and efficiency, not enforcement.

3. **Diplomatic Stabilization as Substitute for Operational Security:** The third component is diplomatic rather than operational. China continues to position itself as a *stabilizing interlocutor* in regional crises, emphasizing dialogue, de-escalation, and political settlement frameworks.

   This role has expanded modestly in recent years, particularly in contexts where China can leverage its economic relationships with multiple Gulf actors and Iran simultaneously. However, it remains fundamentally reactive and declaratory.

   Diplomatic engagement functions as a substitute for operational security only in limited circumstances — primarily when the objective is to prevent escalation rather than manage active conflict.

The Logic and Limits of China's Approach to Securing Its Interests

Taken together, these practices define the boundaries of China's emerging security role in the Gulf. They reflect a limited expansion of security responsibilities around China's economic interests, not an ambition to become the Gulf's security leader.

Their logic rests on four principles:

- China seeks to protect its highest-value exposures;
- It avoids responsibility for system-wide stability;
- It prefers technical, commercial, and diplomatic tools over military ones; and
- It calibrates involvement to ensure it does not trigger counterbalancing or alliance expectations.

Treating selected economic activities as national security priorities can reduce specific vulnerabilities, but it cannot change China's underlying dependence on a stable Gulf or on security conditions that remain largely outside Beijing's control. It helps manage risk rather than eliminate it.

The Iran war has revealed this limitation. Even where China had strengthened protection for its overseas interests, the safety of those interests still depended on broader regional stability — something Beijing could not provide on its own. In the end, China remains reliant on external security providers, above all the United States, to preserve the environment in which its economic interests operate.

Implications for the United States and Regional Partners

The evolution of China's position in the Middle East carries implications that extend beyond Beijing, reshaping how the United States and regional governments interpret the region's changing strategic structure.

The first implication is that China's expanding economic presence does not automatically translate into commensurate strategic advantage over the United States. Great-power competition in the Middle East is often framed as a zero-sum contest in which Chinese gains imply American decline. The Iran war points to a more complex configuration. China's commercial footprint continues to expand within a regional order whose security remains largely underwritten by the United States. Rather than a transfer of influence from Washington to Beijing, the region reflects a widening gap between economic integration and security provision. Chinese influence has increased alongside sustained demand for American deterrence, maritime security, and crisis management, even as questions have grown about the adequacy and durability of US protection.

The second implication is that regional states function as strategic actors rather than passive arenas of competition. Saudi Arabia, the United Arab Emirates, Qatar, Egypt, and others increasingly pursue parallel external alignments that combine Chinese economic engagement with continued reliance on US security guarantees.

China supplies capital, infrastructure, technology, and industrial capacity, while the United States remains the central security partner. These relationships operate in parallel rather than in substitution, enabling regional governments to diversify partnerships while preserving core security ties. The result is a fluid regional order in which influence is continuously renegotiated rather than permanently allocated.

The third implication concerns the nature of the "China challenge" itself. Conventional accounts assume a linear trajectory in which expanding Chinese economic influence steadily displaces US strategic positioning. The Iran war suggests a more recursive dynamic. China's integration into the region's economic architecture has generated its own constraints, while persistent instability reinforces continued reliance on US security provision.

The emerging order therefore defies simple labels such as unipolar or transitional. Rather than replacing one dominant power with another, it combines enduring American leadership in security with China's expanding economic influence. These two forms of power remain institutionally separate — alliances still revolve around the United States, while trade, investment, and infrastructure increasingly center on China — but they have become increasingly intertwined in shaping regional choices.

From this perspective, the main question is no longer whether China is replacing the United States in the Middle East. It is how both powers are being reshaped by a shared structural condition in which economic integration advances more rapidly than the security institutions required to stabilize it.

Conclusion: A Reversed Strategic Question

For much of the past two decades, the “China challenge” in the Middle East has been framed around a question of American strategic adaptation: how should the United States respond to China’s expanding presence in a region long central to US influence?

The Iran war suggests that this framing now captures only part of the reality. It assumes a one-directional dynamic in which Chinese expansion is the primary force shaping regional order. Increasingly, the relationship operates in both directions.

China’s most significant achievement in the Middle East lies in its deep integration into the region’s economic transformation. That achievement has also generated new dependencies. The more embedded China becomes, the greater its exposure to disruptions in a regional security environment it does not control and is reluctant to shape directly.

The Iran war is likely to reinforce a broader strategy of risk reduction. In energy, this means continued diversification of supply, strategic reserves, and accelerated deployment of clean energy technologies. Across its regional presence more generally, it points toward greater investment selectivity, more resilient commercial networks, and limited security enhancements around strategically important assets rather than a fundamental shift toward alliance commitments or large-scale military projection.

Seen in this light, the central strategic question is no longer only how China is reshaping the Middle East or how the United States should respond to China’s rise. It is how the Middle East itself, through episodes of instability such as the Iran war, is redefining the limits of China’s regional strategy.

This does not diminish China’s role. Its economic presence now constitutes a structural feature of the Middle East and is set to remain durable. It does, however, clarify how that presence should be understood. Influence in the region is defined less by the capacity to secure access than by the ability to sustain it under conditions of persistent geopolitical uncertainty.

For China, this marks the opening of a more complex phase in its regional engagement, in which economic success generates both opportunity and obligation. For the United States and regional partners, it reinforces a different lesson: influence in the Middle East is distributed across distinct domains of power that do not move in parallel.

The Iran war underscores a broader challenge for Beijing. China's economic reach increasingly depends on stability in regions where it has limited ability — and limited willingness — to shape security outcomes. As its overseas interests continue to expand, sustaining a strategy of deep economic engagement paired with restrained security commitments will become progressively more difficult.

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Photo by Islam Safwat/Bloomberg via Getty Images

Egypt: How the Iran War Has Affected Cairo's Calculations

Mirette F. Mabrouk

Egypt's foreign minister, Badr Abdelatty, has been especially busy over the past six months.

Although you would strain to read it in the Western press, Egypt has played a significant role as a regional mediator in recent years, and as its chief diplomat, Abdelatty has been a very public face of those efforts. While the region has never been short of a crisis or two, the last few years have been especially turbulent. On August 19, Abdelatty had just wrapped up a discussion with his Omani counterpart, Badr Al Busaidi, on regional developments. Near the top of the list of items they discussed was the importance of freedom of navigation and the highly anticipated Iranian-Omani announcement on the reopening of the Strait of Hormuz, which might offer a path toward more constructive US-Iranian talks.

Coming as it did shortly after President Donald Trump had threatened to "bomb the [expletive] out of Oman" if it "got in the way" of an agreement with Iran, the statement must have been particularly carefully phrased. Both ministers were keen to stress that "the repercussions of the current situation are not limited to countries in the region, but ... have impacts on the global economy."

For Egypt, which is not party to the conflict, the Iran war has wreaked various sorts of havoc. The July 29 drone strike that set two vessels alight at the Mediterranean port of Damietta meant Cairo was now a target as well as an intermediary. As a result, the war has affected Egypt's future calculations, particularly in three major areas: its economy, its security, and its regional alliances. While those areas had already been undergoing changes, the conflict has shifted their directions and the country's leadership has had to shift with them. Always pragmatic, Egypt has had to put aside older preferences to keep up with the new regional shifts that the conflict has, if not wrought, precisely, then at least accelerated.

Predictably, the Conflict Came for the Economy First

On February 25, just days before the war began, the International Monetary Fund (IMF) completed its combined fifth and sixth reviews of Egypt's $8 billion loan program. One could almost sense pursed lips over the country's slow pace at the divestment of state-owned enterprises — a principal IMF demand over many years: "Efforts to reduce the state's footprint, particularly progress on the divestment agenda, have been slower than envisaged, while high public debt and elevated gross financing needs continue to constrain fiscal space and weigh on medium-term growth prospects."

That was the IMF telling the Egyptian government that it was simply not moving fast enough on the Fund's key demand that Cairo loosen its grip on the economy. Despite the state's 2022 ownership policy, which laid out plans to exit certain sectors of the economy, including construction, hospitality, agriculture, and livestock, the IMF pointed out that there had been only limited progress on the ownership of state and military entities. That was especially relevant since both these types of entities have advantages in terms of tax exemptions, access to real estate, and cheaper labor. That combination, argued the Fund, might reasonably be thought to deter the foreign direct investment (FDI) that Egypt needs.

The Fund did acknowledge significant improvements though, noting the government had pressed on with the implementation of key policies designed to preserve economic stability: "Egypt's macroeconomic situation has improved amid sustained stabilization efforts. Tight monetary and fiscal policies together with exchange rate flexibility have helped restore macroeconomic stability, reduce inflation, and strengthen the external position." The result was improvements in growth and the current account deficit, while inflation showed a steady decline, down to 11.9% in January 2026.

The February 28 US-Israeli attack on Iran and the economic shockwaves that followed have hit Egypt hard, exposing an economy whose structural weaknesses leave it acutely vulnerable to conflict-driven crises.

Some problems were shared with the rest of the world — energy prices rose sharply directly after the start of the conflict. At the beginning of March, the Ministry of Petroleum's Automatic Fuel Pricing Committee pleaded "special circumstances" and raised prices between 15% and 22% for all fuel categories, despite the government having vowed not to raise prices for a year following the last hike the previous October. Egypt, wary of exposure to market volatility, does have fuel price hedging agreements and risk-management mechanisms in place to protect its already overburdened state budget — an unusual arrangement for a state rather than a corporation. They cushioned the budget, but did not spare consumers. Aggravating the situation was the fact that Israel, which normally provides 15-20% of Egypt's natural gas, shut down the Leviathan gas field as the war began to guard against an Iranian attack.

Disruption to the fuel sector was just the first blow. Exports, which make up almost 20% of Egypt's GDP, were hit almost immediately with surging insurance and freight costs. Less than two weeks after the start of the war, according to a Ministry of Finance briefing, exports, particularly to Saudi Arabia and the United Arab Emirates, were down sharply compared with the same period the previous year.

Additionally, there is Egypt's perennially exposed Achilles heel: hot money. Cairo has a persistently tenacious budget deficit and invariably attempts to rectify this problem with another — short-term purchases of Egyptian treasury bills by non-resident investors. In times of political strife, hot money is withdrawn from emerging economies; during Russia's full-scale invasion of Ukraine in early 2022, approximately $20 billion in hot money fled Egypt, decimating its reserves. According to then-Minister of Finance Mohamed Maait, who admitted this was a problem: "The lesson we have learned [is that] you cannot depend on this type of investment. It is coming just to get high yields, and once there is a shock, it leaves the country." Unfortunately, this does not seem to have informed subsequent decision-making.

Silver Linings

For Egypt, these were deeply troubling developments. This time, however, being dealt blows

from a conflict the country had tried its best to steer clear of appears to have brought on a case of new but welcome flexibility and forward planning.
The most urgent issue was energy. Since there was little that could be done about delayed or cancelled energy shipments, Egypt has worked on alternatives. In the past, the country has relied on floating storage and regasification units (FSRUs) and imported liquefied natural gas (LNG) shipments to manage its domestic energy crunches. It operates multiple import vessels at key hubs like Damietta and Ain Sokhna, with multi-year supply agreements. Despite Israel's having resumed gas delivery as of early April, that month Egypt acquired 40 LNG cargoes through June, as a partial hedge against expected demand in the summer, when consumption shoots up to an average of 15-20 cargoes per month. Much of this LNG was slated to come from US supplies.
At the beginning of April, the Board of Directors of the Export-Import Bank of the United States (EXIM) approved over $2 billion in export credit insurance to support US LNG shipments to Egypt. This is the sort of financial dealing with the US that Egypt ought to aim for; it was profitable for American exporters, but it also financed a vital commodity, rather than providing a loan. Considering that 64% of Cairo's spending is earmarked for debt servicing in its new proposed budget, this was a smart move.

Cairo is also accelerating oil exploration, with nine new wells in various stages of development: five in deepwater Mediterranean fields, and four in the Gulf of Suez and Nile Delta.

In addition, Egypt is slated to buy output from Cyprus' Aphrodite gas field when it comes online in six years, while the Cronos gas field, also in Cyprus and developed by Eni and TotalEnergies, could begin production in under two years. Earlier this year, Eni announced the discovery of 2 trillion cubic feet of gas in Egypt's Temsah field as well.

More important than managing risk for fossil fuel supplies is the expedited pursuit of renewable energy. Egypt had originally set a target of 42% of its electricity generation from renewables by 2030, driven by massive solar and wind projects, including the 1,800-megawatt (MW) Benban Solar Park, 10 gigawatts of renewable energy power purchase agreements (PPAs) with private developers, and various green hydrogen initiatives. The Iran conflict has apparently sped up that timetable, according to industry insiders. That would secure Egypt's position as a major power producer.

All this forward planning, however, presupposes a few basic requirements, among them the security of the infrastructure.

Neutrality May Not Guarantee Security

On July 29, a fire broke out on the *Energos Winter*, a US-owned-and-operated floating LNG storage facility docked at the Mediterranean port of Damietta. The fire, reportedly caused by a drone strike, spread to the Greek-owned *GasLog Salem* tanker. The blaze was quickly brought under control with no casualties, and normal operations resumed a few hours later.

The following day, Egyptian authorities confirmed a drone strike was the cause. No one has officially taken responsibility, but two unnamed Iranian sources told *The New York Times* that the attack was intended to demonstrate "Tehran's capabilities to further escalate and disrupt global shipping and energy supplies." Iranian Foreign Minister Abbas Araghchi flatly denied any Iranian involvement, saying that if Iran had been behind the attack, it would have taken responsibility for it.

Regardless of who was responsible, the attack illustrated that Egypt was not too far away to be vulnerable. Indeed, it highlighted the vulnerability of Mediterranean energy infrastructure in general. While Egypt immediately increased security around the port, the threat to maritime traffic and LNG storage facilities remains real. That threat has loomed as Egypt's importance as a key part of the energy corridor has increased — as Hormuz becomes ever more constricted, the Suez Canal and Egypt's 320-km SUMED pipeline have become even more vital, compounding the potential for chaos if violent actors decide to attack.

All for One? New Regional Alliances Take Shape

On August 7, Pakistan, Saudi Arabia, and Turkey signed the Mecca Joint Defense Agreement, known as the Mecca Pact. For the casual observer, there were several striking facts about the agreement. Foremost among them is that it states that an attack on any member of the pact is an attack against all of them, which appears to mirror the North Atlantic Treaty Organization's (NATO) Article 5.

The other striking fact is that Egypt was not a part of it.

There is a lot to unpack with the development of this pact. Its mere formation signals a seismic fissure in the current order. That fissure, while it has been quietly forming since President Trump's first term began in 2017, finally cracked open under the February 2026 US-Israeli attack on Iran. From the very start of the conflict, Iran rained retribution on its Gulf state neighbors, an eventuality even the most casual observer could have foreseen but that the US administration did not appear to have factored into its decision-making.

From Cairo's perspective, the US started a war with Iran that its regional allies (other than Israel) overwhelmingly opposed, was unprepared when the plan went badly awry and those same allies became the principal targets of Iranian retaliation, and now seems to have little ability to bring the conflict to a close. Egyptians largely see this as a continuation of their disappointment with the Obama, Trump I, and Biden administrations, all of which paid little attention to their allies or the problems of the Middle East — many of which Washington created or inflamed. The US, it would appear, was no longer the security partner that it once had been.

That realization, in turn, would help shape another: that the region might have to construct its own security framework. What that framework should look like depended on the views and priorities of the parties involved, which slowly, but inexorably, led to a clear demarcation of countries and interests: Egypt, Pakistan, Qatar, Saudi Arabia, and Turkey in one grouping while the UAE gravitated toward Israel, joined by India, Cyprus, and Greece. Rather than ironclad alliances, at present these groupings are little more than states with seemingly shared priorities.

The first group (minus Qatar), also known as R4 by some and STEP by others, had been coordinating on several matters, among them Gaza and the Horn of Africa in general and Sudan in particular, for well over a year, particularly since the first US-Israeli attack on Iran in 2025. September 2025 saw several important developments — first, Egypt brokered an agreement between Iran and the International Atomic Energy Agency restoring nuclear inspections. A week later, Pakistan and Saudi Arabia signed a mutual defense pact. It is possible that the pact had almost as much to do with the Israeli bombing of Doha, Qatar, that same month, with no apparent US protection or intervention, as with worry over Iranian conduct. Clearly, Egyptians increasingly believed, the region would have to take more responsibility for its safety and stability. The following January, Pakistani Minister for Defense Production Muhammad Raza Hayat Hiraj confirmed that a Pakistani-Saudi-Turkish deal was in the pipeline. The following month, Egypt and Turkey signed a $350 million defense agreement.

These deals reflect a determination on Cairo's part to rebuild the capacity of its armed forces to defend Egyptian interests in the 21st century. The Egyptian military remains large, but it has languished over the past three decades. The Iran war has demonstrated how far it has fallen behind Israel, and even Iran. In a Middle East that appears increasingly conflictual, in part because the US lacks the will (and possibly even the capacity) to cauterize regional military threats, Egypt is determined to regain its former stature. Apart from Israel, Turkey has the most extensive and advanced military industrial complex in the region — and Turkish weapons tend to be considerably cheaper than American or European versions and have far fewer strings attached. Thus, Turkish arms sales provide both a fast track to resurrect Egyptian military power and another strategic bond between two of the region's biggest powers.

Given these fast-growing ties between Egypt and the members of the Mecca Pact, more than a few eyebrows were raised when Cairo declined to join. While social media swirled with rumors, the likely reason should not come as a surprise to those familiar with Egypt's approach to foreign affairs. Egypt maintains a careful, conservative foreign policy that, despite its military heft, hinges more on mediation than might. As it currently stands, the Mecca Pact is a one-page declaration that lacks clear enforcement procedures, unified command structures, and defined military logistics or intervention thresholds. It is vague about what constitutes a threat and what an appropriate response would be. Egypt is significantly more comfortable with bilateral defense agreements — at the beginning of the Iran war, Egypt sent advanced air-defense systems and personnel to Saudi Arabia, the UAE, and Kuwait, alongside a deployment of Rafale fighter jets to the UAE. But while the Mecca Pact may be read as a deterrent to Iranian or Israeli aggression, a shared adversary might be more difficult to pinpoint and might drag Cairo into a war irrelevant to Egyptian interests. For Egypt, the potential diplomatic fallout could be disastrous; Pakistan has been in a state of conflict with India for almost 80 years, and Turkey has persistent issues with Greece and Cyprus. Those three countries are all allies of Egypt, which also has a treaty with Israel and is attempting to mediate with Iran.

That is not to say that Cairo eschews regional alliances entirely — Egypt was one of the first countries to sign on to the Saudi-led multinational maritime defense coalition aimed at securing the Red Sea, the Bab el-Mandeb Strait, and the Gulf of Aden. However, the Red Sea is of integral interest to Egypt and those parameters are clear.

Cairo is nothing if not pragmatic, though, and it might eventually sign on to the pact if the details are more carefully ironed out. Interesting as the agreement might be, it is the reasoning behind Egypt's abstention that is more salient. It is the most important reflection so far of the growing sense that while the US will always remain a major player in the region, it no longer has the bandwidth, desire, or ability to forge and maintain meaningful relationships or peace treaties, and that charity will have to begin at home. The pact is indicative of a new consultative framework, not of a total alignment of interests and alliances. That flexibility is where Egypt excels. It allows Cairo to mediate when it can be useful or to resort to its military if it deems it necessary, all while juggling a complex web of relationships.

Thus, for Egypt too, the significant geostrategic shifts of the region have largely been driven by the increasingly erratic actions of the US. The Iran war has simply accelerated these shifts, and that should not come as a surprise. Nor should the US regard this new framework with suspicion. While Washington may no longer have the energy or interest to heavily involve itself in the Middle East, the region remains of vital importance to the US. Admittedly, there are still myriad storms to weather. However, more harmony, less acrimony is by far the most desirable outcome, and it would likely be to Washington's advantage to view the situation accurately and deal with it appropriately.

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Gulf: The War Has Shaken Relations With Washington

Daniel Benaim

When President Donald Trump ordered US forces into war against Iran, the administration's ambitions reached well beyond Tehran's nuclear program. Trump openly encouraged Iranians to topple their government. Israeli leaders spoke of reshaping the Middle East. The US and Israel's bet was that overwhelming military superiority could bring about fundamental changes to regional security and to Iran itself.

The war's architects got their wish — only not in the way they intended. The military campaign demonstrated unmatched capabilities, but it also exposed the limits of US firepower to dictate political outcomes from the skies. Iran's leadership was decimated, only to be replaced by harder-edged successors. Its conventional military, nuclear program, and economy were badly set back. But the regime showed that it can still use missiles and drones to threaten Arab Gulf capitals and choke off the Strait of Hormuz, disrupting the global economy.

The conflict remains ongoing and unresolved. But the failure to topple the Iranian regime, the loss of control over a vital sea lane, and the perception of US unreliability already amount to serious strategic setbacks for the United States in the eyes of the Gulf states — in particular Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates.

So how has the 2026 Iran war changed US relations with the Gulf? To date, the answers are less immediately cataclysmic than one might expect, but still hardly reassuring.

The war has not produced a post-American Gulf. But it has shaken multiple pillars of long-term US regional leadership and the Gulf states' own strategies. A deepening sense of uncertainty is already driving important changes in their relations with Washington, Tehran, each other, and other centers of power — even as it reshapes and rewires regional economies themselves.

In one sense, the arrival of war was an earthquake. It interrupted a several-year stretch during which Gulf governments increasingly imagined themselves leaving behind the post-1979 Middle East defined by the Iranian revolution, Iraq wars, terrorism, and a permanent sense of crisis. Their attention had shifted to overdue economic transformation and youth-focused reforms to build societies that could engage and compete globally rather than merely survive regionally.

The war has left the region trapped between a post-1979 past it cannot escape and pre-2030 aspirations it has not yet realized. Iran retains the will and continued capacity to threaten Arab Gulf states and appears poised to exercise significant control over the Strait of Hormuz. The conflict has raised fresh doubts across the region about American judgment — but it has not produced a viable alternative to American power.

Moreover, the region itself weathered the crisis remarkably well. As one regional diplomat put it, while Iran's aggression surpassed the Gulf leaders' worst fears, these countries' resilience surpassed their greatest hopes. Societies held together and remained stable. Air defenses, with considerable US and some Israeli help, intercepted the overwhelming majority of Iranian attacks. Economies, financial systems, and supply chains adapted under pressure.

Despite frustrations and some rough patches, security cooperation with the United States also remained largely intact. In fact, Iran's attacks at the outset reinforced rather than diminished Gulf appreciation of the threat Tehran continues to pose. The missiles attacking Gulf states were Iranian, while the systems defending them were largely American.

Closeness Without Confidence

Though the onset of war may have been an earthquake for the Gulf, the result was not the collapse of the existing regional order. Many of the key structures held, even as the ground beneath them shook and shifted. Instead, the result has been a mix of forced adaptation and wobbly continuity — of cracked foundations, tectonic shifts, and ongoing aftershocks.

Nowhere is that more apparent than in Gulf states' relations with the United States. America has hard questions to answer about its regional future — from finally resolving the immediate conflict to reassessing its own long-term force posture. However, reports that this marks the end of America's role in the Middle East appear overblown. No other country can provide a viable alternative to US integrated power, intelligence, logistics, cutting-edge technology, and diplomatic clout — and Gulf states know it.

China remains an indispensable economic partner but has shown little capability and less appetite to assume responsibility for regional security. Russia is almost fully consumed by Ukraine. Other powers contribute important capabilities. None offers a comprehensive alternative.

Still, close cooperation with the Trump administration is increasingly strained by a lack of confidence in Washington's strategic judgment. The Gulf states have absorbed the consequences of a war they neither sought nor controlled. As the US government has gone through multiple abrupt reversals and periods when diplomacy has struggled to keep pace with presidential rhetoric, Gulf leaders have increasingly questioned whether Washington adequately appreciates the risks they face — or has a serious plan to end the war. "Go experiment somewhere else," one official lamented to the author.

After decades when the overarching question for regional states seemed to be whether the United States remained committed, at the moment the question is more about how it exercises that commitment.

These concerns are unlikely to produce an outright strategic break, and public critiques remain muted to avoid offending the US president. But they appear to already be producing a different texture of partnership — one that might be characterized as closeness without confidence. Gulf states are not seeking an immediate replacement for the United States, but they do want more and better alternatives — and greater freedom of maneuver.

The Gulf states remain eager to enjoy the advantages of partnership with Washington, from military cooperation to nuclear technology to artificial intelligence (AI). But they are also willing to act with greater autonomy to secure their own interests, even when this means disagreeing with Washington or quietly going a different way. Qatar and Oman, meanwhile, have seen their agenda-setting roles as mediators grow as Washington's professional diplomatic expertise has withered.

The result is less a truly multi-polar Gulf than a multi-partner region. From investment and infrastructure ties to India to air-defense cooperation with Israel, South Korea, and Ukraine, ad hoc connections with middle powers are proliferating and deepening alongside enduring ties to the US, shifting the overall balance of engagement notably but not decisively away from Washington.

In many cases, this cooperation is happening with other American partners rather than Russia or China. Both retain strategic ties to the region, but Moscow and Beijing have found themselves on the wrong foot with Gulf capitals that see them as frustratingly complicit and cozy with Tehran. Gulf governments may hope Beijing will eventually press Tehran to respect their sovereignty, but so far, such magnanimity is nowhere in evidence.

Of particular note is the new Mecca Joint Defense Agreement grouping of Saudi Arabia, Pakistan, and Turkey, with Egypt as a prospective partner. This defensive alignment of Muslim-majority states is far short of an alternative security guarantor: for example, Turkey is unlikely to join Saudi Arabia in retaliating against strikes by the Houthis or Iran-backed militias in Iraq. But the grouping does represent the initial building blocks of an alternative strategic orientation where Riyadh's ties with Washington prove unavailable, unreliable, or undesirable — less a new patron than a diversified portfolio.

The Mecca accords are also a strategic counterweight to burgeoning UAE-India-Israel cooperation — and in that respect an important step away from the long-held US aspiration to achieve greater alignment among its regional partners, culminating in the normalization of ties between Israel and Saudi Arabia. Though President Trump is likely to keep trying, that achievement appears to have drifted out of reach. Even so, neither intra-regional grouping can replace the unique US diplomatic and military role so much as act to shape the strategic terrain and fill in the gaps. In fact, President Trump has also deepened US ties with leaders in Turkey and Pakistan. But both nascent blocs illustrate the Gulf states' increasing intent to develop new options, even if they sometimes divide the Gulf states down the middle.

Another major test of US-Gulf relations lurks only a bit further down the road: coming changes in US force posture. The war exposed the vulnerability of US bases in the smaller states closest to Iran. Much of the campaign was prosecuted from further afield, including from offshore, from US territory, and from outside the immediate region. As the conflict ebbs, force protection and costly repairs will intensify longstanding debates over US basing in the Middle East, particularly amid competing demands in the Asia-Pacific and US frustration with Gulf restrictions on the use of their territory.

The United States' military will need to adapt without creating the impression of a broad or sudden US pullout that further spooks partners and emboldens Iran. Washington will need creative solutions to project continued forward presence, including through dynamic deployments, dispersal, and selective rebuilding with hardening, resilience, and redundancy in mind — all while making necessary shifts to protect its people. Deft military diplomacy will be needed, rooted in a sensitivity to the strategic impact of redeployments that are likely coming.

The war also exacerbated another longstanding Gulf concern: US political unpredictability. Public fatigue with Middle Eastern wars and outrage over the administration's unprecedented mingling of public responsibilities and private business with Gulf partners will make it harder to sustain new initiatives in areas like AI and nuclear energy once political power changes hands in Congress. Gulf states that lavishly courted President Trump risk being caught once again in the political crosscurrents of Washington.

Iran: Détente to War and Back Again?

A second important shift underway concerns the Gulf states and Iran.

Long before the US and Israel undertook their latest air campaign against Iran, regional Arab Gulf governments had arrived at the hard-won conclusion that no outside power was going to rid them of the revolutionary regime in Tehran. To protect and prioritize their economic transformations, they needed to lower the temperature. That realization helped drive a cautious détente with Iran beginning in early 2023.

As Tehran struck targets in every Gulf Cooperation Council (GCC) state and multiple Gulf militaries eventually responded, that détente appeared to be over. Yet with surprising speed, the war began to reinforce the geographic and strategic logic behind it. Gulf governments had few illusions that Iran could be bombed or wooed into becoming a normal neighbor. But as Tehran's capacity to threaten critical infrastructure and impose huge economic costs went from theoretical to all too real, the old lines of communication snapped back into place.

Qatar and Oman quickly returned to mediation, despite having been burned repeatedly by such efforts. Even the UAE, the Gulf state hit the hardest at the outset of the war and initially the most hawkish, seems to have recognized the prevailing diplomatic direction of its neighbors. While admittedly an imperfect heuristic, the lack of Iranian strikes for several months against certain Gulf states does lend credence to reports that individual governments reached understandings with Iran — quite possibly involving significant financial payments — to avoid further attacks.

If the war reinforced the logic of détente, it also exposed its limits. Iran struck every Gulf state in the first hours of the conflict. Neither Qatar nor even Oman was spared despite close ties and public opposition to war. And so even as they have sought to lower tensions, Saudi Arabia, the UAE, Kuwait, and possibly others have retaliated against Iran, its proxies in Iraq, and its Houthi allies in Yemen. A recent Saudi-Houthi flare-up points to the continued risks of reigniting what has been a frozen conflict in Yemen. The UAE, for its part, has threatened to cut Iran's economy off from its own. In various ways, multiple Gulf states have contributed to efforts to establish a southern maritime route through Oman rather than Iranian territorial waters. Each Gulf capital will continue to seek the right mix, but so far that includes a heavy dose of détente with Tehran alongside periodic pushback.

Each Gulf capital is striking this balance individually rather than collectively. Not even an unprecedented common security crisis has produced genuine strategic GCC unity. For all the resilience and cross-border cooperation the war has showcased, it has generated more national solidarity than regional cohesion. Oman continues to emphasize dialogue. Bahrain's threat perceptions differ sharply from Qatar's, and Saudi Arabia and the UAE are pushing distinct and sometimes divergent approaches based on their own exposure and priorities and an enduring lack of strategic trust between them.

The result is a thicket of bilateral and multilateral cooperative arrangements, alongside an every-country-for-itself instinct that increases Iran's coercive leverage and makes coordinated counterpressure harder. The Gulf's heightened nationalism extends far beyond the war that sparked it — and is evident in everything from a harder line in handling domestic dissent to the UAE's exit from the Organization of the Petroleum Exporting Countries (OPEC). Before the latest round of war began in February, the Gulf in aggregate was poised to overtake the United States as the largest humanitarian donor. Now, Gulf states have joined Western governments in paring back humanitarian aid to focus inward in ways that will compound the damage to fragile states and people in need in the region and beyond.

The Gulf Rewires Itself

The same search for options amid uncertainty that is recalibrating the Gulf states' foreign policies is also rewiring their economies.

For years, Saudi Arabia, the UAE, and their neighbors have raced to convert hydrocarbon wealth into a post-oil future built around new industries, technology, tourism, logistics, and global investment. That vision depends heavily on attracting foreign capital, companies, and talent. The 2026 Iran war has not displaced that vision, but it will force the Gulf states to adapt it to a far more dangerous regional environment.

At the heart of that effort will be a crash course to reduce dependence on the Strait of Hormuz. Saudi Arabia and the UAE entered the war furthest ahead in creating alternate routes for oil exports, while Oman enjoys the most favorable geography. Kuwait, Bahrain, and Qatar have been most harmed by Iran's Hormuz blockade. As one policymaker from a small Gulf state lamented to the author, "Three minutes is a short time, unless you are underwater."

It is therefore unsurprising that more than a half-dozen infrastructure initiatives have been set into motion, stretching from the Red Sea and Egypt to Syria and Turkey. These projects may produce a more interconnected Middle East, but competing corridors will also reflect differing visions and geopolitical alignments. And not all will be completed.

Alongside massive investments to bypass the Strait of Hormuz, Gulf states will need to spend more on defensive munitions, domestic reconstruction, and hardening of ports, pipelines, grids, logistics corridors, data centers, desalination plants, and transportation networks. Redundancy and resilience have become central to the region's pre-2030 plans.

Artificial intelligence offers an important test case. Saudi Arabia, the UAE, and other Gulf states are working to ensure that Iran's targeting of data centers does not foreclose their own outsized AI ambitions. Before the war, the Gulf region appeared on track to develop the largest cluster of computing power outside the United States and China, even outpacing Europe and India. The war has added cost, delay, security requirements to meet emerging threats, and a sense of uncertainty to those plans.

So far, Washington, private US tech giants, and Gulf states all seem poised to forge ahead — including a recent US policy shift that removes Commerce Department curbs on the UAE's access to cutting-edge US chips. But the war has cost the region precious time and confidence as an early mover in the global AI race.

Risks and Opportunities for the United States

For the United States, this unsettled landscape presents opportunities but also a warning.

Of course, the first priority is the unfinished war itself. Nothing would do more to restore regional confidence than a settlement that reliably opens the Strait of Hormuz and reduces Iran's threats to Gulf states. Despite mediators' unstinting efforts and some success in opening alternative routes to reduce Iran's leverage, that appears unlikely in the near term. Consequently, it is more probable that Washington and Arab Gulf capitals will instead have to navigate a range of unsatisfactory outcomes together.

Second, the US should use the war to build a deeper partnership helping the Gulf defend its seas, skies, and critical infrastructure. Gulf states have joined Ukraine and Israel on the receiving end of enormous numbers of Iranian-designed missiles and drones. Their experience, capital, and sense of urgency create an opportunity for joint research, development, manufacturing, and deployment of next-generation air defenses — but will require the United States to actively encourage and streamline such partnerships. Washington should also use its convening power to encourage allied countries with relevant capabilities and battlefield experience, like Ukraine, to help bridge urgent gaps — and keep Russia and China on the sidelines.

The warning is equally clear. Military primacy by itself will not sustain America's long-term position in the Gulf region. Washington's partners will judge the United States not only by its willingness to project power, but by its ability to exercise that power prudently to leave behind a more stable region.

That requires more than just avoiding foolish wars. It requires continuing to update relations for the future. Bruising as the war has been, the Gulf states still want American partnership not only to manage old threats but to realize new ambitions. Before the war, the Trump administration had taken promising steps in this direction. The president's May 2025 visit to Riyadh, Doha, and Abu Dhabi mattered less for its headline-grabbing investment pledges than for the conception of the relationship they reflected: AI, infrastructure, interconnection, joint projects, and business ties alongside security.

The war wrenched Washington and the region back into crisis management. That should not be allowed to consume the broader agenda.

Even while the conflict persists, the US should encourage Gulf and American businesses to follow through on ambitious plans. The Gulf's long-term trajectory will be determined as much by decisions about investment, infrastructure, AI, and plans for a post-oil future as by force posture. A Gulf that succeeds in building more diversified, resilient, and interconnected economies — especially in partnership with the United States — is likely to remain a more stable and capable American partner for decades to come.

People-to-people ties deserve particular attention. The US has long taken for granted the strategic and economic advantages of being the country where Gulf elites want to study in their youth, seek medical care in old age, and shop, invest, and forge friendships and business partnerships in between. Those bonds are fraying. Gulf student enrollment at US universities is a fraction of what it was two decades ago — and sinking fast. Current immigration policies have increased apprehension about visiting the United States. At precisely the moment Washington needs a new generation invested in the relationship, there is a risk the next generation will simply look elsewhere.

Caught Between 1979 and 2030

Gulf governments are trying to build the Middle East of 2030 while still contending with the unresolved conflicts dating back to 1979 and the renewed violence unleashed after October 7, 2023. American policy will remain relevant only if it can address both: helping to secure the region that exists while investing in the one its partners are trying to build.

Gulf officials increasingly sound less interested in debating whether the United States is "in" or "out" of the region than in asking what kind of partner it intends to be. Few expect Washington to fully withdraw or another power to fill its role — as the United States (eventually) did when the British withdrew from east of Suez in the early 1970s. Diversification has accelerated despite the continued centrality of the American relationship.

The war has demonstrated both the Gulf's resilience under pressure and the limits of the assumptions on which its recent strategies rested. The response across the region is a growing hunger for options: in diplomacy, security partnerships, infrastructure, trade routes, technology, and relations with Washington itself.

In recent years, the pendulum has swung a few times in the region between diversification and closer dependence on Washington. Each time, many policymakers and analysts have projected forward from the present, only to be surprised by change. The pendulum is sure to swing again. Humility is in order in defining the aftermath of a war that has not yet ended.

As Washington struggles to salvage an ill-advised war, there has been no geopolitical collapse, but the ground has shifted. It is not too soon to be thinking about how to help develop and navigate the options for a region that will never be quite the same.

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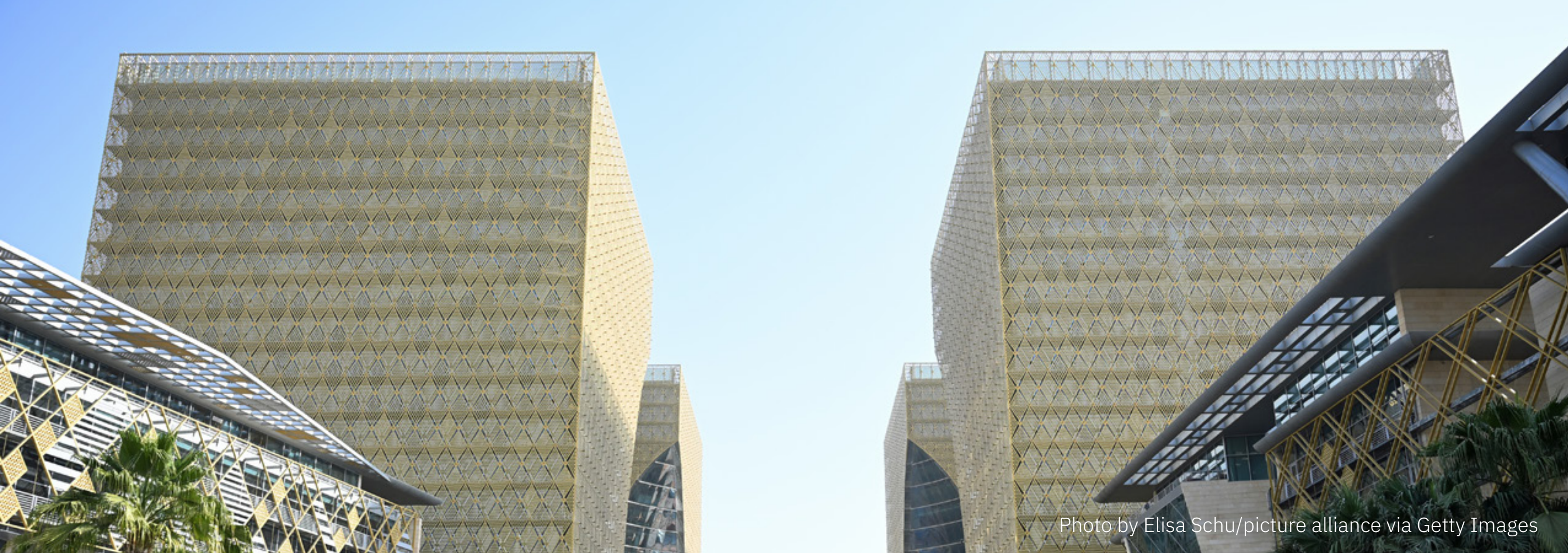

Photo by Elisa Schu/picture alliance via Getty Images

Gulf AI: The War as a Catalyst for Deepening Regional-US Strategic Tech Cooperation

Mohammed Soliman

When Iranian drones struck two Amazon Web Services data centers in the United Arab Emirates on March 1, 2026, and damaged a third in Bahrain the same morning, many thought this could spell the end of the Gulf's artificial intelligence (AI) ambitions. Investors and multinational companies are often risk-averse, and AI infrastructure is in demand all around the world; however, the Gulf states occupy a unique role in the global AI buildup because of their ability to allocate capital, their sizeable energy resources, and their proximity to key markets in South Asia, East Africa, and the Mediterranean. The Iranians were certainly trying to strike targets that they knew the Gulf countries and the United States valued. They may also have been trying to put an end to the Gulf's geo-technological ambitions. Whatever the intent, the attacks highlighted the new reality that data centers have now become targets in inter-state wars, a shift that began with Russian attacks on Ukrainian infrastructure.

The UAE, Saudi Arabia, and Qatar are collectively planning 8-10 gigawatts (GW) of computational capacity, or compute, in near-term deployments across announced projects and national targets, with considerably more to follow in the long term. That puts the Gulf on track to become one of the fastest-growing regions globally and among the few outside the US and China building the capacity to run advanced software and AI systems at scale. The Gulf's long-term objective is to build the ecosystem and compute capacity that will make these regional states — individually and collectively — the best place to deploy today's microchip workhorses for AI processing, so-called graphics processing units (GPUs), bypassing the severe electricity grid constraints and political hurdles facing data center development in the US and Europe. Thus, the Iranian strikes threatened (possibly intentionally) to shake the region's standing as a preferred destination for that infrastructure and to undermine the American partnership that would empower the Gulf's AI ambitions. Instead, the attacks accelerated the very alignment they were meant to disrupt.

The US and Israel launched this latest war with Iran without prior consultation with America's Gulf allies, but regional capitals absorbed the fallout and moved, however unevenly, toward deeper security alignment with Washington, even as the pace and depth of that shift varied considerably from capital to capital. Moreover, Moscow and Beijing aligned with Tehran during its extensive strikes against American assets and Gulf infrastructure, disrupting the Gulf's traditional strategy of hedging with Russia and China alongside their US relationship. This created an urgent need for the US to establish an incentive structure that rewarded the Gulf states for their stance during the war and anchored them within the US strategic architecture. In practice, this meant advancing their primary techno-economic objectives — specifically, AI infrastructure for the UAE and a civil nuclear deal for Saudi Arabia.

On July 10, 2026, the US Commerce Department's Bureau of Industry and Security (BIS) released a final rule officially reclassifying the UAE under the Export Administration Regulations (EAR) system. Under that schema, countries are sorted into lettered groups that determine what American technology they can receive and under what conditions, with "D" designations flagging proliferation or diversion concerns and "A" designations reserved for trusted partners. The rule removed the UAE from the two D-tier classifications it had carried and elevated it to Country Group A:5, the highest tier of trusted status, placing it alongside partners and allies like India, Japan, and Australia, as well as members of the North Atlantic Treaty Organization. The two D-tier designations the UAE had previously carried — D:3, covering chemical and biological weapons controls, and D:4, covering missile technology — had for years restricted Washington's ability to export sensitive military equipment, unmanned aerial vehicles, and dual-use technology to Abu Dhabi without individual export licenses. Their removal, combined with the A:5 elevation, significantly expands what the UAE can receive from the US and under what conditions.

Effective upon publication on July 14, this A:5 designation covered the Emirati government and two commercial firms, giving them "enhanced favorable treatment" and making them eligible for License Exception Strategic Trade Authorization (STA) across specified dual-use technologies. Advanced computing hardware was carved out of that broader change and handled separately, through a list of specifically named approved entities that received license-free access. This regulatory update operationalizes the bilateral commitments established under the May 2025 US-UAE Artificial Intelligence Cooperation framework, and the ruling has both short-term and long-term strategic implications for US-UAE technological integration.

Saudi Arabia and Qatar are both carrying out a large-scale buildout of compute; both will want what the UAE received, and both are watching to see whether the upgrade to A:5 status is a bilateral favor extended to one capital or an established pathway available to any Gulf state willing to meet its conditions. If this aligns with Washington's approach and long-term view, the framework should grant an A:5 designation to the Gulf states more broadly — creating an incentive structure for their support during the Iran war while solidifying the US-Gulf security architecture and broader techno-economic alignment.

Iran Miscalculates, the Gulf Doubles Down on American AI

The Iranian strikes on Gulf data centers were seen as coercive signaling from day one. The Islamic Revolutionary Guard Corps (IRGC) claimed responsibility and justified the attacks by pointing to the role the facilities played in supporting American military and intelligence networks. Iranian state media framed the operation as an effort to degrade what those facilities contribute to enemy military capability, and the Iranian news agency *Tasnim* published a list of what the IRGC asserted to be legitimate targets, covering AWS, Google, Microsoft, IBM, Oracle, and Nvidia. Weeks later, the IRGC released a video that zoomed in on the Stargate campus in Abu Dhabi and declared that all technology companies in the region would be treated as legitimate targets.

Data centers are large and physically fragile, and at the start of the war they lacked dedicated air defenses, making them vulnerable in a way that hardened military sites were not. The intended message was that alignment with Washington carries a military cost Gulf countries and investors would have to price into every subsequent decision. The strikes created the risk that fear of future Iranian attack might deter the Gulf states from further entrenching within the American technology stack — the layered architecture running from chips at the hardware level up through cloud infrastructure and, ultimately, the AI models built on top of it — and might instead steer them away from partnering with the US.

To no Gulf expert's surprise, the attacks were quickly dealt with and Gulf leadership doubled down on the buildout. Of the 233 data centers operating across the Gulf, only three were affected, and while some workloads were rerouted, the system absorbed the strikes. Brookfield Asset Management confirmed within a week that its $20 billion AI infrastructure partnership with the Qatar Investment Authority (QIA) would proceed on schedule, and Abu Dhabi stated publicly that it was not scaling back. The Gulf treated the attacks as a stress test, not a halt in its plans, and is likely to recalibrate how data centers are designed and sited rather than whether they get built.

Why the US Should Double Down on the Gulf in Return

The Gulf's commitments to the US are government-to-government national investment frameworks, making them more resilient to geopolitical tensions and uncertainty. These are strategic bets that demonstrate the Gulf's trust in American industry and alignment with American interests. The UAE agreed to a 10-year, $1.4 trillion framework covering AI infrastructure, semiconductors, energy, and American manufacturing, announced after Emirati officials, including the national security advisor and the heads of the major sovereign funds, met with President Donald Trump in Washington in March 2025. During the US president's state visit that May, Saudi Arabia similarly pledged $600 billion, spanning industries from AI to critical minerals.

The AI-specific deployments tell a clear story of partnership between the Gulf states and American industry. The UAE has directed $148 billion into AI at home and abroad since the beginning of 2024. American hyperscalers — the major tech companies that operate data centers to provide cloud computing services — are investing alongside it, with Microsoft alone committing $15.2 billion to the country through 2029. In May 2025, the UAE announced the development of a 5 GW US-UAE AI Campus in Abu Dhabi, the largest outside the US. The massive data center complex is anchored by Stargate UAE, a 1 GW compute cluster built by the Emirates' G42 and American firms OpenAI and Oracle, with Nvidia, SoftBank, and Cisco as additional partners. Saudi commitments run through Humain, a vehicle backed by its sovereign wealth fund, the Public Investment Fund (PIF), that Nvidia is supplying with several hundred thousand GPUs, alongside Amazon's $5.3 billion AI hub in Riyadh. Qatar's principal vehicle is the previously mentioned $20 billion AI infrastructure joint venture between the QIA and Brookfield Asset Management.

The sheer scale of the American AI buildout puts it in a different league from every other country — as well as Europe collectively. According to RAND, the US is projected to add approximately 82 GW of net available power capacity for AI data centers by 2030, against an installed base of around 50 GW of operating data center capacity at the end of 2025. The new capacity will consist of 33 GW from grid-connected resources and 49 GW from customer-built-and-operated resources. Despite the momentum behind such plans, the aforementioned limited availability of power in the US, supply chain constraints, and surging political opposition to data centers — present across both main American political parties and all demographic groups — is making it increasingly difficult to build them in the country.

American companies seem to be adapting to this changing environment. In August 2026, US firm Together AI announced a 250-megawatt data center in Saudi Arabia with Humain. Its CEO, Vipul Prakash, pointed directly to the growing domestic backlash as a rationale, noting that local communities increasingly do not want data centers nearby, cancellations and moratoriums are multiplying, and US capacity is becoming more constrained as a result.

American industry, specifically American hyperscalers and stakeholders within the AI industrial complex, know that the Gulf has structural advantages that cannot be replicated easily almost anywhere else. Building a gigawatt of compute costs between $30 billion and $50 billion, and few actors outside China can deliver both the power and the capital at that scale. Geography compounds the advantage as AI shifts from training toward inference, since round-trip latency — the time it takes for data to travel from a user to a server and back — from Gulf infrastructure to South Asian users runs at roughly 25-40 milliseconds against 150-200 milliseconds from the US East Coast. To serve East Africa, South Asia, and the Mediterranean at those speeds, the data centers have to sit in the region itself. Nowhere else can supply that on the timeline the market requires. Speed, magnitude, and security alignment make the case for the Gulf states as a pillar of the US strategy of building compute at scale globally.

Another reason is the displacement of Chinese hardware, which is a notable concession from the Gulf. As a condition of American chip export approvals, G42 in the UAE and Humain in Saudi Arabia were required to phase out Huawei equipment and divest from Chinese technology platforms. A regional stack rebuilt around American chips and operated by American labs creates switching costs that outlast any particular administration in Washington or any phase of the war. Every gigawatt that comes online under those terms is a gigawatt that China does not supply, helping with the overarching American goal of diffusing US technology around the world.

This is why it is notable that the BIS framework excluded advanced computing from the broader country-level opening it granted the UAE. The rule expressly maintains licensing requirements for all such items destined for export, re-export, or transfer to or within the UAE except where the ultimate consignee and all end users are approved entities. These include UAE government agencies, G42 and Core42, and eight US-headquartered AI companies together with their UAE-based subsidiaries, namely Amazon, Apple, Google, Meta, Microsoft, OpenAI, Oracle, and xAI. Entry onto the list requires an advisory opinion request to BIS, decided case by case on US national security and foreign policy interests, including the applicant's compliance capabilities and track record, with the determination made by the secretary of commerce in consultation with the secretary of state and the national security advisor within 30 days. The authorization granted to G42 and Core42 expires automatically on April 6, 2027; if the two have not become US companies by that date, they must reapply through the same process to keep their status. This is less a blanket A:5 designation than a conditional designation with broad security parameters. The rule imposes an entity-specific vetting process with expiring approvals that require the Emirati entities to satisfy layered security requirements to maintain access. That architecture directly addresses objections on national security grounds or fears of technology reaching America's adversaries.

It should be noted that the US-Gulf technological expansion was under way prior to Iran's recent attacks. Qatar signed the Pax Silica declaration on January 12, 2026, and the UAE followed as the ninth signatory to this US-led international initiative to secure supply chains for AI, semiconductors, and critical minerals two days later, joining Australia, Israel, Japan, South Korea, Singapore, and the UK.

Below the state level, national champions are already tied into American capital and vendors. G42 and Core42 hold the Emirati positions on the BIS whitelist. MGX co-founded the AI Infrastructure Partnership with BlackRock's Global Infrastructure Partners and Microsoft, a vehicle structured to mobilize $30 billion in equity and up to $100 billion, including debt, with Nvidia, xAI, and Cisco joining as technology partners. The Kuwait Investment Authority joined that partnership in June 2025 as its first non-founder financial anchor. Humain operates as the Saudi PIF's AI vehicle under a November 2025 Commerce Department authorization for the equivalent of 35,000 Nvidia Blackwell GB300s — advanced GPUs for AI training and inference workloads. These are the same allocation and conditions that UAE firm G42 received that same month. Qatar established Qai as a QIA subsidiary in December 2025, and the QIA took a position in Anthropic in September 2025. The Gulf AI sector is organized around a small number of state-owned entities, each of which already has deep commercial relationships with American labs and hyperscalers.

Other objections often raised against continued AI buildout in the Gulf are that wartime costs, and the risk that the current state of low-level conflict will persist indefinitely, have made the economics uncompetitive and that a migration-based labor market cannot retain its technical workforce under fire. Both of these arguments rely largely on evidence from the opening months of the war rather than the current reality. On the economic front, the most careful published model of data center returns finds that a six-month construction delay, a 10% rise in non-IT construction costs, and an annual war insurance premium of 0.5% of capital expenditure are enough to reduce the life cycle value of an Emirati data center — which integrates both construction and operational returns over a 12-year timeline — to roughly 1.7% below the American level, as compared to 3.5% above it in normal circumstances. But the same model shows that demand and pricing power matter more than the cost shocks the war has introduced, and the variable that dominates everything else is speed of delivery, which is where the Gulf's institutional advantage lies. The capital funding for the buildout is sovereign, native to the region, and committed on a generational basis to an industry the Gulf leaders treat as the foundation of their post-oil economy, often summarized as "compute is the new oil." This suggests that these investments will not be repriced against commercial hurdles or reallocated when the risk premium rises because of the Iran war.

Paradoxically, the Iranian attacks themselves clear up any confusion around major concerns that previously clouded the discussion on elevating the Gulf in its partnership with the US. Primarily, the conflict has shown that the Gulf is more aligned with the US vis-à-vis China and Russia — as Russia supplied the IRGC with intelligence that helped it target American troops in the Gulf and China was not neutral between the Gulf and Iran. Regional capitals believe that Beijing is complicit.

How the United States Should Buttress the Alliance

The Gulf response to the Iranian attacks should bolster confidence in the future of AI there. The region did not significantly slow the buildout, did not renegotiate its American partnerships, and did not hedge toward alternative suppliers. Instead, it moved in the opposite direction, supporting the American war effort directly enough that the Commerce Department cited that support in the rule that reclassified the UAE in July. Despite the damage, the buildout continues unhindered while inducing closer alignment between the US and its regional partners.

If the US does not return to its regional military bases at the scale it maintained before evacuating amid the war, will that change the calculation? The answer lies in the Gulf, which is building anti-drone capacity to protect both its energy and compute infrastructure, suggesting the region is hedging against a smaller US military footprint by developing indigenous air defense.

Given the extent of US-Gulf partnership on AI, the larger and logical next step is to open the same pathway to Saudi Arabia and Qatar that has already been created for the UAE, meaning both A:5 placement and a whitelist equivalent to the one BIS created for Abu Dhabi, since the country group alone does not deliver license-free access to advanced computing items. Both countries have absorbed the costs of the war directly, as the UAE has. Still, there remains a gap between what Riyadh and Doha have delivered and what they have received. Gaps of that kind give governments a reason to keep alternatives open, which is exactly what Washington wants to avoid as it seeks to diffuse its tech stack around the world and make it the foundational layer for other nations' AI buildup.

Publishing a pathway with the conditions the UAE accepted would convert a wartime exception into a standard other partners can qualify for, directly addressing objections that American technology access in the Gulf hinges on a single bilateral relationship that would not survive a change of administration in the US. The July rule tied license-free access to named companies rather than to the country and set out the process by which others can apply. The Commerce Department can publish a list of what an applicant must demonstrate to qualify, such as the divestment from Chinese hardware that G42 and Humain both accepted, the security and reporting conditions that accompanied the November 2025 authorizations, physical protection of the facilities receiving the equipment, and the ownership and governance tests that the current rule leaves vague. Applicants that meet the threshold would receive the same treatment as G42 and Core42, while applicants that do not would remain under a transaction-level, ad hoc licensing regime.

Riyadh, Kuwait, and Doha absorbed Iranian strikes on their territory during the war and still aligned with the American effort. Under the current structure, the return on that alignment has been dragged out, frictional, case-by-case, and granted at Washington's discretion. Under a fleshed-out, well-defined threshold, the return would be properly defined, settled in advance, and available to any Gulf state that meets the prerequisites, aiding the proliferation of the American tech stack globally. That would give the Gulf states something to work toward during a war they did not choose but supported anyway and would establish a clear threshold for A:5, offering an incentive structure for greater alignment.

In the aftermath of the strikes, the US introduced a mechanism to reward deeper security and geopolitical alignment: a whitelist of specific approved entities and an upgrade to the UAE's country group designation. Washington gave less than was requested, but it gave enough to establish a template for the broader region. It must now institutionalize it.

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Photo by Ali Saeedi/Getty Images

Gulf Energy Markets: The Region's Edge Will Survive — At a Price

Colby Connelly

Across the Gulf, views differ widely on how the Iran war can and should end, and what the region will look like once it does. Yet on the crisis over the closure of the Strait of Hormuz, the view is nearly unanimous that a repeat is not only possible but likely.

That expectation, more than any single incident over the past year, is becoming a major driver of decision-making in industry and policy circles alike. Nowhere does it weigh more heavily than on the energy sector, where there has been intense debate since the war's earliest days over what "resilience" means — for oil and gas production, export routes, and domestic energy infrastructure. Two responses are taking shape: one turned inward, toward domestic energy security, and one turned outward, toward the terms on which both international investment and a competitive advantage in markets can be sustained.

Buying Insurance Against a Repeat

The first is inward. Energy security considerations were already becoming increasingly important in several Gulf states even before the conflict, shaping decisions for national oil companies (NOCs) and domestic infrastructure alike; that trend is now set to accelerate. While Qatari liquefied natural gas (LNG) supply within the Gulf presents little risk for importers such as Kuwait, Bahrain, and eventually Iraq, these states may now be more inclined to address single points of failure from outside their countries, or within them. The United Arab Emirates still imports gas and may now be more inclined to renew the Dolphin Pipeline agreement with Qatar, which expires in 2032 and currently supplies around 30% of the UAE's overall gas demand. The UAE may also consider building out infrastructure on its eastern coast to import LNG via a floating storage and regasification unit (FSRU), even as it weighs developing what would be the country's third LNG export terminal at Fujairah. An award to advance the

Dorra gas project in the Saudi-Kuwaiti Neutral Zone also points to efforts to move forward with projects to bolster domestic gas supplies.

The second response looks outward, toward the conditions that international investors will require to maintain their exposure to the region. So far they are not showing any signs of losing faith. On July 25, a consortium made up of KKR, Blackstone, and Brookfield Asset Management signed a $16 billion partnership with Kuwait Oil Company for a 49% stake in its domestic oil pipeline network. This represents an extraordinary display of investor confidence in a country whose exports are totally dependent on the free flow of traffic through the Strait of Hormuz at a time when the war's resolution is anything but certain.

However, the region's ability to continue to sustain international investor interest will come at a cost. Iraq is the clearest case. Terms that were already insufficient to attract the investment Baghdad wanted before the conflict will now need to be materially better, even taking recent improvements into account. This is especially true if Iraq wants to attract the type of investment that will allow it to advance nascent efforts to build alternate export routes — ones that could redirect crude away from Federal Iraq's main terminal at Basra, and thus the Strait of Hormuz, on which its exports now wholly depend.

Several international oil companies (IOCs) present in southern Iraq have also slowly expanded their presence in Syria, and this may be aimed, at least in part, at enabling or supporting cross-border export projects between the two countries. Syria, which has recently seen entries by Chevron, TotalEnergies, and ConocoPhillips, does not boast anywhere near the resource base that Iraq does, or the low-cost advantages synonymous with Gulf resources. These firms may therefore see their presence on each side of the Syrian-Iraqi border as a way to improve the odds of a new bypass route in a region where interstate pipeline projects have a troubled history.

Yet US elections are a key variable that may have a major impact on how this dynamic unfolds in the coming years. The proposed pipeline route between Haditha in Iraq and Baniyas in Syria will take an estimated four years and $15 billion to build. US firms seeking greater resource access around the world have generally found a friend in the Trump administration, but it is highly unlikely that initiatives to establish critical new bypass routes will be completed before the next American president is elected in 2028. Policy support will determine whether such projects ultimately succeed or fail, and a change of US administration could slow or strand routes that are only partly built by the end of the decade.

Both of these responses, hardening supply at home and paying more to keep capital coming from abroad, amount to a form of insurance against a repeat of the current crisis, and neither comes cheaply. The cost of these measures, and the region's ability to fund them in the event of a downturn in the oil market, will therefore shape the Gulf's position over the coming decade.

Geology Survives the War, but Not Every Producer Will Adapt Equally

The Middle East's greatest oil and gas advantages lie below the ground. The region is home to some of the largest reserves in the world, and among the cheapest to produce. This is, above all else, a function of geology. That resource base is also unusually concentrated. While producing offshore oil and gas is typically more expensive than extracting onshore resources, much of the Gulf's offshore reserves lie beneath shallow water, making them cheaper and easier to produce than offshore resources elsewhere. This is not an advantage that will be fundamentally changed by a conflict fought above ground.

But building the sector's resilience to future disruption will itself be costly. Oxford Economics frames this dynamic as "a cyclical shock with structural echoes," felt in risk premiums on capital, insurance, and logistics.

For instance, the work done by oilfield services firms such as Baker Hughes and SLB will grow more complicated when they can no longer freely use the Strait of Hormuz to move materials and supplies into and out of the region. Operators in other segments, such as the engineering, procurement, and construction (EPC) firms that are responsible for developing new oil and gas facilities, have already given a preview of what this disruption will look like. Italian EPC firm Saipem reported $82 million in war-related operational costs in the first half of 2026.

The development of alternate export routes is now widely seen as an inevitable outcome of the war, but these projects are time- and capital-intensive, limiting producers' ability to invest in sustaining production and protecting other advantages. Moreover, existing bypass routes have been attacked multiple times during the conflict, so the need to either "harden" export infrastructure or stand ready to rapidly repair it in the event of a new conflict will add yet another cost.

Indeed, Gulf governments have shown themselves least susceptible to the false assumption that pipelines avoiding the Strait of Hormuz will somehow make their oil exports invulnerable to a repeat of the war. They appear well aware that pipelines, terminals, and ports can all be attacked by Iran's fleet of drones and missiles, which keeps growing in number and improving in range, survivability, maneuverability, and precision. It is for this reason that Gulf governments are making plans to expand their own air defenses and acquire their own strategic deterrents.

The region may find ways to adapt to these new realities and retain the long-held advantages of its resource base. Saudi Aramco has attributed its ability to quickly recover from recent attacks on its assets to "lessons learned" from the major 2019 strike on its Abqaiq processing facility. The company claims that it was largely prepared to respond to new attacks, and there has been little indication that the development of these capabilities has significantly hindered its competitive advantages.

Still, Aramco has suggested that its ability to localize the procurement of materials and components was a major factor in its response time, but not all producer states can replicate this model given Saudi Arabia's advantages in terms of geography and population.

This will likely lead to uneven resilience across the region, resulting in a further widening of the gap between the energy "haves" and "have-nots," whereby some are able to adapt to changing realities, while others remain more vulnerable to a repeat of the current conflict — or worse.

Paying for Resilience if Price Signals Reverse

Oil market forecasts projecting a surplus in supply for 2026 now seem like a distant memory. The prospect of a near-term normalization in tanker traffic through both the Strait of Hormuz and now the Bab el-Mandeb Strait appears to be increasingly unlikely. The resilience of oil markets throughout the conflict thus far has surprised most analysts, but the longer the disruption continues, the more global inventories will be drained, and the more likely prices are to spike again, more accurately reflecting the physical supply shortfall facing the market.

Oil market forecasts face a basic problem: forecasters cannot say when the geopolitical conditions for a supply normalization will materialize. Erratic US-Iran diplomacy and periodic retaliatory flare-ups point toward anything but a smooth recovery in maritime traffic. While there does seem to be a growing tolerance for the current risks in the strait, the pattern is one of adaptation, not recovery. It is, therefore, hard to foresee when and how Gulf supply would come surging back to market.

Yet this does not mean that a solution to the conflict will never be found. When it is, markets could face an inverse supply shock that could cause a sharp drop in prices. While this may be beneficial for consumers, Gulf producers will need revenue to fund the many resilience measures required to protect both oil and gas exports and domestic energy sectors from future attacks, as well as to fund reconstruction more broadly. The International Energy Agency (IEA) and the US Energy Information Administration (EIA) forecast an oil surplus of 4.6 million and 4.7 million barrels per day (bpd), respectively, in 2027. The EIA is the only one of the two to project prices for the coming year, expecting the key Brent benchmark to average $69 per barrel in 2027, down from around $94 in early September. When factoring in lost revenues from 2026, in addition to other budgetary requirements, an oil price in this range will hardly be sufficient for the Gulf states to fund their post-war resilience and recovery efforts.

Global oil inventories continue to be drained at an alarming rate. When the supply shortfall ends, the need to refill these inventories will provide some price support. The scale of the longer-term economic fallout from the conflict, and thus its impact on oil demand when supply can recover, also remains a major uncertainty.

The reopening of the Strait of Hormuz now appears more tightly bound to the end of the conflict than ever — and so too does any lasting stabilization in oil markets. This means the optimal time for the Gulf states to rebuild will likely coincide with a period of lower oil revenue. Resilience-building efforts, whatever form they take, have in many instances already begun. This comes at a time when many of the Gulf states face reduced oil revenues, rising costs, and an outlook pointing toward a market in surplus — and thus lower prices — once supply returns. All of this will only sharpen the fiscal challenges of future-proofing the region's energy sector.

Attacks on Energy Infrastructure Are Now the Rule, Not an Exception

The Gulf was long viewed as the stable province of a broader region otherwise troubled by conflict for decades, and it is entirely possible that it will regain that image once the war ends. Yet this will depend heavily on when and how the conflict is resolved.

What is notable about the predicament facing Gulf energy producers, however, is that they do not stand alone. Throughout the Russia-Ukraine war, it has become clear that attacks on energy infrastructure are now a normalized feature of interstate conflict in the 21st century. In fact, the intensity with which energy assets in Russia and Ukraine have been attacked only appears to have increased alongside the war in the Gulf, partly as a result of Kyiv's efforts to prevent a surge in Russian oil revenues due to price spikes that have taken place during the conflict.

Attacks on Gulf energy infrastructure have therefore not taken place in a vacuum, and in this regard, the region may find itself with an opportunity. The global geopolitical landscape is becoming increasingly volatile, and if energy assets are targeted in new or evolving conflicts around the world, the Gulf states may be able to act as first-movers when it comes to developing strategies to harden and safeguard global energy infrastructure. The experience that they have gained in this conflict will likely become invaluable to other energy producers, including both NOCs and IOCs, should they face a similar situation.

Looking ahead, the region will remain indispensable to global energy supply, but on costlier terms than it is used to. The geological advantages that underpin the Gulf's position cannot be taken away by a conflict fought above ground, yet the cost of defending them will be borne unevenly, and just as oil revenues soften. Whether the region maintains its energy edge will therefore depend less on the resources it holds than on the choices its producers make about how to protect them. In that sense, the Gulf is not only adapting to a changed region but writing a playbook that others may soon have little choice but to follow.

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Gulf Political Economy: The Cost of Accommodating Iran

Karen E. Young

There may be no near-term resolution to the conflict between the United States, Israel, and Iran. The cease-fire and memorandum of understanding (MoU) signed on June 18 at Versailles by President Donald Trump have broken down, and the path to a negotiated settlement has narrowed considerably. There is little diplomatic engagement, and Iran's demands for administrative control of the Strait of Hormuz, sanctions relief, and access to frozen assets are all now non-starters for the Trump administration. Since the MoU collapsed after July 10, US reprisals for Iranian attacks on ships attempting to transit the southern route of the Strait of Hormuz have escalated, and the fighting has inflicted further infrastructure damage across Iran and the Gulf Arab states. New flare-ups in early September indicate a further round of escalation. This may become the new normal.

In these circumstances, in which rounds of negotiations may carry on for some time, interrupted by renewed attacks or even a return to war, the Gulf states will have no choice but to protect their assets and populations while trying to deter Iran. The region and the world now enter a holding pattern, with intermittent violence that reconfigures trade and energy flows, while also forcing Iran's neighbors to find mechanisms of both containment and accommodation.

There is little expectation in the Gulf of a return to the pre-war equilibrium. Even if diplomacy succeeds in producing a durable cease-fire and Iran gradually re-enters regional markets with sanctions relief, the Gulf Arab states appreciate that peace is expensive. The era of containing Iran through military deterrence is giving way to one of accommodating it through economic statecraft, diplomatic engagement, and strategic investment. That accommodation carries significant costs, limiting the economic prosperity of the Gulf Arab states, their ability to sustain their role as both allocators and magnets of capital, and their stature as superpowers in the global energy system.

Rebuilding Defense and Economies

The next phase of Gulf strategy is therefore likely to rely as much on military build-ups as on economic resilience, including spending on defensive capabilities and hardening of both civilian and military infrastructure. Accommodation should not be mistaken for reconciliation. Rather, it reflects a pragmatic recognition that Iran's disruptive capacity cannot be eliminated at an acceptable political or economic cost. Iran may change and transform, but its path and velocity are unknown. The objective for the Gulf Arab states is therefore to reduce the incentives for confrontation while simultaneously investing in the infrastructure, institutions, and fiscal capacity necessary to absorb future shocks. Beyond any Gulf-led $300 billion reconstruction fund for Iran, payments to the US as investments in lieu of Trump's briefly proposed 20% fee to manage the Strait of Hormuz, the release of frozen Iranian assets, or outright cash transfers, each state's domestic fiscal position is the most important indicator of its ability to weather the conflict and prepare for the shocks that might come next.

First on the bill will be military capacity, both defensive and offensive. Deterrence will mean building up significant air and missile defenses and other weapons systems, along with the hardening of energy and industrial infrastructure (including pipelines, oil storage, airports, ports, data centers, and aluminum smelters). Localizing defense manufacturing will be more of a priority, especially for critical technologies such as air-defense systems, new sources for drones or unmanned aerial vehicles, and electronic-warfare capabilities. The United Arab Emirates' new defense-focused free zone is one policy tool already in use to both ease imports and support local production, while Saudi Arabia's Vision 2030 target of localizing 50% of its military spending will further encourage domestic investment in the defense sector. Pre-conflict military spending was already rising in the Gulf. Saudi Arabia spent $83 billion in 2025, equivalent to 6.5% of GDP and about 3% of global military expenditure — an increase of 3.5% year-on-year. Kuwait spent $8 billion, or 4.7% of GDP in 2025. Some estimates project a possible 20% rise in Gulf Cooperation Council (GCC) military expenditure as a result of this year's conflict.

Second, the cost of recovery will include the risk that oil and gas production and export traffic through the Strait of Hormuz may not return to normal. How that shock is distributed will shape how each state recovers and responds. From February to May, Kuwait's crude production was down 78% and Bahrain's 73% — effectively offline. Saudi Arabia lost roughly a third of its production, falling from 10.1 million barrels per day (bpd) to 6.9 million bpd, but has began to stabilize in June. For the UAE, oil production was down 38% from March to May 2026 before surging 80% in June, enabled by the MoU, the diversion of exports via its pipeline to Fujairah, and most importantly, its exit from the Organization of the Petroleum Exporting Countries (OPEC) and its quotas. Oman, by contrast, has been the only GCC state to raise production during the war, with output up roughly 10%. In short, without alternative export routes or the ability to bypass the strait completely, the impact on production has been severe.

The International Monetary Fund (IMF) revised its GCC GDP growth forecast in May to 1.8% for 2026, down from its earlier estimate of 4.4%, and projected the regional fiscal balance at -1.4% of GDP. But the regional average masks very different country-level outlooks. If the conflict continues, Goldman Sachs estimates that Kuwait and Qatar could face the sharpest contractions, by 14% this year, while Saudi Arabia and the UAE would likely see GDP drop by about 3% and 5%, respectively. Qatar's lack of alternative export routes for its liquefied natural gas (LNG), the centrality of gas export revenue to its government budget, and the nature of its shared offshore gas fields with Iran all heighten its vulnerability and willingness to make accommodations. The Iranian attack on Qatar's Ras Laffan facility in March 2026 caused at least $20 billion in damage and will reduce Doha's LNG export capacity by nearly 20% for several years, if the strait reopens safely.

There is a debate among oil market analysts and traders about the severity of the disruption and whether we should expect shortages of oil and refined products to resolve quickly and lead to a surplus within a year. Many continue to see a surplus of supply going into 2027, meaning futures prices are lower than today's spot or physical-delivery prices, a situation known as "backwardation" in trading terminology. A dominant sentiment among oil market participants is that the strait has to open, that production will return to pre-war levels, and that the market will be oversupplied by 2027 by as much as 5 million bpd, according to International Energy Agency estimates. If that scenario holds, which depends entirely on the normalization of Hormuz traffic and the resumption and repair of Gulf production, some market analysts and various banks expect Brent prices to settle in the mid-$60 per barrel range next year, down from the mid-$70 per barrel range in early August 2026. But while oil prices surged again over the $100 per barrel threshold in early September 2026, analysts estimate the 2026 average price will edge higher.

The problem for GCC governments in that scenario is that just when the recovery picks up speed with normalization of the strait and reduction in tensions with Iran, the amount of money available for them to spend falls as they earn less on oil exports. This means that fiscal policy will be challenging, especially for those states that experienced the sharpest declines in oil or gas revenue and the greatest damage to energy infrastructure. It bears stressing that oil market participants may be treating "normalization" of flows as a given precisely because they see how disastrous a long-term disruption and conflict would be for global markets. Yet cooler heads may not prevail, and disruption and violence could persist far longer than expected.

The Drive for Differentiated Infrastructure

The third factor to consider regarding the impact of the war on Gulf economies is the extent to which they are able to insulate themselves against a sustained disruption to energy flows in the Strait of Hormuz by building redundancy. The traditional assumption — that production capacity itself constitutes energy security — is no longer sufficient. Export redundancy has become equally important. Every major Gulf producer will now reassess its pipeline network, export terminals, storage facilities, and alternative shipping routes. Saudi Arabia is likely to accelerate investment in its East-West Pipeline and a parallel line, while expanding Red Sea export infrastructure. The UAE will continue strengthening Fujairah as a strategic outlet beyond Hormuz and has announced progress on building a parallel pipeline for oil as well as plans for a third pipeline for refined products. Oman will become increasingly valuable as an alternative export platform. Kuwait and Qatar, by contrast, remain among the most exposed producers because of their continued dependence on Gulf shipping lanes, though there is renewed interest and US support for pipelines through Iraq and into Syria to the Mediterranean.

The result is likely to be a decade of investment in regional oil infrastructure at a time when inflationary pressure keeps construction costs high and borrowing costs even higher. Energy-security concerns have driven a sharp U-turn in how consumers, industry, and investors view new oil infrastructure: just a few years ago, fears about stranded assets fueled widespread skepticism toward new exploration as well as new extraction and export infrastructure. Goldman Sachs estimates pipeline projects could replace over 45% of pre-war Gulf oil exports through Hormuz by 2027, reaching 60% by 2028.

This analysis assumes effective bypass pipeline capacity increasing by 3.8 million bpd by the end of 2027 and by a cumulative 7.3 million bpd by the end of 2028, which would take total effective bypass capacity to more than 14 million bpd (with pre-war volumes crossing Hormuz closer to 20 million bpd). Goldman based the estimate on a median construction period of around two and a half years but noted that the crisis could speed this up, with as much as 75% of volumes bypassing the strait by the end of 2028. Financing and costing the construction of these pipelines are more complex, with estimates of more than $55 billion for just one such super-Gulf pipeline, according to research by the Baker Institute. JP Morgan and others share estimates of the post-war infrastructure investment need at $100 billion or more for the region. New pipelines, additional LNG terminals, expanded storage facilities, alternative ports, and greater interconnection across regional transport networks will all become permanent features of Gulf economic planning.

Fourth in fiscal outlays will be logistics and transport investments. As new port facilities at Fujairah, Yanbu, and Jeddah indicate, Gulf governments plan to diversify ports, strengthen regional trade linkages, and build supply-chain redundancy. This also includes investment in trucking and railways. For a long time, GCC rail links were considered a political and economic integration aspiration difficult to execute. The Iran war and its attendant energy crisis are making them a reality. DP World has expanded its port-to-trucking capacity, operating fast-track bonded corridors connecting east-coast gateways directly into Jebel Ali Port, establishing a bonded corridor from Sohar in Oman, and leveraging Red Sea routing options through Jeddah Islamic Port's South Container Terminal. Following the disruption of maritime traffic, it has routed more than 350,000 twenty-foot equivalent units (TEUs) overland, with over 3,000 truck movements per day. For decades, globalization rewarded efficiency through lean supply chains and concentrated infrastructure. In the current era, duplicate pipelines, duplicate ports, multiple logistics corridors, and backup electricity systems all impose costs while generating little immediate return, functioning as insurance rather than productivity investments.

Psychological Factors

Finally, there are the less visible but equally important human and social costs. The attractiveness of the Gulf to expatriate workers is vital to the region's economies and labor force. There are signs of resilience and revival, as Dubai residency visa medical checks recovered to around 80% of pre-conflict levels by end-June 2026, indicating a rebound in expatriate hiring after new visas fell 70% in March. However, renewed attacks may again spur exits and affect families returning after the summer holidays.

Governments are also spending more to increase the social welfare and security of citizens, including food security. The fiscal pressures and uneven buffers of GCC states are compounded by the fact that all must consider spending on social welfare mechanisms. Oman will subsidize 50% of transport and insurance costs for food imports through the end of 2026 to strengthen food security and protect consumers from higher prices caused by the Iran war. State-run shipping company Asyad Group said it received a royal directive from Sultan Haitham to implement the subsidy, which applies to all logistics companies importing food into the country. The government of Dubai has secured central bank support for loans to tourism businesses affected by the wartime downturn.

Ultimately, the largest long-term consequences are likely to appear not just in oil markets but in government budgets. Every Gulf government now confronts a wider definition of national security. Defense spending alone is no longer sufficient. Governments must finance hardened energy infrastructure, cybersecurity, food security, strategic reserves, intelligence capabilities, border management, drone offense and defense, and resilient logistics systems. Energy infrastructure itself will require redesign and redundancy. Protective barriers around storage facilities, underground communications networks, hardened control systems, dispersed processing capacity, and redundant power supplies will become standard components of future investment. These expenditures arrive precisely as oil revenues face increasing uncertainty. Even if Gulf production fully recovers, oil prices are unlikely to return to the levels that financed earlier waves of public investment. Lower long-term prices combined with permanently higher security spending create a more difficult fiscal environment.

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Israel: Strategic Divergence and Weakened Deterrence

Natan Sachs

The American-Israeli campaign against Iran that began in February 2026 resulted in a regional conflict its authors never intended. The war's chief product is not what the United States and Israel destroyed, though that was significant, but what Iran proved: that it holds a strategic lever over its neighbors, the world economy, and the US. Iran, after suffering a decapitation of its leadership, decided to use the doomsday assets it already had available in the absence of nuclear weapons: the selective closure of the Strait of Hormuz and attacks on neighboring countries' energy infrastructure and civilian targets. These tools proved effective, if not immune to countermeasures.

Thus, while Israel again showed its remarkable military capacity and ability to strike Iran, its comparative position is more complicated today than it was before the war. Simple facts of Gulf coastal geography appear to have had a more significant impact than the most advanced military capabilities.

The war's "day after" (still not arrived, as of the time of writing) was always likely to hinge on two questions: Would the regime in Iran change? And, if not, would the United States under President Donald Trump have the patience and long-term commitment to stay the course alongside Israel and seek that outcome over time? Regime change, thus far, seems a distant prospect. The second question, despite Trump's unpredictability, was always likely to be answered in the negative, and for good reason: the American public today has a broad aversion to a lengthy war in the Middle East.

Indeed, while the United States and Israel shared many of the goals of this war, they diverged considerably on others. "Hormuz" as a blanket term for the regional and global economic effects of the conflict was always far more of an American and global concern than it was an Israeli one. Similarly, while the US and Israel share strategic aspirations and ideal outcomes, namely regime change in the Islamic Republic of Iran, they have different prioritizations and sensitivities to time. Israel considers the Iranian threat its number one national security concern, bar none. It will be beset by this confrontation for years or even decades, unless Tehran's strategic posture and even its ideology undergo deep change.

The United States has been involved in a rivalry with Iran since 1979, but Iran has never been its top national security concern, and the current president is not known for patience. Trump was, all accounts suggest, hoping for a quick victory, despite warnings to the contrary from his closest aides. And when that victory did not arrive, his view of what a prolonged standoff with Iran would mean differed markedly from that of the Israelis. Israel gambled that regime change would happen within the bounds of a campaign the US would be willing to sustain. That momentous bet has thus far failed to pay off. There is now no putting the genie back in the bottle. Iran has been weakened in important ways, but it maintains the ability to undermine the strategies of its neighbors, the United States, and Israel.

Israeli Strategy in the Aftermath

Israel's long campaign since October 7, 2023, is seen domestically as a seven-front war against an axis with a single core: the Islamic Republic of Iran. The elements of Iran's "ring of fire" around Israel, encompassing Hizballah, Hamas, Iranian attempts to stoke further violence in the West Bank, Iran-backed militias in Iraq and previously in Syria, the Houthis, and Iran itself, were all, in Israel's eyes, intimately tied together. Israel's attempt at regime change in Iran was thus the culmination — wildly unrealistic perhaps, if recent reports are the full story, but logically consistent — of its three-year campaign.

This framing also downplayed the importance of the Palestinian issue to regional affairs, a common theme in Prime Minister Benjamin Netanyahu's thinking. In his 1993 book, *A Place Among the Nations: Israel and the World*, he included a chapter titled "The Theory of Palestinian Centrality," in which he argued that this supposition was wrong, insisting the Palestinian issue was a distraction from the bigger issues of the Middle East, not their core. His position has only hardened since, with the Islamic Republic of Iran being the source of many of the regional crises, in his mind, and certainly of Israel's national security threats.

Israel entered the war seemingly at a high point in its regional campaign against Iran's proxies and Iran itself. It dealt huge blows to Hizballah's leadership and infrastructure in September 2024, and effectively, if only partially, degraded Iran's nuclear and ballistic missile capabilities in the 12-day war of June 2025. Yet having failed to topple the Islamic Republic or fully wipe out its extensive ballistic missile arsenal in the current war, Israel now faces an Iran that has conclusively demonstrated it controls a strategic lever.

Moreover, the longer the war has lasted and the further US and Israeli interests have diverged, the more it has strained US patience with Israel — public patience but also that of the administration. Indeed, after nearly three years of long, devastating war, the conflict has not only further damaged Israel's international standing generally but also undermined the ability of Israel's own society and military to sustain a lengthy campaign.

The war now leaves Israel, and with it the other parties, in an in-between state, neither full-scale war, for now, nor the promise of long-term quiet. Israel's fundamentally correct reading of the threat map is unchanged, with Iran at the center of a network of proxies confronting Israel, dramatically weakened but still standing. Israel will not remove its focus from Iran, Hizballah, or the rest of the regime's regional activity. Its adversaries' goals have not changed, and simple facts of geography mean that Israel cannot step away from the issue.

Yet the 2025-26 Iran wars and the long multi-front campaign since October 7, 2023, are not sustainable, even on strategic and military grounds alone. The wars have clearly demonstrated Israel's dependence on the United States. Crucial to Israeli operations in the short and medium terms are US materiel, now stretched thin; US patience; and, indirectly, US public support for Israeli policy, in decline and with significant future consequences. These will not necessarily prevent a return to war, but they do mean that in the longer term Israel will have to rely on an array of options to confront Iran's network, overt and covert, military and diplomatic, not just sustained fighting. Limits on the ability to conduct full-scale war do not mean Israel must change its understanding of its interests, but it must read the new realities that emerged from the war when charting its strategic course.

There remains, in fact, a woefully inadequate understanding in Israel of the tension between their current policies and continued American support for them. The tension is obscured by the unprecedented cooperation between the Trump administration and Netanyahu's government in conducting this joint war, a high point of the historic relationship in one sense. Yet this close cooperation both masks and deepens foundational fissures that in the last three years have opened to a chasm now threatening the de facto alliance between the countries. For Israel to pursue a sound policy in service of its own interests with Iran, and for other reasons, it must come to terms with the dramatic change in the American landscape.

The failure to produce regime change must also result in a greater Israeli understanding of the true utility and limits of force. Israel will have to reduce the number of fronts on which it is actively fighting at any given moment. That failure will also do nothing to change the real and prominent place the Palestinian issue holds in both regional affairs and Israel's own future.

At the same time, Israel will continue to have a very low tolerance for existing and potential threats to its security, especially along its borders with Lebanon, Syria, and the Gaza Strip, a direct result of October 7. Still, reluctance to accept lower-probability security risks need not translate into open-ended fighting. After three years of war and the national election scheduled for October 2026, Israel may begin to wind down some of its military commitments, in Lebanon, especially, and aim to concentrate its efforts on a smaller number of fronts. It would do well to couple a concentration of effort with a robust attempt to support American diplomatic initiatives, in Gaza and in Syria as well as in Lebanon, where some progress has been made. An Israeli decision to energize these efforts, especially in Gaza, could transform them into something far more meaningful, if still very far from perfect.

The Gulf Dilemma and Israel

The war has also presented Israel with a pair of important strategic questions: how will Gulf countries react to the war in the medium and long term, and how will their reactions affect Israel? Will they distance themselves from Israel, viewing it as a destabilizing force that, along with the US, started a war they were not consulted about and for which they paid a big price? The Gulf states not only sustained most of the direct Iranian fire but also suffered damage to their "business model" as hubs of stability, business, and tourism in the region. Or will they seek closer, if quiet, ties, considering Israel's proven capacity to help in their defense and given Iran's proven will and capacity to strike them directly? The answer thus far is decidedly mixed.

Israeli planners tend to be sanguine, pointing to the extensive covert cooperation between Israel and the Gulf, some of it reported. Israel deployed troops and Israeli-made Iron Dome systems in defense of the United Arab Emirates, a remarkable historic precedent of the Israel Defense Forces fighting in active defense of an Arab country against attacks from a non-Arab neighbor. Via US Central Command and in coordination with the US and its other partners, Israel participated in the active defense of many other countries as well. Israelis are partially correct to downplay public warnings of the demise of Arab-Israeli cooperation. That cooperation has continued throughout the years since October 7, 2023, and after the war began in February 2026.

Yet Israeli planners risk underestimating the downside as well. The UAE, the exemplar for close cooperation with Israel, is not the whole

Gulf. The response to the war will vary across Gulf countries, with many of them likely to seek some form of quiet post-war accommodation with Iran. Moreover, the effect of public opinion on decision-making in authoritarian countries, while limited, should not be dismissed. The Iran war, following years of devastation in Gaza, has only made cooperation with Israel more difficult for the leaders of these countries. Intra-Gulf tensions may further complicate Israel's position if the UAE finds itself increasingly isolated from Saudi Arabia and others and singled out for its close ties to Israel.

Finally, Israel's attractiveness to some of the Gulf states rests not only on its technological and other capabilities but also on their assessment that "the road to Washington passes through Jerusalem." As was the case with Egypt in the late 1970s, close ties with the US, as a by-product of relations with Israel, were as much an incentive for peace with Israel as was peace itself. Yet this calculation depends on assumptions about the value of close ties to the US and the effect of relations with Israel on those ties. Both assumptions, while still valid, are less obvious than they have been in the past.

The United States demonstrated again its unparalleled might, but given Iran's ability to withstand months of war and to use its strategic lever, the campaign has also heightened fears about Washington's willingness to remain militarily engaged in the region in the long run. The countries in the Gulf are unlikely to try to replace the US with any other external backer, but they will probably try to enhance their self-reliance as a hedge. And although relations with Israel could help them greatly in this regard, any diminution of US centrality to the Gulf states, and any diminution in the US-Israeli relationship, could harm Israeli prospects with them as well.

In the short term, there is no easy choice for the Gulf states. America's desire to end the war points them toward accommodating Iran, as unappetizing as that may be. They are surely aware of the severe downsides of trying to appease Iran. That course of action will not prevent Israel from remaining focused on Iran's nuclear program, its ballistic missiles, and its regional involvement around Israel, whether through war or other means. Moreover, while the US may deemphasize the issue, there is no guarantee it will not face another confrontation with Iran in the future, either under Trump or another president. Try to accommodate Iran though they may, the Gulf states could still be the targets of renewed Iranian attacks in the future.

They are therefore stuck in middle ground: neither full war nor appeasement is an attractive option. A stable equilibrium may be difficult to find or sustain.

For Israel, this Gulf dilemma has profound ramifications for its regional strategy. Both Israel and the United States hoped to build on Israeli integration in the region, with normalization with Saudi Arabia being the grand prize. Before October 7, senior officials in all three countries believed such a possibility was imminent. After October 7, it remained a core priority for the Biden administration, albeit more remote. Such regional integration had transformative potential for Arab-Israeli relations and for regional economic opportunities.

The Gulf dilemma after the Iran war complicates the possibility of normalization, already a far more remote possibility than it was. If, before the war, cooperation with the US and Israel to stave off Iranian threats and confront them if they emerged were important motivations for normalization, now those motivations are tempered by the need to hedge. If the US succeeds in extricating itself from the conflict, as it appears to want to do, accommodation with Iran may be required, with Israel losing out.

An Irony of Deterrence

There is an irony in how this war has affected the strength of Israel's deterrence. On the one hand, its capabilities have proven remarkably effective. Israel, in coordination with the United States, asserted control over Iranian airspace and conducted both the 12-day war and this latest and longer conflict with not a single Israeli aircraft shot down. The campaign demonstrated again the Mossad's remarkable penetration of the leadership in Tehran, and, together with the US, Israel was able to deal a massive blow to both Iran's ballistic missile production capacity and aspects of its nuclear program.

Still, deterrence rests in no small part on the *threat* of the use of force: it is the unknown quality of this threat and the potential pain it involves that lends it some of its power. Once the threat is carried out, the adversary can find itself either cornered or, having been dealt a severe blow and withstood it, less fearful of the next one. In this regard, Israel's deterrent toward Iran has been diminished. Despite all its capabilities, its ability to inflict enough damage to force Tehran's new leadership to change its behavior has proven wanting.

This is a recipe for continued confrontation, even if it returns to less overt means. An Iran that faced a full assault and survived, and an Israel still militarily superior and determined to counter Iran's threat but having failed to end it, both remain determined to stay in the ring. The US, while eager to walk away, perhaps will find itself dealing with this ongoing confrontation going forward. Little has been settled by the Iran war thus far, except Iran's newly demonstrated lever of power in regional and global affairs.

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Israel/Palestine: What the Iran War Broke and What May Yet Be Salvaged

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Before the 14-point United States-Iran Memorandum of Understanding (MoU) in June that failed to end the Iran war, there was the 20-point plan for Gaza that similarly failed to end that war. Although it was endorsed by the United Nations Security Council and built on months of diplomatic groundwork by European and regional partners, the plan has languished, with no meaningful recovery, reconstruction, Hamas disarmament, governance transition, or Israeli withdrawal. Roughly 2 million Gazans are living without adequate shelter, food security, healthcare, economic opportunity, educational infrastructure, and psychosocial support.

Hamas' offer to disarm in the late summer was a positive development on paper, but the practical significance remains to be seen, especially given Israel's rejection as well as persistent sequencing and logistical challenges. Meanwhile, conflict drivers in the West Bank are intensifying, and the multilateral energy behind the 2025 Franco-Saudi initiative that aimed to breathe life into a diplomatic path for a resolution of the Israeli-Palestinian conflict has largely dissipated. Viewed through the lens of its impact on that conflict's trajectory, the war with Iran has accelerated negative trends and narrowed diplomatic openings, as regional and international stakeholders recalibrate their priorities and hedge against uncertainty.

Yet the diplomatic pivot back to Gaza in late July and early August suggests that the Iran war's stubborn persistence may be causing the US and regional actors to seek wins on other fronts. And while the already-fragile prospect of Saudi-Israeli normalization may have suffered a setback with the US-Saudi nuclear cooperation agreement, the ambiguity around the terms of that agreement leaves open the possibility that normalization remains a US card to play. Against this backdrop, a more self-reliant regional architecture is emerging with both pitfalls and possibility for US diplomacy. The question is whether, and how, the US can seize these openings.

Iran's Deflection, Israel's Distraction, and the Question of Palestine

The threat assessment of Iran that is variably shared by Israel, its Arab neighbors, and the US is largely tangential to the Israeli-Palestinian arena. However, Iran has long exploited the Palestinian cause through support for partners and proxies, whether direct conflict stakeholders like Hamas or foreign actors like Hizballah and the Houthis. Its modus operandi has been to subsidize, rally, or activate violent spoilers under the banner of a "unity of fronts," keeping Israel militarily overextended while burnishing its credentials as the standard-bearer of a cause that resonates across the region and beyond.

Nevertheless, Iran's strategy has come back to bite it as it suffered a series of compounding setbacks to its partners that began with Hamas' seemingly independent choice to launch the October 7, 2023, attack and continued with Israel's retaliatory operations against Hizballah, the fall of the supportive Bashar al-Assad regime in Syria, and the Israel-US 12-day war in June 2025. Weakening Iran was never sufficient to put the Israeli-Palestinian conflict on a more positive trajectory but it did represent a modest opening that the February 2026 Iran war has partially closed.

Iran is militarily battered but strategically strengthened for having withstood a US-Israeli attack. The June MoU validated Iran's role as sponsor of Hizballah and arbiter of Lebanon's fate. Whether the subsequent Israel-Lebanon-US tripartite agreement sufficiently remediates that problem is as yet unclear. The Houthis, while a partner rather than a proxy, have used Iran's control of the Strait of Hormuz to reemerge as capable, Tehran-aligned disruptors. Iran appears to have bet that Hamas is more trouble than it is worth, but Hamas' internal elevation of Khalil al-Hayya as head of the movement's political bureau and the swift congratulatory messages from both Hizballah and Iranian officials suggest a mutual hedging over each other's future. Should Hamas prove its staying power, and should Iran continue to consolidate its leadership, Iranian reinvestment in its Palestinian partner remains a possibility.

The late-July Board of Peace disarmament roadmap signed by Hamas, and mediated by Egypt, Qatar, Turkey, and the US, complicates this picture. It commits Hamas to surrendering its weapons in stages, in parallel with a phased Israeli withdrawal, and beginning with the Gaza police handing arms to the National Committee for the Administration of Gaza (NCAG), the independent Palestinian administrative body under the Board of Peace's auspices. Taken at face value, Hamas' commitment should not be underestimated for a movement whose raison d'être is armed resistance. It may be some time before it is tested. In early August, Prime Minister Benjamin Netanyahu formally rejected the framework, insisting that Israeli forces will hold their positions until Hamas is completely disarmed, to include all heavy weaponry. The sequencing impasse that dates to the original cease-fire persists. The roadmap stalled on arrival. Lost in the mutual finger-pointing are the Gazans for whom human development has been set back an estimated 77 years, according to a joint study by the UN, the World Bank, and the EU, yet for whom recovery and reconstruction remain hostage to the absence of diplomatic progress.

In the meantime, Hamas may be so weakened that it has no choice but to negotiate the terms of its own survival, but it remains the only Palestinian party at the table with the US and regional mediators. The Palestinian Authority (PA), the internationally recognized alternative, has played little more than a bystander role since October 7. It is squeezed economically and politically by the occupation and is suffering a legitimacy crisis with a Palestinian public that sees it as feckless, authoritarian, and corrupt, having failed to deliver statehood, security, or even adequate services. This absence of a legitimate Palestinian actor perpetuates Hamas' relevance and reinforces the vacuum Iran has exploited for two decades.

Meanwhile, Iran's weaponization of the Palestinian cause has provided Israelis with a frame through which to misinterpret the Palestinian question as a function of Iranian revisionist ambitions, rather than occupation and the absence of Palestinian self-determination. Whether as a matter of conviction or calculated distraction, Netanyahu has long preferred to focus exclusively on Iran as Israel's immediate and longer-term security concern. The war with Iran has made that focus easier to sustain at precisely the moment the Palestinian question most demands attention — for both Palestinian and Israeli security alike.

Israel's upcoming October election is fueling this dynamic. Israelis are heading to the polls for the first time since Hamas' October 7 attack on their country, in which approximately 1,200 were killed, thousands more injured, and close to 250 taken hostage, on Netanyahu's watch. His opponents commonly point to the fact that he enabled the flow of funds to Hamas prior to October 7. Netanyahu undoubtedly prefers to keep the national conversation fixed on Iran: a threat perception that unites Israelis more than the Palestinian question does. His opponents are waging their political battle on these same terms, contesting who can address the Iran threat most effectively rather than staking out positions on the Palestinian file that are inevitably either unpopular with Israeli voters or unworkable with the Palestinians and the Arab states.

In the background, the war has provided cover for the most extreme actors within the current government to accelerate destabilizing trends with less regional and international scrutiny or response than they might otherwise draw and that, by design, threaten to foreclose the option of Palestinian statehood.

In February 2026, Israel's security cabinet transferred civil administrative authority over the West Bank from the military to government ministries: a bureaucratic step that moved de facto annexation appreciably closer to de jure status, which President Donald Trump's administration has stated it opposes. Finance Minister Bezalel Smotrich has called openly for annexing the entire territory, building on his 2025 plan to place 82% of it under Israeli sovereignty under the avowed logic of "maximum land, minimum Arabs." He has also advanced plans for construction in the so-called E1 corridor east of Jerusalem: plans that have effectively been frozen under international diplomatic pressure for over two decades given that they would geographically bifurcate the West Bank and cut off East Jerusalem from any Palestinian state that may yet emerge. National Security Minister Itamar Ben Gvir has presided over — and enabled — a surge in settler terror that UN monitors link to hundreds of Palestinian deaths and the displacement of tens of thousands.

In Gaza, the cease-fire exists in name only, as Israeli operations and the collapse of civilian order continue to produce significant Palestinian casualties. UN-verified data indicates over 1,200 killed and thousands wounded by Israeli military operations since the cease-fire. In the earliest months of the cease-fire alone, similar sourcing reported at least 80 fatalities at the hands of Hamas via summary executions or in clashes for power with rival clans. This combination of unenforced cease-fire, Hamas' staying power, Israeli extremists' emboldenment, and the resultant desperate conditions and deteriorating political options for Palestinians is rapidly reproducing the conflict drivers that contributed to the cataclysm of October 7 and the ensuing war.

International Bandwidth and the Cost to US Credibility

Beyond Israel and Iran, the war has stretched thin the diplomatic, economic, and military bandwidth that Trump's 20-point Gaza plan requires from Washington, the Gulf, Egypt, and Jordan alike. The plan has languished, with the NCAG and envisioned International Stabilization Force awaiting deployment, and its reconstruction and governance provisions starved of funding as these relevant actors absorb the war's shocks.

Jordan, a frontline ally for the US in the Israeli-Palestinian conflict, faces a particular challenge. The kingdom has navigated a tricky balancing act since October 2024, when many Jordanians criticized their government's decision to shoot down Iranian missiles aimed at Israel. The government took pains to insist that the action was taken to uphold Jordan's sovereignty rather than to defend Israel, underscoring the fragility of the two countries' relationship, heightened during the Gaza war. With a substantial Palestinian population and a border with the West Bank, Jordan is vulnerable to domestic unrest in relation to strong pro-Palestinian and anti-Israel public sentiment, and destabilization from potential mass West Bank displacement. Many Jordanians increasingly interpret the Jordan-US alliance as compromising their nation's security on Israel's behalf rather than protecting against threats that include Iranian destabilization efforts. If this persists alongside unchecked Israeli behavior in the West Bank, it will constrain Jordan's ability to work with the US and play the forward-leaning diplomatic role any serious movement on the Israeli-Palestinian file requires.

All of this comes at a cost to Washington's credibility. The US and Israel launched the February 2026 Iran war without consulting Gulf partners, betting on a quick knockout blow. Instead, Iran came out swinging, striking Gulf civilian infrastructure and wielding the Strait of Hormuz as an economic cudgel. The Gulf (like Israel) viewed the subsequent US-Iran MoU as a significant capitulation. A pattern of reversals followed: the administration announced a US-Saudi nuclear agreement that made no mention of Israel, then reversed course a day later to make it contingent on normalization; the administration repeated the whiplash with the Hamas disarmament roadmap, pivoting within days to insist no Israeli withdrawal would occur before full disarmament. These precedents will give pause to states weighing whether to spend political capital on the Israeli-Palestinian file based on American assurances.

Consequently, regional actors are hedging. Gulf states cannot dispense with the American security relationship, but they are diversifying their options. Saudi Arabia has long sought a nuclear agreement with the US but has signaled openness to China and/or Russia instead, should either offer a path to nuclear cooperation without Washington's normalization strings or unpredictability.

The August Mecca Joint Defense Agreement among Pakistan, Saudi Arabia, and Turkey underscores this diversification, orienting Saudi Arabia further from a normalization-with-Israel orbit for now. Israel and Turkey maintain formal diplomatic ties but the relationship is marked by hostility over the Palestinian question and Ankara's continued support for Hamas. In the pact's wake, Pakistan's defense minister called Israel an "illegitimate" state and "a threat to the entire Muslim world." In the near term, this realignment could weaken US influence: the less Riyadh relies on Washington for security, the less leverage the United States has to secure concessions on normalization. Yet the same architecture, forming without Israel and accompanied by rhetoric casting it as a regional threat, could also create constructive pressure on Israel that would allow the US to reinforce that it cannot sidestep the Palestinian issue.

Europe, meanwhile, has retreated to arm's length: unwilling to attempt Israeli-Palestinian diplomacy without American leadership, but no longer expecting this administration to deliver it. When Trump appeared to be pursuing a genuine grand bargain, France and key partners backed the Franco-Saudi initiative that produced the New York Declaration: endorsed 142-10 by the General Assembly in September 2025, and notable as the first collective Arab demand that Hamas disarm and cede governance to the PA. That momentum has since dissipated, though it has not entirely vanished. The regional buy-in and roadmap remain, awaiting American leadership willing to use them. Such a US approach to the Israeli-Palestinian file requires centering the conflict's core dynamics, leaning into partners, and leveraging the trend toward regional realignment.

Charting a Path Forward

An Opening

The rocky rollout of the US-Saudi nuclear agreement and the regional realignments that hedge against a perceived lack of US reliability may yet be turned to mutual benefit. Israel has not given up on the goal of Saudi normalization. The price on which the Saudis will insist — meaningful and irreversible progress toward Palestinian self-determination — will be a bridge too far for Netanyahu and, initially, any likely successor. But the Mecca pact should signal that while Israel has spent the better part of two decades treating Gulf normalization as a hedge against Iran and its proxy-driven threat, a consolidating Pakistan-Saudi-Turkey axis presents a potential threat of a different kind.

Revived Houthi belligerency against Saudi Arabia may yet shift the kingdom's calculus, though it is worth noting that Riyadh spent the war's early months pursuing accommodation, not isolation, of Iran. Gulf divides remain, but there is growing regional sentiment, voiced at official levels and reflected in public opinion, that Israel is a significant destabilizing actor.

To the extent the Abraham Accords suggested Israel could bypass the Palestinian question en route to regional integration, these trends signal otherwise. Since the Saudi-sponsored Arab Peace Initiative (API) of 2002, the Arab and broader Muslim world's consistent position has been normalization in exchange for Palestinian self-determination. Abraham Accords signatories rejected that order of operations, but none rejected the underlying two-state paradigm, the absence of which has remained a thorn in the side of those relationships.

The US can use this, making clear to Israel that the longer it treats Palestinian statehood as optional, the more it courts an alternative regional architecture that at best excludes it, and at worst makes it a common target. Whether the Mecca pact amounts to more than a symbolic move remains to be seen. Its signatories describe it as defensive and not directed at any state, but Israel would be justified in weighing the risk of a consolidated bloc turning hostile. At the same time, as Gulf actors seek stability, their new impulse to accommodate rather than isolate Iran could be mirrored toward Israel. That road to accommodation and integration necessarily passes through the original API Palestinian statehood paradigm and will only be paved by determined US leadership helping drive Israeli and Palestinian course correction.

A Three-Pronged Approach

In the immediate term, Trump would need to lean into the penultimate point of his 20-point plan and dispense with the hedging. Point 19 recognizes Palestinian self-determination and statehood as the Palestinian people's "aspiration," rather than Washington's objective. The furthest it goes is stating that, contingent on a reformed PA, conditions "may finally be in place for a credible pathway" toward that aim. Washington adopting that aspiration as its own definitive north star could spur reengagement from the New York Declaration coalition and the states that endorsed the plan via UN Security Council Resolution 2803.

Israel would be expected to enforce the rule of law against Israeli perpetrators of terror in the West Bank; to halt ongoing expansionism via its pursuit of annexation, de facto or de jure; and to lift the restrictions that are suffocating the Palestinian economy. Failure to do so would be subject to consequences from a Washington committed to ensuring Israel's legitimate security needs are met, while willing to use its multifaceted leverage to push back on Israeli actions that undermine security for Palestinians and on Israeli efforts to undermine explicitly articulated US interests.

The Palestinians will need to produce leadership with popular legitimacy, capable of meeting their people's basic needs while leading them in pursuit of statehood and beyond. An empowered Palestinian partner, accountable to its people, is necessary for any US-driven, internationally backed diplomatic process to succeed, and for denying Iran the vacuum it has exploited for two decades. The US and Israeli actions prescribed above will contribute to that goal, allowing the PA space to more effectively govern. But legitimacy will only fully emerge from Palestinians exercising political agency and leadership producing reform in its own interest rather than in response to international demands. President Mahmoud Abbas has scheduled legislative elections for November 2026 and presidential elections for early 2027. These would be the first elections in two decades, if held, but they would need to be more than a "check the box" exercise to be credible to Palestinians. This is already complicated by Abbas' new election law. It requires every candidate to endorse the Palestine Liberation Organization's political program: recognition of Israel, renunciation of violence, and acceptance of a negotiated two-state outcome, a threshold Hamas and several smaller factions reject and one widely read as designed to exclude them. The logic is clear and answers an important international demand that Hamas be removed from Palestinian governance. But it carries a risk of delegitimizing the process when engineered by existing Palestinian leadership.

This is a needle that must be threaded carefully. The US should publicly welcome the prospect of meaningful Palestinian elections as a necessary step toward renewed legitimacy, pledging to respect the outcome of a credible, comprehensive, and independently observed process that produces a body with real authority. At the same time, unlike in the run-up to the 2006 elections that Hamas ultimately won, Washington should be explicit about what it expects of any incoming government if that government is to be treated as a partner, and what the policy consequences would be if those expectations are not met. This should apply to Israelis and Palestinians alike. Both should enter their elections with genuine agency to choose their own leadership, alongside full awareness of the specific international implications of their choice.

Conclusion

The more stable region Trump pledged to produce has to date eluded him, and the limits of American force to achieve it are increasingly clear. The debilitating blows dealt to Iran and its proxies through early 2026, paired with a Gaza cease-fire that held initial promise, represented tentative progress on the Israeli-Palestinian file. The February 2026 Iran war has undone much of it. That ground is recoverable through diplomacy that reckons honestly with the immediate human costs and the longer-term strategic costs of inaction for all parties, and that leverages the openings that regional and international partners now present. The US administration has proven capable of producing diplomatic breakthroughs on the Israeli-Palestinian file with the Gaza cease-fire agreement, 20-point plan, and the reinforcing Hamas disarmament roadmap. These have not proved and will not prove implementable or sustainable without presidential focus and follow-through; a willingness to hold the parties accountable for their (in)actions; and a genuine commitment to empowered, representative Palestinian leadership that can be an equal partner in the pursuit of peace rather than a subject of Israeli decisions and international demands. What the Iran war broke, disciplined American diplomacy can still help salvage. The human and strategic costs of inaction will only compound over time.

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Photo by Morteza Nikoubazl/NurPhoto via Getty Images

Iranian Domestic Politics: Who Is Really in Charge in Tehran Now?

Alex Vatanka

Rumors that President Masoud Pezeshkian had repeatedly offered to resign grew persistent enough in late July that both his office and that of the new supreme leader, Mojtaba Khamenei, felt compelled to deny them. Whether Pezeshkian ever seriously intended to step down matters less than what the episode revealed: his political survival has become a proxy fight over the direction of the Islamic Republic after its war with Israel and the United States. A president elected to lower the temperature at home and revive diplomacy abroad is now being blamed by the hardline right for the negotiations, the economic pain, and Iran's failure to turn six months of military endurance into anything resembling a political win.

Around the same time, First Vice President Mohammad Reza Aref ordered universities, research centers, and state agencies to produce, within a month, a two-year strategic plan built around preserving social capital, protecting living standards, and imposing fiscal discipline. Israel and the US, he said, were trying to trap Iran in a state of "no war, no peace," and the country needed to prepare for every scenario. But the underlying assumption was clear: Tehran no longer expects a stable peace, negotiated or otherwise, and is organizing its government around the likelihood of continuing pressure instead.

Six months after the war began, Iran is neither collapsing nor returning to the order that existed before Israel and the US struck on February 28. Supreme Leader Ali Khamenei was killed, senior Iranian commanders and scientists were assassinated, and the country's military, energy, and nuclear infrastructure were hit hard.

The state kept functioning anyway. The security forces held together, and the fact that no senior Iranian officials have been assassinated since March suggests the regime adapted to the intelligence and security vulnerabilities that were exposed early in the conflict. Mojtaba Khamenei was installed as his father's successor with unusual speed, and the Islamic Republic demonstrated something it had never had to prove before: that it could survive the death of the man who had run it for nearly 37 years.

What that survival has obscured is how much shifted underneath it. The war did not end factional politics in

Iran — it simply moved the fight. The decisive argument is no longer reformists against hardliners. It is now a dispute among regime insiders, all of whom agree the Islamic Republic must survive but disagree sharply about what that requires: a security establishment that wants to convert military endurance into economic recovery, an ideological far-right camp that treats every compromise as betrayal, and a reformist current that argues peace abroad means nothing without some measure of political reconciliation at home.

A Succession That Settled the Office, Not the Authority

Ali Khamenei's state funeral, held in early July after a long delay, was staged to close the succession question. The regime filled the streets of Tehran, brought in allied dignitaries, and turned the funeral into proof that killing a supreme leader had not killed the state. It also, inadvertently, showed the limits of that proof. Mojtaba was absent from the central public rituals — officially over assassination concerns, though his continued invisibility has since fed rumors that he is dead or incapacitated.

All three living former presidents — Mohammad Khatami, Hassan Rouhani, and Mahmoud Ahmadinejad — were also absent from the official farewell and funeral prayers; by most accounts they were never invited, though Ahmadinejad later appeared in the street procession. A ceremony that could have united rival generations of the Islamic Republic instead drew a visible line between insiders and outsiders.

Mojtaba inherited the title of supreme leader. He did not inherit his father's revolutionary standing, decades of relationships, or personal authority. The issue surfaced almost immediately inside the hardline camp itself: parliamentarian Hamid Rasai published a Quranic passage about Noah's son under the headline "Who Is Qualified for Leadership?" — a none-too-subtle reminder that lineage alone confers no legitimacy in Islamic political thought. Rasai denied he was taking aim at Mojtaba, but that the question could be raised publicly at all says something about how unsettled the succession still feels.

Mojtaba's early governing style has been cautious to the point of indirection. When he endorsed the June 18 memorandum of understanding (MoU) with Washington, he made a point of noting he had held "a different view in principle" before authorizing it, once Pezeshkian and the Supreme National Security Council guaranteed Iran's interests would be protected. His father used the same maneuver for decades, authorizing diplomacy while letting elected governments absorb the political fallout. The difference is that Ali Khamenei delegated from a position of dominance.

Foreign Minister Abbas Araghchi's account of wartime decision-making is the most revealing window into how the current system actually works. A committee originally set up inside the Supreme National Security Council's secretariat to manage the nuclear file, he said, evolved into the six-person body that ran the negotiations — chaired first by Ali Shamkhani, then by Ali Larijani — whose decisions carried the same weight as the full council's. During the war, Pezeshkian met regularly with Araghchi, Larijani, Mohammad Bagher Zolghadr, and parliament speaker Mohammad Bagher Ghalibaf, then formed a small committee from that group empowered to make real-time calls as talks unfolded — a compact body spanning the presidency, parliament, the foreign ministry, and the security establishment, operating largely outside public view.

Just as telling, Araghchi said he had not met Mojtaba during this period and had no prior relationship with him. That does not mean the new leader was absent from decision-making — other accounts suggest he sent the draft memorandum back with questions and required an unusually large majority inside the council before signing off. It suggests instead that Mojtaba operates one step removed, receiving policy through institutions rather than relying on the informal access his father built up over decades. He sets the boundaries and has the final word, but more experienced political and security figures shape the choices placed before him.

That distance also explains why questions about his condition keep resurfacing. Mojtaba has not appeared in public since the February 28 strike that killed his father and wounded him, and Iranian officials have repeatedly found themselves responding to uncertainty about his whereabouts and the extent of his injuries. In June, Assembly of Experts member Ahmad Khatami acknowledged that Mojtaba's leg injuries had initially been serious enough that amputation was considered, while insisting that he had since recovered. Yet his continued absence has meant his physical condition is difficult to independently assess.

Mojtaba has, however, been explicit about what sits outside the bargaining space. Days after the funeral, he pledged that Iran would avenge his father's death and the war's other dead, around 3,500 Iranians — a national obligation, he said, that would outlast any change in personnel. Two weeks later, responding formally to Hizballah in Lebanon, he called Iran's defense of the group a continuing strategic policy and said protecting Lebanon's territorial integrity was the first condition of the MoU with Washington.

Negotiations, in his framing, can pause the fighting; revenge and the defense of the "Resistance Front" are standing commitments no negotiator is authorized to trade away. Hizballah's fighters pledged allegiance to him directly, and Mojtaba answered by invoking his father and Ruhollah Khomeini together — a reminder that his authority abroad still needs affirming by networks his father spent over 30 years building, even as he layers a harder-edged Iranian nationalism on top of the old transnational ideology.

The Real Fight Is Now Inside the Political Right

The war suppressed factional combat while the Islamic Republic's survival was genuinely in doubt. Once the immediate danger passed, the fighting resumed — almost entirely within the ruling right. On one side is a pragmatic security establishment: senior Islamic Revolutionary Guard Corps (IRGC) figures, institutional conservatives, career diplomats, and political managers like Ghalibaf, none of whom want to reform the Islamic Republic but all of whom accept that military endurance has to eventually produce something tangible — restored oil exports, unfrozen assets, reconstruction.

On the other side is the ideological current around Saeed Jalili and the Paydari Front, the self-styled "super-revolutionaries," who cannot govern the country but do not need to: their power runs through parliament, state television, the mosques, and semi-official pressure networks, and consists mainly of the ability to accuse, obstruct, and intimidate.

That power was on open display at Ali Khamenei's funeral, where demonstrators reportedly shouted abuse and threw stones at Araghchi's car — not a reformist or an opposition figure, but a diplomat executing policy the state's own security apparatus had authorized. Underlying that attack was the assertion that revolutionary purity, as radicals define it, outranks the formal chain of command.

This is not a new tactic. For years the top of the Islamist system let the radical street pressure presidents and diplomats without issuing direct orders. The trouble is that once the state itself decides diplomacy is necessary, the same networks become a liability rather than an asset.

That tension is exactly what the Pezeshkian resignation story was about: Mohammad Bagher Kharrazi, a hardline cleric who runs the fringe Hizballah Party of Iran, claimed the president had submitted multiple resignations and attributed to Mojtaba a warning that the next one would be accepted. The Presidential Office called it an outright lie; more tellingly, *Nour News* — a platform close to the security establishment — insisted only official channels could speak for the supreme leader, and Mojtaba's office followed up by branding Kharrazi's account false. The real dispute was not whether Pezeshkian wanted to quit. It was over who gets to speak in Mojtaba's name.

Pushback has started to surface from inside the system itself. Ebrahim Rezaei and Mahmoud Nabavian, two of parliament's loudest opponents of negotiation, were removed from the leadership of its National Security Commission. It is not clear whether that was a routine reshuffle or a deliberate intervention, but either way it does not read as an embrace of normalization so much as a demand for more disciplined behavior from inside the tent.

Ghalibaf has become both the clearest target and the clearest beneficiary of this fight. A former IRGC commander, police chief, and Tehran mayor, he belongs to the security establishment but presents as an administrator, which lets him defend diplomacy without looking like he is abandoning the revolution. He frames the talks as converting military leverage into economic and political gains, which makes him useful to both the IRGC and the civilian government — and a natural target for the ideological far right.

MP Mohammad Bagheri Bonab compared the campaign against him to earlier ones waged against Akbar Hashemi Rafsanjani, Khatami, and Larijani — a pattern suggesting that acceptable loyalty in the Islamic Republic keeps narrowing, and yesterday's insider keeps becoming today's suspect compromiser.

The hostility toward Ghalibaf predates the war — Jalili's camp has accused him since the 2024 election of splitting the conservative vote to deny Jalili the presidency — and the war simply gave that old grudge a new script: that Ghalibaf is trading Iran's military sacrifices for an inadequate diplomatic deal. Ghalibaf is no reformer, but that is precisely why he matters: he is the military-technocratic type best suited to the emerging order, revolutionary enough for the IRGC's trust, pragmatic enough to negotiate, experienced enough to run the state.

The Guard Did Not Lose to Diplomacy — It Absorbed It

The IRGC is the war's clearest institutional winner, but not because it defeated or sidelined civilian government. It has folded diplomacy into its own strategic logic instead. Iranian officials now routinely describe negotiations as war continued by other means: the armed forces generate leverage, diplomats convert it into sanctions relief and the release of frozen assets, and diplomacy becomes acceptable only because it is presented as the outcome of resistance rather than its alternative.

That logic explains why the veteran diplomats behind the 2015 nuclear deal remain indispensable despite years of attacks from the far right. In May, Nabavian demanded the removal of Araghchi and his deputy foreign minister, Majid Takht-Ravanchi, another veteran of the 2015 nuclear talks, yet whenever Tehran faces a genuine external crisis it returns to the same diplomatic bench, because these officials have technical experience and institutional memory that the self-declared ideological loyalists do not. The security establishment depends on people it does not fully trust, and its answer has been to supervise them more closely rather than replace them.

That creates its own risk. The IRGC has gained further sway since Ali Khamenei's death, some regional commanders appear to have more operational latitude than before, and a prolonged, low-grade conflict protects military budgets and institutional relevance in a way a durable peace would not.

A Truce Is Negotiable, Peace Is Not

Hardline commentator Mohsen Kouhkan put the ceiling on postwar diplomacy about as plainly as anyone has: Iran and the US might reach a cessation of hostilities, he said, but not peace. That distinction is the whole story. Peace implies trust and predictability. A cessation of hostilities just means the shooting stops, buying Tehran time to rebuild without either side reconsidering the underlying conflict. That appears to be exactly the outcome institutional conservatives want: negotiate, avoid another full war, but treat permanent reconciliation with Washington as both ideologically off-limits and politically dangerous.

Reformists are pushing past that boundary. Azar Mansouri, who heads the Reform Front, has called for "two great peaces" — an honorable peace abroad and an internal one built on listening to critics and rebuilding public trust. The conservative outlet *Fars* fired back, framing this as a false choice between those who want peace and those who want war. For the security establishment, peace is something secured externally through strength, which can leave the domestic distribution of power untouched. For reformists, it has to change the relationship between state and society — which is exactly why reformists remain institutionally weak but increasingly hard to ignore.

That argument has spread well past the reformist camp itself. Mohammad Reza Bahonar, a veteran conservative on the Expediency Council, has said Iran cannot simply return to its old governing model and has called for genuine political parties, legal channels for protest, and eventually constitutional reform. His sharpest observation is that Iranians can remain deeply critical of the government while still feeling obligated to defend the country's territorial integrity and independence — in other words, the war produced a rally around Iran, not around the Islamic Republic.

A survey reportedly conducted by Ali Rabi'i, whose full methodology has not been published, is said to have found severe food insecurity, weak institutional trust, and declining public support for financing the regional "resistance" network, alongside majority support for diplomacy and the cease-fire. If that holds, it sits uneasily against Mojtaba's own public reaffirmation of the Hizballah relationship as a strategic priority; the war may have hardened Iranians' will to defend their country while eroding their appetite for bankrolling an open-ended regional project.

Underneath all of this sits an economy that is not keeping pace with the regime's endurance, with inflation, particularly for food, rising sharply and unevenly across provinces and income groups.

Even military figures are picking up the language of economic grievance and public trust: former IRGC commander Yahya Rahim Safavi has argued that national power depends on public satisfaction and economic performance as much as defensive capability — not a reformist program, but a sign that parts of the security establishment now count public trust as a security asset in its own right.

Accountability Flows Downward

What has not happened in postwar Iran is as telling as what has. There has been no public accounting of how foreign intelligence penetrated the state deeply enough to reach a supreme leader and senior commanders, and no institution has accepted responsibility for the air-defense failures or the decisions that exposed the country to war in the first place.

Instead, accountability has moved the other direction. The judiciary says it has opened cases against more than 3,100 people accused of assisting the enemy, with hundreds of properties, vehicles, and bank accounts frozen or seized — though how many of those cases have produced formal charges or convictions, as opposed to investigations, is still unclear — and officials have promised the confiscated assets will help rebuild damaged hospitals, schools, and bridges. No comparable scrutiny has touched the top of the regime; alleged spies and dissidents are being asked to shoulder both the blame for the war and part of the bill for rebuilding.

Pezeshkian sits at the bottom of that same logic. He cannot reasonably be blamed for sanctions, military escalation, or economic weaknesses that predate his presidency, yet he remains the face most visibly answerable for inflation and living standards, defending negotiations he does not fully control while Araghchi absorbs blame for concessions decided elsewhere. That may be exactly why Mojtaba's office intervened to knock down the resignation rumors — not out of confidence in Pezeshkian's performance, but because removing him would solve nothing and cost the system stability it cannot spare. Pezeshkian is too weak to set the country's direction and too useful to discard.

Six months on, Iran is not simply a more militarized version of itself — it is a less personalized, more security-mediated, and more openly contested one. Mojtaba is constitutionally decisive but politically dependent on men with far more experience than he has. The IRGC controls the strategic framework but now has to manage reconstruction and public expectation, not just confrontation. The radicals are loud but increasingly disciplined from above. And the reformists, powerless institutionally, are winning the argument that matters most: that a regime cannot buy social peace with patriotism alone, and that external calm means little if the relationship between Iran's rulers and its people does not change with it.

The real contest in Tehran now is not between those who want the Islamic Republic to survive and those who want it to fall. It is between those who agree it must survive and disagree, sometimes bitterly, over whether that requires permanent confrontation or a controlled retreat from it.

Managing "no war, no peace" until the end of President Donald Trump's term may be the rational response to current conditions. It may also be how a state without an obvious center of gravity turns emergency into a permanent way of governing — one that favors the security establishment, narrows political competition, and risks handing Iran's adversaries exactly the outcome they were after: a country that can absorb repeated shocks while growing poorer, warier, and harder to govern with each one. The Islamic Republic's achievement these past six months was making sure Ali Khamenei's death did not become the system's death. Its unresolved problem is whether that system can generate real authority without him — and whether it has anything to offer its people beyond the promise of surviving whatever comes next.

What This Means for Washington

For Washington, the Iranian regime's combination of resilience and political weakness argues against both maximalist expectations and diplomatic complacency. The US should not assume that economic pain, elite infighting, or Mojtaba Khamenei's uncertain authority will cause the regime to collapse on a timetable useful to US policy, even if Washington is eager for a quick end to the US-Iran war.

So far, pressure has also strengthened the very institutions most capable of keeping the system together: the IRGC, the Basij militia, and the wider security establishment. Yet the same internal fragmentation creates a different problem for diplomacy. Pezeshkian, Ghalibaf, and Araghchi can negotiate, but they cannot by themselves guarantee that an agreement will survive attacks from hardliners or competing claims about what the supreme leader has authorized.

Any new accord with Tehran therefore ideally needs to be narrower, verifiable, and sequenced, with unmistakable evidence that the leadership has endorsed it and with reciprocal steps that give neither side reason to believe the other is simply buying time for the next round of confrontation.

Washington should preserve military deterrence and economic leverage, but recognize that pressure aimed at forcing wholesale political capitulation may instead deepen securitization, weaken advocates of compromise, and validate the hardline argument that negotiations are merely preparation for another US-Israeli attack. The most realistic objective is not to engineer Iran's internal political outcome, but to exploit the regime's need for economic relief and strategic breathing room while limiting its capacity for nuclear escalation and regional coercion. For now, Iran's domestic politics make a grand bargain with Washington less likely but they also make a carefully bounded deal more necessary.

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Iran's Strategic Thinking: Lessons Learned and What Comes Next

Ross Harrison

The major wars Iran fights become the prism through which its leaders interpret future threats and opportunities. For four decades, Iranian foreign policy has reflected lessons learned from the Iran-Iraq war of 1980-88. Similarly, the US-Israeli wars of 2025 and 2026 will shape how Tehran thinks about deterrence, diplomacy, regional relationships, and the use of military power.

Understanding Iran's future foreign policy options requires looking back in time. Iranian leaders increasingly portray the Iran-Iraq war, the 2025 12-day war, and the 2026 war not as isolated confrontations but as successive phases of a prolonged struggle with the United States and Israel over regime survival. Whether outside observers share this view is unimportant. What matters is that the narrative has become embedded within Iran's strategic culture and will likely shape its foreign policy long after the current conflict subsides.

Rather than abandoning the lessons from the earlier devastating hostilities with Iraq, Iran has been adapting them to its current circumstances and conflicts. These adaptations form a baseline from which to posit possible future scenarios. The lessons of the Iran-Iraq war counseled caution, risk aversion, indirect competition, and strategic ambiguity. The lessons of the 2025 and 2026 wars point the other way, with Iran emerging more overt and direct, having a greater propensity for risk, and placing less value on ambiguity. Iran will likely emerge from the current conflagration more confident, hawkish, and strident toward the United States, its Gulf Arab neighbors, and Israel, believing that ambiguity and caution are construed as weakness and invite further aggression. The failed initial US-Israeli attempt to overthrow the regime in 2026 means that Iran is unlikely to ever again take diplomatic overtures on issues like nuclear disarmament at face value; instead, Tehran will suspect all such future talks to be a cover for efforts to weaken the regime.

Strategic Lessons From War

Lesson One: Regime Survival Remains the Organizing Principle of Iranian Strategy

For many Iranian officials, the United States' (and to a lesser extent, the Soviet Union's) support for

Iraq during the Iran-Iraq war was an attempt to overthrow the revolutionary regime in Tehran. This belief outlived the war, shaping debates over whether accommodation with the West was possible. While some, like President Akbar Hashemi Rafsanjani, argued that Iran could preserve the regime while pursuing economic engagement with the West, others, particularly those close to Supreme Leader Ali Khamenei, remained convinced that engagement would only create new avenues for external pressure on the Islamic Republic.

The 2015 Joint Comprehensive Plan of Action (JCPOA) briefly let Tehran test whether the dispute with Washington centered on the nuclear program rather than the regime itself. Subsequent events discredited that interpretation in Tehran's view: the 2018 US withdrawal from the JCPOA, the "maximum pressure" campaign that followed, the 2020 killing of Major General Qassem Soleimani, and the 2025-26 wars came to be seen as successive stages of an effort to weaken or overturn the Islamic Republic. The corollary became that the nuclear file was never the core issue.

The aftermath of the 2026 war is likely to dispel any possible doubts within Tehran's foreign policy establishment about Washington's true intentions. The killing of Ayatollah Khamenei and most of Iran's top security leadership, coupled with the many statements made by both President Donald Trump and Prime Minister Benjamin Netanyahu that regime change was their objective, have settled that debate for Iranians. With Iranian leaders increasingly convinced that regime change is ostensibly the enduring objective of US policy toward their country, Tehran will judge future diplomacy vis-à-vis Washington primarily through that lens rather than on specific issues. Negotiations may still occur, but as mechanisms for managing conflict and preserving deterrence rather than as vehicles for strategic reconciliation.

This has profound implications for Iran's future foreign policy and options for the United States. Rather than expecting diplomacy to transform relations with Washington, Tehran is likely to treat agreements as temporary understandings within a perpetual strategic rivalry, believing the US is chronically predisposed against the regime, regardless of who occupies the White House.

Lesson Two: Breaking Out of Strategic Loneliness

The Iran-Iraq war reinforced a second enduring lesson: Iran ultimately stands alone. Nearly every Arab government supported Iraq, while both the United States and the Soviet Union also tilted toward Baghdad. This hardened into the notion of strategic loneliness, a perceived structural feature of Iran's position, reinforced by its long history of domination by great powers. The Islamic Republic's alienation was largely self-inflicted, as its rhetoric about exporting the revolution threatened most of its neighbors. Nevertheless, the perception of strategic isolation became part of the Iranian mindset.

This notion shaped Iranian strategy for decades. Instead of relying on formal alliances with states, Tehran sought security through shadowy non-state actors and embedded itself into the political and security structures of fragile states, including Lebanon, Iraq, Syria, and Yemen. The resulting "Axis of Resistance" was not merely ideological; it was a strategic response to what Iranian leaders viewed as permanent geopolitical isolation.

This strategy carried real costs. While it expanded Iran's regional influence and created a semblance of deterrence, it deepened Gulf Arab animosity, as many viewed Tehran less as a defensive power than as a revisionist actor undermining Arab sovereignty. Paradoxically, Iran's antidote for strategic loneliness reinforced its isolation.

The June 2025 12-day war, in which the United States and Israel jointly attacked Iran, decimating a layer of the regime's security personnel and several nuclear enrichment assets, reinforced this sense of isolation. Although Russia and China maintained strong relations with Iran, both remained on the sidelines, offering only sparing rhetorical and diplomatic support.

The question is whether Iran coming out of the 2026 war places sufficient primacy on economic recovery to engage in constructive diplomacy with its Gulf Arab neighbors. Iran's actions during the war have done serious damage to its relations with the Gulf Cooperation Council (GCC) states, but Tehran may try to exploit Arab doubts about US reliability and play up the fact that Washington started the war to get them to see the necessity of engaging with the Islamic Republic. Tehran will try to make the GCC states feel the full weight of being both dependent on Washington and geographically vulnerable to Iran. If, however, the war persists and Iran's wartime attacks on Gulf states become its defining legacy, strategic isolation could deepen rather than diminish.

Lesson Three: From Strategic Ambiguity to Overt Deterrence

The third major lesson of the Iran-Iraq war was that Iran could not compete directly with adversaries possessing superior conventional military and economic power. Tehran instead pursued a course of indirect competition, strategic ambiguity, and asymmetric capability, projecting influence through the shadowy world of regional proxies while maintaining a level of vagueness about its own role. This "hiding in plain sight" approach let Iran deter attacks without inviting direct confrontation. And for four decades it underpinned Iran's forward defense doctrine, shifting confrontation away from the Iranian heartland and into fragile regional states while affording plausible deniability. This deterrence strategy also dovetailed with Iran's desire to project power into the region, challenge US influence, and keep Israel permanently surrounded by a "ring of fire." Support for non-state proxies accomplished these objectives: it created deterrence and imposed multiple pressure points on Israel, the United States, and its Arab allies, while providing Tehran with varying degrees of plausible deniability and ambiguity.

After Hamas' October 7, 2023, attack on Israel, the assumptions underpinning the deterrent element of this strategy began to erode. Israel's willingness to take greater risks, expand military operations regionally, and strike senior Iranian personnel showed that ambiguity no longer restrained Tehran's adversaries as it once had.

The 2025 and 2026 wars further eroded confidence that indirect, proxy-based deterrence alone could prevent direct Israeli and American attacks on the Iranian heartland. The likely lesson: deterrence now requires pivoting toward more aggressive, overt, and direct demonstrations of state power, such as missiles, drones, and cyber-attacks, and the specter of a chokehold on the Strait of Hormuz. Meanwhile, the war has also demonstrated that Iran's own missile and drone forces can have a far greater effect by targeting the Gulf states and interrupting regional energy exports through the Strait of Hormuz.

The objective of this direct approach is not conventional victory but rather the creation of deterrence. Where this once rested on the anticipated response of Iran's regional partners, it will now likely lean on coercive capability directly attributable to Iran itself. Whether this shift strengthens Iran's security or exposes it to greater danger remains uncertain. Overt coercive capacity may convince adversaries that future attacks will be prohibitively costly, but it could also raise escalation risk by reducing the flexibility ambiguity once provided. Managing that tradeoff is likely to become one of the defining challenges of Iranian foreign policy after the war.

Iran After the War: Three Strategic Scenarios

The lessons Iran has learned from the war and its aftermath give us a baseline from which to think about how Iran's foreign policy might adapt going forward. These lessons suggest that the 2025-26 wars are unlikely to produce a complete break from the past in Iran's foreign policy, at least in the short to medium term. Therefore, Iran's future foreign policy will likely reflect continuity through adaptation rather than wholesale transformation.

Iranian decision-making is famously opaque, and it is far too early to state conclusively how the war will reorient Tehran's strategic thinking. However, the lessons the regime appears to have drawn so far suggest a range of scenarios that might be pursued. Which scenario approximates reality will depend on Iran's domestic politics, leadership dynamics, the reactions of its neighbors as well as those of the United States and Israel. All scenarios point to Iran being extremely hawkish toward the US and its allies, at least in the near term. Where they differ is how Iranian officials believe regime security is best achieved after the war.

Scenario One: Fortress Iran

In this scenario, the Islamic Republic concludes that the 2025 and 2026 wars confirmed its darkest assumptions about American and Israeli intentions toward regime change, and emerges more dangerous, threatening, and intent on extracting concessions from its GCC neighbors. Iran remains willing to accept and even embrace strategic isolation, judging that the long-term risks and costs of rapprochement with the United States and its regional allies outweigh the marginal short-term benefits. Diplomatic initiatives, when they occur, are tactical, aimed at buying time rather than reducing strategic hostility. The goal is to convince the GCC states they need to hedge against the United States and "buy" security from Iran. Iran uses the GCC states as hostages in its struggle with Washington, periodically reminding the world of its ability to close the Strait of Hormuz. Pushing the United States out of its forward GCC positions would be Iran's long-term goal.

Such an Iran relies more on coercive signaling than diplomacy. Economic development is important, but only insofar as it funds the state's ability to thwart the efforts of the United States and Israel. Rather than a liability, isolation is treated as a necessity, alongside closer ties with Russia and China, and continued investment in missile forces, cyber capabilities, and the Axis of Resistance.

Though the Iranian state of this scenario might look like a continuation of the past, it would be much worse for American and regional interests: namely, an Iran that is more confident, challenging, and demanding, believing a more strident, aggressive foreign policy is necessary to create deterrence.

While in some quarters this scenario is seen as the most likely outcome, it also carries the greatest attendant risks for Iran. Greater reliance on coercion would deepen its regional isolation, incentivize the GCC states to find a way around the threat Iran holds over them, and risk repeated military crises. A strategy designed to maximize deterrence could ultimately undermine the stability necessary for Iran's own long-term security and economic recovery.

Scenario Two: Active Deterrence With Regional Engagement

This second scenario has many of the same characteristics as the first: Iran believes that to sustain deterrence, it needs an aggressive, hawkish, direct, and forward-leaning foreign policy, and that it needs to try to reduce Washington's hold over its GCC allies. It also assumes that the US and Israel have not given up their goal of regime change. The difference is that here Iran combines robust deterrence and overall hawkishness with pragmatic regional diplomacy as a means to ensure regime survival.

This does not assume that Iran becomes more conciliatory toward the GCC or abandons its aspiration to force the United States to retreat from its bases in the region. Rather, in this scenario, the leadership surmises that economic engagement is the more effective strategy for strengthening the regime. The objective remains above all else regime survival and Iranian regional influence; only the means change, with the economy viewed as an essential component of regime security.

Another goal of Iranian diplomacy is to try to nudge the GCC states further out of the US orbit rather than to seek to establish a mutually beneficial regional security framework. Given US presence in the GCC states, Iran sees regional security in zero-sum terms. In this scenario, diplomacy becomes another instrument of rivalry, not an alternative to it.

Under the second scenario, Iran likely endeavors to persuade Gulf Arab governments that their security and economic interests are better served by a stable relationship with Tehran than by exclusive dependence on Washington. But believing that the tug of war for GCC alignment with Washington will continue after the war, the Iranians without compunction will exploit GCC insecurity, pressuring the Gulf states to “buy” insurance against Iran’s own threats of possible aggression. Diplomacy is not pursued because Iran sees the GCC states as regional equals but because it serves Iran’s post-war economic needs and ambitions.

Over time, it is possible that economic realities counterbalance the imperative of pursuing a hard-edged foreign policy toward the GCC states. Iran could prioritize economic recovery and the need for foreign investment, while also remaining committed to sustaining deterrence and maintaining a willingness to respond forcefully to perceived threats. Yet both in the short and medium terms, Iran in this scenario remains simultaneously menacing and inclined to use diplomacy to advance an economic agenda. Economic and security considerations are linked and seen as mutually reinforcing: a functioning economy could be necessary for long-term regime survival, keeping in mind the protests motivated by economic concerns that occurred throughout Iran right before the 2026 war.

Scenario Three: Long-Term Strategic Normalization

This scenario is the least likely in the short term but potentially the most significant over the long term. It would not necessarily involve regime change but would require significant regime adaptation. It would likely be a gradual evolution comparable to Vietnam’s transformation after decades of conflict and regional infiltration.

The Vietnam analogy does not imply similar political systems or historical experiences. But both countries emerged from long wars convinced they had resisted a militarily superior United States, and both were animated by revolutionary ideology and regional interventionism. In Vietnam’s case, confidence eventually opened political space for economic reform and broader regional integration without abandoning one-party rule. The catalysts were leadership changes within the regime plus the economic pull of the Association of Southeast Asian Nations (ASEAN), the collapse of the Soviet Union, and the rise of China.

A similar dynamic could eventually emerge in Iran. Under this scenario, the current or future government concludes that regime survival is secure and, therefore, gradually shifts away from resistance against the United States and Israel and toward economic modernization and regional integration. Strategic confidence, paradoxically, creates greater flexibility rather than greater rigidity. But critically, such an outcome assumes that Iran sees itself as coexisting in a region among equals rather than as the dominant player. History both before and since the Iranian revolution suggests that this is a stretch.

Whether Iran can move in this direction is highly uncertain, and perhaps even doubtful, which is why this scenario remains speculative. It would depend on sustained regional stability, a reprioritized domestic agenda, and willingness on the part of external actors to test whether Iranian behavior is capable of gradual evolution. It would also require an understanding by regional and global actors that while Iran may have been motivated by an ambition for regional influence, its behavior has also been shaped by perceptions of threat, legitimate security concerns, and a sense of strategic isolation.

As far-fetched as it may seem today, the third scenario should not be dismissed. History teaches us that states emerging from traumatic wars often redefine their strategic priorities in ways that appeared improbable during and immediately after the conflict. While it may seem unlikely from where we sit now, the death of Ali Khamenei opens opportunities, as narrow and remote as they may be, for a fundamental change in direction.

Implications

The three scenarios presented here differ not only in how Iran seeks to ensure regime survival but also in their implications for regional stability and the welfare of the Iranian people. Iran's foreign policy since the Iran-Iraq war created a measure of deterrence — though at considerable cost to regional stability and to Iran's own economic development.

The *Fortress Iran* scenario would likely amplify those costs. Whereas Iran’s earlier strategy of indirect deterrence imposed many of its costs on fragile states such as Lebanon, Syria, Iraq, and Yemen, a strategy built around direct coercive deterrence would increasingly place economically dynamic Gulf Arab states at risk. The consequences would extend well beyond the region, threatening global energy markets, investment, and broader international economic stability. Such a course could also further delay Iran’s own economic recovery, leaving the Iranian people to bear many of the long-term costs of continued confrontation.

The *Active Deterrence With Regional Engagement* scenario presents a more mixed outcome. Iran would remain coercive and continue to use deterrence aggressively; however, it would also have stronger incentives to pursue diplomacy with the Gulf Arab states as part of a broader strategy of regime consolidation and economic reconstruction. Competition and coercion would not necessarily disappear, but economic recovery could gradually create incentives for a less confrontational regional environment over time. Whether that dynamic ultimately proves self-reinforcing would depend on decisions made in Tehran as well as in the Gulf Arab capitals, Washington, and Jerusalem.

The *Long-Term Strategic Normalization* scenario offers the greatest potential benefits for both regional stability and the Iranian people. It assumes not a fundamental change in Iran's security concerns but a gradual evolution in the means through which those concerns are pursued, placing greater emphasis on economic modernization and regional integration. This would be the best-case scenario for the Iranian people, who are hungry for integration into the global economy and for a better future for their country. Whether that comes through regime adaptation, as occurred with Vietnam in the 1990s, or via a different regime, remains to be seen.

For the United States, the policy implications follow naturally from these scenarios. Washington should seek to deter and contain the first scenario, adapt pragmatically to the opportunities and risks presented by the second, and, over the longer term, help create conditions that increase the likelihood of the third. Washington cannot determine which of these scenarios Iran ultimately pursues, but its policies can influence which path becomes more attractive to Tehran.

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Photo by SAUL LOEB/AFP via Getty Images

Iraq: Between Iran and a Hard Place

Kenneth M. Pollack

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It has become a commonplace for Americans to describe our current war with Iran as stuck in a kind of limbo, neither full war nor real peace. We're not the only ones. Iraq finds itself caught in a limbo of its own, between America and Iran, between the tolerable and the intolerable, between progress and relapse.

And like our own muddled state of affairs, theirs too is one largely — but not solely — of our devising.

To understand Iraq's current predicament, there are three things one must recognize. That the fiercest political divides are no longer among Sunni, Shiite, and Kurd, but among the Shiites themselves. That the prime ministry has increasingly become a facade hiding a battle among powerbrokers behind the scenes. And that Iraq may prove to be the worst casualty of the Iran war, despite playing barely a bit part in it.

All Politics Is Shiite

Iraq's second civil war — what Americans call the ISIS war — began in 2014 and ended three years later with the triumph of Iraq's Shiites over both its Sunni and Kurdish communities. That eventuality largely derived from the unwillingness of the United States to treat the conflict as a revival of the first civil war — the one the U.S. unleashed by creating a security vacuum after its invasion in 2003, and which we ended only with the surge of 2007-2008, which secured the country and forged a power-sharing agreement among the communities. By focusing myopically on wiping out the Islamic State, we allowed the Iranian-backed Popular Mobilization Forces to crush first the Sunnis and then the Kurds.

As a result, Iraqi politics today is all about the Shiites. The two great Kurdish parties, the Kurdistan Democratic Party (KDP) and the Patriotic Union of Kurdistan (PUK), still exist, but both must look to Baghdad for money and permission in ways they didn't need to before 2017. A handful of Sunni parties led by petty crooks scrabble to be rewarded with crumbs by the various Shiite parties that hold all real power and wealth in the country.

Worse, with each election, more power shifts to the Shiite parties most closely aligned with Iran. The tripartite division of Iraq — into Shiites, Sunnis, and Kurds — that Americans exaggerated and then exacerbated still exists, but it is almost beside the point. All power in Iraq is wielded by the Shiites and the only battles that matter to the future course of the country are those among various Shiite parties and personalities. Moreover, because of the way that the U.S. rushed to constitute a government after the 2003 invasion and then ignored Iraq's internal politics after the 2011 withdrawal of U.S. troops, the best among the Shiites have slowly but inexorably given way to the worst.

The War of the Would-Be Kings

In mid-July, Iraq's new prime minister, Ali al-Zaidi, came to Washington. Iraqis and Americans alike were thrilled. Dozens of new business deals were signed and President Donald Trump took an instant liking to al-Zaidi, inviting him to stay at the White House for an unscheduled lunch and calling him "a very brilliant guy." "This man is going to be a great leader in the Middle East, beyond Iraq. His influence is going to spread all throughout the Middle East," Trump predicted.

That was important because al-Zaidi was chosen prime minister of Iraq almost solely to win over the American president. Contrary to Trump's claims, al-Zaidi did not win the Iraqi election that brought him to power. He did not even run in it. He was chosen seven months after the race by the real power behind the throne, Iraq's chief jurist, Faiq Zaidan. Zaidan chose al-Zaidi because he believed him to be, in the words of many Iraqis, "the Iraqi Donald Trump." And Zaidan wanted an Iraqi Donald Trump because Trump, as he admitted, threatened to cut off all aid to Iraq if the Iraqis didn't choose someone he liked.

For Americans, the selection of al-Zaidi should illustrate two key points. First, as influential as Iran has become in Iraq, America still matters to Baghdad, and Washington can still exert its influence over the country. Too often over the past decade, Americans have assumed that Iraq was so lost to Iran that it wasn't worth trying to shape the country's future, creating a self-fulfilling prophecy. Second, the man calling the shots in Iraq is not the prime minister, but Zaidan from his unusual post as president of Iraq's Supreme Judicial Council. Especially since the end of the second Iraqi civil war, it is Zaidan who has emerged as the most powerful man in Iraq.

Zaidan is not a democrat. And despite his job title, he is not a terribly just man either, wielding power as ruthlessly as many prior Iraqi dictators — albeit nowhere near the horrors of Saddam Hussein — and he is not necessarily a friend of the United States. But he is an Iraqi nationalist; he does not seem to want to be a creature of Tehran, and he is mindful of American power. Moreover, he is the most formidable ruler of post-invasion Iraq since former Prime Minister Nouri al-Maliki.

Yet Zaidan's power is not unchecked. In addition to contending with the Iranians and, occasionally, Americans, Zaidan is reportedly being challenged by another Shiite leader, Qais al-Khazali — the leader of the Iranian-backed Asaib Ahl al-Haq militia, a U.S.-designated terrorist group. Al-Khazali is personally guilty of the murder of American soldiers during the Iraq War, but nonetheless hopes to be prime minister of Iraq and to wrest power from Zaidan. For that reason, al-Khazali has begun making overtures to the United States — just as Zaidan has.

The struggle for supreme power in Iraq between Zaidan and al-Khazali may well become the defining feature of Iraqi politics in the months, even years, to come. It may prove a more potent driver than what either the U.S. or Iran wants. Yet their fight is unlikely to displace Washington and Tehran altogether.

Despite the beating that Iran has taken during the ongoing conflict, Iraqis remain very wary of their great eastern neighbor, especially because many fear that Iran is likely to triumph in the end, emerging from the war with control over the Strait of Hormuz and tens or hundreds of billions of dollars to spend. But the war has also revived Iraqi respect for America's role, both in the show of unrivaled U.S. military power and because of Baghdad's urgent need for American assistance with its own oil exports amid the fighting.

Iraq and the Iran War

To read the American newspapers, you might be excused for thinking that Iraq was largely left out of the war with Iran. There are stories about periodic attacks on American forces and allies by the Iranian-backed Iraqi militias — followed by U.S., Israeli, and now Saudi retaliations — but these have been relatively few. The Kurds of the KDP have been hammered regularly by Iranian drones and ballistic missiles, but these bombardments barely register in the Western press. This is despite the fact that, unlike America's other regional allies, the Kurds don't have any air defenses of their own and neither the U.S. nor the Israelis have spared any to shield them.

Even worse for Iraq has been the war's impact on Iraqi oil exports. Before the war began, Iraq had climbed into fourth place among global oil exporters, behind only Saudi Arabia, Russia, and the United States. Iraq was exporting 3.5 to 4 million barrels of oil per day, nearly all of it through the Strait of Hormuz. The closure of the strait has choked off Iraqi oil exports to barely 250,000 barrels per day, a little more than 6 percent of their prewar sales.

Oil drives the Iraqi economy. Oil sales account for 85 to 90 percent of Iraq's government revenues. Almost 40 percent of the labor force works directly for the government (and more than 60 percent of Iraqis who earn regular, full-time wages). Moreover, roughly 40 percent have sources of income that rely heavily or entirely on those who work directly for the government.

So Iraq, like the other Arab states of the Gulf region, has had to rely on its savings to cover this massive shortfall in revenue, but unlike the Saudis, Emiratis, Kuwaitis, and Qataris, it does not have massive sovereign wealth funds to draw upon. Iraq's population is too large (48 million Iraqis compared to just 22 million Saudi citizens) and its economy too corrupt to amass significant public savings. Before the war began at the end of February, Iraq had about $110 billion in currency reserves. Four months later, in early July, and even after a few weeks with the strait mostly open, Iraq was still down to less than $80 billion in reserves. If the strait remains closed, at its current burn rate, Iraq can only cover its costs for another nine to 10 months at most.

The End of an Era, Again

In the midst of all this, the United States is withdrawing from Iraq, again. On September 30, U.S. forces are scheduled to leave Iraqi Kurdistan, having withdrawn from the rest of Iraq last year. Both American officials and many Iraqi elites expect some U.S. functions — like training and arms sales — to continue from a large Office of Security Cooperation within the U.S. embassy. Of course, that is what the United States tried in 2011, only to find it was premature, and the absence of U.S. military forces led quickly to the revival of civil war and invasion by ISIS.

This time, the American departure is supposed to be accompanied by the disarmament of Iraq's Iranian-backed militias, but no one really expects that to happen as advertised. Most of the militias, including al-Khazali's, have agreed to disarm. Even these are expected to turn over only part of their arsenal, or integrate their troops into the Iraqi security forces so as to better control the latter. At least two groups, Kata'ib Hezbollah and Harakat Hezbollah al-Nujaba, have simply refused to lay down their weapons, and given that they're the main perpetrators of attacks on Americans and American allies in recent years, that is no trifling matter. No one knows what the Iraqi government will be willing or able to do with them, but it will be an acid test for both Washington — which wants them disarmed — and Tehran — which does not.

Where does all of this leave Iraq? Up for grabs. Each of these elements creates points of leverage for the U.S. if the Trump administration is willing to employ them. Washington can back the Sunnis and

Kurds — or merely threaten to do so — to incentivize better behavior from the Shiite groups. Likewise, Washington can lay out both redlines and demands for both Zaidan and al-Khazali and help one or the other, or back a third candidate against both of them. The U.S. doesn't have to do enough to win the power struggle; it simply has to complicate the internal fight enough to secure Iraq's compliance with our requirements. The U.S. can also help Iraq manage its finances with loans from international organizations like the International Monetary Fund and World Bank, or even its own Treasury, in return for tangible changes in policy.

Yet Iraq's predicament also serves as the millionth reason why the United States cannot afford to be seen as having lost the Iran war, let alone having surrendered control of the Strait of Hormuz and acquiesced to Iranian coercion of our Gulf allies. The Iraqis are watching carefully too. If they believe that Iran won the war, America's significant residual influence will evaporate. Iraq truly will become an Iranian satrapy and serve as a gateway for Iranian power and influence into the Arab world.

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Lebanon: Where the Axis of Resistance Breaks First

Fadi Nicholas Nassar

The war with Iran has not yet resolved the contest between Tehran and Washington, but it has already begun to reshape the Middle East — and nowhere as clearly in the United States' favor as in Lebanon. It is in Lebanon that Iran's ability to project power through its proxies has suffered its most strategic setback following the decimation of the centerpiece of the Axis of Resistance, Hizballah. It is in Lebanon that Washington and its partners have the immediate opening to make that loss permanent. And it is in Lebanon that the wider struggle unfolding in the region between US-aligned states and the Iranian militias that hold them hostage faces a defining test: whether Washington and its partners have the determination to convert Iran's material losses into lasting strategic change.

As Washington envisions the shape of the Middle East after the Iran war, Lebanon embodies three factors at once: evidence of what Iran's waning power looks like on the ground, an opportunity to turn those hard-won defeats into permanent gains, and a test of wills Washington cannot afford to lose. Whatever comes next is not inevitable; it will be determined by the decisions Washington and its partners make before Tehran and its proxies can regroup. Getting Lebanon right sets the stage for what the US and the region can still choose: a new Middle East that replaces the Islamic Republic's legacy of endless war, failed states, and economic ruin with a future led by sovereign states, prosperous economies, and lasting peace.

Moreover, as Washington searches for ways to impose disproportionate damage on Tehran to force its new, hardline leaders to agree to end the war on terms acceptable to the United States and its allies, stripping Hizballah of its arms — and thus its domination of Lebanon — stands out as an obvious, critical card for the Trump administration to play. Losing Hizballah would be a signal defeat for Tehran, one that could undermine the regime's solidarity and offset any gains the Iranians could claim to have made.

Lebanon as Evidence of Iran's Waning Power

Since the Hamas attack on Israel on October 7, 2023, a steady accumulation of political, economic, and security losses has weakened Hizballah's position in Lebanon and exposed it and its Iranian patron to outright defeat. Hizballah was once the blueprint of Iran's proxy network and critical node that enabled Tehran to build a line of fire from Gaza to the Red Sea. But the group has emerged severely degraded from its back-to-back wars against Israel, which it undertook in support of Hamas and in revenge for the killing of Iranian Supreme Leader Ali Khamenei. In late June 2026, Israeli Prime Minister Benjamin Netanyahu claimed that Hizballah retained less than 10% of its pre-war missile arsenal and that Israel had killed around 9,000 of its fighters. Verifying such figures and quantifying Hizballah's asymmetric threat are impossible without military intelligence; the trajectory these losses set, however, matters more than any number.

Israel's ability to impose a security zone in southern Lebanon to map and destroy Hizballah's tunnel networks and stockpiles as well as to eliminate entire military cadres largely at will demonstrates firm control of the escalation ladder and deep penetration of the Tehran-backed militia. Individually, each of these marks a momentous tactical setback; together, they shatter the premise underpinning Hizballah's mirage of a deterrent — the premises that it could absorb more pain than Israel could inflict or the international community would allow, and that confronting it was not worth the cost.

Yet Hizballah continues to live and adapt in the space between what Israeli force alone cannot achieve and what Lebanese inaction allows. Iran has doubled down on smuggling arms, money, and Islamic Revolutionary Guard Corps (IRGC) personnel, taking a more explicitly direct role in reorganizing its crown jewel. Hizballah's fiber-optic, first-person-view (FPV) drone program illustrates that adaptation. Parts can be smuggled or produced locally, and the drones surprise their Israeli targets and record the strike. The strike itself and the associated video footage are dual sources of propaganda. Aimed at Israel, the drone attacks evoke an image of an adversary that can bleed Israel gradually, while signaling to Lebanon that Hizballah alone can challenge Israel militarily.

That propaganda and adaptation reveal an adversary intent on recovering what it lost, but the narrative hits a hard wall when confronted with reality. It was American influence, not Hizballah's drones or fighters, that halted Israel's advance. Judged by what its arsenal is claimed to be able to accomplish, Hizballah is demonstrably failing. Hizballah's weapons did not deter or defeat occupation; they invited it and cannot reverse it. And their power to deter the Lebanese state from asserting its sovereign authority, though still looming, is fading. The state has yet to confront Hizballah militarily, leaving space for the militia to regroup, but Lebanon's government is reasserting its sovereignty in nearly every other respect.

Lebanon's tightened control over its airport, ports, and borders, combined with the fall of Bashar al-Assad in Syria, poses a growing structural challenge to Iran's ability to restore Hizballah as Beirut and Damascus consolidate state authority. American financial pressure, Israeli strikes, and Beirut's restrictions on al-Qard al-Hassan — a critical pillar of Hizballah's illicit economy — are straining Hizballah's financial and social network. Washington has expanded its targeting of Hizballah's smuggling networks and redesignated it "for service to the Iranian regime under the command of Iran's Islamic Revolutionary Guard Corps-Qods Force." US sanctions are also targeting Hizballah's allies like former presidential candidate Sleiman Frangieh. Nonetheless, 40 years of penetration remain embedded through what the Lebanese call the deep state: the judges, the generals, the public officials, and the state bureaucrats high and low, who enable Hizballah to obstruct the state from within. As long as Lebanon's cash economy thrives at the expense of the formal one, the informal networks that sustain Hizballah will endure. Though still incomplete, the direction being taken is what matters: a Lebanese state willing to act, backed by a United States unwilling to look away, is the key to permanently severing Hizballah's lifelines.

Nothing illustrates that change more than the shifting political landscape. The loss of Hassan Nasrallah, Hizballah's longtime secretary-general, deprived the organization of more than a charismatic leader.

Nasrallah was the chief interlocutor between the public, Hizballah, and Tehran, who cast Hizballah as part of an ascending regional story and folded personal loss into a larger arc of victory. His killing, together with the elimination of the group's founding military leadership, stripped Hizballah of the individuals who guided it through past defeats and allowed it to keep telling a story of triumph. Their deaths forced an IRGC unwilling to let go of its four decades' investment to fill the vacuum. Iran's more explicit direction, including reports of Iranian officers in Lebanon, further undermines Hizballah's claim to be a Lebanese resistance force and deepens its image as a tool of Iranian occupation. This is a trend reinforced by the recent US redesignation of Hizballah.

In addition to losing its most persuasive storyteller, Hizballah has also lost the very appeal of its story. Its narrative of resistance and inevitable victory cannot survive the facts. The foreign wars it launched have left it on life support, its arsenal invites Israeli occupation and cannot end it, and the Shi'a community it claims to champion faces its most uncertain moment as a result. Its long war in Syria to prop up the Assad regime ended in full defeat. Hizballah's entire project — its endless war with Israel packaged as resistance, servitude to the Islamic Republic that pits Lebanon against the Arab Gulf states, and dependence on the illicit economy in place of a rules-based one — has failed Lebanon.

It is also being overtaken by the rival story that can extinguish it: that Lebanon's future belongs to the state. That narrative now commands the support and imagination of most Lebanese. While Hizballah remains a threat, it can no longer offer the Lebanese a future they are willing to accept. Hizballah has gone from an embodiment of an ascendant Iranian proxy empire to the harbinger of its fall: the axis's lifeline is now its most vulnerable link.

The evidence of that loss in legitimacy is overwhelming. The vast majority of Lebanese favor Hizballah's disarmament and reject war with Israel. Lebanon is not the case of a leadership bulldozing through decisions that serve the national interest despite their unpopularity. It is one where public opinion mostly favors that direction. The Lebanese public's spike in support for a permanent end to war with Israel is one of the clearest examples. Unlike Egypt and Jordan, where President Anwar Sadat and King Hussein bin Talal signed peace agreements regardless of popular approval, Lebanon has mounting public support for peace. In the summer of 2025, after Hizballah's war to save Hamas, Gallup found that 86% of Lebanese opposed war against Israel for a foreign cause and 79% wanted Hizballah disarmed. That was before the paramilitary group dragged Lebanon into an even more ruinous conflict. Having paid the price for Hizballah's wars, the Lebanese are coming around to peace, and faster than anyone predicted: a year ago, 25% approved of an accord; that number has since doubled.

A distinct Lebanese identity, a reassertion of national sovereignty, a definitive end to war with Israel, and the primacy of the state, once the fault lines of 15 years of civil war, have today become points of common ground for the population and its leaders. That in turn shatters the rationale on which Hizballah justified its exceptionalism — that the state could never be that stable ground — and exposes Hizballah as the principal obstacle standing between Lebanon and the sovereign future its people want.

Time has proven to the Lebanese that a country dominated by Hizballah and hollowed out by mafias beholden to it can no longer be sustained. The crises that dysfunction has produced, from the 2019 economic meltdown to Hizballah's latest war with Israel, continue to drive a mass exodus of Lebanese from the country, leaving for the Arab Gulf states, Europe, North America, and other globally connected economies. When livelihoods are at stake and personal and familial futures are decided, there is no more honest referendum on the Islamic Republic's revolutionary and resistance project that Hizballah typifies than the destinations people choose. In the most consequential ways available to ordinary people, they are voting with their feet for states that offer sovereignty, the rule of law, and peaceful coexistence with the world around them.

Hizballah's declining popular legitimacy and ability to hijack Lebanon's future are also evident in what it can no longer prevent. In the past, when the state tried to assert its authority, Hizballah could paralyze governing and security institutions from within, mobilize waves of protests against the Lebanese government, assassinate opponents with impunity, and march its fighters in the capital. It was no longer able to block the state from going so far as to outlaw Hizballah's military activities this past March or, in June, to sign the Trilateral Framework with Israel and the United States, laying out the roadmap to end the Israel-Lebanon conflict, ensure both countries' sovereignty and security, and establish peaceful relations between them. Neither on the street nor in the halls of power, neither by force nor by persuasion, could Hizballah stop or delegitimize the Lebanese state from opting for a sovereign, peaceful future. Hizballah has so far, however, retained the ability to delay and deter the Lebanese from implementing the most critical changes needed to deliver that future.

Lebanon as Opportunity

Washington's opportunity in Lebanon stems from the rare alignment of having a willing partner in the Lebanese state, widespread support among the Lebanese people, and an adversary that is politically, economically, and militarily exposed. Hizballah's conceit that to survive is to win, even as Lebanon lies in ruin, has lost its currency. In contrast, Washington has established the framework that spells out a clear and more convincing theory of victory that Lebanese and Israelis share: disarming Hizballah, securing a sovereign Lebanon, and ending the Israel-Lebanon conflict once and for all.

In the Lebanese state, Washington has a head of government, Prime Minister Nawaf Salam, and a head of state, President Joseph Aoun, who are outside Hizballah's control and have committed to reclaiming their country. Lebanon's parliament, whose dysfunction should not be discounted, is one in which Hizballah has lost its majority. Beirut has taken irreversible steps to demonstrate its will, outlawing Hizballah's military activities, curbing illicit smuggling and finance networks, and signing the Trilateral Framework. Moreover, it has framed each step — holding a monopoly on force, border control, and authority over decisions of war and peace — as a national imperative. President Aoun's trip to Washington in July marked the definitive decision by Lebanon's leadership that it was banking on diplomacy and engagement with the US to reclaim its sovereignty rather than exploiting last June's US-Iran Memorandum of Understanding that seemingly offered Tehran a vote on letting Lebanon backslide into servitude.

Washington's role in all of this would not be to fight Lebanon's fight but to empower the Lebanese state, backed by its people, to succeed in that national endeavor, dismantle Iran's occupation by proxy, and permanently end the state of war with Israel once and for all. Washington has already achieved a diplomatic breakthrough by getting the Lebanese and Israelis to agree on how to get there.

The Trilateral Framework's major achievement, as former US Ambassador to Beirut David Hale writes, has been to establish that restoring Lebanese sovereignty and lasting peace are mutually interlocking. It also charts a path to overcome the main challenge to get there — Hizballah's disarmament — without tearing Lebanon apart. The agreement pairs Hizballah's disarmament with Israeli withdrawal, in pilot zones, under robust verification. Negotiations over the details continue. And though action on the ground must be seen to be believed, the blueprint itself offers the ingredients for success: a phased approach that keeps the steps of disarmament, withdrawal, and verification manageable, quick, and replicable. The phased approach also makes it difficult for Hizballah to spoil progress, as it allows the Lebanese Armed Forces (LAF) to concentrate on clearing Hizballah's footprint in each zone and keeping the group out, secures visible Israeli withdrawal, thus permitting Lebanese to return home, and raises the costs of Hizballah confronting the Lebanese state or the LAF as it does the job.

While Hizballah excels at leveraging targeted coercion to maximum political effect, it cannot fire first without major backlash — 2026 is not 2008, when Hizballah marched on Beirut and brought the state to heel as the world looked away. Its back-to-back wars have left it degraded and unpopular, while the LAF enjoys broad public support. Hizballah is surrounded by enemies on both borders, restricted by a state choking off its resupply lines, and faced with regular assassinations and airstrikes in its ongoing war with Israel.

Washington is also assembling the sticks and carrots to enable Lebanese-led success. For instance, the bipartisan Lebanon Sanctions, Stabilization, and Support Act conditions US assistance for the LAF on its performance in disarming Hizballah, supports Lebanese-led recovery and reconstruction, and sanctions and isolates Hizballah. The intent of the act is to increase the space for the Lebanese state to consolidate its authority and limit the room of Hizballah's allies to undermine it from within. In Lebanon today, Washington will find the leadership, the public, the framework, and the leverage to achieve victory. All that remains is for the United States to follow through. Perhaps the least appreciated opportunity is that on the Hill and in the White House, in an otherwise polarized capital, a growing bipartisan consensus holds that securing a sovereign Lebanon is in America's interests.

Lebanon as a Test

Favorable as the context is, it does not guarantee a positive outcome. Iran continues to reorganize, fund, and rearm Hizballah. The group remains a disciplined, ideologically coherent, and determined force whose residual coercive power, influence inside Lebanese institutions, and fearsome reputation have so far deterred the state from militarily confronting it. But that hesitation can be overcome. By building the LAF into a force capable and willing to enforce sovereignty, making the pilot zones work, denying Hizballah the means to regenerate, and shifting, irreversibly, the political calculus toward the state and away from the militia, Washington can supply the last ingredient victory requires.

Washington must confront that hesitation at its root, and the framework's phased design is built to help. Each pilot zone is a manageable space in which the Lebanese can prove they are willing and able to dismantle Hizballah's infrastructure and keep it out, Israel can prove it is committed to Lebanese sovereignty by withdrawing in return, and the entire process can be verified so that trust and momentum hold. While the pilot zones confine the space of confrontation, the step is politically irreversible, and precisely because so much hinges on it, it must be made to succeed and cannot be taken half-heartedly.

Empowering the Lebanese to take that step requires both the capability to do the job and the confidence that they will not be left alone as they confront Hizballah and Iran. The newly introduced bill in Congress is a step in the right direction, and the US has already tested an applicable model of success in Iraq, when it empowered the Iraqi military to defeat the Islamic State (ISIS). As MEI's Vice President for Policy Kenneth Pollack has laid out in more detail, providing American advisers and trainers, along with intelligence, logistics, and fire support, would do for the LAF what Operation Inherent Resolve did for the Iraqis who took on ISIS and won.

As decisive as US backing is, Lebanese action also depends on military leadership with a mindset equal to the mission, one matching that of President Aoun and Prime Minister Salam. The LAF's initiative in securing Beirut's airport is exactly the assertiveness that must be reflected at all levels of command. Personnel is policy. If the LAF is to enforce sovereignty, it must demonstrate, at the top, that it has left the old posture of being a balancing institution behind and is committed to enforcing the state's directives. The result would be a self-reinforcing dynamic: greater US presence and support, paired with more assertive Lebanese military leadership, would embolden those within the LAF prepared to act, and an assertive posture would prevail with each step forward.

Especially because of the legacy of failure of the United Nations Interim Force in Lebanon (UNIFIL), getting verification right, as the Washington Institute's Senior Fellow Matt Levitt notes, is essential to operationalizing the

Trilateral Framework. US leadership of a credible international mission is critical to verify success, identify deficiencies, and see failures addressed promptly and decisively. Washington has the trust and credibility to work with Lebanon, Israel, and a new international verification mission, providing the intelligence and operational advice needed to confirm Hizballah has been cleared from each zone, Israel has withdrawn, and the LAF has moved in to take their place and keep them out.

Beyond the military front, dismantling Hizballah's embedded network of influence is necessary to extirpate it. Building on US sanctions against Hizballah's networks and allies, and its redesignation as Washington rolls out its "economic D-Day" against Iran, Washington must also target exchange houses that funnel Iranian money to the group, compromised bureaucrats obstructing the state from within, and judges who grant it impunity, as Hanin Ghaddar has argued. The stick needs a carrot. Lebanese American University economist Walid Marrouch has similarly explained that Washington and its international partners should complement greater pressure on spoilers and scrutiny on Lebanese institutions to uphold their responsibilities with targeted support to bolster the state's capacity to uphold the rule of law, govern its economy, resolve its financial crisis, and control its borders, ports, and airports. Every institution the state rehabilitates — its central bank, its courts, its customs — is a gain for sovereignty and a loss for Hizballah's rule of chaos.

The tools, the framework, and the partners to achieve victory in Lebanon are all in place. What will now be tested is the will of Washington and Beirut to act with the resolve the moment demands and lock in the first re-ordering of the Middle East after the Iran war. A sovereign Lebanon and the defeat of Hizballah are within reach. Just as the Lebanese decided that their future belongs to the state, not to a militia beholden to Iran, success in Lebanon would signal to a region still hedging and an America seemingly hesitant to see through what it started that Iran's defeat, and the reordering of the Middle East, can be made permanent. In Lebanon, all of the evidence indicates that the combination of local partners committed to restoring their sovereignty, a weakened Islamic Republic, and a steadfast United States can together secure a future that serves the Middle East and America alike.

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NATO: Time for a Europe-US Transatlantic Security Bargain

Iulia Joja

In the aftermath of the Cold War, a group of American policymakers began arguing for the expansion of the North Atlantic Treaty Organization (NATO). They envisioned not just enlargement eastward in Europe, but also a broadening of NATO's mission southward into the Middle East. During that first decade, the region was rife with instability: from the 1991 Gulf War and the collapse of the Israeli-Palestinian peace process to civil wars in Algeria and Yemen, turmoil in Lebanon, and the rise of transnational Islamist militancy. The chaos along NATO's southern borders could become its new raison d'être and an even stronger case for growing the alliance.

"NATO will either develop a strategy and structure to go 'out of area' or it will 'go out of business,'" is how Senator Richard Lugar put it in an address to the State Department in 1993. Ronald Asmus, a policy expert and leading advocate of NATO enlargement, argued the organization needed a political reinvention, one that rebalanced the alliance and extended its engagement "well beyond [Europe] into the broader Middle East." A decade later, both Asmus and the Middle East Institute's Vice President for Policy Kenneth Pollack, then at the Brookings Institution, saw the September 11, 2001, terrorist attacks and 2003 Iraq War as decisive. It was time for Washington to acknowledge the greater Middle East as a primary strategic challenge for NATO's new agenda. This was part of a new burden-sharing logic. Europe felt an urgency to stabilize its southern and eastern flanks; the Americans were focused on threats from the Middle East.

Yet today, more than 30 years since it overcame and outlasted the threat from the Eastern Bloc, NATO is struggling. Russia is waging war on Ukraine, with spillover felt all along NATO's eastern flank. The United States, the North Atlantic Alliance's largest, most important member, is trying to pivot to Asia. And fresh conflict has erupted on Europe's doorstep, across the Middle East, with Western strategic rivals Russia and China both seeking advantage. Unexpectedly, for an alliance feeling unmoored, herein lies opportunity.

NATO's Role in a Shifting World Order

"I'm not happy with NATO," US President Donald Trump flatly stated at the 32-member political-military organization's July 2026 summit in Ankara. His comment was part of a pattern that has only intensified since the beginning of the American war on Iran. Ahead of a meeting last spring with NATO Secretary-General Mark Rutte, the US president expressed deep disappointment with the alliance that "wasn't there when we needed them." Trump singled out Spain for refusing to give the US access to basing for Iran operations, calling Madrid "a terrible partner in NATO." But Iran only served as an excuse for Trump to denounce a collective defense organization he had never been fond of.

The root of this transatlantic rift has ostensibly been an imbalance in defense spending, a real problem that has persisted for many decades. To President Trump's credit, his constant pressure on NATO members to commit to increased defense funding has expedited, solidified, and boosted earlier pledges — most recently, to 5% of GDP, when also counting defense-adjacent budgetary outlays for critical infrastructure. At the Ankara Summit, Secretary-General Rutte announced quantifiable progress and celebrated the "Trump trillion" in member pledges — with Spain remaining the outlier, asking for an opt-out from increased defense spending.

Despite Trump's blanket complaints, the level of support for America's war with Iran has varied widely among European allies. It is true that Spain refused to allow the US access to its airspace for attacks on Iran, arguing the war is a violation of international law. And no European NATO member sent troops to fight alongside Americans in Operation Epic Fury — notwithstanding the fact that reportedly none were asked to contribute, consulted, or even informed before the war commenced. But within days of the start of hostilities, Germany's Chancellor Friedrich Merz, for example, assured President Trump, "We are on the same page in terms of getting this terrible regime in Iran away." Berlin has allowed Washington to use the logistical hub in Ramstein and other bases for the Iran intervention, even if Merz would come to openly criticize the war and reject the possibility of European involvement. "What does [...] Donald Trump expect a handful [...] of European frigates to do in the Strait of Hormuz that the powerful US Navy cannot do? This is not our war," Germany's defense minister said.

Nevertheless, the war's consequences have been more severe for Europeans than for Americans, given Europe's dependence on hydrocarbon imports and continued vulnerability to energy shocks after cutting ties with Russia. It is in Europe's own interest to step up.

Politically Unpopular, Strategically Invaluable

Strategically, transatlantic security cooperation is as important as ever. As in most partnerships, the two sides have differing needs and fulfill varying, often complementary roles. To strip it down to the basics, Europeans rely on America's security guarantee. Without the US nuclear deterrent, the rest of the alliance is vulnerable next to Russia; President Vladimir Putin's nuclear saber-rattling is a reminder. The United States, for its part, benefits from forward basing and diplomatic cover offered by its treaty allies.

There is a rationale for instituting a clearer division of labor and more equal burden-sharing in the moment, but one important political obstacle currently stands in the way. Throughout Europe, President Trump is the most unpopular American president in a generation, likely in no small part due to his unpredictable or dismissive rhetoric regarding the value of alliances and liberal-democratic values. More than three quarters of Europeans now lack confidence in American leadership. Even though the 2003 Iraq War also divided Europe and ramped up anti-Americanism, President George W. Bush's unpopularity then pales in comparison to Trump's now.

In turn, NATO is growing less popular — or, at best, becoming a partisan issue — in the United States. Republicans especially have been souring on the alliance — from 55% in 2022 believing the US benefits a great deal from the partnership to 38% in 2026. Democrats remain favorable, with 82% seeing NATO benefits for the United States. However, emerging political figures in the Democratic Party are showing signs of populist, protectionist, and isolationist impulses. A new debate is emerging.

Leadership and public opinion go hand in hand, and American attachments are at present tenuous. Transatlantic security can, therefore, be expected to become a harder sell on both sides of the aisle in America going forward. Yet, for all NATO members, the strategic case for maintaining and further strengthening the alliance remains clear.

Iran ought to be a case in point. The Islamic Republic regime has orchestrated over 100 terrorist plots on European territory since 1979. Iranian drones in the hands of Russian units are terrorizing the Ukrainian civilian population, and missiles produced by Tehran have flown more than once into Europe. European trade and energy imports depend on freedom of navigation through the Strait of Hormuz and the Red Sea — both currently held hostage by Iran and its regional non-state proxies. This state of affairs certainly argues for a larger European role — military and diplomatic — in supporting America's efforts to degrade the Iranian threat in the Gulf region and beyond. And Washington should have expended more diplomatic capital prior to embarking on this war to secure it. History is instructive as to how NATO might have been involved.

In the run-up to the First Gulf War in 1991, following Saddam Hussein's invasion of Kuwait, the US formed a substantial coalition of more than 40 countries, including 19 European states, to check Iraqi aggression. The effort was led by James Baker, secretary of state in the administration of President George H.W. Bush. Baker undertook the arduous but enormously useful work of coalition-building, spending weeks traveling to allied capitals to secure military, logistical, and financial support. NATO as an organization, aided by individual member contributions, provided early-warning aircraft, naval forces to secure Mediterranean shipping routes, and air defense, medical support, refueling, and transportation assistance. This formidable coalition assured Americans of material burden-sharing and broad diplomatic backing.

Maritime Security in the Strait of Hormuz

Today, one area where America's NATO allies could be especially helpful in the context of the Iran war is by contributing to maritime security in and around the Gulf. Indeed, several European governments have already expressed a willingness to do so. At this year's Ankara Summit, a coalition co-led by the United Kingdom and France signaled readiness to lead efforts to secure freedom of passage in the Strait of Hormuz after the war. And last spring, the European Union's high representative for foreign affairs, Kaja Kallas, floated the possibility of replicating Operation Aspides — the EU's mission aimed at protecting commercial vessels from the Houthis in the Red Sea — in the Gulf. In the Black Sea, NATO members Romania, Bulgaria, and Turkey have been informally aiding Ukraine in exercising freedom of navigation and continuing commercial trade despite Russian attacks on ports and ships. In the Strait of Hormuz as well, Europeans could share the burden and work with America's Gulf partners to ensure freedom of navigation and deter future Iranian aggression.

European contributions to maritime security in the Gulf could take several forms, drawing on capabilities the alliance already possesses. Minesweeping and mine-countermeasures are the most obvious, given the importance of the sea mine threat in Iran's arsenal of options. European navies can contribute some of the world's most capable mine-hunting fleets: Poland, France, and Finland lead the continent in mine and counter-mine warfare.

Additionally, Europeans could lead a convoy protection operation employing frigates and destroyers to escort tankers passing through the Strait of Hormuz — this effort would be modeled on Operation Aspides in the Red Sea, as EU High Representative Kallas has previously suggested. Notably, they already have a local operational basis on which to build up such a new mission: the European Union has maintained a small maritime-awareness mission in the strait, led by France since 2020, in response to increasing Iranian attacks on commercial vessels. Even a scaled down European contribution, such as intelligence collection and liaison functions performed by a multinational Gulf-focused operation in coordination with the US, as proposed by Admiral James Stavridis (USN, ret.), could have a significant impact.

Finally, Europeans bring complex intelligence, surveillance, and reconnaissance (ISR) capacity, maritime patrol aircraft, and satellite coverage that could be shared with Gulf partners to extend warning times against drone and missile attacks on shipping, utilizing mechanisms similar to those used in the Red Sea. The United States could play an intermediary role under such a scheme, facilitating coordination between NATO members and Middle Eastern allies to secure an equitable division of labor in pursuit of the common goal — ensuring freedom of navigation as well as deterrence of Iran and its proxies.

The Abraham Accords and NATO

That said, NATO allied assistance need not be limited to military efforts. There is an under-explored avenue the Europeans can exploit to relieve American strain in the Middle East and contribute to burden-sharing: buying into the Abraham Accords. This, too, would be in Europe's interest.

Washington's 2020 normalization framework between Israel and the United Arab Emirates, Bahrain, Morocco, and Sudan — though never fully implemented by Khartoum — laid the foundations for a US-aligned regional bloc, valuable in countering Iran and promoting broader regional security.

Europe can supply something the accords have so far lacked: credible advocacy for tying normalization back to the Palestinian question. So far, the framework's elite-driven bargains have outpaced public legitimacy across the Arab world. Furthermore, Saudi Arabia's continued abstention hinges on the unresolved Palestinian issue. European governments — with a decades-long track record of engagement in Israeli-Palestinian diplomacy — could enhance confidence-building. They could also, in the spirit of meaningful burden-sharing, add material support to reconstruction efforts in Gaza and southern Lebanon.

Until now, Europeans have preferred to watch from the sidelines. The Americans should encourage a larger European role. But ultimately, European elites must embrace the notion themselves that engagement with the Abraham Accords inarguably advances European interests. First of all, building European support for the accords would bring numerous security benefits: increased coordination and interoperability with countries in the Middle East and North Africa, the option of joint planning under US Central Command (CENTCOM) toward integrated air and missile defense, intelligence fusion against Iranian proxy networks, and naval coordination for mine countermeasures and escort capabilities described above. A European contribution to the Abraham Accords would create a seat at the table and a strategic stake for the continent. A passive, hands-off policy has proven detrimental: Saudi Arabia's, Turkey's, and Pakistan's recent moves to deepen intra-regional defense ties under the Mecca Pact, for example, are part of broader regional trends that challenge the US-backed Abraham Accords as well as NATO security architecture in Europe.

Beyond security, the Abraham Accords offer potential commercial and diplomatic opportunities for Europeans. Overlapping interests and innovation in the fields of energy transition, artificial intelligence, semiconductors, critical minerals, and infrastructure provide avenues for bringing Europe and the Gulf closer together. The accords have already demonstrated how normalization unlocks capital and technology flows once political barriers are removed. The surge in Israeli-Emirati trade and the trillion-dollar-scale Gulf investment pledges into the American economy can be considered benefits of increased regional cooperation. Europe is the Gulf's second-largest trading partner (after China). Of course, the Europeans, Americans, and Israelis do not share identical objectives, neither in the security nor in the commercial realm. Nevertheless, combined European-American efforts could demonstrably enhance regional stability and prosperity in ways that neither side can achieve entirely on its own.

For NATO's European members already searching for a maritime and diplomatic role to justify their southern-flank relevance, buying into the Abraham Accords is a way to convert Middle Eastern instability from a source of transatlantic friction into a shared strategic project.

Tackling Moscow's Misconduct in the Middle East

Deterring Russia has undoubtedly returned as a primary concern for Europeans but should not be considered solely the responsibility of Central-Eastern Europe, particularly since Moscow's destabilizing activities are not confined to NATO's eastern flank. Russia's inroads into MENA over the past decade, for instance, present complex and wide-reaching challenges to the security of the alliance as a whole. The Russian intervention in Syria beginning in 2015, including its military's targeting of civilian areas as well as Russian security services' documented efforts to facilitate, trumpet, and otherwise exploit the flow of north-bound Middle Eastern refugees, worsened Europe's migrant crisis around this time. Moreover, Moscow's military mission in Syria created a framework from which Russia built up battleground-level cooperation with Iran and its proxies. Beyond the immediate region, Russia has also used its foothold in Syria to deploy private militaries into Libya and deep into Sub-Saharan Africa, orchestrating coups, again weaponizing migration, and amplifying anti-Western sentiments across the continent.

Over the ensuing 11 years, Moscow's strategic partnership with Tehran has borne fruit for both sides. Iranian support, particularly in the form of mass-produced combat drones and missiles, enabled Russian wins in Ukraine — if not in territory, then in attacks on civilian centers and critical infrastructure. In recent months, Russia reciprocated by supplying Iran with sophisticated weapons, intelligence used to target American soldiers and bases, and engaging in nuclear cooperation throughout the war. European intelligence revealed that Moscow has been sending explosives, drone components, and ammunition to Tehran via the Caspian Sea — an inland maritime route that is particularly difficult to disrupt — in an effort to replenish Iranian stockpiles damaged by US and Israeli airstrikes, and this illicit, trans-Caspian arms trafficking has flowed both ways. Russia has also delivered weapons and intelligence for targeting Western commercial ships to Iran's proxies across the Middle East, including Hizballah, Hamas, and the Houthis. Furthermore, Russia and Iran have for years operated a global shadow fleet of oil tankers that American lawmakers are struggling to effectively sanction.

Iran's Axis of Resistance is already recovering from the damage it sustained from American and Israeli attempts to destroy it. NATO cannot credibly claim to be countering Russia while treating Iran as someone else's problem, when the two states share targeting data, propaganda networks, and sanctions-evasion routes.

NATO's own leadership has begun to acknowledge this convergence, even if the alliance's posture has yet to catch up with the rhetoric. Secretary-General Rutte has warned that growing cooperation is strengthening the military capabilities of Russia and Iran, with direct consequences for both the war in Ukraine and rising instability across the Middle East, describing a widening network of coordination between Russia, Iran, China, and North Korea that is reshaping security dynamics across multiple theatres. Rutte pointed specifically to Iran supplying Russia with drone and military technology used in Ukraine in exchange for Russian financing, which Iran in turn uses to fund regional instability.

At this stage, American unilateral action against Iran and disjointed European efforts against Russia are disconnected. Instead, the two fronts need to be aligned and integrated. A bargain seems obvious. The Europeans need more help on Ukraine — they are short on air-defense stocks and in need of additional military and intelligence assistance — in a theater the US has since identified as a secondary national security concern. The US needs European diplomatic support to reach a sustainable deal for freedom of navigation in the Strait of Hormuz. Minesweeping in the strait, as well as enhanced operations in the Red Sea, would also significantly aid US efforts. Washington should, thus, volunteer more assistance to the Europeans for Ukraine in exchange for Europe stepping up efforts to disrupt Russian assistance to Iran.

Conclusion

Three decades ago, a small group of American strategists saw what others missed: that Europe's security and Middle Eastern stability were intimately connected. The current conflict in Iran has, indeed, starkly highlighted how deeply the Gulf's stability remains intertwined with Europe's. But even prior to the war's outbreak, Russian-Iranian cooperation played out daily on Ukrainian battlefields. Russia and Iran are learning from and supporting each other in their respective wars. Today, NATO's future depends on addressing those links between the Middle East and the transatlantic space. And yet, the alliance still functionally treats these theaters as separate files.

What is needed now is a NATO response that connects the dots between Hormuz and the Black Sea, between drone shipments and shadow fleets, and between the Abraham Accords and the alliance's own southern flank. This requires European leadership to do the hard work of explaining why Middle Eastern security should matter to European publics. President Trump's transactional pressure has forced overdue burden-sharing. However, his administration's lack of tact has undermined trust not just with elites but with many ordinary citizens across the continent. It is true that European leaders must step up — not as a favor to Washington but because the alternative is watching the next crisis arrive on terms set entirely by Moscow and Tehran. It is equally true that for NATO to have any hope of achieving security throughout the transatlantic space, Washington simply cannot shed its crucial responsibility for global leadership.

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Photo by Abdel Majid BZIOUAT/AFP via Getty Images

North Africa: Connectivity Without Resilience

Intissar Fakir

North African governments have sought to remain outside the US-Iran conflict, regardless of their differing alignments and preferences. Geography insulates them from the fighting, but not from the consequences. The region's energy networks, maritime routes, and food supply chains, which generate opportunities in calmer times, are the same channels transmitting the war's shockwaves now. That duality is the region's predicament: what makes North Africa useful to others is what leaves it exposed. The region has become better connected faster than it has become economically resilient, leaving governments to absorb price, supply, and financial shocks generated elsewhere.

The war is not sorting the region into clear winners and losers. In Egypt, its impact has cut in opposing directions: Suez Canal revenue climbed as Gulf oil exports shifted toward Red Sea routes after the disruption of the Strait of Hormuz, even as foreign investors pulled billions from Egyptian treasury bills and bonds, weakening the pound and raising the cost of government debt. Algeria and Libya saw upsides they were not fully able to realize, as Europeans cut off from Gulf supplies turned to North African oil and gas. Algerian crude traded above $120 a barrel in April, giving Algiers leverage to renegotiate gas prices under long-term contracts. But higher prices also imposed costs on an economy and population exposed to imported inflation. Libya was able to capture the windfall from higher energy prices, but broader economic gains depend on greater political stability and export capacity the country has yet to achieve. Morocco's OCP, the world's largest phosphate exporter, illustrates the cleanest version of this duality. The United States suspended import duties to draw on Moroccan fertilizer as a substitute for disrupted Gulf supplies, even as OCP's own production was squeezed by the loss of Gulf sulfur feedstock. The winners and losers were therefore delineated less by country than by supply chain. The gains and losses alike reveal dependencies transmitted through the very connections that North Africa has spent years building.

How the War Heightened North Africa's Salience

The more important question is less which North African countries gained and lost from the war than what it revealed about the region's strategic position, and which of those effects may outlast the conflict. The disruption of the Strait of Hormuz did not simply reroute more global trade through North Africa. It changed the relative value of alternative suppliers, routes, and infrastructure already in place. European states could turn more heavily to Algerian gas and Libyan crude; energy could move through alternative pipeline and maritime connections. The Suez Canal and SUMED pipeline, which carries crude across Egypt from the Red Sea to the Mediterranean, gained value as flows redirected; so did Moroccan fertilizer when Gulf supplies were cut off. North Africa cannot replace every route the war disrupted, but it can replace enough to count when buyers need a backup.

The Iran war has revealed how deeply North Africa is embedded in a wider system that stretches from the Gulf through the Red Sea and the Mediterranean to Europe and the Atlantic, encompassing trade, energy, physical infrastructure, and digital networks. As governments and companies search for alternatives to disrupted suppliers and routes, the assets the region already possesses become more valuable, and its exposure to external shocks becomes clearer. Both of these make it more consequential.

Bystanders?

North African governments approached the Iran war largely as outsiders. Some had little affinity for the Iranian regime; others worried about what they saw as Israel's growing dominance. But what they shared was less a preferred outcome and more an interest in staying clear of a conflict they could not influence but were economically exposed to. Their different relationships with the US, Israel, Iran, and the Gulf produced different diplomatic responses, but the basic calculus was the same.

The same pattern was visible during the 12-day war in June 2025. Algeria condemned the attack as a violation of Iranian sovereignty, in line with its longstanding policy of non-interventionism rather than support for Tehran. Libya condemned both sides, a balance that perhaps owed more to its fractured government than to principle. Morocco, Tunisia, and Egypt focused instead on condemning Iran's retaliation against Qatar, reflecting which capitals were most invested in their Gulf relationships. That pattern has continued in the current war, as Iranian retaliation widened to other Gulf states.

North African governments have spent years trying to expand their room for maneuver by cultivating multiple partnerships. Morocco's and Algeria's relationships span the European Union (EU), the US, China, Russia, and the Gulf states. Egypt is similarly diversified; Tunisia and Libya have fewer resources to do so but still resist fixed alignment.

Nevertheless, cultivating more partners does not mean treating them all as equally important. Morocco's diversification has not displaced the strategic value it attaches to the US or its substantial relationship with Israel. Algeria has built a different hierarchy while resisting dependence on any single partner. The value of diversification is primarily bilateral: it offers better bargaining positions with individual partners and reduces some political dependence. What it cannot do is shield them from shocks like the Iran war, to which they are economically exposed, even though none was a party to it.

North African economies depend on international markets and networks for food, energy inputs, transportation, finance, and technology. Europe is their largest economic partner, the Gulf states are important investors and sources of financial support, and their growing Asian trade depends in part on maritime routes through the Red Sea and for some flows through the Gulf.

The same tension increasingly applies to digital infrastructure. North Africa's growing role as a landing and transit point for subsea cables linking Europe, Africa, and Asia increases the region's strategic value but also exposes it to disruptions along the maritime corridor through which these connections run. This tension is particularly notable for Egypt, whose cable infrastructure forms a major transit point in the Red Sea and the Mediterranean, where conflict can threaten cable infrastructure and complicate access to repair vessels.

This creates a specific tension for North Africa. Governments increasingly seek strategic autonomy in their foreign relations while what they have to offer is connectivity — but that connectivity is also what leaves them exposed. It is a strength and a vulnerability they have not yet fully reconciled. They have heavily invested in improving their connections to regional and global markets without developing equivalent capacity to absorb the price volatility, the supply disruptions, and the financial shocks transmitted through stronger global market connections.

Connectivity Cuts Both Ways

North Africa's strategic importance has traditionally been understood in terms of geography: its position between Europe and sub-Saharan Africa, its Mediterranean coastline, and its energy resources. Those still matter. But the region's value increasingly derives from what governments have built. Similar geographical advantages can produce different degrees of influence depending on whether they were developed into networks and hubs or left as unrealized potential.

Egypt shows this gap most clearly. It collects tolls on traffic transiting the Suez Canal, and the closure of the Strait of Hormuz sent that revenue sharply higher, reaching $419 million in April 2026, the highest monthly level since early 2024. The value of Egypt's infrastructure itself became clearer. Once the Strait of Hormuz was blocked, Saudi Arabia began moving oil through its East-West Pipeline to the port of Yanbu on the Red Sea to restore exports. In July 2026, after the Houthis announced their blockade of Saudi traffic through the Bab el-Mandeb, these exports were rerouted north to Suez and the SUMED pipeline at Ain Sukhna, further bolstering Egypt's importance and revenues.

At the same time, the Egyptian economy struggled with rising fuel and food costs. Further limiting the government's margin for maneuver, foreign investors sold Egyptian-pound treasury bills and bonds, withdrawing an estimated $5-8 billion from local financial markets. The episode exposed the vulnerability created by Egypt's reliance on short-term foreign investment in pound-denominated debt. When geopolitical uncertainty prompted investors to exit, it put additional pressure on the pound and raised borrowing costs.

Benefiting from its pipelines to Europe, Algeria offered a quick supply source for EU partners when Gulf hydrocarbons became less accessible. Higher oil and gas prices increased export revenues and strengthened Algeria's position with European buyers. But those same price increases also manifested in higher prices for goods, adding to inflation and fiscal pressures at home. The benefits for Algeria provided some cushion against the shock but did not entirely insulate the country from its impact.

Libya presents a different problem. It has comparable hydrocarbon reserves and proximity to Europe, but political fragmentation limits its ability to capitalize on increased European demand. The country's vulnerability is less in its exposure through connectivity and more in its institutional weakness and the lack of adequate domestic development required to translate its resources into reliable economic gains.

The TransMed pipeline, which carries Algerian gas to Italy, runs through Tunisia, placing it within one of the energy corridors between North Africa and Europe. But that position has provided limited benefits during the war, as the terms governing the transit of Algerian gas are set through longer-term agreements. Meanwhile, higher energy and commodity costs have compounded Tunisia's prolonged economic crisis. With even less fiscal space to absorb the costs of the war, Tunisia is more exposed to its downstream effects, without the benefits seen in other North African markets. Morocco benefits from significant connectivity through its electricity grid and pipeline infrastructure. The kingdom is linked to Spain via two subsea electrical cables with a combined capacity of 1,400 megawatts (MW), which allows electricity to flow in both directions between the Spanish and Moroccan grids. The two countries agreed to a third connection in 2019 to expand that capacity. The value of these links became clear in April 2025, when Morocco sent nearly 900 MW north across the strait — close to the available transfer capacity at the time — to help stabilize Spain during a major country-wide blackout. The Maghreb-Europe Gas Pipeline, which once carried Algerian gas across the Mediterranean, now runs the other way, providing a flow of regasified liquefied natural gas to Morocco. But the conflict has not been a net gain for the kingdom. It remains heavily dependent on imported energy and food, which means disruptions are transmitted into higher domestic prices and costs, raising questions about the country's overall resilience to repeated shocks.

Further, North Africa's connections run outward toward Europe and global markets more than across the region itself. Political tensions and weak intra-regional links limit the extent to which national assets provide regional resilience. Individual states can still derive leverage from their infrastructure and geographic positions. But without stronger intra-regional connections those advantages cannot be maximized.

The Future of Chokepoints?

The lack of regional integration, however, does not diminish the strategic value of individual chokepoints and critical connections across North Africa. Alongside the Strait of Hormuz and the Bab el-Mandeb, the Suez Canal and the Strait of Gibraltar form an interconnected system linking global trade, but they are governed differently. The Suez Canal is a man-made waterway, and passage is guaranteed under a treaty, but Egypt owns and operates it and collects transit tolls. Cairo maintains and invests in the canal as a source of national revenue. The straits of Hormuz and Gibraltar, along with the Bab el-Mandeb, are natural waterways, where the generally applicable international legal regime protects transit and does not permit littoral states to simply impose transit tolls for passage. The Iran war has, of course, challenged this status.

Whatever the ultimate outcome of the war and its impact on the administration of the Strait of Hormuz, Iran has already demonstrated that disruption can create bargaining power over maritime chokepoints that did not exist before. While international legal standards have not changed, this experience creates the possibility that sufficient political pressure can force negotiations over arrangements once considered settled, a precedent that North African states have certainly noticed.

Morocco sits on the southern shore of one of the world's busiest shipping lanes. Nothing suggests Rabat is preparing to toll or restrict transit in the Strait of Gibraltar, and international law forbids it. But the value of holding a sovereign position over a natural chokepoint looks different than it did before the Iran war, and the idea has already entered the Moroccan strategic discourse. In June, Professor Hamid Bouchikh, a former member of the commission on Morocco's New Development Model, argued that if the international community tolerated fees at Hormuz, it would become harder to dismiss similar charges at Gibraltar. He proposed a carbon tax rather than a conventional toll. This does not represent Moroccan policy, but a concept that remains legally impermissible has nonetheless entered the strategic discourse because of a potential Hormuz precedent.

Leverage, Position, and Strategic Autonomy

The Iran war has given North African governments another demonstration of a broader shift already underway: as the international system becomes more transactional and fragmented, geography, connectivity, political alignment, and unresolved grievances become sources of leverage. North African states exposed to disruptions they cannot control have reason to look for every available means of protecting their interests and expanding their room to maneuver. The challenging part is to do so without creating additional vulnerabilities.

Morocco's renewed emphasis on asserting sovereignty over the Spanish exclaves of Ceuta and Melilla on the North African coast offers a different example of this logic. The claims date to independence and the nationalist fervor around it; Rabat later pushed them into the background as other territorial priorities, particularly the Western Sahara, took precedence. Morocco would periodically revive the claims during crises with Spain. In 2026, that rhetoric intensified. Madrid's wartime rupture with Washington, after Spain denied the US use of its bases and criticized the strikes on Iran, created an unusually favorable opening for Rabat. A mix of conservative US policy figures, an Israeli official, and nationalist Moroccan commentators began challenging Spain's long-standing position that Ceuta and Melilla are integral parts of Spain. For some of them, the issue also offered a way to punish Madrid for its positions on Iran and Palestine. Morocco has historically raised the issue intermittently, more as a source of pressure on Spain than as a basis for a sustained diplomatic campaign, but the current tensions have created an opportunity to push the claim more forcefully.

None of this amounts to a change in US policy toward, or the legal status of, the exclaves. Morocco's claims have gained no formal international recognition, but what is perhaps changing is the political receptivity to them abroad. All of this has created a convergence of circumstances in which Morocco can press for greater concessions, exert influence, and test how far external support can be pushed on issues important to Rabat. The kingdom has long understood the tools at its disposal: the value of its geography, cooperation on migration, security partnerships, and strategic relationships with the US and Europe. But this new crisis demonstrated that disruption, dependence, and political fragmentation can create bargaining opportunities — a lesson that is resonating beyond the Gulf.

Governments across North Africa are already seeking greater autonomy in their partnerships and favoring relationships that deliver tangible gains, and a more contested international environment may strengthen those tendencies. But leverage should not be confused with strength. A country can have strategically valuable infrastructure while remaining acutely exposed elsewhere, gain bargaining power while becoming more dependent on external investment, or diversify energy routes while creating new digital vulnerabilities. This will be one of the central challenges facing North Africa. The region is becoming more valuable to outside powers, but it remains to be seen whether that growing importance makes it more resilient as it expands its strategic autonomy, builds on the connectivity that makes it attractive, and learns to employ new sources of leverage.

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Photo by Moawia Atrash/picture alliance via Getty Images

Syria: Opportunity Amid Regional Adversity

Charles Lister

When the United States and Israel launched military action against Iran on February 28, 2026, it set in motion a chain of events that saw violence spread across the Middle East. Yet as the region found itself engulfed in conflict and with hostilities continuing in Gaza and Lebanon, Syria remained quiet. In fact, as the fighting raged and Iran's shuttering of the Strait of Hormuz created unprecedented panic in global markets, Syria experienced its most peaceful months in 15 years.

This extraordinary situation was the result both of the country's internal process of stabilization and of its consistent policy of isolating itself from external problems and of refraining from interference in others' affairs. While Syria clearly sought to avoid being dragged into the regional melee, the war and its destabilizing effects created significant opportunities for a transitional government in Damascus determined to stay its course toward recovery.

"The Syrian Opportunity"

At the core of that opportunity was a vision that Syrian President Ahmed al-Sharaa and his government have sought to project consistently since coming to power after the fall of Bashar al-Assad in December 2024: that Syria can turn from a decades-long open wound in the heart of the Middle East into an island of stability whose recovery and reintegration will benefit all its neighbors. It was this message and ambition that arguably convinced the region and much of the international community to engage Damascus's new leadership so early on. Syria's ability to insulate itself from the regional war — and to keep stabilizing in spite of it — served as further evidence for those open to it, that the vision was genuine and achievable. Damascus secured at least $28 billion in investment in 2025, and deals worth even more than that have already been sealed in 2026.

This vision of stability and neutrality serves as the framing for Damascus's ultimate geopolitical objective: to position Syria as a hub of transnational commercial connectivity, leveraging its geographic position at the center of the region, with access north and west to Europe and the Mediterranean and south and east to the Gulf and Asia. This "Syrian Opportunity" has already won over many within the international community, but in the wake of this latest war with Iran, the shuttering of the Strait of Hormuz, and Houthi threats to Red Sea traffic, Syria has emerged as central to many potential solutions to the threats facing global trade, energy, and food security. With that in mind, President Sharaa was invited to present his vision of Syria becoming "an alternative and secure artery connecting Central Asia and the Gulf to the heart of the European continent" at an extraordinary European Union summit in Cyprus in April. The following month, Syria's finance minister was similarly invited to brief the Group of 7 (G7) Summit in France.

Domestically, Syria is in the early stages of rehabilitating its oil and gas sector, with Gulfsands already back at the Dijla oilfields and ADES taking control of Homs's gas fields. Following rapid rehabilitation work, Syria's largest natural gas facility in Tabiyeh in Deir ez-Zor Governorate resumed operational activities in September 2026. Meanwhile, agreements have been made with Chevron, QatarEnergy, ConocoPhillips, Novaterra, TotalEnergies, HKN, Dana Gas, and Power International to develop additional oil and gas infrastructure and to conduct onshore and offshore exploration.

Looking beyond Syria, however, developments could prove transformative, with three transnational pipeline projects — the Trans-Arabian Pipeline from Saudi Arabia to Syria and Lebanon via Jordan; the Arab Gas Pipeline from Egypt to Turkey via Jordan and Syria; and the Qatar-Turkey pipeline via Saudi Arabia, Jordan, and Syria — all being actively studied for rehabilitation and expansion, according to interviews with senior Syrian government officials. On July 17, Iraq and Syria signed an agreement to begin assessments on reactivating an expanded Kirkuk-Baniyas pipeline with an extension south to Basra, while the Trans-Anatolian Natural Gas Pipeline between Azerbaijan and Turkey has already been extended south to Aleppo.

Beyond oil and gas, significant diplomatic attention has been devoted to new regional railway and roadway mega-projects aimed at diverting commerce away from the Strait of Hormuz, using land routes west toward the Mediterranean. Given its geographic location, Syria is situated at the center of most of these proposed projects, which include a Saudi high-speed railway line linking Arar to Syria's coast through Jordan, as well as proposals by the United Arab Emirates to integrate Syria into its Iraq-Gulf Transit Corridor plans. Meanwhile, Jordan, Turkey, and Syria have formed a trilateral committee to coordinate a trade corridor by road and, eventually, via a revitalized Hijaz Railway line linking the Port of Aqaba to Europe. Lebanon looks set to integrate into that network, following an agreement in August 2026 to revive cross-border railway connectivity. Saudi Arabia has signed an agreement with Turkey to reestablish that historic railway's connectivity to the kingdom's Gulf ports. After a deal was reached in April to transport Iraqi oil exports via Syria to the Mediterranean, Syria already accounted for more than a quarter of the Middle East's fuel oil export market in July, with some of those exports sold as far away as the US.

Despite Abu Dhabi's earlier caution over the new leadership in Damascus, the UAE has become increasingly assertive in its positioning of Syria — as well as Turkey — as part of its drive to reduce its reliance on the Strait of Hormuz. On top of its $800 million deal, through DP World, to take operational control of the Port of Tartus, the UAE is also investing in free zones in "several" areas of Syria and working to create a land transport route connecting its Khalifa Port to the Mediterranean via Syria.

Tying all of this commercial interconnectivity together is the relaunch of an old idea, the Four Seas Project — positioning Syria as the corridor connecting international markets into, through, and from the Middle East via maritime channels in the

Gulf, Mediterranean, Black Sea, and Caspian. The visit to Damascus by Ukrainian President Volodymyr Zelensky in April and Turkey's subsequent lifting of customs restrictions on Armenia in May opened up for the first time the necessary geographic pathways for access to the Black Sea and Caspian Sea.

One other element of Syria's geoeconomic positioning is the potentially transformative effect it could have as a telecommunications corridor for the Gulf. Under what Syria's Ministry of Communications and Information Technology calls Project Silk Link, over a billion dollars of early Saudi investment aims to turn the country into a "strategic data connector." This would entail laying new submarine fiber-optic cabling from Spain across the Mediterranean and onward to the Gulf, replacing the inefficient and vulnerable cabling that runs circuitously through the Suez Canal and Red Sea before winding around into the Gulf. Doing so would reduce internet latency there by as much as 40 milliseconds, making Gulf states' visions of hosting global data centers, artificial intelligence (AI) hubs, and revolutionary smart cities realistic.

While the US and Europe have consistently embraced and supported these Syrian ambitions, the vision is, at its core, a strategy that could unite the Arab Middle East and Turkey. Though it took longer than most would have expected, that convergence has begun to trigger concerns in Israel, whose central role in the once-vaunted India-Middle East-Europe Economic Corridor (IMEC) now looks increasingly uncertain. If the early and assertive role of Saudi Arabia and Turkey in leveraging Syria's positioning as a strategic economic opportunity generated agitation in Israel, the more recent vocal backing of the UAE has only deepened it.

Enter the Spoilers

While the opportunities arising amid regional conflict are clear, the prospect of Syria stabilizing, recovering, and prospering — and the breadth of international support that ambition has drawn — risks emboldening spoilers. Broadly speaking, the malign actors best positioned and most determined to undermine Syria's success are the Islamic State (ISIS) and the Iran-Hizballah alliance.

The pursuit of chaos and all-out war with nation states is at the very core of ISIS's modus operandi, but Syria offers the terror group a unique set of conditions to exploit. On one level, the transitional government in Damascus is led by individuals whose earliest roots lie within ISIS's predecessor movements but who have been its adversaries since 2014 and are now embraced by America and the West. That breeds extreme animosity and explains why President Sharaa and senior officials such as Interior Minister Anas Khattab have been targets of repeated ISIS plots in recent months.

On another level, in ISIS's eyes post-Assad Syria looks much like post-Saddam Iraq — where a flip from minority to majority rule is paired with ethnic and sectarian complexities, damage done by years of civil conflict, foreign intervention and influence, and high levels of global attention and stakes. For ISIS, the desire and opportunity to exploit all these complex, fragile, and combustible fissures drives its continued activity on Syrian soil — to tear down the transition and ignite a ruinous and brutal return to civil war.

However, ISIS has struggled to achieve momentum amid Syria's transition. After spending 2024 as a resurgent force — tripling its 2023 operational tempo and doubling the deadliness of its attacks — the group suffered a crippling blow with the December 2024 fall of Assad's regime, whose brutality and persistence had driven recruitment and given ISIS a justification for its attacks. While the group sought to recover in the months after Assad's fall, the de facto military defeat of the Kurdish-led Syrian Democratic Forces (SDF) at the hands of Syrian government forces in January 2026 and the subsequent withdrawal in April of US troops, seen by many Arabs as the enabler of SDF rule, removed yet another core driver of ISIS activity. Since then, the group's operations in Syria have fallen to record low levels, with an average of just 7 attacks and 4 deaths per month since April 2026 — a far cry from the 2024 average of 58 attacks and 63 deaths per month, according to data collected and published by the author in Syria Weekly.

Even so, ISIS remains determined to recover and appears invested in a three-pronged strategy, attacking government security personnel, minority communities, and other symbolic targets to undermine confidence in Syria's government. This last element was most palpably demonstrated on July 7, 2026, when two small explosive devices were detonated in central Damascus during a visit by French President Emmanuel Macron. Though both devices were rudimentary, caused no fatalities, and detonated outside President Macron's security perimeter, the attack was nonetheless effective in raising questions about Syria's capacity to secure its own capital. The Interior Ministry's capture of the cell responsible 48 hours later, along with one of ISIS's most senior surviving Syrian operatives, was encouraging, but did not change the fact that the attack was successful. The arrests also revealed that ISIS cells were so financially strained that they were turning to petty theft, robbing jewelry stores in order to fund their operations.

Beyond ISIS, Syria also faces a determined challenge to its recovery from Iran and its Lebanese proxy, Hizballah. Setting the ongoing war with Iran aside, the fact that Tehran and Hizballah would oppose the transitional government in Damascus is unsurprising — the fall of Assad's regime was arguably the single greatest blow to Tehran's regional agenda, and one achieved by the very same actors that Iran had spent more than a decade helping Assad fight. For Hizballah, the loss of Syria was potentially existential, especially when paired with the losses it had incurred from Israel's campaign earlier in 2024.

In the early phase of the post-Assad era, Hizballah and potentially Iran directed their energies into backing Syria's domestic anti-government insurgency. The backbone of this insurgent effort was formed by remnants of the Fourth Division — the Assad regime's most elite military unit, previously led by Maher al-Assad and supported directly by the Islamic Revolutionary Guard Corps (IRGC) — and the Republican Guard. The peak of the insurgency came on March 6, 2025, when dozens of simultaneous attacks were launched on nearly every government security position along the coast, a sudden and dramatic campaign perceived within the Alawite community as a "coup," triggering a huge wave of violence that left approximately 1,400 dead. Amid the outcry over the killings, most by forces tied to the new government, the violence also precipitated a weeks-long process of disarming coastal towns mediated by notables from the Ismaili community. A sustained government campaign of targeted raids on insurgent cells followed. The insurgency never recovered, carrying out an average of 7 attacks per month, killing 3 people, through the remainder of 2025, and in 2026 mounting a total of just 9 attacks, killing 2 people, from January through July.

However, that was not the end of efforts by Iran and Hizballah to undermine Syria's transition. With the domestic Syrian insurgency faltering, Hizballah took the lead in directing a new campaign in which it provided training to remnants of Assad's regime on Lebanese soil, before smuggling them back over the border with weapons and explosives, as well as a list of pre-selected targets. The first sign of this externally directed campaign came on May 5, 2026, when a shipment of 1,000 identical machine-made improvised explosive devices (IEDs) was seized after arriving in Latakia from Lebanon. Two months later, a Hizballah operative was captured after smuggling himself into Syria armed with seven sophisticated explosively formed projectiles (EFPs) — a signature weapon of Iran and its proxies since their extensive use against US forces in Iraq in 2004-11.

Since then, according to Syria's Interior Ministry and General Intelligence Directorate, Hizballah has dispatched specially trained cells to conduct rocket attacks into central Damascus (September 2025-January 2026); explosive-laden drone attacks (January-February 2026); targeted IED assassinations of government officials as well as Christian and Jewish community figures (March-May 2026); and artillery strikes into Israel (April 2026). With the exception of three minor rocket attacks on November 14 and December 9, 2025, and January 3, 2026, nearly all other plots were foiled. Intriguingly, cells captured in Tartus in March 2026, in Damascus in April, and in Rif Dimashq, Aleppo, Homs, Tartus, and Latakia in May were in possession of identical IEDs, manufactured with the same materials, even down to plywood wrapping labeled “Ecoply.” In September 2026, Lebanese authorities detained a cell of Lebanese and Syrian nationals engaged in coordinating attack plots in Syria, through training in explosives and drone use. The cell’s links to a senior Assad regime figure currently based in Moscow, Russia, raised significant questions.

Although almost everything connected to this Hizballah-directed campaign has been disrupted, Syrian authorities suspect an unclaimed bomb attack on a café near Damascus’s Palace of Justice on July 2 was the work of Hizballah-backed cells. The attack killed 10 people, 7 of them lawyers, as the café was known to be popular with judiciary staff and visitors. The nearby court was at the time hearing three high-profile trials each week. The defendants were Bashar al-Assad’s cousin and organized-crime leader Wassim al-Assad; Assad’s former Grand Mufti Ahmed Hassoun; and another Assad cousin and former intelligence leader Atef Najib.

The challenge posed by Iran and Hizballah to Syria’s transition and recovery also comes in the form of weapons trafficking and organized crime. To cement Iran’s loss of its secure “land bridge” to Hizballah when Assad fell, the new government in Damascus quickly demonstrated its determination to put an end to Syria’s use as a corridor for weapons smuggling. In their first 12 months in power, the Syrian authorities seized more than 4,000 weapons systems headed to Hizballah in Lebanon. While those efforts have continued, Syria’s July 16 announcement that it had seized 100 fiber-optic drones and dozens of brand-new Iranian-manufactured anti-tank missiles and long-range drone components inside an Iraqi oil tanker crossing the border raised serious concerns. If Iranian actors were seeking to exploit Iraq’s oil tanker transit arrangement with Syria, it could jeopardize a vital source of government revenue and undermine fast-growing Iraqi-Syrian ties.

With regard to organized crime, Hizballah plays an equally significant and potentially destabilizing role. While Assad presided over Syria’s emergence as the world’s most prolific narco-state, drug production virtually ended after his departure amid a concerted campaign by the new government to destroy production facilities and detain their operators. Since then, at least 35% of drugs seized in Syria have arrived from Lebanon along Hizballah-controlled smuggling routes. Moreover, the emergence of Druze-controlled Suwayda Governorate as Syria’s new hub of drug production and trafficking activity has benefited in large part from ties to the same organized crime actors in Lebanon, who have been revealed as the source of the latest innovation in cross-border smuggling toward Jordan: heavy-lift GPS-guided helium balloons.

A Clear Opportunity, but a Long Road Ahead

The world’s calamity has so far proven to be Syria’s boon. The Iran war has underscored how transformative the “Syrian Opportunity” could be — not just for Syria, but for governments in the Middle East, Europe, and beyond. That the opportunity has grown even clearer in recent months has spurred stakeholders to engage, to explore new proposals, and to invest and act. But the path ahead is long, and it will take many years for the vision to become reality.

For Syria, every step taken to support this vision will mark incremental progress toward recovery, but ultimately, it will matter little if the transition process fails. The government in Damascus faces pressures at home from every direction, and if it stumbles on issues such as political representation, transitional justice, and constitutional reform, all of the progress made on interconnectivity, trade, and exchange will count for nothing.

Syria’s transition and successful integration into a rapidly interconnecting Middle East are strategically vital US national security interests. A truly stable Middle East will depend on achieving both these goals. This will mean far greater “burden shifting,” creating the space for US attention to pivot to global challenges elsewhere.

To ensure Syria remains on the right path, the US must expedite the process of establishing a permanent diplomatic presence in Damascus. Presidential Envoy Thomas Barrack has played an enterprising role in shaping and consolidating bilateral ties, but the real work ahead requires more intensive, direct, and grounded engagement. A more comprehensive and present US engagement will also strengthen America's ability to monitor and assess the Syrian government's actions and to influence — or if necessary, coerce — its behavior in the right directions. It would also benefit developments on the economic front, with American companies and investors keen to engage, but lacking an on-the-ground touch point to more efficiently facilitate deal-making and the actual investment process.

On the security front, Syria shares the very same interests as the US and our many regional partners — combating terrorism, challenging the malign agendas of Iran and its proxies, tackling threats posed by weapons of mass destruction, and confronting transnational organized crime. Syria's national security apparatus — comprising the interior and defense ministries, as well as the General Intelligence Directorate — has demonstrated its determination to tackle all of these challenges, but its constituent entities are still in their infancy and require help. From the provision of training, capacity-building, and support with weaponry and intelligence, surveillance, and reconnaissance (ISR) capabilities, Syria's capacity to deal internally with the threats America continues to worry about will improve markedly. Several regional states are already stepping in to assist, but a US role would be transformative.

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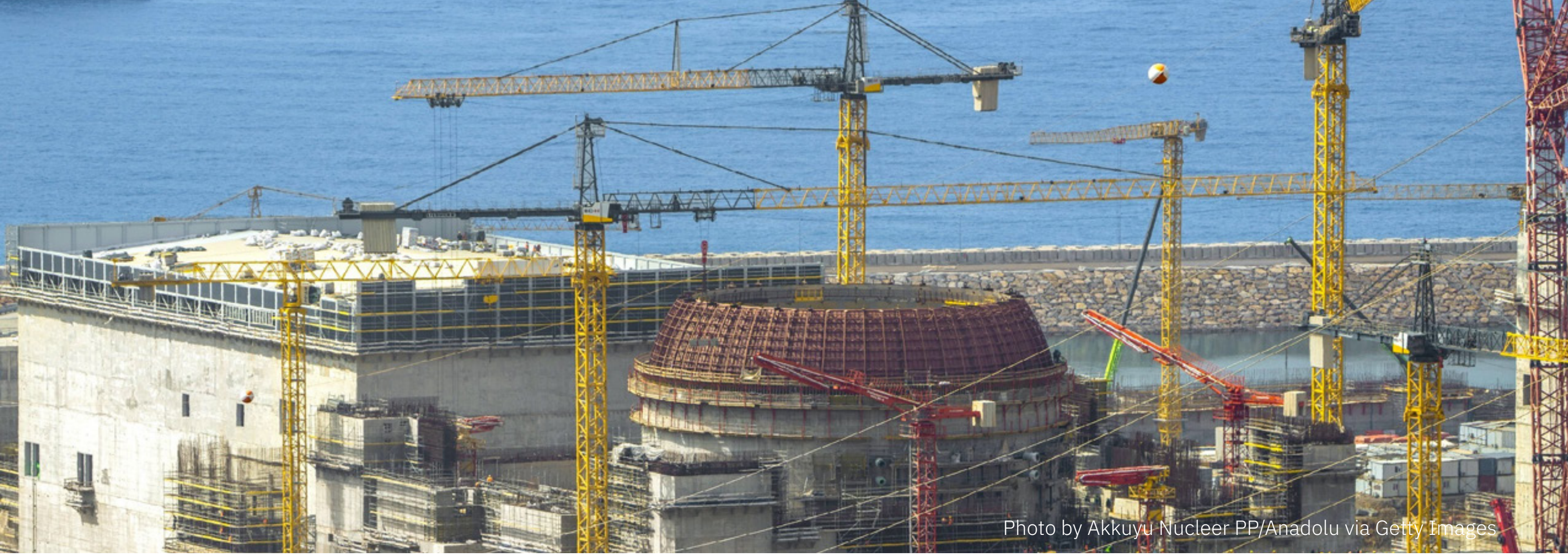
Photo by Akkuyu Nucleer PP/Anadolu via Getty Images

Turkey: Ankara’s Nuclear Ambitions in the Post-Iran War Environment

Gönül Tol

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In February 2026, Turkish Foreign Minister Hakan Fidan suggested that shifting international dynamics could push Turkey to acquire nuclear weapons, reigniting a decades-old debate over Ankara’s nuclear ambitions.

Foreign Minister Fidan’s remarks are only the latest in a series of public statements in which President Recep Tayyip Erdoğan and other Turkish officials have increasingly challenged nonproliferation norms and even hinted at an interest in acquiring nuclear weapons. That rhetoric, combined with Turkey’s civilian nuclear energy and research programs and its indigenous surface-to-surface missile development projects, has fueled concerns that these capabilities could eventually form the backbone of a Turkish nuclear weapons program.

Although Turkey remains far from possessing the technical capabilities needed for a nuclear weapons program and its national interests continue to favor nuclear restraint, the rhetorical shift suggests a broader change in Ankara’s thinking. This has been particularly pronounced since the failed coup attempt against Erdoğan in 2016. But the changing regional and global security environment is further strengthening the motivations and the rationale for Ankara to move away from its longstanding role as a champion of nonproliferation and toward a strategy of nuclear hedging — one that preserves the option to build nuclear weapons without actually pursuing them — by laying the technological and institutional groundwork that would make weaponization easier and faster should circumstances change.

Turkey’s Changing Stance on Proliferation

For decades after Turkey first articulated its nuclear weapons policy in 1959, Ankara showed little interest in developing nuclear weapons of its own. Turkey’s reluctance to pursue the bomb can be explained by three factors: its desire to maintain strong ties with the West and cultivate its image as a "good international citizen"; its belief that the North Atlantic Treaty Organization's (NATO) nuclear umbrella provided the most effective deterrent against both adversaries and regional proliferation; and its faith in the international nonproliferation regime as a means of preventing the spread of nuclear weapons.

Despite periodic tensions and repeated swings in its relationship with the United States, Turkey continued to value its NATO membership and hosted US nuclear weapons deployed under NATO auspices. As Ankara's relationship with the West acquired an additional dimension through its pursuit of European Union membership, its commitment to the international nonproliferation regime grew stronger. Even as Iran's nuclear program emerged as a concern for the US and countries across the region, Ankara continued to believe that diplomacy offered the best means of addressing the Iranian nuclear challenge.

These preferences were reflected in Turkey's formal commitments to the international nonproliferation regime. Turkey ratified the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) in 1980, formally committing itself to remaining a non-nuclear-weapon state. The following year, it brought into force a Comprehensive Safeguards Agreement with the International Atomic Energy Agency (IAEA), placing its nuclear material and activities under international verification.

Yet until 2016, Turkish policymakers consistently advocated a nuclear-weapons-free Middle East and, later, broader global nuclear disarmament. When pressed, they categorically denied that Turkey had either the intention or the capability to develop nuclear weapons. While serving as prime minister, Erdoğan captured Ankara's position in a 2009 speech, as Western pressure over Iran's nuclear program was mounting. Turkey, he said, was "completely against nuclear weapons in the Middle East," while criticizing what Ankara saw as a double standard: "There are countries with nuclear weapons in the Middle East, for example Israel. There is a difference: Israel is not a member of the IAEA; Iran is a member."

The 2016 coup attempt marked a turning point in the Turkish government's rhetoric on nuclear nonproliferation. It came against the backdrop of a deteriorating security environment in Turkey's immediate neighborhood and growing tensions with its NATO allies, particularly the US. The war in Syria had sharply heightened Ankara's sense of vulnerability. Washington's partnership with the Kurdistan Workers' Party (PKK)-linked Syrian Kurdish militia against the Islamic State (ISIS) had strained US-Turkish ties, while Russia's retaliation after Turkey shot down a Russian jet in late November 2015 intensified Ankara's security concerns.

The failed coup deepened those doubts. Erdoğan repeatedly criticized the Obama administration for being slow to condemn the coup attempt and for hosting religious leader Fethullah Gülen, whom he accused of masterminding it. Erdoğan's rhetoric on nuclear weapons began to shift. In 2017, he acknowledged that nuclear weapons were contrary to Islam but added that "unfortunately the power war in the world requires [you] to have such weapons, even if you don't want to." By 2019, his language had become more explicit: at a Justice and Development Party meeting in Sivas where Erdoğan praised advances in Turkey's indigenous defense industry and the country's decreasing dependence on Western security, he said, "Some countries have missiles with nuclear warheads, not one or two. But [they tell us] we cannot have them. This, I cannot accept." He went on to say, "There is no developed nation in the world that does not have them. All of them have it," later adding, "We are working on this."

A Changing World Fuels Turkey's Nuclear Rethink

The dynamics of the Iran war appear to have reinforced the rationale for Turkey's changing stance on nuclear weapons. Turkish officials interviewed by the author believe that the Iranian leadership that emerged after the US and Israeli attacks on February 28, 2026, is more likely to pursue nuclear weapons than its predecessors, whom Ankara regarded as more risk-averse and restrained regarding weaponization. Although Turkey's relationship with Iran has historically been less conflict-ridden than those with the Gulf states, Ankara still sees a nuclear-armed Tehran as a serious security threat — and one that could trigger a regional nuclear arms race.

In interviews, Turkish diplomats have pointed to the missiles Iran fired toward Turkey during the war as evidence of this new danger. NATO intercepted the missiles, and although Iran denied firing them, officials repeatedly suggested that Tehran was behind the attacks. Many in Ankara had assumed that Iran would never take such a risk against a NATO member. The attacks challenged that assumption, reinforcing the view that an Iranian regime fighting for its survival might take risks previously considered unthinkable.

A second development heightening Turkey's concerns is the rise of an increasingly aggressive — and, in Ankara's view, reckless — Israel. Israel has long maintained a policy of deliberate ambiguity about its nuclear arsenal, an approach successive US administrations have effectively supported. For Turkey's ruling elite, threats by an Israeli minister to use nuclear weapons in Gaza not only amounted to a rare public acknowledgment of Israel's nuclear capability but also underscored the risks of preserving a regional nuclear imbalance. In Ankara's view, such rhetoric could give other states greater incentive to seek their own deterrent. And by continuing to support Israel even when its officials invoke the potential use of a nuclear weapon, the US reinforces a grievance Turkey has voiced for decades: that the global nonproliferation regime applies one standard to Israel and another to its regional rivals.

Another recent development that, in the eyes of Turkey's ruling elite, lends weight to Ankara's shifting rhetoric is the US-Saudi nuclear deal. The deal would open the door to uranium enrichment on Saudi soil without giving it an unequivocal green light, pending the conclusions of a joint US-Saudi study on the economic viability of such a program. The agreement marks a departure from the "gold standard" of US civilian nuclear cooperation — a legally binding commitment under a Section 123 agreement to forgo domestic uranium enrichment and spent-fuel reprocessing, as the United Arab Emirates agreed to do in its 2009 nuclear cooperation agreement with the US. Ankara sees this agreement as another indication that regional states are becoming more serious about keeping a nuclear weapons option open, but also that Washington is relaxing its stance on nonproliferation.

This shift comes as Ankara, like many US allies in the Middle East and beyond, increasingly questions Washington's reliability. The Iran war has reinforced a perception that the US is becoming more willing to take military risks in the region without sufficient regard for the security interests of its allies and that the nuclear landscape itself is changing. Fears that Washington could retreat from longstanding security commitments have fueled nuclear debates among several US allies, including Poland, South Korea, and Finland. From Ankara's perspective, these developments reinforce a broader conclusion: as confidence in US security guarantees erodes and nuclear hedging becomes increasingly normalized, Turkey has more reason to reconsider its own longstanding restraint.

Three Scenarios for Turkey's Nuclear Future

1. Relying on NATO Alone

Since joining NATO in 1952, Turkey has relied on the alliance, and particularly the US, for extended nuclear deterrence. It is also one of five NATO countries that host US tactical nuclear weapons, with B61 gravity bombs stored at Incirlik Air Base under strict American custody and control. The storage facilities at the base have been repeatedly upgraded and modernized, but tensions between Ankara and Washington and periodic regional instability have fueled recurring speculation that the weapons could eventually be moved out of Turkey.

NATO membership and the US nuclear umbrella have long been pillars of Turkish security policy. During the Cold War, Turkey particularly valued the deterrence provided by US nuclear weapons against the Soviet Union. Yet its experience with NATO has also generated persistent doubts about the reliability of allied security guarantees. The 1974 US arms embargo following Turkey's intervention in Cyprus and NATO's reluctance to meet Ankara's requests for alliance-backed missile defenses during the first Gulf War raised questions about how unconditional the treaty's Article 5 protection really was. More recently, the Iran war and America's cancellation of the F-35 sale to Turkey, combined with President Donald Trump's threats to withdraw from NATO and his broader unpredictability regarding US commitments, have reinforced Ankara's fears that Turkey's security priorities may not be shared, or defended, by its allies.

2. Making a Run for the Bomb

Although the expansion of nuclear energy, increased access to nuclear-capable delivery systems, advances in enabling technologies, and greater availability and production of fissile material have made it easier and cheaper for states to reach nuclear-threshold status — and potentially choose to develop nuclear weapons — going nuclear remains a risky undertaking. For Turkey, particularly after years of tensions in its relations with NATO and its neighbors, the risks of following that path may be especially high. Turkey has taken significant steps to repair those relationships, but the shift reflects Ankara's growing recognition that it cannot afford isolation in the Middle East or prolonged estrangement from its Western allies.

Turkey has a considerable stake in maintaining workable relations with both Western and Middle Eastern partners. Pursuing a nuclear weapons program — whether openly or covertly — would put those hard-won gains at risk, leading to renewed isolation from precisely the countries whose investment, technology, markets, and defense cooperation Ankara has spent years trying to secure. Therefore, Ankara is highly unlikely to pursue this path.

3. Moving Toward Nuclear Hedging

A shift toward nuclear hedging, as defined by Vipin Narang in *Seeking the Bomb*, is the most likely path for Ankara. This is why understanding the evolution of Erdoğan's views matters. It is difficult to reach a definitive conclusion about Ankara's intentions based solely on publicly available information. But Erdoğan's increasingly assertive rhetoric, coupled with the foreign minister's suggestion that international developments could compel Turkey to acquire nuclear weapons and changes in its security environment, points to a possible hedging strategy in which Ankara maintains strategic ambiguity about its intentions while keeping the nuclear option open. It avoids the potential break with the US and NATO involved in making a run for the bomb but gives Ankara more of a unilateral alternative if its partners continue to disappoint, or abandon it altogether.

How Close Is Turkey to a Bomb?

Those concerned about Turkey's nuclear ambitions often point to several factors as evidence of both its interest in nuclear weapons and its potential technical capacity to pursue them. One is Turkey's membership in the Nuclear Suppliers Group (NSG), which reflects, in part, its manufacturing capacity for materials with potential applications in the nuclear industry. Others point to its plans to build multiple nuclear power plants, Ankara's unwillingness to commit to restrictions on enrichment and reprocessing (ENR) activities in its Section 123 nuclear agreement with the US, and Erdoğan's statements that Turkey could develop uranium-enrichment capabilities if needed for its civilian nuclear program. Another point raised is Turkey's effort to accelerate its long-range missile development program. Finally, Turkey joined Saudi Arabia's mutual defense pact with nuclear-armed Pakistan in early August. Although the agreement did not mention nuclear weapons, it has further reinforced the strategic ambiguity surrounding Turkey's nuclear intentions.

Indeed, Turkey's interest in civilian nuclear technology, which dates back to the 1950s, has given the country a relatively advanced nuclear infrastructure. It operates longstanding nuclear research facilities and has expanded its scientific and engineering expertise. Yet the IAEA's 2025 reporting suggests that Turkey remains well short of the technical capabilities associated with nuclear latency. It has no commercial uranium mining or conversion facilities and, most importantly, no identified uranium-enrichment or spent-fuel reprocessing capability. Its existing front-end activities are limited largely to safeguarded laboratory-scale research, including uranium concentrate refining, conversion to uranium dioxide (UO_2), and fuel-pellet production.

Turkey plans to build multiple nuclear power plants as part of its strategy to diversify its energy mix and reduce dependence on foreign suppliers, which will significantly deepen Turkey's experience with nuclear technology and will generate spent fuel, though the specific model Turkey chose for its first plant limits its ability to develop some of the key indigenous capabilities associated with nuclear latency.

The Akkuyu plant is being developed under a build-own-operate (BOO) model, an unprecedented arrangement in the nuclear industry. Akkuyu Nükleer is wholly owned by subsidiaries of Russia's state-owned Rosatom, which is providing roughly $20 billion in financing. Russia is responsible for the plant's design, construction, maintenance, and operation for 60 years, as well as the supply and use of nuclear fuel and the plant's eventual decommissioning.

The BOO model reduces Turkey's financial exposure but creates significant dependencies. Turkey will rely heavily on Russian personnel to operate the plant and on Russia for its nuclear fuel. More importantly, the arrangement limits the extent to which Akkuyu can help Turkey develop autonomous nuclear capabilities, particularly in sensitive parts of the fuel cycle that can have both civilian and military applications.

The Turkish government has publicly acknowledged this dependence. Energy Minister Alparslan Bayraktar has admitted that Turkey will rely entirely on Russia's Rosatom for the uranium fuel to power Akkuyu and signaled Ankara's desire to diversify: "To overcome this dependence, we are talking about fuel cooperation both with the country we are currently working with and with others we are discussing new projects with." Turkey is negotiating with other potential partners, including the US, Canada, France, and South Korea, over additional nuclear plants, and Turkish drone manufacturer Baykar is developing small modular reactor (SMR) technology.

Ankara's negotiations with Canada's AtkinsRéalis are particularly noteworthy. Turkish officials have indicated an interest in Canadian involvement in its second and third nuclear power plants. The CANDU reactor design has several features that could provide a relatively direct technical pathway to a nuclear weapon while making proliferation activities more difficult to detect. Unlike conventional light-water reactors, CANDU heavy-water reactors can operate on unenriched natural uranium, reducing dependence on foreign enrichment services and giving the operator greater autonomy over the front end of the nuclear fuel cycle. More importantly, CANDU reactors can produce plutonium well suited for weapons purposes and can be refueled while operating, features that can complicate IAEA monitoring.

The acquisition of a CANDU reactor would not automatically put Turkey on a path to the bomb. Extracting plutonium would still require the ability to reprocess spent fuel, which Turkey does not currently possess. A Canadian diplomat told the author that the proposed deal with Ankara includes "significant technology sharing," but what, if anything, it would entail regarding reprocessing or spent-fuel separation remains unclear. What is clear is that Ankara wants greater control over its nuclear supply chain and, over time, to develop more indigenous capabilities. For now, however, the Akkuyu model constrains that ambition. As Aaron Stein has noted, if Turkey sought to divert Akkuyu toward a weapons program, it would have to remove the foreign operator and gain control of foreign-owned spent fuel stored at the site before it could even contemplate extracting plutonium for a weapon — a difficult and highly visible undertaking. Akkuyu will thus deepen Turkey's experience with nuclear technology, but it does not by itself provide Ankara with the most proliferation-sensitive capabilities.

Turkey is still likely at least a decade away from being able to produce a nuclear weapon. But Ankara's perception of its threat environment could drive it toward a hedging strategy of taking steps to acquire the expertise and technical capabilities needed to preserve the option of developing nuclear weapons. How far Ankara will move in that direction remains uncertain. It could pursue relatively modest technical hedging or seek more advanced capabilities associated with nuclear threshold status.

Whichever path it chooses, Turkey will most likely try to remain within the NPT, seeking to expand its nuclear options without openly crossing the line into weaponization while maintaining strategic ambiguity about its ultimate intentions. Even the most advanced point on the continuum of nuclear hedging — reaching nuclear threshold status, figuratively "one screwdriver's turn away" from having a workable nuclear weapon — can, in principle, be maintained without withdrawing from the NPT.

Maintaining strategic ambiguity about its ultimate nuclear intentions would offer Ankara an additional advantage: preserving the deterrent and bargaining value of its growing capabilities while reducing some of the political and security costs of openly declaring a nuclear-weapons ambition, including the risk of accelerating a regional arms race.

Yet a hedging strategy carries risks of its own, particularly in a conflict-ridden region such as the Middle East. The proliferation of hedging could transform the nuclear order even without producing an increase in the number of nuclear-armed states. As more countries seek the capability to approach the nuclear threshold without crossing it, the distinction between nuclear and non-nuclear states becomes blurred. This could generate reciprocal hedging and arms-race dynamics, shorten breakout timelines, increase incentives for preventive military action, complicate intelligence assessments and safeguards, and ultimately erode the normative force of the NPT.

For Washington, the challenge is increasingly one of managing the nuclear trajectory of regional powers such as Turkey and Saudi Arabia rather than preventing them from acquiring greater nuclear capabilities altogether. The goal should be to prevent hedging from evolving into advanced threshold capabilities while addressing the security concerns that drive states to consider that option.

Attempting to eliminate all nuclear latency or prohibit enrichment altogether is neither realistic nor sustainable. Washington should focus on preventing the emergence of proliferation-prone national enrichment programs while promoting multilateral, IAEA-supervised fuel-cycle arrangements. One option would be a regional fuel-cycle framework in which participating states host different elements of the nuclear fuel cycle but no single country controls the entire supply chain necessary to rapidly convert a civilian program into a weapons capability. Such an arrangement could accommodate regional demands for greater nuclear autonomy while reducing incentives for competitive national enrichment programs.

Washington must simultaneously address the insecurity driving hedging behavior. In Turkey's case, this means strengthening extended deterrence and restoring Ankara's confidence in the credibility of US security guarantees. Reassurance, however, should be coupled with clear nonproliferation red lines. Washington should make explicit that continued US security guarantees are tied to adherence to nonproliferation commitments and that moves toward weapons-relevant capabilities would carry consequences for the bilateral security relationship.

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US Navy photo via Getty Images

US Regional Defense Policy: Strategic Prioritization and the Promotion of Collective Defense

Jason H. Campbell

A war that the White House initially hoped would last for days or, at most, a few weeks has now dragged on for more than six months, with prospects for a resolution frustratingly remote. A comprehensive deal with Iran encompassing its nuclear enrichment and ballistic missile programs as well as its ties to violent non-state actors appears further away than at any point in recent years. Regional partners have suffered significant physical damage to key infrastructure as well as reputational damage: they are no longer seen as insulated from an otherwise tumultuous region. Iran has suffered setbacks of its own to its military capabilities but has so far proven durable in sustaining its asymmetric advantages and even rebuilding some of these capacities under pressure. Moreover, having repeatedly threatened significant attacks on Iran and signaled an imminent peace agreement with little if any follow-through, the Trump administration's credibility among friend and foe alike is nearly exhausted.

With the war still simmering and little sign of a diplomatic solution on the horizon, assumptions about US defense strategy beyond the conflict should be considered preliminary and revised regularly. Yet there is little evidence that the new, more hardline Iranian leadership is prioritizing how best to exploit its leverage over the Strait of Hormuz to secure long-term stability. Rather, it appears more focused on exerting pressure on the US while seeking economic benefits from its neighbors. Even if some near-term accommodation is reached, the current regime is likely to continue to rely on asymmetric threats as a means of both deterrence and extortion. Curbing this leverage in coordination and cooperation with regional allies and partners should be the cornerstone of revised US strategy.

Immediate Lessons of the Iran War and Assumptions Guiding US Regional Defense Strategy

Focusing on defense and security, there are multiple lessons from the Iran war that should shape US strategic thinking. First, the network of regional air and missile defenses the US was instrumental in developing and facilitating proved very effective in repelling an array of Iranian attacks across the region. These systems were designed for smaller numbers of more advanced ballistic missiles, and when put against Iran's large stock of lower-trajectory swarming projectiles, they were challenged and forced to expend interceptors at high, unsustainable rates. The US military also was limited in how it confronted some of Iran's other asymmetric capabilities. The US Navy lacked both the minesweeping vessels to keep the Strait of Hormuz clear and the frigates best suited to escorting commercial shipping. In addition, Iran has been successful in resuscitating relations with its network of regional non-state proxy actors, many of whom have engaged in strikes of their own against US and partner targets in the region. Finally, multiple reports suggest that Russia and China have provided direct support to Iran via intelligence sharing, access to sensitive equipment, and the development of increasingly advanced missiles and rockets.

In terms of force posture and resourcing, US Central Command (CENTCOM) — the American combatant command responsible for the Middle East — will need to conduct a thorough reassessment of the strategic benefits, risks, and costs of its regional force laydown in the wake of the Iran war. Moreover, the high costs associated with sustaining the war for six months and counting will compel both Congress and the Pentagon to closely examine any significant future resource allocations to the Middle East. In this context, a more limited strategy focused on shared threats and vulnerabilities may appear advantageous to US policymakers as the security environment in the Middle East continues to evolve.

Assessing the Evolving Strategic Environment

Before assessing US strategic interests and options in the Middle East beyond the Iran war, it is important to first examine how elements such as the perspective of allies and partners, rival capabilities, and the general threat environment have changed over recent months.

Expectations surrounding US regional security guarantees among allies and partners have diminished following months of persistent Iranian reprisal attacks without diplomatic resolution. As such, many have accelerated efforts to establish, formalize, or expand upon more localized multilateral defense accords. A hallmark foreign policy achievement of the first Trump administration, the Abraham Accords, enabled Arab and Muslim states to initiate or expand ties with Israel. Israel's heavy-handed response in Gaza to the attacks of October 7, offensives in southern Lebanon, de facto steps toward the annexation of the West Bank, and its comprehensive pursuit of the "seven-front war" (which briefly became eight, when Israel conducted an air strike against Doha in September 2025, targeting senior Hamas negotiators) have collectively quashed any hope of Abraham Accords expansion.

Instead, Saudi Arabia inked a new defense and security agreement with Pakistan in the fall of 2025, and in August 2026, these two countries were joined by Turkey in formalizing a similar pact dubbed the Mecca Joint Defense Agreement. While not formed explicitly to counterbalance the Abraham Accords, factors such as recent elevated tensions between Israel and Turkey and episodic rivalries between Saudi Arabia and the United Arab Emirates suggest at least the possibility of competing Middle Eastern blocs. Other regional actors have thus far preferred not to commit to either of these, but the current trend points to increased interest in such options. These nascent agreements serve as both an opportunity and a challenge for US policymakers: an opportunity insofar as these partnerships can increasingly take on a greater share of security responsibilities in line with stated US objectives, but a challenge in that the US must make every effort to avoid being pulled into rivalries or tension points that may arise as these blocs take shape.

Another complicating factor for US policymakers is the potential impact of extra-regional flashpoints. Heightened tensions throughout the Middle East have concealed broader recognition that US allies and partners have been expanding the geographic scope of their activities. The Red Sea area is increasingly becoming a point of emphasis and a sub-region of competing interests among Middle Eastern actors. Likewise, as of late 2025, the newly formed Israel-Greece-Cyprus Trilateral Axis centers on defense cooperation and procurement, posing a direct challenge to Turkey's interests in the Mediterranean and indirectly involving North Atlantic Treaty Organization (NATO) equities. Finally, India has signaled growing interest in the region via its involvement first in the Israel-India-UAE-US (I2U2) grouping and later the India-Middle East-Europe Economic Corridor (IMEC). Though not directly involved in defense and security matters, the eventual routes adopted for infrastructural development to support enhanced trade under these frameworks could become yet another point of regional tension. Reports already suggest the Saudis are considering using Syria as a means of entirely bypassing planned trade corridors linking with Israel.

For its part, Iran is entrenched as the primary regional threat and has proven adept at exploiting its newfound leverage. This is underscored by a demonstrated capability to strike targets with great precision and successfully evade current air and missile defenses with greater frequency. It has also proven resilient in sustaining and replenishing its stocks of missiles, rockets, and drones in the face of persistent US strikes. Reports also suggest that Iran has benefitted from Chinese and Russian assistance that includes intelligence sharing, access to sensitive technologies, and cooperation on developing more advanced missiles. Moreover, recent leadership changes and restructuring of its security apparatus suggest the regime is solidifying more hardline stances. Its demands on the US and the region remain largely maximalist, and it appears intent on protracting some semblance of conflict, at least through President Donald Trump's current term. This points to prolonged instability stemming from Iran but also presents the US with an opportunity to unify its regional partners in developing a defense architecture better tailored to diminishing Iran's asymmetric advantages.

US Strategic Imperatives for the Middle East: Prioritization and Discipline

The US continues to maintain significant interests in the Middle East. Issues such as providing for energy security, preventing nuclear proliferation, protecting freedom of movement through key waterways, and confronting violent extremist and terrorist threats are evergreen concerns with high relevance to US security and the American economy. Beyond national security concerns, the Middle East's importance to the United States stems from the fact that regional partners are investing heavily in an array of emerging technologies and offer US industry both key partnership opportunities and lucrative markets. Finally, the geography of the region places it at the crossroads of Europe, Asia, and Africa, and access to its waterways and land routes makes it a vital component of global trade. While some combination of false assumptions, poor advice, overly optimistic expectations, and lack of clarity has driven numerous US strategic missteps in the Middle East over the decades, the abovementioned broad interests continue to be relevant even as the environment evolves.

Events that will likely reshape the geopolitical balance of the region are unfolding rapidly and unpredictably. In this environment, the US needs to be deliberate in devising a revised strategic vision for the Middle East that articulates near- to medium-term priorities and then must remain disciplined in implementing it over the long term. Underpinning this should be a concerted effort to build back trust in the US as both a security enabler and interlocutor. With the expansion of the Abraham Accords on hold and other multilateral arrangements sprouting across the region, the eye of the needle the US must thread to maintain its relationships and facilitate stability has grown narrower.

The US should prioritize engagement among key regional actors to help ensure that geopolitical rivalries do not foment potentially disruptive regional blocs. This must incorporate points of both mutual interest and tension that are increasingly expanding to the periphery of the region. In this role the US must support efforts to increase defense and economic interconnectivity while working to ensure that any disparate or overlapping efforts do not create or enhance points of tension. From a security cooperation standpoint, the trend away from relationships predicated almost exclusively on availing partners of US expertise and technologies toward increased shared and coordinated efforts was in motion prior to the war. Many US regional partners have growing defense industrial bases that value US collaboration and will continue to expand in the wake of this year's conflict with Iran. The US defense community is well-placed to leverage this in identifying priorities that focus on mutual threats rather than potentially destabilizing rivalries.

Chief among these priorities should be the establishment of revamped air and missile defenses that more comprehensively incorporate the gaps and vulnerabilities identified over the course of the war. This is the most direct way to degrade Iran's asymmetric leverage in the near term and should positively resonate among US regional partners, almost all of whom have been subjected to Iranian attacks. An initial step should be to work with regional partners in reconceptualizing the requirements for a more robust and efficient air- and missile-defense network better equipped to confront the array of projectiles Iran has at its disposal. Achieving integrated air and missile defenses in the region has long been a CENTCOM objective, but a concerted effort under current conditions can keep partners focused on the enduring threat posed by Iran and its network of non-state actors.

This can inform a plan to rebuild and replenish assets damaged and expended during the war, contest Iran's lower-trajectory and swarming projectiles more efficiently, and support a comprehensive network that can rapidly distinguish between such threats and employ the ideal countermeasure. To catalyze regional cooperation, the US should be proactive in demonstrating both the economic efficiencies and enhanced benefits of establishing an air- and missile-defense architecture that is integrated (and advocating for the acquisition of interoperable equipment regardless of source). Aside from keeping regional partners focused on the common Iranian threat, the US will have to be assertive in addressing other political hurdles to achieving integration, both domestically and among partners. These include long-standing challenges tied to sovereignty, classification, and releasability barriers. Additionally, in the wake of the Iran war, the US defense-industrial base will require time to meet the collective demand to replenish interceptors and other key materiel. Given this and the urgency of the threat, US policymakers should be flexible and even support regional partner engagement with other friendly nations in helping meet immediate requirements. This is already occurring as Gulf states have engaged Ukrainian defense contractors offering effective solutions to Iran's drone and missile threat. The US should also review any legislative or other policy-centric limitations to availing regional partners of the most advanced materiel and information available.

A formidable air- and missile-defense infrastructure in the Middle East will additionally help jumpstart and inform important deliberations pertaining to long-term US strategy and force posture in the region. A wide array of Iranian projectiles struck targets across the Middle East with great precision, damaging US installations throughout the region, many of which were greatly degraded or had to have personnel relocated for safety precautions. A significant portion of those bases may never be reopened. Multiple factors point to an American footprint that will be significantly reduced beyond the war. Political support for a US presence has waned in many countries, which also need to rebuild key national infrastructure; consequently, host states' willingness to prioritize new investment in American military bases will be limited. US policymakers, likewise, will be more discerning about the number and locations of US personnel based in the region. The costs associated with building future installations to a more "hardened" standard better suited to revealed threats will also be significantly higher than preexisting expectations and likely necessitate a thorough reconsideration. Finally, should Iran succeed in developing more advanced projectiles, such as supersonic cruise missiles, even the presence of US naval assets in the region could be under enhanced risk.

Nevertheless, a focus on revamped air and missile defenses will gradually provide space for the US to deliberate with partner governments to determine its appropriate strategic objectives and force posture based on these evolving factors. Done successfully, this can help to maintain peace among regional partners while they take on increasing leadership of and responsibility for their collective security. Such a focus can also deprive Iran of its primary tool for wielding influence through hostility and place more pressure on the regime to address a failing economy and simmering risk of civil unrest. On the other hand, if the US and its regional partners become overly distracted by parochial rivalries or otherwise fail to adequately address air and missile defenses, they will collectively be dealing with the specter of an Iranian attack for the foreseeable future.

Conclusion: A Strategy to Match Limited Reach and Resources

Some diminished stature from an inability to quickly force Tehran to capitulate notwithstanding, the US remains uniquely positioned to engage each of the states of the region directly to maintain balance as the environment evolves. The challenge will be to develop clear, comprehensive guidance and maintain discipline in articulating it. Each Middle Eastern country — Iran excepted — has significant interest in retaining the US as a partner, especially in the realm of security. By taking the lead in reestablishing a comprehensive air- and missile-defense network, the US will help its allies and partners address a top priority and degrade the leverage Iran has obtained over the past few months — leverage Tehran appears motivated to wield for the foreseeable future. By clearly outlining expectations and demonstrating the will to use political capital in pursuing them, the US can also encourage allies and partners to productively take on a greater share of their defense requirements without fostering additional points of tension in an area already brimming with them.

Going forward, Washington must contend with a region that is potentially growing more fractious even as collective geopolitical interests — such as in the Red Sea — are expanding. The frustrating course of the Iran war so far has also diminished US credibility and stature as a security guarantor and trusted interlocutor, at least for now. It will be difficult but imperative for the United States to regain that credibility during the process of bringing the war to an end. If not, Washington's ability to influence priorities and prescribe policies regarding regional defense will suffer. Adopting a more focused and collective strategic approach to the Middle East can help maintain focus on the shared Iranian threat, address the most pressing security vulnerabilities, and promote burden sharing in a way that does not exacerbate rivalries. The first step will be to engage with these partners in garnering support for this strategic concept and to see the value in prioritizing it above other points of tension between them.

The next question for the US will be how best to operationalize it in an increasingly resource- and access-constrained environment. Stateside, this will require convincing both Congress and the administration, present and future, that an effective air- and missile-defense network is strategically prudent and that coordinated efforts with partners can be cost-effective over the long term. Among partners, the US must continue to impress upon them the benefits of integration as well as advocate that air and missile defenses make for a worthy investment among numerous rebuilding priorities.

Overall, if the US can demonstrate leadership in reconstituting a comprehensive regional air- and missile-defense network, it can help erode Iran's leverage and build back American credibility even with reduced security commitments. This will facilitate a steady transition of defense responsibilities to its partners while ideally helping to prevent destabilization fostered by the formation of competing regional blocs.

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Photo by Chip Somodevilla/Getty Images

US Regional Foreign Policy: Unforced Diplomatic Errors Risk Accelerating American Retrenchment

Brian Katulis

As the summer draws to a close, the storyline for the 2026 Iran war remains incomplete and the United States' broader Middle East policy direction highly uncertain. None of the major issues that have long headlined Washington's Iran portfolio — the Islamic Republic's nuclear program, ballistic missiles, and support for international terrorism — appear any closer to resolution since the US and Israel started the war in February. New problems have emerged that did not exist before, like disrupted freedom of navigation in the Strait of Hormuz and renewed threats to shipping in the Red Sea from the Houthis in Yemen.

The US-Israeli campaign eliminated top leaders of the Islamic Republic and did considerable damage to its conventional military arsenal and nuclear program. But the same regime that has ruled Iran since the 1979 Islamic revolution remains in power — although with less predictable leaders at the very top. The broader regional security landscape, meanwhile, is more fractured than ever before, and there are increasing doubts about America's reliability in the Middle East.

Widen the scope to the global landscape, and the opportunity costs of the 2026 Iran war for US foreign policy are even more apparent. Washington has expended considerable military resources and shifted time and attention away from other national security priorities, negatively impacting its global military readiness. In Europe, the Russia-Ukraine war rages on with no end in sight, and the link between the two conflicts continues to harden. Over the summer, Ukraine struck Russia-bound Iranian ships in the Caspian Sea, while Tehran has reportedly threatened US military bases in Europe if the war in the Gulf ramps back up.

At the same time, China, America's greatest global strategic competitor, continues to expand its engagement around the world, all the while taking steps to limit the damage the Iran war is causing to its own economy. The US, in contrast, has had to divert military resources away from the Asia-Pacific region to prosecute the Iran war. Such sudden drawdowns and canceled or downgraded military exercises have raised new questions about longstanding security partnerships — not only among allies in Asia, like South Korea, but in Europe as well. And such questions have been exacerbated further by President Donald Trump's repeated complaints that those countries did not help America deal with the Iran war's fallout.

Add to this ledger the fact that the war in the Gulf has worsened economic pain in America and around the world, especially through spiking gasoline and food prices, which further degrade President Trump's public support and complicate international political dynamics. For the moment, the Trump administration has opted to increase economic pressure on Iran, but it remains to be seen how this test of wills will play out and which side will prove it can absorb the most economic pain without buckling.

Given all the uncertainty surrounding Trump's Iran policy, it is difficult to draw definitive conclusions on the full implications of the war at this time; a wide variety of scenarios could yet emerge. The current trajectory is clearly unfavorable. In the Middle East, countries and non-state actors continue to test the limits of their power. Iran and its axis are weaker but less predictable. US partners continue to subtly hedge against America's unpredictability, creating new arrangements like the recent Mecca Joint Defense Agreement between Saudi Arabia, Turkey, and Pakistan. The lack of resolution to the Palestinian-Israeli conflict remains a weak point in the stability of the region's state system.

One already apparent impact of the 2026 Iran war on American foreign policy has been an increased risk that the US might accelerate its retrenchment from theaters across the world, for two main reasons: first, shifts in the global geopolitical landscape and how countries are responding to America; second, changes in America's domestic political landscape heading into midterm elections. In some ways, the conflict and its aftermath could end up having a much greater long-term strategic effect on overall US foreign policy than the 2003 Iraq war did because of how much the world and America have changed since the early 2000s. In the more than two decades since that war, new centers of global power and influence have emerged to challenge the international system — namely, China's steady rise on the global scene and Russia's increasingly assertive efforts to undercut America and its North Atlantic Treaty Organization (NATO) allies in Europe.

But developments could also shift in the opposite direction, toward more optimistic outcomes. The Iranian regime is severely damaged and weakened, and the current economic blockade could force it to make concessions before the closure of the Strait of Hormuz does even greater damage to the global — and thus, also the American — economy. Such circumstances might even prompt the new Iranian leadership to agree to significant concessions on its nuclear program.

In another potential scenario, the Iranian people's long-standing anger and frustration at the regime could boil over once again in the face of renewed economic pressure. The Islamic Republic has been waging war against its own people for decades, and Iranians have risen up in protest repeatedly, most recently at the start of this year. This could lead to a positive scenario where the Iranian people topple the regime, or it could lead to another brutal crackdown akin to January 2026. Wars are inherently unpredictable, and there is too much we do not know about what is going on inside Iran. If a regime-toppling uprising does happen, however, it would constitute a qualified win for the US, albeit less than was originally intended or promised. That said, the current trajectory should make us cautious about the likelihood of such a scenario.

One major unforced error the Trump administration has made in the 2026 Iran war is its ever-shifting rationales for military action and its spasmodic diplomatic efforts. These objectives have vacillated between changing the regime, empowering the Iranian people, achieving a new and better nuclear deal, degrading Iran's conventional military capacities, and even, according to President Trump, complete civilizational destruction. The lack of a consistent end goal in the US policy approach on Iran has incentivized a debate that trends toward the operational and tactical, rather than the strategic, and likely confused the US administration and its regional partners over time.

No Major Strategic Gains for America in 2025-26

Since returning to office in January 2025, President Trump has rewritten the playbook of US foreign policy, implementing an unpredictable and unprecedented set of actions on the world stage. But more than a year and a half into Trump's second term, his administration has had relatively little to show for it. The US president has succeeded in further pushing NATO allies to pledge higher levels of defense spending, and his harsh immigration policies at home and abroad have largely stemmed the flow of illegal immigrants into the country. America's economy continues to grow despite being weighed down by Trump's tariffs and the war's inflationary impact. The president has not moved much closer to achieving most of his other major foreign policy goals, however, including ending the Russia-Ukraine war, fundamentally rewriting trade policies to benefit America's economy, or achieving a lasting and comprehensive peace in the Middle East.

During the first 18 months of his second term, President Trump dedicated considerable time and attention to the Middle East, more than any US president has since Barack Obama came into office in 2009. There were some early gains from this involvement: he helped secure a cease-fire and the release of the last hostages in Gaza in October 2025, and his engagement in supporting Syria's transition and Lebanon-Israel talks is a noteworthy bright spot in his Middle East policy.

Yet overall, the region is hardly more stable since Trump's return to office. Furthermore, his erratic actions and statements on Iran have reinforced a long-standing crisis of efficacy in US foreign policy — successive American presidents have declared maximalist goals and repeatedly fallen short of achieving them. In the span of just a few short months during the 2026 Iran war, Trump and his team made statements that were not aligned with reality, variously claiming that America was implementing its own tolls in the Strait of Hormuz, that the strait was open and safe when it was not, and that the Iranian regime had accepted a deal when that was clearly not true. The president, top officials, and agency statements repeatedly contradicted one another on outlining a pathway to end the war. This volatility unsettled some of America's closest partners, but so did certain impulsive moves by Trump. For example, in mid-May, he posted on social media that he was "mandatorily requesting" that more countries join the Abraham Accords as a way to end the Iran war. None of those presumptive signatories, however, considered the timing or proposed formula right for proceeding with normalization with Israel, particularly as the Iran war had increased overall regional security threats and caused considerable economic damage to countries like Saudi Arabia.

The Trump administration's inconsistent approach has instead incentivized some US Middle East partners to develop their own defense capabilities as part of a trend toward greater strategic autonomy and to diversify relations with other global and regional actors. This summer's Saudi-Turkish-Pakistani Mecca Pact is the latest sign that countries are starting to move away from dependence on America's security umbrella.

The US government's inability to achieve the objectives it set for itself on Iran has also undercut regional and global perceptions about American effectiveness more generally. This is not a new dynamic: in the 2000s and 2010s, the US repeatedly fell short of achieving its stated goals in places like North Korea, Iraq, Afghanistan, and Syria. But what is different today is that the entire international system has fundamentally changed in large part due to the rise of countries like China and India, as well as the still mostly unmet challenges posed to the international order by Russia and Iran, among others. In the first quarter of this century, America had much more success in degrading terrorist adversaries like al-Qaeda and the Islamic State than it did in meeting challenges from state adversaries and competitors.

Today's multipolar global system is complicated by the emergence of new power centers and characterized by the use of asymmetric force by weaker state actors like Iran to undercut leading powers like the US. All of this makes the margin for error in US foreign policy smaller than it was two decades ago, when China, Russia, India, and other growing regional powers were not the factors that they are today. President Trump is less capable of bending the will of the world toward his agenda than Presidents George W. Bush and Barack Obama were — moreover, Trump's "America First" unilateralism and use of "troll power" incentivize countries to go their own way rather than cooperate with America's policies.

In essence, these geopolitical shifts, combined with Trump's unique style of statecraft, make it more difficult for Washington to produce lasting outcomes in the world — particularly in places like the Middle East already facing long-standing conflicts. As President Trump grows increasingly frustrated with the lack of tangible results in the region, he is likely to pull back and spend less time and energy on solving problems his own policies created or exacerbated — one of the reasons why Trump signaled earlier this summer that he was going to try a more "low key" approach on Iran.

This path toward US retrenchment from the Middle East was prefigured by national security and defense strategy documents the Trump administration released on the eve of the 2026 war. The inclination to move away from the Middle East was also a feature in certain episodes of the Obama and Biden administrations, when they tried to prioritize other regions like Asia or problems closer to home. Because the 2026 Iran war did not go the way President Trump had hoped, extending well past the four to six weeks he initially predicted, the Pentagon is now examining ways to cut its losses and reduce the risks associated with US troop deployments in the Middle East — including evaluating a smaller American military presence. Iran's use of asymmetric force and the damage it has done to US military bases and diplomatic sites have already prompted some voices to call for a rethink of America's positioning in the region.

Events in the Middle East will shape how Washington proceeds on all of these questions. But the broader point is that the incomplete results of the Iran war, coupled with how the broader world has reacted to Trump 2.0's foreign policy, increases the chances that the incentives for America to pull back from the Middle East and key parts of the world will multiply.

The American Public Is Divided, Confused, and Disengaged From Foreign Policy

Just weeks before the 2026 midterm elections, voters remain mostly disengaged from foreign policy, including on issues in the Middle East like Iran. Their main concerns are closer to home — and in instances where higher gas and food prices are understood to be linked to the war, voters are strongly negative and critical of how the Trump administration has begun and handled the conflict.

Despite this broad discontent, the political and policy environment has not produced a clear strategic alternative for US policy on Iran or the broader Middle East in America's discourse in the same way that the discontent with the Iraq war 23 years ago produced a political alternative that was easily understood by most voters. This is largely due to the way that President Trump made his case to the American public about the conflict — he offered a mix of confusing and contradictory rationales that were often not connected to facts and reality. The Iran war was as unpopular at its start as the Iraq and Vietnam wars were at their conclusion; and the haphazard way Trump conducted the military campaign and diplomacy has soured Americans on the Middle East overall. Adding to this confusing mix have been divisions within the Trump administration: namely, between Vice President JD Vance, who favors less military action and more diplomatic accommodations with Iran, and Secretary of State Marco Rubio and others, who reportedly favor a more hardline approach.

The main political opposition, the Democratic Party, has failed to provide much in the way of a clear alternative vision or theory of victory beyond tactical and operational criticisms related to the Trump administration's conduct of the war. Even at the height of voters' concerns about gas and food price hikes caused by hostilities in the Gulf, Democrats in Congress and candidates in primary election battles mostly ignored the Iran war. Instead, they shifted the focus to the US-Israel relationship and the Israel-Hamas war in Gaza. Within the party and among voices who served in recent Democratic administrations, recycled arguments from two decades ago counsel that the US should simply throw up its hands and abandon the Middle East; however, none of these proposals seem to be taking root or gaining wider resonance — nor are any of them responsible or feasible given the persistence of American vital interests in the region.

The overarching factor is that the American public is not deeply engaged with the Middle East and lacks the appetite for a larger commitment to resolve many of the problems there, even if those problems directly impact their lives through higher energy and food costs. This attitude owes much to domestic political and ideological divisions exacerbated by leaders who fail to build a national consensus or stakeholder coalitions around clear foreign policy initiatives toward strategically important places like the Middle East. This makes America's policy and political debates ripe for even greater discord and division, which are in turn stoked by foreign actors using sharp power, a method of influence employed by authoritarian governments to manipulate the political and information environments of democratic nations. No matter which party wins the 2026 midterm election, neither is likely to achieve decisive control over the full apparatus of government, let alone influence over public opinion, meaning persistent divisions within America's political system and a lack of consensus on its foreign policy direction will continue for at least the next two years.

A Viable Alternative to the Current Course

This present course — one that increases the risks that the US pulls back from the Middle East and the world because of changes in the international system and American domestic politics — is unlikely to produce greater stability, peace, and prosperity. An alternative pathway can be constructed for US policy in the Middle East — one that builds on the long-standing military and diplomatic partnerships Washington has continued to foster in the region.

This proposed track has three main components:

1. **Build stronger and more cohesive regional military, diplomatic, and economic coalitions.** One of the longer-term US investments in the region over the past decade was to promote greater military and security integration between and among America's close partners. These investments in interoperability and coordination remain incomplete, but the benefits came into focus when several US partners supported each other against Iranian aggression amid exchanges of fire between Iran and Israel in 2024 and the wars of 2025 and 2026.

   The US should extend this operational model from the military arena to the diplomatic and economic realms — seeking to promote regional economic and energy cooperation that advances resilience in the face of varied threats as well as supports greater connectivity with the global economy. This requires a major shift away from the militarization of US foreign policy in the Middle East that occurred over the past quarter century, instead prioritizing diplomatic engagement with key partners to develop shared strategies. Above all, America should stop reflexively resorting to "strikes without strategy," which have become all too common across several US administrations. The key to stronger regional coalitions that support US interests is greater diplomatic and economic coordination with partners who can serve as force multipliers.

2. **Support efforts to strengthen weak states and promote economic prosperity.** Another centerpiece of the struggle for stability in the Middle East is found in countries like Syria and Lebanon that are in the middle of historic yet still uncertain transitions aimed at rooting

out extremism and corruption to give more voice to their people. US support for these nascent transitions will be crucial to success — as will working in close coordination with regional partners, as outlined above. Progress in Palestine is a key component of this effort to help strengthen the regional state system; the current US policy requires a major course correction that lifts up the voices of the Palestinian people and helps improve their lives through better governance and a stronger emphasis on basic freedoms.

3. **Build coalitions on the domestic front in America.** For American policy in the Middle East to become more consistent, US leaders on both sides of the aisle should stop treating the region as a partisan wedge issue. They must instead look for ways to build a stronger foundation for US engagement across ideological lines. One of the key lessons for US foreign policy from the last quarter century is that the harsh partisan and ideological divisions within the US on issues like Israel, Palestine, and Iran end up being a strategic vulnerability because America's global adversaries and competitors exploit them to gain advantage.

Each of the above elements of this new policy course will require a steadier, more strategic diplomatic approach than the one the second Trump administration has embarked on. But working together to build a common agenda with like-minded partners in the region is more likely to produce long-term results that reduce the burden on the United States while increasing the chances for a more stable and prosperous Middle East.

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Photo by Mohammed HUWAIS/AFP via Getty Images

Yemen: The Houthis’ Role in the Next Evolution of the Axis of Resistance

Nadwa Al-Dawsari & Arman Mahmoudian

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The outbreak of the US and Israeli war with Iran on February 28, 2026, demonstrated the strategic value of maritime chokepoints in the Islamic Republic’s confrontation with the United States. But as Tehran’s strategy of using the Strait of Hormuz to pressure Washington seems to be backfiring because of the mounting damage it is doing to its own economy, Iran is working with the Houthis to strengthen its leverage over another strategic chokepoint: the Bab el-Mandeb. The recent escalation in Yemen should be viewed within this context.

As US-Iran negotiations faltered and hostilities around the Gulf flared up again in late July, the Houthis began positioning drones and missiles in Yemeni areas overlooking the Red Sea and deploying naval capabilities along the coast in preparation for resuming maritime attacks. Iran, meanwhile, moved to deepen its military and logistical access to Houthi-controlled Yemen, including through the establishment of a direct air link between Tehran and Sanaa.

The Houthis demonstrated the strategic value of this second pressure point by announcing a naval blockade of Saudi shipping in the Red Sea, attacking Saudi oil tankers, and subsequently targeting Aramco facilities in Yanbu and Jizan. The escalation came as Riyadh increasingly relies on the East-West Pipeline to transport crude to the Red Sea port of Yanbu, bypassing the Strait of Hormuz. Iran’s long-term investment in the Houthis has thus positioned the Bab el-Mandeb, through which around 12% of world trade normally flows, as a second source of leverage over global commerce and regional energy security beyond the Gulf.

The Houthis had been driving an offensive toward southwestern Yemen and the Bab el-Mandeb since late August. On September 9, they captured Mokha, a key port city on Yemen’s western coast approximately 50 miles north of the strait; and by September 11, the group’s forces were reportedly in control of several strategic islands in the Red Sea, including Perim (also known as Mayyun Island), located at the entrance of the Bab el-Mandeb. The offensive serves the Houthis' longstanding objective of expanding their control inside Yemen, but it also strengthens their ability to threaten the strategic waterway. And as Yemeni government forces have pushed back with increasing Saudi support, the Houthis have reignited their campaign against Saudi Arabia, using attacks on the kingdom and its energy infrastructure to raise the costs of Riyadh's assistance to their Yemeni adversaries. The Houthis' domestic and regional objectives reinforce one another. Simultaneously, they advance Tehran's broader strategy: consolidating its ally's position around the Bab el-Mandeb gives Iran an additional source of leverage against the United States and the latter's regional partners at a time when Iran's ability to use the Strait of Hormuz as a pressure point is increasingly constrained by a countervailing US naval blockade that is also starting to choke the Iranian economy.

From Strategy to Implementation

On June 6, Ali Akbar Velayati, the international affairs advisor to Iran's late supreme leader, spoke of a "new equation of power" in the Middle East and emphasized the importance of the Strait of Hormuz within that equation. Two days later, on June 8, General Esmail Qaani, commander of the Islamic Revolutionary Guard Corps' (IRGC) Quds Force, spoke of an emerging "security belt" for the Axis of Resistance — Iran's term for its network of allied state and non-state actors across Iraq, Lebanon, Yemen, and beyond. According to Qaani, this new security belt would stretch from the Strait of Hormuz to the Bab el-Mandeb, and from the Persian Gulf to the Red Sea. To achieve this Iranian aim of closing off strategic chokepoints to pressure Washington and close US regional partners, Tehran is increasingly relying on its ally in Yemen, the Houthis.

The Houthis have repeatedly affirmed their support for Iran and the Axis of Resistance throughout the war. In March, Houthi leader Abdulmalik al-Houthi described the US-Israeli attacks on Iran as "a war on Islam and Muslims" and declared that the Houthis stood with Iran and were "ready for all developments in this battle." Iran soon intensified its support for the Houthis, openly and in defiance of the Yemeni government and the international community.

On July 3, a flight from Iran's Mahan Air landed in Sanaa for the first time in more than a decade. Direct flights between Tehran and Sanaa had not operated since the Saudi-led coalition's intervention in March 2015. The Mahan Air plane picked up a Houthi delegation traveling to Tehran to attend Ayatollah Ali Khamenei's state funeral. The flight came a little over two weeks after the signing of the US-Iran memorandum of understanding (MoU), an agreement also meant to pave the way for renewed talks on Iran's nuclear program. The Houthis accused the Saudis of flying fighter jets over Sanaa to prevent the Iranian aircraft from landing. They declared direct flights between Tehran and Sanaa would continue, warning that any future Saudi attempt to stop them would be met with a "comprehensive response targeting airports and vital interests on land and at sea." Less than two weeks later, Iran dispatched a second Mahan Air flight to return the delegation. Although the Riyadh-backed Yemeni government struck Sanaa International Airport to prevent the aircraft from landing, Tehran diverted the flight to Hodeidah, demonstrating its determination to establish a direct air link despite repeated warnings. In addition to the Houthi delegation, reports indicate that the Mahan Air flights transported IRGC commanders, military advisers, and missile and drone parts into Yemen. By early September, US officials estimated that hundreds of IRGC officers were operating in Yemen alongside the Houthis, supporting their military operations to gain control over the Bab el-Mandeb.

Houthi leader Abdulmalik al-Houthi followed through on threats to retaliate by announcing a blockade of Saudi shipping in the Red Sea and later expanding attacks against Saudi Arabia's Abha International Airport as well as its maritime and energy infrastructure. Rather than mere rhetoric, Abdulmalik's statement appears to have laid out a ladder of escalation as part of Iran's broader strategy.

From Confrontation to Consolidation

The Houthis' threat to use force against Saudi Arabia to protect their newly restored air connection with Iran should not be viewed in isolation. Rather, it reflects a broader feature of Tehran's evolving strategy: the increasingly coordinated use of the Axis of Resistance to transform periods of confrontation into opportunities to consolidate gains, reshape facts on the ground, and strengthen Iran's regional leverage. If sustained, the air corridor would give Iran easier access to Houthi-controlled Yemen, facilitating the movement of IRGC personnel and advisors while strengthening the political, logistical, and operational connectivity that deepens Iran's foothold in the country. More broadly, this effort reflects Tehran's long-running objective of transforming the Axis of Resistance from a network primarily designed for asymmetric deterrence into a more tightly coordinated "unified resistance front" (wahdat al-sahat), capable of synchronizing military, political, and strategic pressure across multiple theaters.

The latest war has demonstrated how far this transformation has progressed. As Iran and its allies sought to broaden the conflict with the US, Hizballah opened a new front against Israel, entering the war from Lebanon under the banner of avenging Ayatollah Ali Khamenei, killed in an Israeli strike at its onset. At the same time, Iraqi militias expanded the conflict by launching attacks against US forces and interests across Iraq, Syria, Jordan, and the Gulf. These attacks demonstrated Tehran's ability to activate multiple Axis partners simultaneously and mobilize them in pursuit of shared objectives.

Although these actions did not fundamentally alter the military balance in Iran's favor, they significantly increased the perceived costs of further escalation. Strategically, they demonstrated that the conflict could spiral out of control and plunge the region into a wider crisis. By using the Strait of Hormuz as a source of leverage and then extending that coercive pressure to the Bab el-Mandeb through the Houthis, Tehran aims to pressure Washington into making concessions in the implementation of the MoU, including recognizing Iran's leading role in the future administration of the Strait of Hormuz.

The Houthis and Iran's Evolving Regional Strategy

The Houthis' role during the earlier months of the war remained limited to sporadic strikes against Israel and threats to disrupt maritime traffic. This was often interpreted as evidence that the group sought to avoid being drawn into a costly regional conflict, but a closer look suggests a different explanation. The Houthis' initial limited involvement may have reflected an Iranian calculus that there was little value in fully mobilizing the group, rather than any reluctance on the Houthis' part to become involved. Through coordinated activation of Hizballah and Iran-aligned Iraqi militias, Tehran had already strengthened its negotiating position with Washington and ultimately secured a cease-fire and an MoU without opening the Bab el-Mandeb front. Rather than unnecessarily expending one of its most valuable regional assets, Iran may have deliberately preserved the Houthis for a more strategic role in the future.

Shortly after Iran signed the June MoU with the US, Quds Force Commander Qaani described the Bab el-Mandeb Strait as one of the Axis of Resistance's "winning cards," warning that additional capabilities could be revealed if necessary. The statement's significance lies less in the threat to maritime traffic than in what it says about Iran's thinking: Tehran views the Houthis not merely as a force capable of disrupting shipping but as a platform through which it can sustain, coordinate, and expand the next phase of the Axis of Resistance.

The Houthis have similarly cast their role in explicitly regional terms. In June, Abdulmalik al-Houthi said the group was in "full coordination" with others in the axis and ready to respond to any escalation. Earlier, Houthi military spokesman Yahya Saree warned that the group's "fingers are on the trigger for direct military intervention" if the Red Sea were used to launch attacks against Iran. The recent fall of Mokha and the

Houthis' push south toward the Bab el-Mandeb thus represent the realization of those threats.

These efforts build on a strategy that has evolved over the past decade. Long before the current war, Tehran was already working with the Houthis to expand Iran's influence across the Red Sea and the Horn of Africa while gradually strengthening the group's maritime capabilities. According to Houthi expert Adnan al-Gabarni, Iran began training Houthi personnel in maritime warfare as early as 2014. Yemen had become so important to Iran that Abdolreza Shahlai, a senior commander in the IRGC Quds Force, was reportedly already operating in Saada by January 2014, where, according to a prominent tribal leader from the governorate, he was assigned to oversee the Yemen file and the Houthis' recruitment, training, arming, and military operations. He appears to have spent considerable time in the region and played a crucial role in deepening Iran's ties with the Yemeni group. Iran's investment in the Houthis "entered a more strategic phase in 2019 through supplying the group with anti-ship capabilities, maritime systems, and naval mines while deploying experts to adapt missiles for maritime use," according to Gabarni. From 2021 onward, the Houthis began publicly showcasing these increasingly sophisticated maritime capabilities.

Iran's investment in the Houthis also formed part of a broader evolution in its regional strategy. Over the past decade, Tehran has gradually transformed the Axis from a hub-and-spoke network into a more integrated ecosystem. Rather than relying primarily on transfers of weapons and financial support, Iran has increasingly invested in the technology, expertise, procurement networks, manufacturing capabilities, and operational know-how that enable partners to generate capabilities of their own and reinforce one another.

The success of this approach is already evident in the Houthis' ability to develop links across the Horn of Africa on their own initiative, albeit with continued support from Tehran. Since 2023, reports have pointed to growing collaboration between the Houthis and Somalia-based al-Qaeda affiliate al-Shabaab. Hundreds of al-Shabaab fighters have reportedly received training in Yemen, while Houthi operatives have been deployed to Somalia to provide instruction in drone adaptation and manufacturing of explosive devices. Beyond collaboration with al-Shabaab, the Houthis have been recruiting assets from communities throughout the Horn of Africa, laying the groundwork for longer-term political, logistical, and operational networks in the region.

Moreover, the Houthis are playing an ever more important role in advancing Iran's objectives in Sudan. Following the outbreak of the civil war in 2023, Tehran restored relations with Khartoum and sought to establish a permanent naval base on Sudan's Red Sea coast while simultaneously cultivating ties with Islamist factions aligned with the Sudanese Armed Forces. Recent reports indicate that Houthi operatives were deployed to Sudan alongside IRGC personnel to train these factions in drone manufacture and operation. The Houthis have also allegedly transported weapons to them on Iran's behalf.

Creating a Yemen Corridor

The 2026 Iran war has reinforced the growing importance of the Bab el-Mandeb and the Red Sea in Tehran's regional strategy. Iranian efforts to establish direct air links with Houthi-controlled Yemen, extend the Houthis' operational reach and ability to disrupt shipping traffic in the Red Sea, and expand their presence in the Horn of Africa point to a broader aim: establishing a durable logistical and operational corridor centered on Yemen. This developing corridor ultimately enables Tehran to threaten disruption at both the Strait of Hormuz and the Bab el-Mandeb, and to hold leverage over a far greater share of global energy and commercial shipping than either chokepoint could provide alone.

Tehran is already translating this strategy into coercive leverage. The rapid progression from the announced blockade of Saudi shipping to attacks on Saudi oil tankers and energy infrastructure shows that the Bab el-Mandeb is no longer a contingency for future crises but an active instrument of Iranian strategy — in line with earlier reports that Tehran instructed the Houthis to prepare to close the Bab el-Mandeb should the US strike Iranian infrastructure. The strategic logic is straightforward: if Washington seeks to make Iran's Strait of Hormuz blockade economically unsustainable, Tehran will try to make sustained US pressure increasingly costly as well by widening the economic consequences of the confrontation beyond the Persian Gulf and forcing the United States to confront two major maritime crises at once.

While international attention had until now been fixated mainly on the Strait of Hormuz and Iran's nuclear activities, Tehran and the Axis of Resistance are adapting to the post-war environment and laying the groundwork for the next phase of regional competition. The Houthis' heretofore limited role in the Iran war should never have been mistaken for a diminished threat — as their reported seizure of Perim Island in mid-September makes clear. The greater challenge extends beyond Iran's nuclear and missile programs to the quiet construction of a decentralized, self-sustaining network — one capable of generating military capabilities, supporting proxy operations, and creating multiple, interconnected sources of strategic leverage across the Middle East and the Red Sea region. Less reliant on overt Iranian support and more resilient, this model is increasingly capable of surviving the loss or degradation of individual partners, making it far harder to disrupt through conventional military or economic pressure.

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