

GLOBAL IMPLICATIONS OF THE ONGOING US-IRAN WAR: AN EVALUATIVE ANALYSIS

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Abstract

The purpose of this research is to discuss the consequences of an impending war between the United States of America and Iran. This work will analyze both possible benefits and drawbacks of a war between two countries. The approach adopted in conducting the analysis includes the application of secondary data analysis, case studies, and scenario analysis techniques. The discussion in this work will focus on global energy market, security regime in the region, regimes of nuclear nonproliferation, and positions of major and emerging nations. It has been determined that, while there are some strategic benefits that may accrue from the war in favor of the United States, such as weakening Iran's military and dismantling its proxies, these gains are far outweighed by the negative effects including global economic instability, increased danger of proliferation of nuclear weapons, and destabilization of the Middle East.

1. INTRODUCTION

The ongoing animosity between America and Iran is considered one of the most longstanding geopolitical rivalries in the modern world. The years following the Islamic Revolution of 1979 saw a marked deterioration of the relationship between Washington and Tehran, as the two sides exhibited increasing distrust towards each other, as well as ideological hostility, resulting in a situation where there was always a danger of open military confrontation (Alqassem & al-Sayyad, 2026). The end of the JCPOA agreement in 2018 after the American withdrawal from the treaty, as well as ongoing disputes surrounding the Iranian nuclear program, proxy militia support, and

missile technology, has only increased the risks of war.

These threats have been heightened significantly in recent times. The '12 Day War' between Israel and Iran that occurred in June 2025 was the most extensive military engagement by far to have occurred between the two nations and involved the United States carrying out strikes against Iranian nuclear sites (The National Interest, 2025). In addition, the commencement of combined US-Israeli attacks against Iran, which began on February 28, 2026, was the start of another military operation, with regime change becoming its main objective (Alqassem & al-Sayyad, 2026).

Indeed, the international repercussions of this conflict go far beyond the warring parties themselves. The Strait of Hormuz, through which about 20 percent of internationally traded crude oil flows on a daily basis, is the most vital maritime energy choke point on the planet (Mohd Zainal Abidin, 2026). An interruption of this nature will lead to skyrocketing prices of oil and liquefied natural gas (LNG), making energy expensive on an international scale, especially in importing nations. According to the International Monetary Fund (IMF), even a short-lived conflict will decrease the growth of the global economy while increasing inflation, and a protracted conflict may bring the economy to the brink of recession, similar to that experienced during the financial crisis of 2008 or the coronavirus pandemic (IMF, 2026).

Beyond economic factors, a war between America and Iran also entails a number of serious geopolitical implications. Indeed, such a military conflict would significantly transform the geopolitics of the Middle East region and may even create a chain reaction of nuclearization as some countries like Saudi Arabia, Turkey, and Egypt attempt to develop their own nuclear program in reaction to the nuclearization process that is taking place in Iran (The Jakarta Post, 2025). Superpowers like Russia and China would also need to reorient their policies and take advantage of American overstretchedness without risking a clash with America (Annahar, 2026). South Asian countries like India and Pakistan would also have to deal with a diplomatic shift and security problems (BBC, 2026).

In light of these risks, policy makers and researchers must address the fundamental question of whether or not the benefits of a US-Iran conflict outweigh the negatives. Advocates of conflict assert that military intervention could weaken Iran's ballistic missile program, dismantle its proxy apparatus, impede a nuclear breakout, and possibly set the stage for regime change (RAND Corporation, 2026). On the other hand, opponents of conflict point out that these benefits are tactical and temporary, while the drawbacks of economic ruin, nuclear proliferation, regional

instability, and strategic overreach are strategic and lasting (Boston Globe, 2026).

This paper seeks to offer valuable insight into policy-making by leveraging international economics, security, and nuclear non-proliferation literature. The current age of geopolitical rivalry and vulnerable global value chains makes it imperative for policy makers to fully understand the implications of US-Iran conflict.

2. LITERATURE REVIEW

The literature dealing with US-Iran relations and the possible outcomes of any war can be classified into some broad themes such as economic consequences and energy security, regional security considerations, nuclear proliferation, and power strategy of major nations.

2.1 Economic Consequences and Global Energy Security

There is a considerable amount of literature on the linkages between Middle East conflicts and global energy markets. The Strait of Hormuz, through which around 20 percent of global oil shipments transit daily, is the world's most crucial maritime choke point for energy (Mohd Zainal Abidin, 2026). It is well-established in the literature that any disruption at this choke point will lead to rapid hikes in oil and LNG prices, causing global energy costs to increase, especially for energy-importing nations (Mohd Zainal Abidin, 2026). Recently published analyses by the International Monetary Fund (IMF) give quantitative estimates of possible economic consequences. Three cases are illustrated in the report titled World Economic Outlook of the International Monetary Fund (IMF): (1) the short-term conflict leading to a reduction of global growth in GDP by 0.3 percentage points in 2026 (from 3.4 percent to 3.1 percent without conflict); (2) a more pessimistic scenario involving prices of oil at \$100 per barrel, leading to a further decrease in growth to 2.5 percent; (3) the worst-case scenario involving ongoing disruptions, resulting in global growth of 2.0 percent (IMF, 2026). IMF chief economist stated that the Gulf crisis is "potentially much,

much larger" than trade disruption due to tariffs (Lawder, 2026).

The International Energy Agency (IEA) also noted that "the Iran war thoroughly upended the global outlook for oil consumption" with only 3.8 million barrels daily transiting the Strait of Hormuz, while pre-crisis figures stood at about 20 million barrels (IEA, 2026). This constitutes the largest supply disruption in history according to the International Energy Agency (Straitstimes, 2026).

2.2 Security of Region and Geopolitical Shift

The existing academic work on Middle East security has identified the concept of "Axis of Resistance," which comprises proxy forces like Hezbollah in Lebanon, Hamas in Gaza, Shiite militias in Iraq, and the Houthis of Yemen as tools used by Iran for its strategic deterrence against any attack on itself (Alqassem & al-Sayyad, 2026). The academic literature has observed that repeated assaults on these proxy forces have created doubts regarding their ability to defend Iran from a strategic attack (Alqassem & al-Sayyad, 2026).

According to the Middle East Institute, the post-war situation has been a crucial inflection point, which can either lead to regional peace through intense diplomatic efforts or continue armed conflicts from multiple fronts (Middle East Institute, 2025). The region has come to witness an era of "unfinished order," born out of wars, off balance, and full of uncertainties (The Friday Times, 2025).

2.3 Risks of Nuclear Proliferation

The question of whether nuclear proliferation would lead to greater stability within the region through deterrence or not has raised a considerable number of academic arguments regarding the issue at hand. According to Kenneth Waltz, a nuclear-armed Iran would result in increased regional stability because of deterrence, but his position has been challenged by scholars that view Iran's support for non-state actors and the risk of miscalculations as the greatest threat (The Jakarta Post, 2025). The risk of the nuclear domino effect is an important topic within this

literature – in case Iran becomes nuclearized, it would prompt other countries in the region to launch their own nuclear projects (The Jakarta Post, 2025).

According to recent research, Iran can be defined as a nuclear threshold country, meaning that it has the necessary knowledge and materials to construct nuclear weapons should it decide to do so (iNews, 2026). In particular, the IAEA reported that it is unable to locate 410 kilograms of 60 percent enriched uranium that might be used to build 10 nuclear weapons (The National Interest, 2025).

2.4 Calculations of Major Powers

It is important to point out the rising significance of the strategic partnership among Russia, China, and Iran. Specifically, it is noted that Russia and China seek the weakening of US domination while balancing their support of Iran in a way so as not to provoke the US. Moreover, being the world's biggest oil consumer, China is particularly sensitive to any threats to the stability of the oil market, such as the Strait of Hormuz, which explains its desire not to engage directly but to mediate the conflict (Annahar, 2026).

3. RESEARCH QUESTIONS

- I- What would be the ramifications of a war between the United States and Iran on a global scale from the perspectives of economics, geopolitics, and strategy?
- II- Do the benefits of a potential war exceed the drawbacks?

4. RESEARCH GAP

While much literature has been devoted to exploring various aspects of the conflict between the US and Iran, it seems necessary to conduct more comprehensive research on the possible implications of a war for the world economy and geopolitics. To fill this gap, the study takes advantage of a multidimensional approach.

5. RESEARCH METHODOLOGY

In this study, the qualitative approach has been adopted, considering the complexity and

uncontrolled nature of geopolitical processes and impossibility of conducting experiments in the field as well as quantitative nature of data related to this topic. In terms of research methods, this research has incorporated a variety of approaches, which included secondary data analysis, comparative case study analysis, and scenario planning. Data was collected from various sources to increase credibility and validity of the study. Official reports issued by international agencies such as IMF, IEA, and IAEA were taken into account, as these provide credible quantitative data about economic implications and risk of nuclear proliferation. Scholarly articles from peer-reviewed journals, as well as various policy papers from institutions like RAND Corporation, Washington Institute for Near East Policy, and Middle East Institute, were considered. Media reports were also gathered from some major international media channels, which include Reuters, BBC, and AP. For the purposes of this paper, data from 2024 to 2026 have been considered relevant.

6. LIMITATIONS

This research admits the existence of certain limitations. The first limitation is associated with the very essence of forecasting geopolitical events. The second limitation is the limited access to information about events due to their ongoing nature. The third limitation lies in the fact that only information in English was used for the analysis.

7. ANALYSIS OF GLOBAL IMPLICATIONS

7.1 GLOBAL ECONOMIC IMPLICATIONS

7.1.1 Energy Market Disruptions

The geographic location of Iran in the global energy market makes any armed conflict highly significant for the global economy. Iran has approximately 9 percent and 17 percent of proven reserves of oil and natural gas, respectively, and is responsible for the production of around 2.7 percent of the global crude petroleum and natural gas value-wise (Euromonitor, 2026). The oil production of Iran of about 3.4 million barrels per

day accounts for 4.2 percent of the global crude production (Allworth Financial, 2026).

Yet, the major threat is associated not with the production processes in Iran, but with the Strait of Hormuz, a narrow sea route connecting the Persian Gulf with the Arabian Sea. About 20 percent of the total global oil shipment passes daily through this sea route (Mohd Zainal Abidin, 2026). Yet, during the conflict period, only 3.8 million barrels were passing daily through the strait instead of 20 million barrels, which was the number before the crisis began – a reduction by 80 percent in traffic (IEA, 2026). It can be considered the largest disruption of the supply ever (Straitstimes, 2026).

Economic impacts of this disruption have implications that go far beyond the petroleum industry alone. Ship operators will be faced with increased insurance rates as well as extra charges due to the need to chart alternative routes, while the airline industry will incur additional costs due to delays and cancellations (Euromonitor, 2026). There will also be increased raw material costs for manufacturing industries that use energy in production (Euromonitor, 2026).

7.1.2 Macroeconomic Effects

The scenario analysis by the IMF offers a quantitative measure of how badly the economy may be affected. Considering short-term disruption with energy costs increasing by 19 percent over those in the preceding year, the global GDP is predicted to grow by 3.1 percent in 2026, a drop of 0.2 percentage points compared to the 3.4 percent expected growth in January forecasts by the IMF in the absence of conflict (IMF, 2026). The inflation rate would stand at 4.4 percent (IMF, 2026). For oil costs standing at \$100 per barrel over a long period of time, the global GDP growth drops to 2.5 percent, whereas inflation reaches 5.4 percent (IMF, 2026). Prior to the conflict, the IMF had predicted oil prices to fall to about \$62 in 2026.

Under the worst-case scenario of energy supply interruptions, an average of \$110 per barrel of oil in 2026 and \$125 per barrel in 2027, and disruption of financial markets, global GDP

growth would fall to 2.0% (IMF, 2026). According to the IMF, the world economy has not experienced growth lower than this figure only four times since 1980, including the 2009 financial crisis and 2020 coronavirus outbreak (Lawder, 2026). In the worst case, the global inflation rate would be higher than 6% (IMF, 2026). The IMF chief economist stated that some nations would experience recessions under the extreme conditions, while high oil prices would raise inflation expectations and wage requests (Lawder, 2026).

7.1.3 Financial Market Response to War

The war with Iran prompted a widespread sell-off of stocks around the world as investors turned to safe haven investments like gold, which reached its highest level ever. Historical evidence indicates that financial markets view geopolitical risks as a source of volatility first before analyzing them and distinguishing between fear and reality, with a typical pattern of a risk-off reaction followed by a recalibration (Allworth Financial, 2026). However, an extended oil spike could lead to lasting effects on markets.

7.2 REGIONAL SECURITY AND GEOPOLITICAL CONSEQUENCES

7.2.1 The Strategic Position of Iran

Despite the fact that the Iranian government is weakened and has lost credibility, it has shown persistence and dispersal. The key instruments of coercion include the ability to control the Strait of Hormuz, possession of the country's ballistic missiles and drones, and maintaining IRGC commanders (Paliwal, 2026). It has been argued that "everything else is up for negotiation, from the fate of its people, energy infrastructure, and enriched uranium, down to even losing some territory" (Paliwal, 2026).

There have been considerable successes for both the United States and Israel in relation to their strategic aims. They include the decline in the number of Iran's ballistic missile launches by 90 percent during the first week, degradation of the country's naval capabilities, and targeting of Iran's nuclear sites (RAND Corporation, 2026).

Nevertheless, Iran still has thousands of drones and hundreds of missile launchers, and the United States cannot open the Strait of Hormuz (JINSA, 2026).

7.2.2 The Proxy Network

One of the factors contributing to regional instability has been the Axis of Resistance in Iran; this group includes Hezbollah, Hamas, Houthi fighters from Yemen, and Shi'ite groups from Iraq. However, what must be noted is that the proxies of Iran have developed their own independent networks which might even survive in the absence of Iran itself (Los Angeles Times, 2026). Among the proxy networks, Hezbollah has developed its own terrorist networks and infrastructure, not dependent on Iran, in various countries such as Cyprus, Peru, Colombia, Thailand, London, and the United States (Los Angeles Times, 2026).

7.2.3 Regional Stability and the Gulf States

This situation has changed the strategy calculations for the Gulf states in general. For instance, "Saudi Arabia appears almost out of patience in responding to the Iranian attacks," and there are discussions in Gulf capitals concerning offensive actions needed to restore deterrence equilibrium" (iNews, 2026). Moreover, Saudi Arabia has a nuclear umbrella in the shape of the recent defense pact it concluded with Pakistan. According to "Saudi analysts," "In case the Saudis decided to intervene with full force... Iran will become the greatest loser, since Saudi Arabia would use its bilateral defense agreement with Pakistan" (iNews, 2026).

7.3. CONSEQUENCES OF NUCLEAR PROLIFERATION

Nuclear aspects of the conflict between the US and Iran carry some of the most severe long-term consequences in the world. Some of the proliferation possibilities include:

Iranian Breakout Possibility: Iran has already been recognized as a nuclear-threshold nation, which means it possesses the know-how and materials needed to build nuclear weapons if the country

decides to do so (iNews, 2026). The IAEA has noted that they cannot account for 410 kilograms of 60 percent enriched uranium, enough for ten nuclear bombs (The National Interest, 2025). The leaders in an imminent existential crisis may find themselves with no choice but to seek protection in the form of a nuclear weapon.

Domino Effect of the Region Acquiring Nuclear Weapons: The possibility of Iran developing a capability to possess a nuclear weapon "ominously risks Saudi Arabia embarking on its own program, which would dramatically increase the probability of a destabilizing arms race in the volatile Middle East region" (The Jakarta Post, 2025). The crown prince of Saudi Arabia has already announced that they may develop a nuclear bomb of their own if Iran does so (Goldschmidt, n.d.).

Nuclear Disaster Threat: In the ongoing conflict, an object hit the facilities of the Bushehr nuclear power plant in Iran, putting the region at risk of a Fukushima-like nuclear disaster (iNews, 2026). According to iNews (2026), the World Health Organization has been conducting emergency exercises to prepare for the possibility of a nuclear disaster.

Israeli Nuclear Strategy: American diplomats have suggested that Israel may consider utilizing its undisclosed nuclear capabilities (iNews, 2026). The deployment of nuclear arms into the ongoing conflict would constitute a new level of escalation that would have catastrophic implications for the entire world.

7.4. STRATEGIC IMPLICATIONS FOR MAJOR POWERS

7.4.1 Russia and China

Russia and China have taken specific approaches in the sense of conveying their message of defiance to Washington without getting into actual direct confrontations. Their common agenda can be defined by their desire to avoid "an Iranian defeat" (Annahar, 2026).

Involved already in a full-scale confrontation with the West in Ukraine, Russia perceives the ongoing conflict with Iran as another chance to drain America of its potential and draw the attention of Western powers away from the conflict in Eastern

Europe (Annahar, 2026). Russian authorities do not get involved directly into the confrontation but rather assist Iranians indirectly through the provision of intelligence information and technical support. Russia attempts to maintain the conflict at manageable levels in order not to transform it into a full-blown regional war.

Being the largest importer of energy resources, China's first objective is to ensure a steady flow of energy supplies, especially from the Strait of Hormuz (Annahar, 2026). Military escalation is not viewed by China as an avenue that would benefit it and is thus playing the part of a "quiet mediator," urging for peace and exerting pressure on both sides to avoid any major clash (Annahar, 2026). Nonetheless, China's support has limits, as Beijing cannot be expected to shoulder the costs of a showdown with the West in support of Iran (Annahar, 2026).

7.4.2 India and Pakistan

There have been several notable changes in strategy in the South Asian region due to the ongoing war. Pakistan has acted as a mediator between America and Iran, allegedly presenting America's 15-point plan to end the war to the Iranian leadership and proposing the conduct of peace negotiations on its territory (BBC, 2026). This move has irked India, and some experts opine that "India has found itself frequently outmanoeuvred diplomatically by Pakistan's agility and aggressiveness in the 'war of narratives'" (BBC, 2026).

The war presents considerable strategic disadvantages for India. As one expert comments, "one can expect reduced US interest in the Indo-Pacific," with the result that America would reallocate its military resources for the fight in Iran (Indian Express, 2026).

8. PROS AND CONS OF A US-IRAN WAR

8.1 POTENTIAL ADVANTAGES

8.1.1 Degrading Iran's Military Power

The United States and Israel have made substantial headway towards the destruction of Iran's ballistic missiles — there was an unprecedented reduction in launches by 90%

after the first week of the operation its navy, and attacks on nuclear installations (RAND Corporation, 2026). An intensive military operation would be capable of degrading Iran's power-projection capability as well as its potential threats to other countries.

8.1.2 Disrupting Iran's Proxy Network

So far, the proxy network of Iran in the Middle East has been weakened due to the loss of Syria, the defensive stance of Hezbollah, major damage done to Houthi forces, and Iraq moving away to maintain stability in the country (The Friday Times, 2025). This might be followed by disrupting funding channels for these militias, thus limiting their ability to cause instability.

8.1.3 Stopping the Iranian Nuclear Program

Those who support military operations believe that the only way to ensure that Iran does not possess nuclear arms is through credible military threats or action. Attacks conducted by the US against the Iranian nuclear installations at Fordow, Natanz, and Isfahan are an example of such actions.

8.1.4 Potential for Regime Change

Despite the warnings from many experts suggesting that regime change is not yet a realistic scenario, the war has already succeeded in removing most of the leaders in Iran, leaving the newly elected supreme leader to face a predicament regarding religion and politics, as well as having diminished the entire political establishment (Alqassem & al-Sayyad, 2026).

8.2 POTENTIAL DISADVANTAGES

8.2.1 Severe Economic Effects

Economic consequences of a war between the US and Iran will have global implications. According to the International Monetary Fund's worst-case scenario, there will be global economic growth of 2.0 percent – an achievement seen only four times since 1980 – with inflation above 6 percent (IMF, 2026). The price of oil could go up to over \$200 per barrel due to a six-months-long war scenario because of reserves depletion (Asia Times, 2026).

Rising fuel prices would affect Europe and other nations that do not produce fuel (Wellington Shields, 2026).

8.2.2 Humanitarian Disaster

Iranian economy, which is currently under sanctions, is expected to experience an economic contraction by over 10 percent in 2026, with the destruction of infrastructure and revenues falling drastically (Financial Afrik, 2026). Inflation is expected to be close to 60 percent, and food inflation to be above 70 percent (Financial Afrik, 2026).

8.2.3 Nuclear Proliferation Hazards

Contrarily, military intervention is likely to boost nuclear proliferation risks in the medium to long run. Regimes under existential threats will rush to construct their nuclear bomb devices (Washington Institute, 2025). The nuclear domino effect would cause proliferation in the Middle East region, which would ultimately undermine the existing global non-proliferation system (The Jakarta Post, 2025).

8.2.4 Instability within the Region

The Middle East has now reached the stage of an "unfinished order – born of war, off-balance, and dominated by uncertainty" (The Friday Times, 2025). Contradicting its objective of creating stability in the region, US-Iranian war would result in multi-front war fronts in Gaza, Iran, Yemen, Syria, and Lebanon (Middle East Institute, 2025).

8.2.5 Overextension of US Strategic Position

This war has already led to a diversion of US attentions from the Indo-Pacific as resources have been stripped from there, and it will take some time to rebuild (Indian Express, 2026). The new strategy will benefit China's standing in the Asia-Pacific region. Furthermore, this war will leave an opportunity for Russia and China to exert pressure on the US in the future, realizing that a weakening of Iran will eventually provide this opportunity to them (Annahar, 2026).

8.2.6 Political and Legitimacy Costs

The conflict has been referred to as "a war of choice conducted under false premises," and it is claimed that "Iran neither has an active nuclear weapons program nor any ballistic missiles capable of reaching the United States" (Boston Globe, 2026). The conflict shows "that our political process can allow one individual to start wars that wreak havoc across whole areas of the world" (Boston Globe, 2026).

9. DISCUSSION

The findings outlined above provide a stark illustration of the inherent inequality in the possible benefits and costs of engaging in a war between the United States and Iran. While military intervention could lead to tactical victories for the US through damaging Iran's military capabilities, disrupting proxy groups, and impeding its nuclear program, it carries an extremely high cost that will not only be paid by the parties involved in the hostilities but by the international community as a whole.

Perhaps the most important conclusion is the extreme sensitivity of the global economy to any disruption of activity around the Strait of Hormuz. According to the IMF's scenario analysis, even a temporary outbreak of hostilities would result in lower economic growth and higher inflation globally, while extended warfare may push the global economy into a recession comparable in scale to those experienced during the 2008 financial crisis and the coronavirus pandemic.

The second key observation concerns the risk of nuclear proliferation. The result of military intervention aimed at curbing nuclear proliferation could well be its rapid acceleration through either the possible radicalization of the Iranian government as a result of such actions against it or via a domino effect among neighboring countries, all of which might decide to embark on their nuclear proliferation projects. The use of nuclear weapons during any ongoing military operations would constitute a catastrophe for which there is no rational calculation.

The third important consequence concerns the security of the region, according to which America

might end up substituting one threat with another, even greater and more unpredictable one. While the proxy network of Iran may be destroyed by military intervention, the causes leading to its creation, as well as the ability of groups like Hezbollah to fight independently, would persist in spite of the downfall of the Iranian government.

Russia and China's strategic calculations reflect the nature of modern-day geopolitics and show that both powers have little interest in seeing the US emerge victorious in the war. Neither country wants an outcome in which America emerges as the dominant force, nor does either want a chaotic situation that might upset the international energy market. By pursuing a policy of limited confrontation, in which the fighting will drain US resources while avoiding all-out war, Moscow and Beijing will achieve their aims.

From a strategic perspective, there is no doubt about what the two countries must do. Although diplomacy is often frustrating, it remains the only sustainable way forward. The alternatives to diplomacy – reviving the JCPOA approach, confidence building within the region, and economic engagement with Iran – each present problems, but they also avoid the dangers posed by the economic, nuclear, and humanitarian disasters that could result from war.

10. RECOMMENDATIONS

Considering the disastrous impacts that will be brought about by a full-blown conflict between the two countries due to the global economic impact, increased risk of nuclear proliferation, destabilization of the region, and overstretched military of the US, this paper highly advises on using diplomatic negotiations and conflict resolution as the main strategy against any military action.

10.1. Ceasefire and De-escalation

A ceasefire and de-escalation of any military activity should be immediately made by the parties involved through the intervention of the UN Security Council. A neutral party should be established to monitor any activities that are not

in line with the ceasefire agreement without escalating any activity.

10.2. A Revisited Nuclear Agreement

It is important that a nuclear framework is created based on the original framework but with stricter rules. The inspection of all uranium levels that exceed 3.67% is mandatory and the International Atomic Energy Agency must have real-time access to any nuclear sites in Iran.

10.3. Regional Security Dialogue

Convene a regional security dialogue in the Persian Gulf involving Iran, Saudi Arabia, UAE, Qatar, Oman, Kuwait, Bahrain, Iraq, and the United States. Discuss areas of mutual concern, such as maritime security in the Strait of Hormuz, proliferation of ballistic missiles, and reducing tensions from proxy wars. Set up communication lines between Iranian military leadership and US CENTCOM to avoid unintentional escalation.

10.4. Economic Mitigation and Oil Markets

The International Energy Agency (IEA) and G20 need to synchronize their strategic petroleum reserve releases to stabilize the price of oil while negotiating. Design a temporary “oil security passage” with naval escort from non-combatant states, like India, China, and allied Europe, to ensure partial transit in the Strait of Hormuz. Offer emergency liquidity funds from the IMF to vulnerable states suffering from energy price volatility (Lebanon, Pakistan, Egypt, Jordan).

10.5. Addressing the Proxy Network Through Political and Military Measures

Instead of seeking to eliminate Iran's proxy networks militarily, work towards addressing the underlying political frustrations and weaknesses in governance that enable these proxies. Encourage UN peacekeeping missions in Yemen, Lebanon, and Syria to undermine Iranian control politically instead of through violence.

10.6. Constructive Mediation of China & Russia

While dealing with China & Russia, the U.S. must treat both nations as stakeholders rather than adversaries in ensuring energy stability and non-proliferation. This approach involves providing a diplomatic channel whereby Beijing & Moscow can gain credit for enabling Iran to behave responsibly.

11. CONCLUSION

In conclusion, this research paper has explored the ramifications of the US-Iran war at the global level in various spheres of impact, analyzing both the positive outcomes and negative consequences of the military action. Some general observations can be made from the research conducted. First, there is no doubt that a global US-Iran war will have devastating implications for the world economy. The importance of the Strait of Hormuz as one of the largest energy sources on earth implies that a military action will provoke a rise in oil prices and inflation, slowing down GDP growth in all economies. From the analysis performed by the IMF, it can be inferred that, regardless of the optimistic scenario considered, the US-Iran war will have a negative influence on the performance of the world economy and bring it close to the recessionary stage. Second, from the point of view of regional security, the prospects after the US-Iran war seem rather bleak. On the one hand, such an operation will lead to the degradation of the country's army and proxy structures; however, on the other hand, it can serve as a ground for continuous instability in the region due to various factors. Lastly, the risks of nuclear proliferation from a war between the US and Iran may eventually outweigh any gains from non-proliferation efforts. While attacks may serve as a deterrent to Iran's nuclear program for some time to come, they may also spark a proliferation race in the region. Furthermore, the risk of an accidental detonation or a nuclear exchange cannot be overlooked. Fourthly, taking into consideration the geostrategic position of Russia and China, it becomes clear that a war between the US and Iran is beneficial for America's rivals

rather than itself. Forcing America to engage in a costly and distracting war in the Middle East while at the same time refraining from an open conflict is ideal. Lastly, the review of pros and cons shows that while the benefits of a war, including weakening Iran militarily, disrupting proxy alliances, and slowing down their nuclear program, are temporary, the costs, on the other hand, are permanent.

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