

# Iran – Questions and hypotheses as of mid-March 2026

Insight paper by Harmattan Risk

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On 28 February 2026, the US and Israel launched a sustained bombardment of Iran. The high-intensity phase will probably last for several more weeks. Unlike previous attacks aimed at specific tactical objectives, this time it is more “for keeps”. Among its targets is the Iranian regime itself, including the security apparatus which has been instrumental to keeping the regime in power as its legitimacy, linked to the increasingly distant 1979 revolution and the Iran-Iraq War, has faded.

Not long ago, the notion of the US working with Israel to strategically neutralise Iran would have been the stuff of airport thrillers. The idea has been around, particularly in neocon circles, but being seen as an Israeli partner-in-war fighting a Muslim country would have risked the US’ standing in the wider region, and the stability of US regional allies.

The validity of that assessment eroded apace with the decline in shared regional Arab and global Muslim identities which used to drive acute popular responses to perceived anti-Arab / Muslim great power behaviour. There are a number of reasons for the decline in grassroots solidarity, but briefly, particularly since the Iraq War and the Islamic State aftermath, many people have become somewhat desensitised to political outrage and more interested in socio-economic security. For example, if the Gaza conflict or China’s repression of Uighurs occurred two decades ago, the Middle East likely would have been ablaze with condemnation, including by governments trying to keep up with the popular mood. Now, Arab governments can consider deals with Israel and sustain deep economic ties with China with only minor concern about public reactions. In that important respect,

what was once unthinkable became thinkable, particularly for an American administration in the mood to flex its muscles.

The above, though, does not detract from the enormity of the US-Israeli attack. While the environment is more politically permissive, to longtime observers of the Middle East, the US and Israel jointly seeking to neutralise a Muslim power still seems weird, and it cries out for sense-making. That is a challenging and even contentious task given the character of the current US and Israeli governments, both of which are under the sway of populist leaders for whom their own political fortunes are often an important consideration in policy-making or strategic decisions. This paper constitutes a limited sense-making effort aimed at contributing to clarifying the conflict's broader character and implications.

We recognise that there is much ongoing commentary and analysis, and that this paper risks adding to the noise. However, as usual with major and contentious events, there has been a tendency to fixate on near-term twists and turns, to criticise or prescribe, and to quickly speculate. We end up with the “...forest? All I see is a bunch of trees” problem. Hopefully this paper, alongside other ones that aspire to a more detached perspective, will make a modest contribution to framing and contextualising the situation. Because this is not monitoring or current intelligence, it will become increasingly outdated given the fluidity of the situation. However, its “cognitive map” value will hopefully persist even as its informational value erodes.

Before proceeding, I should note that, as regular readers might know, Harmattan Insight papers are seldom about current affairs and instead focus more on conceptual clarity and thought processes. That is changing as global circumstances are actually starting to require new ways of thinking, but in the case of Iran I confess a longstanding, if very under-exercised, interest in the country. My family was among thousands of expats who lived in Iran up to and partly during the revolution, and the experience gave me an enduring curiosity about the country's political fate.

We will approach the task by addressing four broad questions (more would be relevant to a fuller picture of the situation, particularly with respect to regional stability – here we focus more on the core of the problem):

- Why did the US and Israel really do it?
- What is the plan?
- What might happen?
- What does this mean for the US?

The paper’s conclusion briefly examines the implications for a few relevant third party states, or groups thereof as with the Gulf states.

For each question we will put forward one or a few hypotheses. We stress that these are only hypotheses, not answers, and readers should test, revise or discard our hypotheses as their knowledge of the situation accrues, and as the situation evolves. That might not sound like glowing self-confidence, but it would be disingenuous to position the paper as concrete intelligence or forecasting. We are Iran “hobbyists” as opposed to experts, we have no special insider knowledge of the conflict, much of what is relevant to interpretation will not be in the public domain for some time, and as already noted, it is a highly fluid situation. That said, this is more about framing as opposed to information, so we are probably on reasonably safe ground.

### **Why did the US and Israel really do it?**

For this question, our baseline hypotheses is that the attack was undertaken because Iran, although not a present threat, had been a persistent one for decades and its intentions were still threatening even if its capability had been eroded. Its diminished capability could be seen in two ways. One, Iran was not a present threat, and hence there was no reason to do much more than contain it. Two, Iran’s weakness created a unique window of opportunity which Iran would partly close if it had time (given Iran’s experience in asymmetric warfare and its tinkering with chemical and biological weapons, it is plausible that Iran could have narrowed the window within the medium-term future).

Israel and the US chose interpretation Number Two. For Israel, Iran was an existential threat even if it was not an immediate one at this point. For the US, not only was Iran an old nemesis, but it was a potential time bomb sitting in one of the most volatile and geostrategically important regions of the world, and a region where the US retained significant strategic interests despite periodic attempts to shift more of its focus to Asia.

The decision carried risks, the main one being Iran's potential riposte. It is very likely that US and Israeli intelligence and military planners were aware that Iran might respond as it did, with attacks on Israel and the Gulf states and the threat to shipping. Israel's government would have seen this as acceptable given the potential upside of neutralising Iran for the long term. There are indications that Trump was somewhat surprised by the breadth of Iran's response, but even if he had been well aware of the possibility (if he had absorbed available intelligence), it is doubtful that it would have swayed his decision. He likely would have gone ahead on the premise that the operation would, in a relatively short time, erode Iran's strike capabilities to negligible, manageable levels, and hence that the effects would be temporary.

For the US in particular, the strategic rationale probably extended to its rivalry with China. Since Obama's first term in office, the US has sought to make the Indo-Pacific its principal strategic focus, but for one reason or another the Middle East has remained a US priority. While China has not openly stirred up trouble in the Middle East, it has tried hard to keep Iran relevant as a Middle Eastern wildcard, to ensure that whatever else was going on in the region, the US had to keep one eye firmly glued there. A lack of access to Iranian oil would be problematic for China, especially with its Venezuelan supplies now subject to US control. However, that was a fringe benefit for the US in the context of China-US tensions. The main one was that the US would be able to more confidently shift its attention towards Asia.

Before we conclude from the above that the decision to attack Iran was an example of clear strategic reasoning, we have some other considerations to attend to. It is worth trying a counter-factual. What if Obama had been in office in the US, and perhaps Ehud Barak in office in Israel, in January-February 2026? It is possible

that they would have concluded that targeting Iran's regime was the smart thing to do, but it is perhaps more likely that they would have seen Iran's current weakness as an achievement in itself, and resorted to ongoing containment and anti-regime subversion rather than launching a final showdown with all the risks which that entailed. The attack was rational, but it would have been just as rational to have kept up the pressure while trying to subtly finesse regime change, leveraging widespread anti-regime sentiment towards an outcome that was politically viable and sustainable for Iran, and thus which could have led to a more stable regional situation in the long run.

There were likely several variables at play which had little to do with good strategy, and more to do with personality and political fortunes. Trump has sought a historical legacy. Iran has stumped preceding American presidents, and if Trump solved the Iran problem, that would be a part of his legacy. Trump's administration was on a high after Venezuela, which seemed to validate the notion that flexing muscle really did work and was not nearly as risky as past administrations had assumed. Through that lens, Iran looked like a nail waiting for the US hammer, despite being a very different context. Finally, Trump tends to choose battles with a high potential for easy political wins, and Iran was a risky prospect. Trump's team probably did have some reservations, but Netanyahu no doubt lobbied furiously and Trump, hating to look timid or stingy, probably felt pressure to get on board.

For the US, while the decision to attack Iran was strategically sound in simple terms, we have a sense that over the last two months the decision gained a momentum of its own, driven not just by strategic thinking but also by these other drives and pressures. Like many major political decisions, in this case it is likely that by the time a decision had to be made, to a large degree it had already made itself.

Note that one thing we did not mention as a variable is the Epstein files. Numerous commentators have positioned the conflict as an effort by Trump to distract Americans from whatever political damage might come from the contents of the files. It no doubt occurred to Trump, who has been eager for the whole Epstein saga to become history, that Iran might take people's minds off it. However, given the time and commitment involved just to create a military option of this scale,

and that for a mere distraction there were less risky opportunities, the Epstein variable was probably of minor significance.

As for Israel, Netanyahu has increasingly relied on conflict and apparent victories to sustain his argument that desperate times require a leader (just) like him. Iran has been a serious threat, but it has also been a political crutch for Netanyahu. Given a choice between attacking Iran while it was weak, or opting for slow-burning operations largely out of the public eye, the attack was a political no-brainer.

The decision to attack Iran, then, made strategic sense, and no doubt there were credible experts who pushed for it. But it was not the only option for dealing with a weakened Iran, and ultimately the decision was probably a combination of perceived strategic imperative, personal imperatives, and political opportunism. Which is not saying much given that this is the usual mix for nearly any major government decision. However, what has been missing in a lot of commentary so far is the strategic sense. At its heart and shorn of personalities and domestic political agendas, it was a sound decision, even if it was not the only sound option available.

### **What is the plan?**

Arguably the question of a plan could be an aspect of the “why”. However, in splitting the two questions, we make a distinction between the impulse or imperative for a decision to do something, and a finer-tuned outline of the desired end state and how to get there. Sometimes a government needs to act on a window of opportunity (in this case an enemy’s vulnerability) or an impending threat before it has time to do more than initial operational planning. There was a broad objective to the attack on Iran – diminish its threat potential while it was uniquely vulnerable. However, that is not the same as a longer-term campaign plan, which is what we consider here.

As yet, we do not see a plan in the sense outlined above. There could be several reasons for this. One is that the protagonists decided that under any plan, the current phase was a necessary first step, and they will wait until the smoke clears, so to speak, to see what the resulting picture is before committing to a longer-term

plan. Perhaps there is a set of options, from okay to ideal, which will be enacted depending on the situation. Second, there could be a plan but it is being kept secret to thwart Iran's counter-planning. Third, the US and Israel might have divergent long-term objectives and they are still ironing them out. Finally, as many commentators suspect, perhaps the two countries' leaders, and Trump in particular, simply have not thought about what comes next and have provided no firm guidance to their planning teams.

As for what a potential plan might be, indications thus far point to several possibilities which, as noted, could actually be options, some of which could be sequenced and some of which would be mutually exclusive. We will briefly consider four possibilities.

The most basic possibility is that the US and Israel are simply trying to neutralise Iran as a threat, and that regime change would be a nice-to-have which they would attempt to facilitate depending on the conditions after key targets have been destroyed. In other words, what we see is what we get, and what happens next depends on the outcome of what is happening now.

An extension, or sub-option, of the basic possibility above would see not just the destruction of Iran's current power projection capabilities, but a ceasefire agreement in which Iran commits to dismantle what was left of its drone and missile production assets and nuclear programme, and commit to intrusive monitoring enforced by the threat of sanctions and targeted air strikes.

Regime change has been touted as an objective, particularly for the US and less so for Israel. There are at least three variations. One is that air strikes targeting Iranian internal security forces pave the way for a revived protest movement. With covert US and Israeli assistance, the movement succeeds in toppling the regime. The US proposes its own preferred leadership and manipulates its installation. Another variation is simply letting the Iranian protest movement decide on a new leadership, but this is probably not preferable given that it could yield messy results and a leadership that is not easily manipulable. Finally, the Iranian regime is nearly decimated and its skeletal remnants have no choice but to acquiesce to the

imposition of the US' preferred leadership. This is the "unconditional surrender" option that Trump has referred to, and it might be ideal because it does not require synchronisation with an unpredictable and decentralised protest movement.

Finally, the aim, or perhaps a last ditch option if the attack fails to sufficiently diminish the threat from Iran, could be to turn Iran into a failed state, or at least a very divided and disorganised one. That would neutralise "the Iranian" threat, since the country would be incapable of coordinated initiatives to build and direct threat capabilities. The Trump administration would probably not prefer this option because it gains nothing tangible from it and it could make Iran the source of continued regional instability. For Israel, though, it might well seem more realistic and the risks would be worth Iran's neutralisation as a cohesive and committed threat.

That covers the main possibilities, or options. We can add a footnote. This concerns Kharg Island, Iran's oil export hub. It is still being used by Iran, who is managing to ship oil to China and elsewhere even while making the Strait of Hormuz too risky for Gulf state exports. Until 13 March, the island had remained untouched, and strikes on 13-14 March only targeted military installations on the island.

The US likely wants to preserve Kharg's infrastructure. Destroying or disabling it would add to the panic in oil markets, make it seem to Iranian people that the US is taking aim at their own long-term economic wellbeing, and make it difficult for the US to potentially gain from future collaboration in Iran's oil industry under a new government. Iran has also threatened to retaliate against Gulf state oil infrastructure if Kharg becomes inoperable. Trump is very alert to oil prices and their political effect in the US.

Apparently US planners are pondering seizing Kharg Island, so as to control it without destroying it. That could be a sensible move, but the US would have to be willing to accept further hikes in oil prices (if the US seized Kharg, Iran would obviously turn off the taps, and Iran would likely target Gulf state oil infrastructure). It would also have to accept the risks and political commitment

associated with having troops on the island – they would be very exposed to Iranian hassling attacks, yet withdrawing them would have political repercussions unless it was part of an outcome that Trump could spin as clear win.

It is likely that how to handle Kharg depends on how the broader conflict evolves. Israel might not mind simply destroying it, but the US is wary of worse market panics, and wants to keep its options open. It is worth keeping an eye on Kharg – US moves concerning it could both trigger new directions in the conflict, and signal emerging US intentions as the conflict evolves.

Turning to a broader point, it is inevitable that the US and Israel have somewhat different long-term aspirations, and there have been some indications that this had led to some divergence in their approaches.

It is likely that the US prefers an outcome in which there is a friendly, manipulable leadership in Iran which is relatively stable in terms of at least a bare minimum of popular support and legitimacy. That would not only neutralise the Iranian threat, but extend US political and economic influence. Iran's oil would loom large in this thinking – gaining control over both Iran and Venezuela would significantly increase US global bargaining power, not least with respect to China.

Israel, on the other hand, would likely see regime change and a new, stable government as somewhat unrealistic and perhaps not even preferable. It is easier to break a state and to keep it broken than to implant and sustain a new government in a volatile political setting, and Israel is well accustomed to dealing with weak and failed states and territories. If Iran were weak and unstable, it might still contain threats, but the overall threat would be fragmented. There would be no centrally coordinated capacity to undertake complex military-technological initiatives. It is also likely that the US would insist that any new leadership be its own puppet, and however close the US and Israel are, that would go against Israel's aspirations for at least a degree of regional dominance.

Divergent aims could lead to friction as the operation progresses. For example, the Trump administration was apparently unhappy with Israel's strike on oil facilities in Tehran, partly because the US is trying not to antagonise the Iranian population so

that it does not reject a potential US puppet regime, and partly because the optics were bad from the perspective of markets. Trump also seemed somewhat nonplussed by the quick killing of so many government figures in Iran, a task that was apparently in Israel's hands. He was probably genuine when he said that he was running out of people he might be able to talk to in Iran.

The US clearly holds most of the cards and could force Israeli alignment with its preferred outcomes, but if it came to that, Israel might become a somewhat difficult partner. In a worst case scenario from the perspective of joint planners, bickering and decreasing political coordination could corrode operational cohesion, increasing the chance that the hardline regime in Iran endures and has at least the fragments of a threat capability to build on in the future.

It is too early to speculate about how US-Israeli divergence might unfold, but we can bear in mind that both Trump and Netanyahu are very strong personalities used to getting their way, and both have big and sensitive egos. Under other, more technocratic leadership, how two national leaders relate might not matter as much as coordination further down the hierarchy. With these two figures, though, their relationship could be very germane.

Before wrapping up this section, we can briefly deal with two widely reported factors. One is Reza Pahlavi, the last Shah's son who has lived in the US for decades. He has been touted as a potential new leader of Iran, either if the regime falls to revolutionaries or if the US manages to impose new leadership. He himself has stated that he would not become the Iranian leader and would instead help any new government to self-organise. His role in any mode would be hard to imagine for people who remember the 1979 revolution and the kind of leader the Shah was before that. However, not many Iranians do remember that far back and there has been no knee-jerk reaction against him in Iran. If the US does get as far as negotiating regime change, Reza Pahlavi probably would have at least a superficial political role.

The second factor is the Kurds. There are strong indications that Israel in particular has ramped up support for Iranian Kurdish insurgents. This has some significance.

First, it gives the Iranian regime another thing to worry about while it faces the joint attack. Additionally, if Israel does eventually seek the failed state option, an ethnic insurgency could be one more nail in Iran's coffin. From a remote standpoint, the Kurdish factor seems risky for all sides – it risks turning most Iranians against the US and Israel, it risks getting Turkey involved and destabilising Iraq and Syria, and for the Kurds it risks eventually being hung out to dry. Time will tell exactly what the US and Israel have in mind with respect to the Kurds. For now, they are a wildcard of low to moderate significance.

## **What might happen?**

Here we will not attempt detailed scenarios or many of them. That is a bow to our limitation when it comes to the subject of Iran – we are interested in it but we were never “Iran watchers”. We will posit a baseline scenario and then sketch a couple of outliers.

Our baseline medium-term hypothesis is as follows. Strikes degrade Iranian strike capabilities and weapons production, making Iran unable to seriously threaten other countries in the region for years to come. In that barest sense, the campaign could be regarded as a success. However, the regime remains intact after the campaign winds down, and it retains its internal repressive capability and some military capability. The US and Israel then implement surveillance and monitoring, and periodically carry out targeted strikes to ensure that Iran is not rebuilding power projection assets. The Iranian protest movement is in much the same position that it was in just prior to the war, although it might stand a better chance at revival given the conflict's effects on internal security forces.

As a clear way of depicting the rationales for that hypothesis, we can imagine that the scenario played out, and now we are answering the question, “Why did the campaign fail to achieve more than just a weaker but more or less intact Islamic Republic?”. The answer is as follows:

- Iran felt that it would be attacked at some point, and dispersed its coercive and military assets, making it very difficult to eliminate them all.

- The regime was a very hard nut to crack. Like the security and defence apparatus, the regime implemented a dispersed and networked structure to increase survivability. The US and Israel also underestimated the regime's ideological ardour and pain tolerance. Its culture and that of its loyalists partly derives from a vibrant institutional memory of the 1979 revolution and the Iran-Iraq War, both of which saw Islamic Iran struggle against overwhelming odds, and against the West (the Shah was US-backed and a friend to Israel, and the West supported Iraq in the war). This latest war was just another chapter in a long story of contending with foreign imperialism and enemies of Iranian Shias.
- As it became clear that the regime would survive the onslaught in some form or another, the US and Israel considered escalation. The options, however, were too risky. Ground operations would become entangled, heavier bombing risked higher civilian deaths and global opprobrium for little additional gain, and targeting Iran's oil facilities risked panicking oil markets and Iranian retaliation against Gulf state oil facilities, and more importantly their water desalination infrastructure (a thick red line for the Gulf states).
- There was no surge in protests, because the regime ramped up repression and because bombing made it too dangerous to take to the streets. The protest movement remained quiescent and hence actually lost some momentum.
- The US and Israel had known that the conflict could have implications for the passage of oil through the Strait of Hormuz, but had felt that Iran would not risk constricting it because of the potential effects on its own oil exports. Therefore there was no immediate plan to secure the Strait or protect shipping. The price of oil, and hence ultimately the price of gas at American pumps, became a serious concern for the Trump administration, especially given the point below.

- Trump ran out of political time. With midterms pending in the US, the economic effects of an already unpopular conflict were becoming a serious liability. Trump declared victory, citing the extensive and enduring damage done to Iran's forces, but he was compelled to back off in order to focus on the domestic agenda and the upcoming political campaign. Israel was intensely frustrated with the lack of American staying power and its failure to commit to finishing the job more thoroughly – if they had kept up the pressure, Iran would have depleted its arsenal and lost any leverage in the conflict. However, Trump, whose political fortunes were at stake, was adamant that the operation had to go into a containment mode. Israeli planners just shook their heads. The operation's timing was just fine on a tactical level, but on a political level, it was lousy.
- There were additional US considerations. The US, and by extension Israel too, faced depleted munitions stockpiles if the tempo of operations were sustained. The war was leading to overextension, as shown by the easing of sanctions on Russian oil and moving air defence systems from Korea to the Gulf. The Gulf states pressed hard for a cessation of the conflict. While they had threatened to act against Iran in response to Iranian attacks, they had no meaningful options, yet meanwhile their economies and reputations as safe business hubs were exposed to severe disruption.

These are relatively plausible, and the scenario, as dull as it is compared to some of the alternatives, is likewise plausible. The question of whether or not this would be a form of victory or defeat for the US and Israel is somewhat irrelevant here, but if, as we suggested in the "why" section, the strategic imperative was simply to degrade the Iran threat while it was uniquely vulnerable, then job done even if the campaign ended tomorrow. Any other take on who won by how much would be up to how the war's aims were spun.

The above scenario was quite limited. It does not try to say what happens to the Iranian economy as a result of the war or subsequent containment, or get into speculation about what potential talks or a ceasefire agreement might contain. It

also avoids speculating on the behaviour and opportunities for the protest movement following the campaign. We will leave more nuanced estimates to those who examine Iran on a regular basis.

We can now briefly consider some outliers. These roughly derive from sketching a 2x2 matrix, with each axis going from low to high. Across the bottom is Iranian regime resilience, and on the side is US-Israeli political resolve (in which the US position predominates since it has much more leverage over Israel than vice versa). We get four quadrants, or four broad stories. This is a very simple, back-of-the-envelope method appropriate for initial sketches.

The baseline scenario was in fact high Iranian regime resilience, and low US-Israeli resolve, again taking into account the predominance of US preferences.

Low regime resilience and low US-Israeli resolve does not offer much grist for story-building, so in the interests of brevity we will omit this combination.

That leaves us with two other very broad possibilities. One is low regime resilience and high US-Israeli resolve. The Iranian regime, through further targeted attacks, might become very fragile or ineffectual. This is unlikely, since they have already survived astonishing losses and remain intact and effective, but we do not know if the US and Israel have other tricks up their sleeve. Meanwhile, when faced continued Iranian responses, US and Israeli resolve could still ratchet up pressure, both for a quick finale and out of an impulse to vanquish a stubbornly persistent enemy.

If Israel had its way, it would likely continue to hammer Iran's forces, command and control, communications, logistics and infrastructure until the country was on the edge of state failure. But the US, as noted, would likely find this option to be unpreferable. If the Iranian regime began to crack, the US would likely push for regime change, negotiating with regime remnants to obtain some kind of legal hand over to a US-friendly leadership team. After it was installed, the US would likely arrange collaboration in Iran's oil industry.

Many Iranians would not have a problem with the leadership change, since it would likely lead to an easing of repression. There is a serious question, though,

about how the US could ensure domestic security when even the regular army and police have been thoroughly penetrated by the Revolutionary Guard. It would take extensive security sector reform efforts, and for a while the US would need to work closely with the “cleaner” regular forces to counter likely terrorist and insurgency activity from ex-regime security forces. Unlike in Venezuela, if the US did not commit to long-term support and reform, its puppet ally might not last long.

This leads us to the final combination, high Iranian regime cohesion and high political resolve in the US and Israeli leadership. The Iranian regime has thus far proven to be resilient. Israel likely has considerable staying power, given that it has been awaiting an opportunity to hammer Iran for years. The US is the wildcard, but in this scenario Trump finally decides that his political fortunes would be better served by appearing unflinching and tough than by backing off in the interests of limiting the economic effects in the US. Israeli arguments that Iran will run out of weapons and therefore that it will not be able to threaten shipping also help to sway Trump’s thinking. Trump’s stated war aims become bolder, and thus so too does his political stake in sustaining the conflict.

Perhaps ironically, given that this combination of circumstances includes high Iranian regime cohesion, this scenario is the one in which a form of state failure is most likely. The US and Israel would see continued attacks from Iran despite having seemingly destroyed Iran’s military capability, since Iran did a thorough job at dispersing strike assets and decentralising command and control. The US and Israel would thus keep hammering away at Iran. Their targeting would shift from increasingly scarce military and national leadership targets and become less discriminate – public services and infrastructure would come under fire. They would also start to target city and even municipal government targets, hitting at the grassroots fabric of governance in an effort to destroy localised command and control nodes.

At some point there would simply not be an Iranian government. Yet some of the Revolutionary Guard’s forces would remain intact, including the paramilitary Basij which is highly dispersed and hence survivable. They would lack a command and control structure, though, and their surveillance capabilities would be severely

diminished. This would create opportunities for other groups and interests to assert themselves, perhaps necessarily in order to secure the means to survive. Deserting regular military personnel and looted arms depots would lead to a proliferation of firearms. What was once a peaceful protest movement would become armed militia groups. The Kurdish insurgency would make headway but would be met by Revolutionary Guard elements, with Iran's Kurdistan and nearby provinces facing protracted low-intensity warfare. Organised crime linked to political movements and traditional groupings would flourish, supporting the transition to a warlord economy.

In this scenario, while there would be international handwringing and talk about how to normalise Iran, Trump would be eager to wash his hands of the fiasco and Israel would be content to patrol Iran and take out any potential threats without doing anything to support stabilisation. With the US and Israel having no political will to ameliorate the situation, and the rest of the world unable to do anything without US or Israeli support, Iran would become an enduring and serious source of instability in the region and beyond. It would be comparable to Libya and the effects of its implosion, only at a larger scale and at a critical geopolitical nexus.

We feel that the baseline scenario is the most plausible one. The other two are less plausible but certainly conceivable, and the failed state scenario is by far the most worrying for anyone except perhaps Israel, or at least its hardline government.

Note that as scenario analysis goes, this was a crude exercise. These were relatively unsystematic and unnuanced, and they are a small sample from a number of possible future pathways. Readers should not take these as projections, but rather as broad reference points to help make sense of the situation as it unfolds.

Our gut sense, for what little it is worth at this early point, is that the medium-term outcome will be unsatisfying for those who like punchy endings. If Trump did not have to worry about the midterms, the US could reasonably count on the eventual depletion of Iranian strike assets, giving the US considerable leverage and easing the threat to shipping. Then more options would open up. But he is on a limited timeline and Iran knows it. The situation will be different once the dust settles, and

it will evolve from there, but the current campaign itself seems unlikely to produce enduring, structural changes.

There could be unforeseen circumstances which an expert on Iran might be able to detect. For example, the regular army might, under certain conditions, attempt a coup. A factional struggle within the regime could give rise to a more pragmatic leader willing to normalise regional relations. Maybe a popular uprising would actually succeed sometime after the bombardment eases or stops. The situation is, in fact, rife with the potential for surprise, especially with respect to the regime's internal dynamics. They are rather obscure at the best of times and particularly opaque now.

The situation is still in its early days and any forward-looking assessments should be regarded as hypotheses, not projections. Continued monitoring as the situation progresses can clear away dud hypotheses and build on the ones that remain valid, or generate new ones that better reflect emerging indications.

## **What does this mean for the US?**

In his presidential campaign and first months in office, Trump created an expectation that the US would only focus on its own national interests, avoid entanglements particularly in the Middle East, and prioritise the economic wellbeing of Americans. The takeover of Venezuela did not contradict these expectations. The US flexed its muscle and ended up having control over an oil-rich country at very little cost. Trump's political fortunes could have done without it, but it certainly did not hurt, at least not so far.

Iran is a different story. The Trump administration could easily look like it was acting more in Israel's, and arguably the Gulf states', interests than its own. Iran has a fateful ring to it for many Americans, signifying geopolitical quicksand, oil crises and forever wars. And it is a very different context than Venezuela, which was a mere personal dictatorship as opposed to highly ideological regime which has firmly insinuated itself throughout public and many private institutions.

If Trump had been cautious, he could have positioned the conflict as we characterised it in the first section: a chance to neutralise a dangerous enemy and therefore actually reduce US commitments in the Middle East in the long run, leaving Israel to contain a much weakened Iran. Then the US could legitimately declare mission accomplished at nearly point after major Iranian assets were destroyed.

One thing that made a clear declaration of limited intent difficult was that the run up to the war included the period of Iranian protests and Trump's musing about regime change. That became a part of the story of the conflict well before the administration had really considered what it was trying to achieve, and Trump seemed to feel that relinquishing the question would diminish his credibility. But there is very little prospect of bringing about regime change without making it the central aim of the war and related political action. It does not seem to be central, and if it really were, the US would need to be ready for deep engagement with Iran for a long while. As noted, Iran is a very different context than Venezuela. There, the head of the body could be replaced. In Iran, the head and body are connected by a dense web of tentacles. Careful, patient surgery would be required or the transplant would badly fail. We can surmise that Trump's team knows this, but that he is stuck having to persist with the regime change theme, all the while probably wishing the question would evaporate from the public consciousness.

There is a good chance, then, that the US administration regrets having gotten into the conflict without clearly saying it was just about destroying a threat and acting on a good window of opportunity. Now, however much Trump walks back from broader, nebulous aims, his decision to go to war with Israel will be judged by unrealistic benchmarks of success. An unpopular war is even more unpopular when it seems to yield disappointing results.

How this affects the 2026 midterms, and the rest of Trump's presidency, is hard to say. Trump is a master of obfuscation and opportunities for distraction might open up. However, it is likely to have at least some negative effect on Republicans' performance, particularly if the economic effects linger.

This experience could make the administration hesitant to gamble with foreign adventures in the future. Venezuela was easy for a number of reasons. Not many places are. If nothing else, the administration is likely to become much pickier about where it gets involved, and about defining achievable aims that clearly support the national interest. There was some concern after the Venezuela operation and subsequent Greenland saga that the US would throw its weight around unconcerned about potential costs. The Iran situation is likely to have some mellowing effect, injecting a dose of risk aversion into administration thinking.

## **Conclusions**

We conclude with a brief look at what the conflict might mean at the global level. This is top-level and only focuses on a few relevant actors.

China is closely watching this play out, and keeping its head down. It would be hopeful that the Iran war further desensitises the world to great powers exerting force for their own ambitions, because that would make any action against Taiwan or Chinese neighbours that much less risky. It would be hopeful, too, that the war leads to a somewhat less adventurous US, since any number of hubs in China's global network have some exposure to American muscle and power ambitions. China would be grateful that it is ahead of the global curve in the transition to green energy, and it will likely accelerate the transition. Finally, it would have learned the limits of its own power, specifically that it is not yet capable of deterring US military action against third countries, nor of supporting distant friends facing attack.

Russia has benefited from the conflict. The price of oil is higher, the US is lifting sanctions on Russian oil as a temporary measure to ease oil prices, Trump does not have the bandwidth to nag Putin about a Ukraine deal, and the world is distracted. Russia did not really need Iran anymore, since it began the mass production of Iranian drones inside Russia. That the war is mainly a win for Russia is irksome to Ukraine and the US' NATO allies who feel that Iran was an extravagant and unnecessary distraction from the real problem – Russia.

The Gulf states are significant losers in the short term. Their image as safe havens from Middle Eastern instability has been hurt – they live in a dangerous neighbourhood and that is now plain to everyone. Their economies are taking a hit, and there has been tangible damage, not to mention human tragedy. However, a much weakened Iran will be far less of a regional threat in the future. As we considered in the first section, an attack on Iran now risked less blowback than after Iran had rebuilt its retaliatory capacity. An eventual showdown at some point was hardly unlikely, and from the perspective of damage limitation, this was a better time than most.

Turkey also has a strong interest in the conflict. It is mainly concerned about how the Iranian Kurds could be empowered by the US and Israel. Iran's Kurds have connections with other Kurdish communities in the region, and a well armed and organised Iranian Kurdish insurgency could inspire, and perhaps support, Kurds elsewhere. Turkey's Kurdish insurgency is quiescent now, but it has been before and still flared up again. Additionally, Turkey hosts a US airbase, and Iran has lobbed a couple of missiles in its direction. It is unlikely that Turkey would become a high-priority Iranian target, but it is still worrisome. Finally, Turkey has a stake in who might come to power in Iran if regime change does occur. It has had tense relations with Iran over competing regional interests, particularly in Syria, but by and large had accommodated itself to the Iranian regime.

While Lebanon is hardly a major geopolitical actor, it is certainly a stakeholder in the conflict. It is again suffering widespread Israeli bombardment and there could be an Israeli ground incursion in the south. Hezbollah, while weakened, remains active and it is also still a state within a state in Lebanon. It was foreseeable that Israel would seek its thorough neutralisation in conjunction with a showdown with Iran. Lebanon is suffering from this, but at the same time the government and many Lebanese see Hezbollah as just as responsible as Israel. If this conflict does lead to Hezbollah's dissolution, it could benefit Lebanon's long-term internal stability. It would lead to a number of delicate questions, such as what to do with ex-Hezbollah members and veterans, and how to assure Lebanese Shias that they would not be politically sidelined after losing their principal champion, but on the

whole, the group's demise would be a nett benefit from the standpoint of the integrity of the Lebanese state.

As for the ongoing process of hammering nails into the coffin of the rules-based international order, the war is indeed another nail. It has been another step in the normalisation of infringements on sovereignty, and desensitisation to inter-state violence. Countries thinking about doing nasty things to their neighbours have even less to fear from a global ethical backlash than before the war.

One upside of the conflict, which we mentioned concerning China, is that it is likely to reinvigorate climate action initiatives and the shift from fossil fuels. Simply put, wind and sun do not need to through geostrategic choke points and they are not subject to market panics.

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