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The Iran War and Its Consequences: Human Losses, Economic Costs, Strategic Limitations, and Regional Implications

Introduction

The war initiated by the United States and Israel against Iran on 28 February 2026, has developed into a conflict with consequences extending far beyond the immediate military confrontation. Its impact has been felt in civilian communities, national infrastructure, military resources, regional security, international trade and the wider global economy. Although the military operations have inflicted some damage on Iran's infrastructure, the broader strategic and political consequences remain more complicate around the globe than a simple assessment of battlefield destruction.

The human and material costs of the conflict are particularly significant. Airstrikes have affected residential areas, commercial facilities, educational institutions, medical centres and other civilian infrastructure. Iran's retaliatory operations have also exposed neighbouring countries and regional military installations to attack, while the disruption of shipping through the Strait of Hormuz has created serious concerns for international energy security.

The financial burden has extended beyond the countries directly involved. The United States has incurred substantial military expenditure, while Iran has faced

further economic deterioration, damaged infrastructure, trade disruption and pressure on long sanction. Gulf countries and other states dependent on regional energy supplies have also been exposed to economic and security risks.

This article examines the war primarily through its human, infrastructural, military and economic consequences. It also considers the limitations of military power, the disruption of regional security arrangements and the diplomatic challenges facing the parties. It does not revisit in detail the electoral developments or the three future scenarios examined in the author's earlier article entitles, "The Iran War and Its Political Consequences: Strategic Limits, Electoral Setbacks, and the Future of the Middle East." The purpose here is to assess what the conflict has cost, what it has changed and what its consequences may mean for the region.

A balanced assessment requires careful distinctions between independently documented information, official statements by the parties and analytical interpretations. Iranian government and military statements, like those issued by the United States and Israel, should not automatically be treated as independently verified evidence. At the same time, reports from Iranian institutions and humanitarian organisations operating inside Iran are important sources of information and should not be excluded simply because they originate within the country.

Part One: Human, Civilian, Military and Economic

Costs of US and Israel war against Iran

1. Human Casualties and Civilian Suffering

The human cost has been one of the most serious consequences of the war. Since the United States and Israel began their military operations against Iran on 28 February 2026, civilians in Iran, Israel and neighbouring countries have been exposed to airstrikes, missile attacks, explosions, displacement and the destruction of homes and livelihoods. However, the scale and distribution of casualties have differed considerably between the countries, and available figures must be assessed according to their sources and reporting periods.

According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), its humanitarian update covering developments up to 30 September 2026 reported more than 3,400 civilians killed and 33,000 injured in

Iran. These figures were attributed to World Health Organization (WHO) reporting for the period from 28 February to 14 September 2026. The same OCHA update, drawing on information from the Iranian Red Crescent Society (IRCS), recorded approximately 149,000 damaged civilian units by 7 June 2026 (OCHA, 2026).

These figures indicate the considerable humanitarian impact inside Iran. Nevertheless, they should not be interpreted as a final independently verified account of all casualties and damage throughout the conflict. They also need to be considered alongside other available assessments, including reports from international human rights organisations and independent humanitarian investigators.

The consequences for Israeli civilians have also been substantial. Iranian missile and drone attacks have struck residential areas and populated locations, causing deaths, injuries and significant property damage. On 22 March 2026, Reuters reported that Iranian missile strikes on the southern Israeli towns of Arad and Dimona caused extensive damage to residential buildings and injured scores of people. In Arad, an apartment building sustained particularly severe damage, while several surrounding buildings were also affected (Reuters, 2026a).

By 28 August 2026, Al Jazeera's six-month assessment reported 60 Israelis killed in Iranian attacks. The publication also recorded 18 American military personnel killed during the conflict by that reporting date. These figures were compiled from official sources and remained subject to revision as further information became available (Al Jazeera, 2026).

Amnesty International's assessment provides an additional distinction concerning civilian casualties. It reported that Iranian attacks had killed at least 21 civilians in Israel and four in the occupied West Bank by 24 July 2026. The organisation also documented civilian deaths resulting from Iranian attacks elsewhere in the Gulf region, including Saudi Arabia. Such incidents demonstrate that the consequences of the conflict have extended beyond the territories of the three principal belligerents (Amnesty International, 2026).

The United States has also suffered military casualties. According to the Congressional Research Service (CRS), 18 American service members had been killed and 824 wounded by 15 September 2026. These figures demonstrate that, although the United States has operated with considerable military and technological superiority, its forces have not been immune to the consequences of Iranian retaliation. Also, the exact number death and capsulitis is not revealed for political reasons. (Congressional Research Service, 2026).

The wider regional humanitarian impact must also be acknowledged. Al Jazeera reported at least 28 deaths in Gulf Cooperation Council countries by 28 August, while Lebanon experienced an even greater humanitarian crisis as the conflict expanded and Israeli military operations against Hezbollah intensified. These regional casualties should be distinguished from the losses directly sustained by Iran, Israel and the United States, although they form part of the wider consequences of the war (Al Jazeera, 2026).

The destruction of homes and civilian facilities has consequences extending well beyond the immediate loss of life. Families may lose their homes, possessions, employment and access to essential services. Children experience interruptions to education, while older people and those requiring regular medical treatment face additional difficulties when hospitals, clinics, transport systems and supply chains are disrupted.

The psychological consequences are equally serious. Displacement, fear, bereavement, insecurity and the loss of economic stability affect entire communities. Consequently, the humanitarian impact cannot be measured exclusively through the number of people killed or injured.

The protection of civilians has also raised serious questions under international humanitarian law. On 14 September 2026, the United Nations Independent International Fact-Finding Mission on Iran expressed concern following American airstrikes that reportedly struck a wedding celebration in Kuhestak and a residential home on Qeshm Island. The Mission reported civilian deaths and injuries, including women and children, and called on all parties to comply with the principles of distinction, proportionality and precaution (UN Fact-Finding Mission on Iran, 2026).

These obligations apply equally to the United States, Israel and Iran. Iranian attacks on Israeli residential areas and civilian infrastructure, like American and Israeli attacks causing civilian casualties in Iran, must be assessed under the same international legal standards. Civilian protection cannot be selectively applied according to political alliances or the identity of the attacking state.

The legal assessment of individual attacks requires examination of the intended military objectives, available intelligence, anticipated civilian harm and precautions taken. It would therefore be premature to declare every reported incident a war crime without the necessary investigation. Nevertheless, credible reports of attacks affecting civilian populations require independent scrutiny, accountability and, where appropriate, reparations for victims.

2. Damage to Civilian Infrastructure and Essential Services

The destruction of infrastructure represents another major dimension of the conflict. The damage has not been confined to military installations. Residential buildings, commercial properties, schools, hospitals, airports, energy facilities, transport networks and other essential services have been affected in Iran and neighbouring countries.

Inside Iran, OCHA's September humanitarian update reported approximately 149,000 damaged civilian units, based on Iranian Red Crescent information from June 2026. The category included residential and commercial properties, educational and healthcare facilities and other civilian infrastructure (OCHA, 2026).

Further evidence comes from the Washington-based National Iranian American Council (NIAC), which published an assessment of infrastructure destruction in October 2026. Its report documented extensive damage to energy facilities, airports, bridges, healthcare centres, educational institutions and industrial infrastructure. It also identified interruptions to employment, electricity, transport and other services. As an advocacy organisation, NIAC's findings should be assessed critically, but its documented evidence and cited investigations provide useful material for understanding the extent of the damage (NIAC, 2026).

The Iranian authorities have also reported extensive damage to civilian aviation facilities. In September 2026, the head of Iran's Airports Company stated that 27 airports had been damaged during the war, affecting runways, navigation systems, safety buildings and passenger facilities. He also indicated that domestic specialists had restored services at several airports, although reconstruction and repairs remained necessary (CBS News, 2026).

Damage to healthcare infrastructure is particularly serious because it reduces the capacity of the health system to respond to both war-related injuries and ordinary medical needs. A hospital that loses electricity, medical equipment, medicines or access to safe transport may be unable to provide adequate services even when its main building remains standing.

The same applies to water and electricity systems. Damage to water-treatment facilities, power networks and fuel infrastructure can affect populations far beyond the immediate location of an attack. Such damage may interrupt sanitation services, increase the risk of disease and create additional pressure on already strained public-health systems.

Israel has also experienced damage to civilian infrastructure from Iranian missile and drone attacks. Residential buildings in southern Israeli cities, including Arad, sustained significant damage in March. The attacks exposed limitations in the ability of even a technologically advanced air-defence system to intercept every incoming missile. The damage to homes and commercial properties also required emergency services, repairs and compensation for affected residents (Reuters, 2026a).

In addition to residential damage, Israeli authorities have had to contend with the threat to strategic facilities and essential services. The need to maintain air-defence systems, protect critical infrastructure and restore damaged properties has placed additional demands on public finances and emergency management. However, a complete and independently verified national inventory of Israeli infrastructure damage was not available in the sources reviewed for this assessment. It would therefore be misleading to present a precise comparative total without further evidence.

The United States has faced a different infrastructure challenge. Most of the physical damage associated with Iranian retaliation has occurred at American military and diplomatic facilities in the Middle East rather than on the US mainland. These facilities include installations supporting military operations, accommodation, logistics, communications and regional command structures.

An Associated Press investigation published in November 2026 reported damage to American military facilities in the region, including aircraft hangars, detection systems, warehouses and troop accommodation. The full financial extent of this damage had not yet been established publicly. The Pentagon's reported operational expenditure figures did not include a complete assessment of damage to American bases overseas (Associated Press, 2026).

These developments demonstrate that infrastructure damage has affected all three principal parties, although its scale, geographical distribution and consequences have not been equal. Iran has experienced extensive damage across its national civilian and industrial infrastructure, Israel has faced attacks on residential and strategic facilities, and the United States has had to address damage to overseas military installations and supporting infrastructure.

The environmental consequences should also not be overlooked. Attacks on fuel storage facilities, industrial sites and other hazardous infrastructure can create pollution, fire risks and threats to public health. The long-term effects may require environmental investigations, specialised clean-up operations and substantial rehabilitation expenditure.

Reconstruction will consequently be a major challenge. Rebuilding a damaged home or hospital is not simply a matter of replacing concrete and other construction materials. It requires financing, functioning supply chains, skilled labour, electricity, water and the restoration of employment and public services. These demands will be particularly difficult for Iran because of its existing economic restrictions, while Israel and the United States will also face significant financial and operational responsibilities for repairing damaged facilities.

3. Military Losses and Operational Costs

The military consequences of the war should be examined separately from civilian infrastructure damage. Although the United States and Israel possess substantial advantages in advanced aircraft, intelligence, surveillance, precision-guided weapons and missile-defence systems, the conflict has demonstrated that technological superiority does not eliminate military losses or guarantee complete control of the battlefield.

The United States and Israel conducted extensive air operations against Iranian military installations, missile facilities, air-defence systems, naval assets, command centres and elements of the country's military-industrial infrastructure. These operations reportedly destroyed or damaged significant parts of Iran's military capabilities.

However, the full extent of Iranian military losses remains difficult to establish independently. Official claims by Washington and Tel Aviv concerning the destruction of Iranian missile systems, launch facilities, aircraft, naval assets and military command structures should be distinguished from independently verified assessments. Similarly, Iranian claims concerning the destruction of American and Israeli military equipment require corroboration.

One important consideration is that the destruction of visible military installations does not necessarily eliminate a country's capacity to continue fighting. Mobile missile systems, dispersed military facilities, underground installations, alternative command arrangements and the ability to manufacture or repair equipment can contribute to military resilience. The effectiveness of these capabilities must be assessed through actual operational performance rather than assumptions based solely on the number of targets struck.

Iran's retaliatory operations have also imposed costs on American and Israeli military forces. The United States has had to maintain extensive air-defence, naval, logistical and intelligence capabilities throughout the region. Its forces

have also been required to expend large quantities of precision-guided munitions and defensive interceptors.

The Congressional Budget Office (CBO), in its assessment published on 15 September 2026, estimated that American military operations against Iran had cost approximately US$38 billion by 1 August. This estimate included operational expenditure, replacement of expended munitions and equipment lost in battle, additional flying hours and fuel costs. It did not include all wider government expenditure or the full economic consequences of the conflict (CBO, 2026).

The CBO also warned that the extensive use of missile-defence interceptors could leave the United States with reduced inventories for several years. This is an important strategic consideration because the resources expended in one conflict may reduce the availability of military equipment for other potential security challenges.

The financial burden subsequently increased. According to the Associated Press, an American Pentagon budget official reported that the estimated cost of the war had reached US$48.3 billion by 13 November 2026. This figure covered military operations and the replacement of equipment and munitions, but excluded the full cost of damage to American bases in the Middle East (Associated Press, 2026).

American military casualties also demonstrate the operational risks involved. The 18 deaths and 824 wounded reported by CRS by 15 September represent a substantial human cost for a military campaign conducted largely through air and naval power. The absence of a large American ground invasion does not mean that the conflict has been without significant consequences for American personnel.

Israel has also incurred substantial military expenditure. Its air-defence systems, including the interception of incoming missiles and drones, have required continuous operational activity and the use of expensive defensive equipment. The maintenance of military readiness, mobilisation of personnel, replacement of equipment and protection of strategic facilities have added to the financial burden.

An initial Israeli Finance Ministry assessment reported in April 2026 estimated the war’s budgetary cost at approximately 35 billion shekels, equivalent at the time to around US$11.5 billion. This included military and security expenditure, compensation for direct missile damage and lost business activity, as well as civilian emergency costs. Because this was an early estimate, it should not be treated as the final cumulative cost of the conflict (Times of Israel, 2026).

For Iran, military losses have occurred alongside extensive damage to infrastructure and the disruption of industrial and logistical capabilities. Nevertheless, its ability to continue launching missiles and drones and to impose pressure on regional military and commercial activities indicates that its military capacity was not entirely eliminated by the initial American and Israeli operations.

The Strait of Hormuz became an important element of this military and strategic confrontation. Iranian threats and attacks on shipping, together with American countermeasures and naval operations, disrupted commercial movement through one of the world's most important energy transportation routes. The consequences extended beyond the immediate military confrontation, affecting international shipping, energy markets and the security calculations of neighbouring countries (Congressional Research Service, 2026).

It is therefore important to avoid equating the number of military targets destroyed with the achievement of strategic objectives. The destruction of military equipment can weaken a country's capabilities, but the ultimate effectiveness of a military campaign depends on whether it achieves its stated political and security objectives at an acceptable cost.

4. Economic Damage and the Cost to Ordinary People

The economic consequences of the war have extended across Iran, Israel and the United States, although the nature and severity of the pressures differ significantly.

Iran entered the conflict with an economy already affected by longstanding international sanctions, currency depreciation, inflation, limited foreign investment and structural economic weaknesses. The war has intensified these difficulties through damage to industrial facilities, disruptions to transport and trade, reduced production, pressure on government revenue and the additional costs of military operations.

Reuters reported on 28 October 2026 that the war had significantly worsened the living conditions of Iranian households. According to the report, consumer prices in September were nearly 90 per cent higher than a year earlier, while annual inflation had reached 73.6 per cent. Food and beverage prices had risen by 121.8 per cent. Families were reducing expenditure on food, housing, healthcare and education as their incomes lost purchasing power (Reuters, 2026b).

These figures illustrate how military conflict affects ordinary people beyond the immediate destruction caused by airstrikes. Workers may lose employment when factories, businesses and transport facilities are damaged or forced to suspend operations. Small enterprises, which generally have limited financial reserves, may find it particularly difficult to recover.

The Iranian government's estimate of approximately US$270 billion in direct and indirect war-related damage, reported by Al Jazeera in April 2026, also indicates the potential scale of the reconstruction challenge. However, this was an official Iranian estimate rather than an independently audited total. It should therefore be presented as a government claim, not an established final calculation (Al Jazeera, 2026b).

The economic burden is also unevenly distributed. Wealthier households may have greater capacity to protect their savings or relocate temporarily, whereas low-income families have fewer options. Consequently, the war risks deepening existing social and economic inequalities.

Israel has faced a different but substantial economic burden. Military mobilisation, air-defence expenditure, compensation for damaged properties, disruption to businesses and reduced economic activity have all contributed to the cost of the conflict.

The Israeli Finance Ministry's initial estimate of approximately 35 billion shekels in April 2026 included around 22 billion shekels in defence and security expenditure, 12 billion shekels in compensation and lost economic output, and approximately one billion shekels in civilian emergency costs (Times of Israel, 2026).

These figures demonstrate that Israel's economic costs have not been limited to the purchase and use of military equipment. Missile attacks and the need for emergency protection have disrupted ordinary economic activity, affected businesses and required additional public expenditure. However, the April estimate should not be confused with a complete assessment of the cumulative economic cost through November.

For the United States, the financial consequences have been particularly visible in military expenditure and the wider effects on international energy and trade markets.

The CBO's estimate of US$38 billion by 1 August, followed by the Pentagon-reported figure of US$48.3 billion by 13 November, demonstrates the substantial financial commitment required to sustain the campaign. These estimates do not include every indirect cost, including all damage to overseas military facilities,

wider government expenditure or the full economic effects of the conflict (CBO, 2026; Associated Press, 2026).

The American economy has also been exposed to energy-market instability. Disruption to shipping through the Strait of Hormuz has affected the international supply of oil and natural gas, contributing to price volatility and inflationary pressures. Although the United States is a major energy producer, it is not insulated from changes in international energy prices, transportation costs and global trade.

The consequences have extended to Gulf countries and other states dependent on energy exports and imports through the region. Shipping disruption, higher insurance premiums, uncertainty over energy supplies and damage to regional infrastructure have created additional economic risks. These effects demonstrate that the financial consequences of the war cannot be assessed solely through the direct military expenditure of the three principal belligerents.

The economic recovery of all three countries will depend on the duration and intensity of the conflict, the restoration of trade and transport, the availability of public finances and the ability to rebuild damaged infrastructure. For Iran, the existing sanctions environment makes recovery particularly difficult. Israel must address military expenditure, civilian compensation and economic disruption, while the United States faces the continuing costs of military operations, equipment replacement and the wider strategic consequences of its involvement.

5. Military Resilience, Strategic Limitations and the Question of National Collapse

One of the central questions arising from the war is why extensive American and Israeli attacks did not result in Iran’s surrender or the collapse of its political system.

The scale of reported damage inside Iran is considerable. Military installations, industrial facilities, energy infrastructure, airports and civilian properties have been affected. Senior military and political figures have also been killed, and the country’s economy has experienced further deterioration. Nevertheless, the Islamic Republic has remained in power and retained sufficient military capacity to continue resisting and retaliating.

This distinction is essential to understanding the conflict. Extensive destruction does not automatically produce military surrender, political collapse or the disappearance of a state’s capacity to function.

There are several reasons why this distinction matters.

First, military power is not determined exclusively by the number of aircraft, missiles or installations destroyed. A country may retain operational capacity through dispersed facilities, mobile weapons systems, alternative command structures and the ability to adapt its military strategy. The extent to which these factors have sustained Iran's resistance requires continued assessment.

Second, political and institutional survival is different from military strength. Even when a country suffers serious military losses, its government may retain administrative institutions, security organisations and mechanisms of internal control. The weakening of military capabilities does not necessarily mean that the political system will collapse.

Third, the ability to impose costs on an adversary can affect the strategic balance. Iran's retaliatory missile and drone operations, together with its capacity to disrupt shipping through the Strait of Hormuz, demonstrated that it could continue to create military, economic and diplomatic difficulties for the United States, Israel and regional states despite suffering extensive damage itself.

Fourth, military superiority does not necessarily translate into the achievement of political objectives. The United States and Israel may have destroyed significant parts of Iran's military infrastructure, but the broader objectives of the campaign cannot be judged exclusively by the number of targets struck. The continued survival of the Iranian political system and its capacity to retaliate indicate important limitations in the results achieved.

This does not mean that Iran has emerged without serious weaknesses or that its long-term military and economic position remains unchanged. The damage to its industrial base, infrastructure, military equipment and economy may constrain its capabilities for years. Its capacity to rebuild will depend on financial resources, technological access, domestic stability and the future direction of international sanctions and diplomacy.

Equally, the United States and Israel cannot be assessed solely by the destruction they inflicted on Iran. Their military expenditure, casualties, equipment losses, damage to facilities, economic disruption and the depletion of defensive resources must also form part of the assessment.

The conflict has therefore demonstrated an important limitation of modern military power: the ability to inflict extensive destruction does not necessarily provide the ability to determine the political outcome of a war.

The question is not simply which country destroyed more targets or suffered greater physical damage. It is whether the military operations achieved their intended objectives, what resources each country expended, how much damage each can absorb and what strategic position each will occupy after the conflict.

This assessment provides the basis for understanding the wider consequences of the war without assuming that military destruction automatically represents victory or that continued resistance necessarily represents success.

Part Two: Military Expenditure, Strategic Limitations and Regional Consequences

4. The Military and Financial Cost of the Conflict

The financial cost of the war has been substantial for the United States. In September 2026, the Congressional Budget Office (CBO) estimated that US Department of Defence expenditure on combat operations against Iran had reached approximately US$38 billion by 1 August 2026. This estimate included the replacement of expended munitions and lost equipment, increased flying hours, operational costs and additional fuel expenditure (CBO, 2026).

The CBO also made clear that its estimate did not represent the total economic cost of the conflict. It excluded certain costs borne by other government departments and did not include every possible long-term consequence. Its analysis distinguished direct operational expenditure from broader economic and budgetary effects, which are calculated using different methods and time periods.

Subsequent reporting indicated that the military cost continued to rise. The Associated Press, citing a US military estimate, reported that the cost had reached US$43.6 billion through 3 September 2026. That figure was higher than the CBO's earlier estimate because it covered a later period and reflected additional expenditure (Associated Press, 2026).

These estimates demonstrate that modern warfare involves much more than the cost of launching missiles or conducting airstrikes. Advanced aircraft, precision-guided weapons, surveillance systems, naval deployments, missile defence and logistical support require substantial financial resources. The replacement of sophisticated munitions can be particularly expensive.

The expenditure also raises questions about the opportunity cost of military operations. Resources used in a prolonged conflict cannot simultaneously be directed towards other defence priorities, infrastructure, public services or domestic programmes. This does not mean that military expenditure is automatically unjustified; rather, it underlines the importance of assessing whether the strategic objectives achieved are proportionate to the financial and human costs incurred.

A further concern is the pressure placed on missile-defence inventories. The CBO identified the expenditure of interceptors and other military equipment as an important aspect of the conflict's cost. Defence News, reporting on the CBO assessment, noted that the use of certain missile-defence interceptors had created significant pressure on US inventories and could take years to replenish at existing production rates (Oliverio, 2026).

The implications extend beyond the immediate conflict. The United States has global security commitments, and the depletion of advanced munitions may affect its capacity to respond to other crises. This is particularly relevant at a time when military resources are also required in Europe and the Indo-Pacific.

Iran has also incurred substantial military and economic costs. Its missile facilities, air-defence systems, naval assets, command structures and military-industrial infrastructure have been targeted. The full extent of the damage is difficult to establish independently, particularly where access to affected facilities is restricted. Nevertheless, the destruction of military infrastructure and the loss of senior personnel represent significant costs for Iran's defence system.

The conflict has therefore imposed a heavy burden on both sides, although the scale and nature of their resources and economic capacities are different. The United States has greater financial and technological resources, while Iran faces more severe economic constraints. However, a country's capacity to absorb military damage cannot be assessed solely by comparing the size of its economy or the sophistication of its weapons.

5. Military Damage and the Limits of Strategic Success

One of the central questions raised by the war is whether military destruction has produced the political and strategic outcomes sought by the attacking parties.

The United States and Israel have demonstrated substantial military superiority in their capacity to conduct air operations, strike targets and damage important elements of Iran's military infrastructure. The scale of the attacks has exposed

weaknesses in Iran's air defences and its ability to protect sensitive facilities. These are significant military facts and should not be minimised.

However, military superiority does not automatically translate into the achievement of broader political objectives. Destroying military installations, weakening command structures or damaging weapons-production facilities is not the same as securing a durable political settlement, eliminating all strategic capabilities or establishing a stable post-war order.

The US Congressional Research Service's October 2026 assessment of military operations against Iran noted that reports on the status of Iran's missile and drone programmes varied. It also observed that the consequences of the strikes on Iran's nuclear facilities remained uncertain in important respects (Congressional Research Service, 2026b).

The uncertainty surrounding the nuclear programme is particularly important. A military strike may damage buildings, equipment and supporting infrastructure, but determining the full effect on technical knowledge, remaining materials, dispersed facilities and future capabilities requires reliable inspection and intelligence. The Congressional Research Service noted that the International Atomic Energy Agency had not been able to inspect the attacked facilities in the manner necessary to provide a comprehensive assessment (Congressional Research Service, 2026b).

It is therefore not sufficiently established to claim that Iran's nuclear capabilities have been permanently eliminated. Equally, it would be inaccurate to assume that the country's military capabilities remain unaffected. The more defensible conclusion is that the attacks inflicted serious damage, while the full extent and durability of that damage remain subject to uncertainty.

The strategic question is also broader than the condition of individual military facilities. Iran's ability to retaliate, disrupt maritime traffic and impose costs on regional states demonstrated that it retained instruments of influence despite the damage inflicted upon it. This does not mean that Iran emerged without serious losses, nor does it establish that its military strategy was successful in every respect.

The International Institute for Strategic Studies (IISS), in its October 2026 analysis of the Gulf conflict, described the war as having exposed both structural weaknesses and enduring strengths in Iran's strategic position. Its assessment emphasised the country's reliance on geography, asymmetric capabilities and the

ability to impose costs on its adversaries. It also highlighted the severe damage sustained by Iran's leadership, military and critical infrastructure (IISS, 2026).

This analysis points to an important distinction: a state may suffer extensive military damage while retaining enough capacity to prevent its adversaries from achieving all their political objectives. Conversely, surviving an attack does not necessarily constitute a strategic victory. The outcome must be assessed against the objectives, costs and consequences for all parties.

The same caution applies to claims of decisive success by the United States and Israel. Military achievements should be recognised where evidence supports them, but claims of complete strategic success require a broader assessment of the war's consequences, including Iran's remaining capabilities, regional stability, economic disruption and the prospects for a sustainable settlement.

6. The Strait of Hormuz and Global Energy Security

The Strait of Hormuz has been one of the most consequential geographical features of the conflict. It is a major international maritime passage connecting the Persian Gulf with the Gulf of Oman and the wider global market. Its importance extends beyond the countries bordering the Gulf because a substantial share of internationally traded oil and liquefied natural gas passes through it.

According to the US Congressional Research Service, approximately 25 per cent of the world's maritime trade in crude oil and petroleum products and around 19 per cent of global liquefied natural gas trade passed through the Strait in 2025 (Congressional Research Service, 2026a).

The conflict and the resulting threats to commercial shipping caused a sharp reduction in maritime traffic and disrupted energy markets. The Strait's strategic importance gave Iran a means of imposing economic and political costs beyond its immediate military confrontation with the United States and Israel.

However, disruption of maritime traffic is not cost-free for Iran. The country itself depends on regional trade, energy exports and access to international markets. Any prolonged instability in the Strait risks damaging the economic interests of Iran and its neighbours, while also increasing international pressure for the restoration of secure navigation.

For Gulf countries, the disruption has raised concerns about the vulnerability of energy infrastructure, ports, shipping routes and coastal communities. Countries

that host foreign military bases have also faced security risks as the conflict expanded beyond Iran and Israel.

For international markets, uncertainty surrounding the Strait can increase energy prices, insurance costs and transportation expenses. Higher energy prices can then contribute to inflation in countries that depend on imported fuel, affecting transport, manufacturing, food production and household budgets.

The consequences are particularly serious for developing economies, which often have less capacity to absorb sudden increases in energy and transport costs. In this way, a conflict concentrated geographically in the Middle East can create economic pressure in countries far beyond the region.

The Strait of Hormuz therefore illustrates the limitations of viewing the war solely through the number of targets destroyed or weapons deployed. Control, access and disruption of strategically important geographical routes can have consequences that extend well beyond the battlefield.

7. Regional Security and the Wider International Consequences

The war has affected the security calculations of countries throughout the Middle East. Iran's retaliatory operations, attacks involving military facilities in Gulf countries and the vulnerability of energy infrastructure have demonstrated that a direct confrontation between major powers can quickly become a regional security crisis.

For Gulf states, the conflict has presented a difficult strategic dilemma. They have longstanding security relationships with the United States, but they also have important geographical, economic and political interests in maintaining stable relations with Iran. The presence of foreign military facilities may provide protection, but it can also expose host countries to retaliation during a wider confrontation.

This reality has reinforced the need for regional security arrangements that do not rely exclusively on military deterrence. The protection of shipping, energy facilities and civilian infrastructure requires communication, crisis-management mechanisms and diplomatic channels among neighbouring states.

Iran's relations with its Arab neighbours will also be affected by the conflict. The war may deepen mistrust, particularly where attacks have affected their territory or security interests. At the same time, the shared economic and geographical

consequences provide strong reasons for regional governments to avoid an indefinite confrontation.

The role of China and Russia should also be considered, although neither country's position should be exaggerated. Both have diplomatic, economic and strategic interests in the region. Their responses to the conflict have included calls for restraint and diplomatic engagement, but their interests do not necessarily coincide with those of Iran, nor do they imply an obligation to provide direct military support.

For China, stability in the Persian Gulf is important because of its energy requirements, trade relations and wider economic interests. Disruption of maritime routes and higher energy prices can affect its economy and international commercial activities. Russia also has strategic interests in the region and in the wider balance of power, but it must calculate its own economic and diplomatic priorities.

The conflict has therefore demonstrated that international influence does not necessarily translate into a willingness to enter a war directly. Diplomatic statements, political support and economic relations are not equivalent to military intervention. The distinction is important when assessing the practical limits of partnerships involving Iran and other major powers.

More broadly, the war has raised questions about the effectiveness of existing international mechanisms for preventing armed conflict. The ability of the United Nations and other diplomatic institutions to secure compliance with international law and prevent escalation remains limited when major powers pursue military objectives outside an agreed political settlement.

The long-term consequences will depend partly on whether the conflict encourages renewed regional diplomacy or reinforces the belief that security can be achieved only through military strength. The latter approach risks creating a cycle of confrontation in which each side justifies further military preparations by referring to the actions of its adversaries.

8. Diplomacy, Reconstruction and the Prospects for De-escalation

Despite the scale of military confrontation, diplomacy remains essential. No sustainable resolution can be achieved solely through the destruction of military facilities or the imposition of additional economic costs.

The history of the conflict has shown the fragility of temporary arrangements. The US Congressional Research Service recorded that an April ceasefire and a June 2026 memorandum of understanding between the United States and Iran had failed to produce a lasting settlement, with renewed fighting and the formal expiry of the memorandum in August (Congressional Research Service, 2026c).

The collapse of these arrangements illustrates the difficulties of negotiating when the parties have conflicting security demands and limited trust. It also demonstrates that a temporary reduction in hostilities does not necessarily resolve the underlying disagreements concerning Iran's nuclear programme, missile capabilities, sanctions, regional security and the future of military operations.

Nevertheless, diplomatic contacts have continued. On 21 November 2026, Reuters reported that a Qatari delegation had held talks in Tehran as regional efforts to end the conflict continued. Iran's Deputy Foreign Minister Kazem Gharib Abadi said that Tehran remained in contact with mediators, including Qatar, and was discussing whether another opportunity could be given to diplomacy (Reuters, 2026).

Qatar's role is significant because it maintains relations with both Iran and the United States and has previously been involved in regional mediation. Other regional countries may also contribute to efforts aimed at reducing tensions and restoring communication.

A sustainable diplomatic process would need to address several interconnected issues. These include the cessation of attacks, the protection of civilian populations, the security of maritime routes, the future of Iran's nuclear activities, the role of sanctions, and the security concerns of neighbouring countries.

The question of reconstruction is equally important. Iran will require substantial resources to repair damaged homes, hospitals, schools, transport networks and industrial facilities. Economic recovery will be difficult without a reduction in military tensions and some improvement in access to trade, investment and financial resources.

The wider region will also need to rebuild confidence in its security arrangements. Gulf states have an interest in ensuring that their territory and infrastructure are not repeatedly exposed to the consequences of conflicts involving external powers and neighbouring countries.

The immediate priority should therefore be the prevention of further civilian suffering and the restoration of a credible diplomatic process. The longer-term

objective should be a regional security framework that recognises the legitimate security concerns of all states while respecting sovereignty, international law and the rights of civilian populations.

Conclusion

The 2026 war involving Iran, the United States and Israel have demonstrated the enormous human, economic and strategic costs of modern military confrontation. The destruction of civilian infrastructure, the loss of life, the disruption of essential services and the deterioration of economic conditions have placed a heavy burden on Iranian society. The conflict has also imposed substantial financial and military costs on the United States, while exposing Israel and neighbouring Gulf countries to continuing security risks.

The available evidence indicates that Iran has suffered serious damage to its military capabilities and infrastructure. At the same time, the conflict has demonstrated that military superiority does not automatically guarantee the achievement of political objectives or the establishment of a stable regional order. Iran's capacity to retaliate and disrupt strategically important routes has shown that even a militarily weaker state may retain the ability to impose substantial costs on more powerful adversaries.

The financial burden is also considerable. US estimates indicate tens of billions of dollars in military expenditure, while Iran faces the additional challenges of reconstruction, inflation, currency depreciation and disrupted trade. These costs are not confined to governments or military institutions. They affect ordinary people through damaged homes, lost livelihoods, higher prices, interrupted education and reduced access to healthcare.

The disruption of the Strait of Hormuz has further demonstrated the international consequences of regional conflict. Energy security, maritime trade and economic stability are closely connected to the security of the Persian Gulf. A prolonged confrontation can therefore impose costs on countries that are not directly involved in the fighting.

It would be premature to declare a definitive strategic victory for any party. The military damage inflicted on Iran is substantial, but the durability of that damage and its relationship to the wider political objectives remain uncertain. Similarly, Iran's ability to withstand military pressure does not erase its losses or establish that its regional position has improved in every respect.

The central lesson of the conflict is that military force can destroy infrastructure and weaken military capabilities, but it cannot by itself resolve the political, security and economic disputes that produced the confrontation. Without diplomacy, credible security arrangements and respect for international law, the region risks further cycles of violence, instability and economic decline.

Ultimately, the most meaningful measure of the war's outcome should not be the number of targets destroyed or the military claims made by the parties. It should be whether the conflict produces a more secure region, protects civilian populations, reduces the likelihood of renewed war and creates conditions in which societies can recover. On these measures, the consequences remain serious, and a durable political settlement is still essential.

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