The War with Iran and the Changing Regional Order

written by Dr. Raphael BenLevi | 17.11.2026

After nearly eight months, the war with Iran remains unresolved, and high-intensity fighting could resume at any time. Nevertheless, it has already significantly altered the regional balance of power, with effects reaching far beyond the Middle East.

What Has and Has Not Been Achieved?

In February 2026, Iran was engaged in an extensive effort to expand its ballistic missile arsenal and rebuild its nuclear facilities. Although subject to US sanctions, it remained connected to the global economy, selling oil to China and using smuggling networks and indirect trade channels to generate revenue.

Concrete achievements include neutralizing most of Iran's capacity to manufacture new missiles on a large scale; eliminating its ability to enrich uranium and produce new centrifuges; eliminating the Supreme Leader, senior military officers, and leading nuclear scientists; neutralizing most of the Iranian Navy's vessels; and damaging parts of Iran's energy infrastructure. Iran is also experiencing an economic crisis unprecedented in scope since the Islamic Revolution. Beyond the direct achievements against Iran, Hezbollah's intervention led Israel to establish a substantial security zone in southern Lebanon and dismantle Hezbollah's capabilities on a broad scale, with the approval of the Lebanese government and the United States.

Iranian achievements include the survival of the revolutionary regime, with the IRGC now the principal decision-making power; the continued presence of enriched uranium on Iranian soil, apparently buried underground; the survival of one intact nuclear facility, "Pickaxe Mountain"; the regime's retention of thousands of missiles and drones that can be launched against Israel, the region, and the Strait of Hormuz; the continued existence of militias in Iraq loyal to the regime; and the survival of Hezbollah, which has not been fully dismantled. The Houthis also continue to threaten the Bab el-Mandeb Strait while expanding the territory under their control.

What Have Been the Greatest Regional Effects?

Iran's missile and drone attacks inflicted damage on numerous states but also generated widespread alienation that will not be undone anytime soon. In recent years, Gulf states had sought to appease the Islamic Republic, hoping to minimize the threat by carefully managing relations and avoiding actions that might provoke Iran.

Instead, Iran attacked them viciously, causing physical damage and striking at the heart of their national strategies. Gulf economies depend heavily on energy exports while seeking to attract foreign investment and transform themselves into hubs of advanced economic activity and knowledge. These ambitions depend on investor confidence in regional security. Iran's ability to threaten ports, aviation, and other critical infrastructure endangers not merely individual assets but the entire economic model. Any trust that existed between Gulf states and Iran before the war will not be easily restored.

Furthermore, the threat of closing the Strait of Hormuz has lost much of its coercive value now that it has been carried out. For decades, the ability to close the Strait was Iran's strongest strategic lever, helping deter the United States from military action. It will be difficult to use the threat as effectively again, particularly as the blockade has accelerated efforts to develop alternative routes. These include Saudi Arabia's East–West Pipeline to the Red Sea, the Emirati-Omani route through Fujairah, and the northern overland route through Iraq. The world will not readily return to a situation in which Iran can threaten to plunge the global economy into crisis.

The war has also brought shifting alliances into focus. Saudi Arabia now faces a clearer choice than ever. The war initially pushed it toward closer security ties with Pakistan and Turkey, including a trilateral defense agreement, the "Mecca Defence Alliance." However, developments in Yemen have exposed the weakness of this policy, as Riyadh has been largely left to defend itself against Houthi aggression.

The UAE, by contrast, has shifted from managing the Iranian threat to confronting it more directly. It has reportedly carried out covert strikes against dozens of targets inside Iran. In April, it withdrew from OPEC, strengthening its autonomy in energy policy and reducing its dependence on Saudi policy amid

volatile oil markets. In August, it also announced the suspension of financial and economic transactions with Iran.

Finally, Iran's decline has strengthened Turkey and the Sunni Islamist faction, enabling Ankara to expand its influence in Syria and consolidate its position as the leading power center of the Sunni axis.

How Has the War Influenced Superpower Competition?

The United States has demonstrated that it remains the only military power capable of waging high-intensity warfare thousands of miles from its own territory, reinforcing its status as the world's leading military power. At the same time, the war exposed shortcomings in its ability to sustain high-intensity warfare, its vulnerability to missile attacks on its bases, and its sensitivity to domestic economic pressures.

These shortcomings have prompted the US military to draw lessons and address capability gaps. Ultimately, closing these gaps while neutralizing the Iranian threat places the United States in a stronger strategic position for a future confrontation with China.

China has likewise gained insights into both the strengths and limitations of American power in a distant war. As a major consumer of Gulf energy, China was also forced to draw on reserves and diversify its energy sources, a process that will further diminish Hormuz's international importance.

What Has Israel Achieved?

Israel has demonstrated unprecedented military capabilities and proven itself to be the United States' leading military partner in the region. The war has also elevated Israel's standing as an asset for the Gulf states, who did not blame Israel for the outbreak of the war despite the damage they sustained. Their vulnerability to Iranian attacks has instead reinforced the value of Israeli capabilities in air defense, intelligence, and technology. Within CENTCOM, security cooperation between Israel and regional states has strengthened in intelligence, air defense, and countering Iranian threats.

The war has further consolidated an alliance of states seeking prosperity and tolerance in the Middle East, with Israel at its center. These include the UAE,

Azerbaijan, Greece, and Somaliland, with India in the East and Morocco in the West. Non-state partners in this emerging alliance include the Druze, Kurds, Lebanese Christians, and potentially a large part of the Iranian public. This coalition has deepened security cooperation against threats posed by Turkey-led Sunni Islamists and a weakened Iran-led Shia Islamist camp.

More broadly, a historic shift in attitudes toward Israel is emerging in South America. Argentina and Colombia have led the way, alongside developments involving Bolivia and steps toward restoring relations with Venezuela. Several factors explain this shift, but Israel's demonstrated ability to reshape the Middle East is a key one.

What Next?

As its position continues to weaken, the Iranian regime will likely seek to escalate. Israel and the United States must prepare to strike high-value targets and key regime power centers, provide military support to the Iranian opposition, and defend regional countries. At the same time, a political alternative to the Iranian regime must be cultivated.

Published in The Jerusalem Strategic Tribune, November 17, 2026.

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