



Thuraya Al-Baqami, The Last Shot, 1981.

Mosaic of Deterrence

Eskandar Sadeghi-Boroujerdi

Iranian resilience in the face of US-Israeli assault

The US-Israeli war on Iran has foregrounded a question that has become increasingly urgent since the onset of the genocide in Gaza: how should we understand the reconfiguration of imperial power in West Asia?¹

While analogies with nineteenth-century gunboat diplomacy capture the theatricality of the aggression, they often obscure its real historical and institutional character. The relentless strikes on Iranian territory—targeting military facilities, fuel depots, oil refineries, steel plants, research universities, a freshwater desalination plant, and other civilian infrastructure—reveal a highly particular type of warfare, which takes aim not only at the armed forces but at the basic functioning of the state, from energy systems to water supplies to logistical networks. Today, the very foundations of economic and social life are in the crosshairs.

This should hardly come as a surprise. For decades, the US has steadily extended its vast military presence across the region: an archipelago of bases, radar installations, carrier strike groups, and surveillance networks stretching from the Persian Gulf to the eastern Mediterranean. Though it might seem like a sudden rupture, the war that Trump and Netanyahu launched on February 28 is the culmination of a long campaign against Iranian state and society. Sanctions, sabotage, cyber operations, covert action—these were never alternatives to direct military intervention, but preparation for it. Both Iraq and Libya were subjected to the same sequence, in which a period of sustained pressure was eventually followed by a large-scale armed assault. First strangulation, then destruction.

In his widely discussed essay “Decolonizing Decolonization,” the historian Frederick Cooper warned that the discourse of decolonization creates the false impression that imperial power is in linear retreat, when what we are seeing across the globe right now is its persistence, reconstitution and adaptation. For Cooper, “re-imperialization” is a better rubric to capture this new reality. This thesis, which looks ever more plausible in light of developments in West Asia since October 2023, is reflected in the recent fortunes of Iran: a revealing case study in both the contours of American power today and the mechanisms that sustain it.

What follows is an account of the imperial apparatus that was built to undermine the Islamic Republic, how it produced the country's unique deterrence doctrine, and how it laid the groundwork for the current conflict. By looking closely at this trajectory, we can grasp the extent to which economic subversion and military might, far from being discontinuous, represent an integrated strategy to thwart aspirations for sovereignty and development in states outside the US-dominated capitalist core. As we shall see, the US has translated its privileged position within global financial and informational networks into raw coercive power, regulating Iran's access to the conditions of economic life itself: banking channels, payment systems, trade settlement, foreign exchange, technology, and investment. Yet Iran has also used the interdependencies in the contemporary world economy to fight back against its opponents and frustrate their ambition for regime change.

Modes of coercion

The Islamic Republic was forged in the crucible of revolution and prolonged war with neighboring Iraq. The Revolution of 1979 occurred at a moment when the formal processes of decolonization had largely run their course and newly independent states now had to contend with a number of rigid neocolonial strictures. For many revolutionary movements of the period, the Cold War was experienced not as an ideological struggle between two systems but as a geopolitical reorganization in which older patterns of imperial competition continued to play out.² The language of bipolar confrontation failed to capture the extent to which global conflict was still shaped by rival projects of dominance that stifled and distorted the more radical ambitions of societies recently liberated from colonial rule. This was a period marked by increasing skepticism about the emancipatory promises of national liberation, as debate over the limits and contradictions of postcolonial development intensified across the global North and global South.

At the center of revolutionary Iran's governing ethos was the reclamation of political independence in this fraught geopolitical context. The slogan

“Neither East, Nor West” captured the aspiration for sovereign self-determination amid superpower rivalry and the enduring hierarchies of the postcolonial world. Yet in the decades that followed, the limits of this approach became clear. Autonomy was an elusive goal in an international system organized around financial hierarchy and technological-military asymmetry. The form of imperial power that emerged during this period was a combination of armed force and economic coercion, which together regulated the conditions of participation, exchange, and accumulation for countries like Iran.

The Carter Doctrine was decisive in establishing the approach to the Persian Gulf. It designated the region as a zone of vital strategic interest, which set the stage for the Reagan administration to embark on large-scale naval buildup, the reflagging operations of the “Tanker War,” and the normalization of a permanent US military presence.³ These developments culminated in the creation of the United States Central Command, which transformed what had previously been contingent interventions into a standing bureaucratic and operational infrastructure for the projection of force across the region.⁴ The militarization was itself partially funded by the recycling of Arab petrodollars through American financial institutions—a process that, as Adam Hanieh has shown, helped underwrite the financial architecture through which the US would later exercise coercive power over states like Iran.⁵

Other coercive instruments, including financial sanctions, extraterritorial legal authorities, intelligence operations, and technological restrictions, meanwhile formed a composite repertoire through which pressure could be exerted without reliance on direct military intervention alone. After the collapse of the USSR, these instruments assumed greater strategic centrality, as the US increasingly turned to economic and financial coercion as a means of projecting power short of war. Yet their overall effect was often to reconfigure state capacities rather than to simply degrade them. When a state is threatened from without, its security apparatuses often consolidate or expand, while its developmental, welfare, and regulatory functions erode.⁶ The campaign against Iran created precisely such an imbalance, reinforcing

institutions oriented toward control and survival while constraining those associated with economic coordination and social provision. The country has not broken under imperial pressure, then, nor has it simply held firm; it has undergone a pattern of selective transformation.

In the conventional language of international relations, Iran is often described as a middle power, given its capacity to project influence across its immediate region. But this captures only one aspect of its complex geopolitical position. Iran in fact occupies a semi-peripheral space within global capitalism, combining relatively strong state capacity and regional reach with persistent dependence on financial infrastructures, trade circuits, and technological systems largely controlled by countries in the global North. In recent decades, the traditional core-periphery binary has been reconfigured, such that semi-peripheral states now find themselves in a situation of uneven and qualified autonomy, in which they can shape outcomes within their regional environment even though they remain acutely vulnerable to forms of external coercion, exercised through global networks beyond their control, particularly in the domain of global trade and finance.⁷

The economic weapon

Though typically presented as an instrument of diplomacy, or a midpoint between negotiation and armed force, the historical origins of economic sanctions lie elsewhere. In the interwar period, they were thought to represent an intensification of warfare, extending its violence to economic life itself. “The economic weapon,” writes historian Nicholas Mulder, “was the very essence of total war.”⁸ The sanctions imposed on Iran show how this method of coercion causes conflict to metastasize and become an endemic condition, generating persistent instability across the country’s monetary, productive, and political spheres.

Sanctions against the Islamic Republic emerged more or less in tandem with the revolutionary order itself, as the Carter administration froze

approximately \$12 billion in Iranian assets held in US financial institutions and imposed a trade embargo in the aftermath of the November 1979 hostage crisis. This was not merely a case of reactive crisis management, but part of a broader strategy pursued by successive US administrations to safeguard the interests of American financial and corporate actors.⁹ Over the following decades, these initial sanctions were ratcheted up, evolving from a set of relatively targeted measures into a more comprehensive strategy of economic constriction, culminating in the 1990s policy of “dual containment” directed at both Iran and Iraq.

The devastating fallout of this approach was most clearly visible in Iraq, where sweeping UN-backed sanctions were imposed after the expulsion of Iraqi forces from Kuwait in 1991, leading to widespread deprivation, infrastructural collapse, and mass civilian suffering. Though the Oil-for-Food Program introduced in 1995 allowed limited oil revenues to be channelled into humanitarian goods, it also subjected Iraqi society to new forms of intrusive oversight and top-down control. This in turn produced systemic dysfunction, with the growth of informal economies and opaque power structures, which gave rise to corruption, kickbacks, and smuggling networks. The Clinton administration later refined this approach in relation to Iran with a series of executive orders that prohibited trade and investment with the country, as well as the Iran and Libya Sanctions Act of 1996 which extended the scope of US sanctions extraterritorially by targeting foreign firms investing in Iran’s energy sector.¹⁰

We can identify a key inflection point in US sanctions policy that helped to create the conditions for the current war.¹¹ The Obama administration’s pursuit of “crippling sanctions” marked a qualitative shift in both the logic and scale of US economic pressure on Iran. The Comprehensive Iran Sanctions, Accountability, and Divestment Act (CISADA) of 2010 intensified restrictions and widened their reach. By threatening foreign financial institutions with exclusion from the US market, the legislation extended enforcement pressures far beyond bilateral relations. This shift became fully apparent between 2011 and 2012, when the US moved to designate Iran’s entire financial system as

a site of illicit financial activity, threatening to impose punitive measures on any institution that engaged with it. Foreign banks faced severe penalties—a multi-billion dollar fine was imposed on BNP Paribas, for example—while US legislation targeted any financial institution transacting with Iran’s Central Bank unless oil imports were reduced under US supervision. The European Union (EU) meanwhile imposed an oil embargo, banned insurance for Iranian shipments, and froze Central Bank assets. Iran’s isolation was deepened by the exclusion of Iranian banks from the SWIFT financial messaging system in 2012, which triggered a sharp increase in the costs and complexity of international transactions.¹²

But the tightening of financial restrictions did not eliminate Iran’s capacity to conduct external trade so much as reconfigure the channels through which it was carried out. Rather than sealing off exchange, sanctions displaced it into alternative circuits that were more fragmented, indirect, and difficult to monitor. One illustrative example of this dynamic emerged in 2012, following Iran’s exclusion from the SWIFT system. Denied access to conventional financial channels, Iranian actors turned to commodity-based settlement mechanisms. In its energy trade with Turkey, payments for natural gas were made in Turkish lira and deposited in local accounts, which were then used to purchase gold bullion. Turkish gold exports to Iran surged dramatically, reaching \$1.8 billion in July 2012 alone. As scrutiny intensified, these transactions were rerouted through Dubai, a longstanding hub for sanctions circumvention. Turkish gold exports to the UAE rose from \$7 million in July to \$1.9 billion in August, with approximately 36 tonnes transferred in a single month.¹³ Much of this gold was transported through fragmented courier networks, exploiting legal loopholes in customs regulations, before being re-exported to Iran. Such episodes reveal both the adaptive capacity of sanctioned states and the crucial role third-party intermediaries, including formal allies of the sanctioning power, play in undercutting financial restrictions. Rather than halting exchange, sanctions displaced it into more opaque, intermediary-dependent, and informalized channels of accumulation.¹⁴

Taken together, these measures did not merely restrict Iran's external trade; they restructured its position within the global financial system. As well as placing limits on specific transactions or sectors, the sanctions regime reshaped the entire infrastructure of cross-border payments, settlements, and financial exchanges. The design of the global financial architecture—networks centered on dollar clearing, correspondent banking, and regulatory compliance mechanisms, overwhelmingly governed by US institutions—allowed Washington to systematically exclude the country from routine financial channels, with cascading effects: liquidity constraints, exchange-rate instability, rising transaction costs, and the disruption of payment mechanisms essential for international commerce. By this means, the US was able to leverage its jurisdictional authority over the central nodes of global finance, in what Farrell and Newman describe as a strategy of “weaponized interdependence.”¹⁵ The result was to generate currency instability, constrict payment channels, and amplify systemic uncertainty across a range of productive domains. Sanctions came to function less as a diplomatic tool and more as a technique of governance, or “network imperialism.”¹⁶

Such network power operates through visibility as well as exclusion. What Farrell and Newman call the “panopticon effect” captures how surveillance and monitoring infrastructures, embedded in global financial systems, give the US an exceptional ability to monitor transactions, institutional relationships, and monetary flows. Financial activity routed through globally integrated systems of messaging, clearing, and settlement is subject to strict regulatory oversight, enabling the identification of counterparties, intermediaries, and patterns of exchange. This establishes the informational conditions under which selective interruption becomes possible.¹⁷ Iranian transactions denominated in dollars, reliant upon correspondent banking chains or mediated through internationally governed financial platforms, remain dependent upon infrastructure under effective American control, which makes them vulnerable to policies like asset freezes or secondary sanctions.

For Iranian entities and their foreign counterparties, participation in global financial circuits thus becomes a matter of anticipatory compliance; they

must adapt their behavior to avoid the risks associated with disconnection from central clearing and settlement mechanisms. Surveillance and exclusion therefore operate in tandem, exerting economic discipline without the need for direct intervention.¹⁸ “Even when exempted for humanitarian purposes,” writes Vira Ameli, “public and private enterprises often choose ‘overcompliance’ with US’s primary and secondary sanctions to avoid the risk of punishment for violating the rules of US’s Office of Foreign Assets Control and maintain economic relations with American enterprises.”¹⁹

Richard Nephew, an architect of US sanctions policy who served on the Obama Administration’s National Security Council as Director for Iranian Affairs before becoming Principal Deputy Coordinator for Sanctions Policy at the State Department, offers a revealing account of the strategic rationale underpinning the economic war against Iran. His reflections on the CISADA are worth quoting at length, since they illuminate the deliberate attempt to constrict Iran’s access to financial and commercial networks:

In this provision—which had been negotiated laboriously by executive branch and legislative branch representatives starting in 2009—the United States acquired the power to turn off foreign bank access to the United States if those foreign banks were found to be processing transactions either for *US-designated Iranian financial institutions or the IRGC. With the expansion of the US designation list of Iranian banks, the international financial system found that any transaction with Iran risked the possibility of losing access to the United States.* Even though some financial institutions without a US link might survive such a sanction with little difficulty, multinational banks feared this provision and joined the rush of entities abandoning business with Iran. *The plain truth was that Iran was a lucrative market, but the United States was more so. It simply made no economic sense to risk US access for the opportunities that existed in Iran.*²⁰ (italics added)

The impact of such policies cannot be fully captured through aggregate indicators. Sanctions affect the temporal horizons of a target country:

investment decisions become fraught, technological acquisition uncertain, long-term planning structurally impaired. Currency volatility, inflationary pressures, and capital flight are intrinsic features of a sanctions regime in which economic activity becomes increasingly subordinated to crisis management, while productive strategies are replaced by survivalist and speculative behavior. Under these conditions, the entire environment within which economic actors and broader social forces must operate comes to be defined by instability.

These macroeconomic disruptions accelerated profound social transformations. As Ameli's analysis of World Bank and national data demonstrates, Iran entered the period of intensified sanctions having achieved substantial reductions in poverty rates, which declined from above 20 percent in 2000 to below 10 percent by 2010 according to the national threshold. In less than a decade, these gains were reversed, with close to 30 percent of the population estimated to be living below the nationally defined poverty line.²¹ The corrosion of developmental gains cannot be understood simply as cyclical downturn, but as the consequence of prolonged currency instability, price shocks, and declining real incomes. One widely cited episode recounted by Nephew explains how systemic pressures translated into politically charged disruptions. Although the US did not prohibit poultry imports, the monetary and inflationary effects of sanctions contributed to a tripling of chicken prices in 2012, a shock that coincided with major holiday periods:

The United States did not have sanctions in place against Iran's ability to import chickens. However, chicken prices tripled in 2012 due to inflation created by sanctions—built on Iranian economic mismanagement. This price hike may have contributed to more popular frustration in one bank shot than potentially years of financial restrictions. This was particularly the case because the timing of sanctions interference with chicken supply happened to coincide with important Iranian holiday periods in which poultry is a major component.²²

The key point is that sanctions were never able to trigger a sudden, total collapse; their effects were always uneven, cumulative, and subject to sectoral and institutional mediation, with the state continuing to play an active role in crisis management. Even under comprehensive restrictions, parts of the Iranian economy demonstrated a high degree of resilience. Between 2011 and 2015, aided in part by non-oil exports and the residual effects of earlier oil revenues, Iran was able to sustain a positive balance of payments.²³ The Ahmadinejad government's subsidy reform program, implemented in 2010 after years of internal debate, replaced extensive energy subsidies with near-universal cash transfers delivered directly to households. This system, writes Kevan Harris, functioned as an important buffer during the subsequent intensification of sanctions, helping to cushion lower-income groups and contributing to a measurable decline in inequality, with the Gini coefficient falling from around 0.45 in the 2000s to approximately 0.37 in the early 2010s.²⁴

Expansive credit policies and state-backed housing programs also injected substantial liquidity into the economy, complicating the assumption that sanctions inevitably produce austerity. Yet this buffer effect was partial and ephemeral. While redistributive interventions mitigated the immediate shock and alleviated inequality, they could not offset the sanctions' longer-term consequences, which, over time, began to put serious pressure on Iran's productive capacity and political system.

Rise and fall of the JCPOA

It was within this context of partial resilience, where systemic pressures coincided with limited adaptive capacity, that the Joint Comprehensive Plan of Action (JCPOA) came to dominate the agenda. The agreement emerged from negotiations pursued by the center-right administration of President Hassan Rouhani, which had been elected in 2013 on the promise of alleviating economic pressures and recalibrating relations with the US and Western Europe. Rouhani had pledged to secure sanctions relief through diplomacy,

particularly by reopening channels of engagement with the US and repairing strained relations with the EU. The refrain of his 2013 election campaign, that “the centrifuges should spin, but the lives of the people and the economy must also spin,” captured a broader convergence among influential factions within Iran’s political system, who recognized that economic stabilization had become a political necessity.

The implementation of the agreement gave Iran a genuine though short-lived macroeconomic reprieve. Driven primarily by the rapid restoration of oil exports, GDP growth rose sharply in 2016, the year after the agreement was struck, while inflation fell into single-digit territory for the first time in years. Exchange rate pressures temporarily subsided, external revenues improved, and expectations of partial reintegration into global markets altered investment behavior and economic sentiment.²⁵ Although this rebound was limited and heavily dependent on hydrocarbons, it nonetheless had significant stabilizing effects. The JCPOA briefly created conditions under which expanded foreign investment, technological exchange, and increased commercial and tourism flows appeared possible—and may well have followed, had the sanctions-relief framework endured.

Yet the survival of the JCPOA came down to the whims of the White House, which could always reverse it through executive action. Whereas relief was granted on a highly conditional basis, sanctions could be reimposed unilaterally, at negligible cost to the US. This continued to affect the Iranian investment landscape, making any long-term commitments from international firms deeply uncertain. As more skeptical commentators suspected, the coercive capacities that had never been truly relinquished under the JCPOA were reactivated when Trump entered the White House in 2017. His “maximum pressure” policy, beginning with the US exit from JCPOA in the summer of 2018, expanded the Obama-era sanctions to an unprecedented degree, targeting oil exports, financial transactions, and an ever-widening array of private entities. President Trump’s first administration imposed seventy-seven rounds of sanctions in four years, nearly two per month.²⁶

The pressure was a difference of degree, not kind. The return of the Republican Party to the executive branch aggravated problems already created by past American administrations: oil-revenue contraction, exchange-rate depreciation, and rising prices, compounding the stresses on wages, savings, and household stability. After the JCPOA was torn up, Iranian oil exports collapsed from approximately 2.8 million barrels per day in May 2018, when the “maximum pressure” campaign began, to as low as 300,000 per day by 2019, causing a dramatic drop in foreign-currency earnings. The rial underwent a sharp depreciation, while inflation surged toward 40 percent, eroding purchasing power and intensifying distributional pressures across wage-dependent strata. The freezing of tens of billions of dollars in Iranian oil revenues held in overseas financial institutions further constrained access to external liquidity, magnifying currency instability and reinforcing crisis dynamics.²⁷ The Iranian state repeatedly responded to these pressures with adaptive measures to stabilize the economy and sustain revenue flows. But as recent work has shown, resilience did not take the form of withdrawal or autarky, but of reconfiguration: Iranian economic actors reoriented trade through new partners and products, deepening rather than abandoning engagement with the global economy.²⁸ In this sense, adaptation and attrition proceeded in tandem. Adaptive responses mitigated immediate breakdown, even as they entrenched forms of distortion across both state institutions and social life.

Asymmetric statehood

Sanctions did not weaken the state in any uniform or mechanistic sense. As Nephew implicitly acknowledges, economic disruption interacts with extant structures of privilege, power, and vulnerability. Iran’s prolonged financial isolation expedited the growth of parastatal and security-adjacent economic networks, which were better positioned to navigate the restricted channels of commerce. Informalization, arbitrage opportunities, and rent-mediating practices began to proliferate, redistributing economic risk while establishing ever more convoluted modes of governance. The sanctions regime thus

eroded broad-based productive capacity, and empowered actors who were capable of converting scarcity and volatility into profit.

The case of Ali Ansari and the Ayandeh Bank illustrates this dynamic. Ansari, a prominent Iranian businessman whose family founded the bank, was sanctioned by the United Kingdom in October 2025 amid allegations that financial networks associated with Ayandeh had facilitated transactions linked to the Revolutionary Guards. At the same time, investigative reporting suggested that Ansari owned an extensive property portfolio across Europe, reportedly valued at hundreds of millions of euros.²⁹ The juxtaposition is revealing. As Ayandeh Bank's balance sheet deteriorated and thousands of Iranian depositors faced the prospect of losing their savings, wealth remained concentrated within politically connected financial networks, which continued to operate across borders and beyond the constraints of sanctions.

This helps to explain why, as Robert Pape has argued, sanctions rarely translate aggregate economic pressure into political capitulation, because state elites can shift the burden of economic disruption onto broader society, while insulating themselves and their allies.³⁰ In the Iranian case, this dynamic could be called asymmetric statehood: actors embedded in parastatal and security-adjacent networks have differential access to foreign exchange, informal circuits of trade, and political protection. The result is a structurally uneven distribution of both risk and opportunity. Financial instability is socialized—absorbed through inflation, currency depreciation, and depositor losses—while those within opaque networks retain the capacity to preserve and even expand wealth.

As the Ayandeh incident shows, sanctions-induced volatility does not simply weaken the state, but reorganizes the political economy of crisis in ways that empower intermediaries operating at the intersection of finance and security. In doing so, it reinforces forms of governance that are less transparent and accountable—consolidating the elite structures that they are supposedly designed to weaken and constrain.

Recent empirical research by the economists Mohammad Reza Farzanegan and Nader Habibi demonstrates the scale of this restructuring in Iran. Sanctions, their analysis concludes, “led to an average annual reduction of 17 percentage points in the size of Iran’s middle class from 2012 to 2019.”³¹ Complementary evidence from Djavad Salehi-Isfahani indicates that, since 2011, roughly eight million people have descended from the middle class into lower-income strata, while the population living below the poverty line has grown by more than four million.³² This is supplemented by more recent analysis by the United Nations Development Program determining that Iran’s GDP per capita fell from \$8,000 to \$5,000 between 2012 and 2024.³³ Sanctions-induced instability has in this sense become a means of social restratification, compressing segments of the middle strata while intensifying pressures upon wage-dependent households.

This is the crucial context for the popular protests that began to erupt from 2017–2018 onwards. Major nationwide demonstrations broke out across Iran in December 2017, November 2019, and again during the autumn and winter of 2022–2023, the latter widely known as the Women, Life, Freedom protests. They then recurred in January 2026 and were met with an exceptionally violent state crackdown in which thousands of protesters are believed to have been killed, marking one of the bloodiest episodes in the history of the Islamic Republic. This is not to suggest that these mobilizations can be reduced to economic grievances alone; yet the prolonged stagnation and precarious condition of Iran’s political economy, coupled with deepening inequality and declining real incomes, formed the backdrop to the cyclical recurrence of these uprisings and the expansion of their social base.

Again, sanctions architect Richard Nephew’s words show how this was not an accidental outcome but integral to the sanctions policy design. “Hard currency,” he recalls, “streamed out of the country while luxuries streamed in, and stories began to emerge from Iran of intensified income inequality and inflation. This was a choice, a decision made on the basis of helping to drive up the pressure on the Iranian government from internal sources.”³⁴ The impact of sanctions thus amounts to a patterned redistribution of insecurity

and adaptive advantage across society at large. The absence of overt military confrontation did not signal the suspension of conflict, but its reorganization through economic and financial mechanisms, whose violence is slower but no less consequential, and whose effects are more diffuse yet more enduring: the reconfiguration of class relations, the privileging of security institutions, the degradation of productive capacity, and the normalization of crisis conditions.

Despite rhetorical shifts and limited diplomatic overtures, the Biden administration kept the core of the sanctions regime intact, no longer framing it as a set of emergency measures, but as the standard instruments of American foreign policy, which Trump once again accelerated on his return to office in 2025. This maps onto a broader transformation in the exercise of imperial power, in which coercion had gradually become routinized, detached from discrete crises, and embedded in the everyday workings of global economic order. Each new US administration inherits not only the policies of its predecessors but a set of infrastructural capacities increasingly insulated from democratic influence, which inflict acute misery on peripheral and semi-peripheral nations.

Deterrence, militarization, survivalism

If sanctions were the primary economic component of the campaign against the Islamic Republic, they were never intended to operate in isolation. Financial pressure was consistently accompanied by the threat and periodic application of military force—with one increasingly evolving into the other. From the beginning of the War on Terror, Iran found itself encircled by the expanding infrastructure of American empire. The invasions and occupations of Afghanistan in 2001 and Iraq in 2003 placed US forces on both Iran's eastern and western borders, while the US established a dense military presence across the Persian Gulf through bases in Qatar, Bahrain, Kuwait, and the United Arab Emirates. Carrier strike groups rotated continuously through the Gulf and the Arabian Sea, and surveillance systems and missile defense

installations multiplied, turning the region into one of the most heavily militarized zones on earth.

Israeli operations formed an integral component of this hybrid strategy. Over the past two decades, Iranian nuclear scientists and personnel have been repeatedly targeted in assassination campaigns. Economic restrictions were complemented by industrial sabotage, cyber operations such as the Stuxnet attack on nuclear facilities, and persistent intelligence penetration, ensuring that the Iranian state was subject to continuous strategic pressure. It was under these conditions that Iran's contemporary deterrence doctrine began to take shape.

The Iran–Iraq War in the 1980s exposed the vulnerability of the revolutionary state to a conventional assault by a materially superior adversary, revealing the limits of Iran's military capabilities and the constraints imposed by its relative isolation in the international system. Iranian planners did not only seek to compensate for these weaknesses by raising the costs of external intervention in a narrowly reactive sense. They also developed a doctrine of “forward defense,” which involved displacing the conflict outside Iran's borders. This meant cultivating relationships with allied nonstate actors, extending influence across neighboring theaters, and embedding deterrence within transnational networks capable of operating below the threshold of conventional war.³⁵

This kind of asymmetric warfare was not just a second-best substitute for conventional force, but a strategic reconfiguration of how and where conflict would be waged—one that sought to externalize risk, fragment adversaries' operational environments, and render escalation diffuse, protracted, and difficult to contain. The American invasions of Afghanistan and Iraq decisively underwrote the rationale for this strategic pivot. While the collapse of Saddam Hussein's regime removed Iran's principal regional rival, it simultaneously transformed its security environment by placing US forces directly on its eastern and western flanks. This gave forward defense a renewed urgency, as

a means of preemptively shaping the regional balance of power and ensuring that any confrontation would have to take place across multiple theaters.

Iran thus sought to fashion, in coordination with its allies, what would later be termed the “Axis of Resistance”: a loose network of allied political movements and armed organizations extending across Iraq, Syria, Lebanon, Yemen, and Palestine. The aim was not military parity with the US or Israel, but the creation of a deterrent environment in which the costs of direct attack would become prohibitively high. The strategy reflected the predicament of a semi-peripheral state and aspiring middle power faced with fiscal constraints and a deeply unfavorable balance of military power. While deterrence could not promise victory, it was carefully calibrated to secure the survival of the Islamic system.

Alongside this regional architecture, Tehran invested heavily in missile development, drones, and layered deterrence strategies. The origins of Iran’s missile program also lie in the experience of the Iran–Iraq War, when Iraqi missile strikes inflicted major damage on Iranian cities, prompting military planners to conclude that reliance on foreign suppliers for advanced weapons systems was untenable. Figures such as IRGC commander Hassan Tehrani Moghaddam began to lay the foundations of what would become Iran’s main deterrent capability, overseeing the production of ballistic missiles—including the Shahab, Ghadr, and Sejil systems—capable of striking targets across the wider region.³⁶ The strategic rationale was straightforward: if Iran could not match the conventional military power of its enemies, it could still threaten critical infrastructure and military facilities across the Gulf and eastern Mediterranean.

For nearly two decades this strategy enjoyed limited success. Despite repeated crises, covert attacks, and the intensification of sanctions, the Islamic Republic avoided the fate of Iraq and Libya. Its deterrent network imposed real constraints on American and Israeli decision-making. Yet this was always a delicate equilibrium, contingent on a fluid and contested balance of forces in the region. That balance finally began to unravel after October

7, when Israel's escalating aggression and systematic assault on Iranian allies decisively weakened the "Axis" that had anchored Iran's position in West Asia. Hezbollah, long regarded as Iran's most formidable regional ally, suffered severe losses in leadership and infrastructure, while the fall of the Assad regime in Syria further weakened the logistical and political corridor linking Iran to Lebanon. What had once functioned as a distributed deterrent network was now in the process of fracturing.

In response to this darkening outlook, Iran adopted a deliberately ambiguous approach to its nuclear strategy, retaining enrichment capabilities and continuing to advance its nuclear program, but without embarking on weaponization. Its aim was to occupy the precarious position of a threshold state: maintaining a certain deterrent capacity and refusing to relinquish what it regarded as its sovereign right to peaceful nuclear enrichment, while also insisting on its willingness to negotiate a diplomatic settlement. It was prepared to accept terms comparable to, or perhaps even more stringent than, the JCPOA in order to avert full-scale war.³⁷ For Israel and many of its allies in Washington, however, this carefully calibrated posture was unacceptable. The possibility that Iran might one day convert its latent capabilities into an operational deterrent was perceived as a constraint, however limited, on their claimed right to dominate a region they have long treated as their exclusive strategic preserve. The Iranian leadership appeared to underestimate the ferocious attack that its ambiguous strategy would provoke.

From rising lion to epic fury

The response began with Operation Rising Lion, a surprise Israeli strike in June 2025 that killed senior figures within the leadership of the IRGC and the Iranian military alongside a dozen nuclear scientists. The US followed with Operation Midnight Hammer, a coordinated assault aimed at destroying Iran's three principal nuclear facilities. But despite the damage it inflicted, amid the uneasy ceasefire that followed the Twelve Day War, the American-Israeli campaign seemed eerily incomplete.

The next phase came when the US deployed additional naval forces to the region, including the USS *Abraham Lincoln* and later the USS *Gerald R. Ford*. The military build-up occurred alongside an active diplomatic process: indirect negotiations between US and Iranian officials, mediated by Oman and supported by Qatar and European interlocutors, resumed in early 2026 after months of deadlock. By late February, the talks had produced what mediators and participants described as tangible progress, including discussions over limits on uranium enrichment, enhanced verification, and phased sanctions relief, with further technical negotiations scheduled to take place in Vienna.

Then, in February 2026, the Trump administration put an abrupt end to the diplomacy and plunged the US into another imperial war in West Asia. The launch of Operation Epic Fury saw senior American officials call openly for regime change and incite the Iranian public to rise up against the state. Israeli and American forces launched a coordinated wave of strikes targeting hundreds of military, industrial, and governmental sites. The scale of the bombardment was unprecedented: within the first twenty-four hours alone, more than a thousand targets were reportedly hit. Intelligence-guided attacks aimed to decapitate the Iranian leadership, killing the eight-six-year-old Supreme Leader Ayatollah Ali Khamenei in the hope that this would lead to the regime's rapid collapse or humiliating surrender.

The technological dimension of the campaign underscored the evolving character of contemporary warfare. Central to the targeting infrastructure was the US's expanding use of algorithmic intelligence systems, including Palantir's Maven Smart System, which integrates large-scale data processing with automated target identification and battlefield analysis.³⁸ By combining surveillance data, intelligence feeds, and predictive analytics, such systems enabled the rapid identification and prioritization of targets across a vast battlespace: a capability with which a heavily sanctioned semi-peripheral power like Iran could hardly compete.

The intensity of the bombardment also revealed the campaign's expansion beyond purely military objectives. The war opened on February 28 with a

strike on the Shajareh Tayyebah primary school in Minab, killing at least 170 people, most of them girls aged between seven and twelve, in an attack that multiple independent investigations attributed to a US-manufactured Tomahawk missile. The country's leading steel manufacturers were extensively targeted, with Netanyahu boasting of having destroyed 70 percent of Iran's steel production capacity, while major pharmaceutical companies, including Tofigh Darou near Tehran, were struck. Iran's universities have not been spared: Sharif University of Technology—the country's pre-eminent science and engineering institution—was bombed, along with research centers at Shahid Beheshti University, the Iran University of Science and Technology, and at least thirty other institutions of higher education. The B1 suspension bridge near Tehran was struck while civilian families were gathered nearby to celebrate Sizdah Bedar (the traditional Persian festival marking the thirteenth day of the new year), killing at least eight people. In Tehran, Gandhi Hospital, Golestan Palace, the Grand Bazaar and numerous residential districts were also hit. Taken together, these strikes constitute not merely collateral damage but a systematic campaign against the material foundations of Iranian economic, scientific, and social life.

The confrontation has exposed both the limits of Iran's deterrence strategy and the limits of the imperial campaign directed against it. For many years Iran aimed to forestall precisely this kind of confrontation, and for a time it succeeded. Yet the degradation of the Axis of Resistance, the widening technological asymmetry between Iran and the US-Israeli power bloc, and the structural vulnerability of a threshold nuclear posture without an operational deterrent ultimately left the Islamic Republic exposed. It could not neutralize the immense military, financial, and technological capacities of an imperial system determined to impose its will. Yet, when faced with an assault whose stated objectives included regime change and the elimination of its senior command, Iran abandoned the studied restraint that had defined its posture for decades and turned to horizontal escalation: striking US bases across the Gulf, targeting regional energy infrastructure, and closing the Strait of Hormuz. What followed was not the rapid capitulation that Washington

and Tel Aviv anticipated, but something more protracted, more costly, and considerably more difficult to resolve.

Despite all the bravado and bluster, the Islamic Republic has not collapsed. After decades of sanctions-induced hardship and sustained external pressure, no mass revolt materialized in response to the strikes. Instead, the Iranian state demonstrated a striking degree of institutional resilience, with the IRGC and its allies refusing to succumb to American demands, and evidently handing power to a younger, in some cases more militant, in others more creative generation of leaders in the wake of Khamenei's death. The "Venezuela model"³⁹ of leadership decapitation followed by the installation of a compliant successor failed to materialize in Iran.

Tehran has continued to deploy its asymmetric deterrence strategy, even under these deeply unfavorable conditions. Missile and drone capabilities are still the primary means through which the country can impose costs on its attackers and calibrate the level of escalation across the wider region, threatening energy infrastructure, military installations, and logistical networks belonging to states in the Persian Gulf that serve as forward bases for American power. Iranian forces have targeted not only military sites but also embassies, energy facilities, and digital infrastructure, using economic disruption as a means of deterrence.

Most consequentially, Iran exerted its de facto control over the Strait of Hormuz, a critical transit artery for global energy supplies and a wide range of industrial commodities. While Gulf producers have curtailed output or sought alternative routes, Iranian exports have continued, in some instances even exceeding pre-war levels, while tanker traffic from states not aligned with Tehran has been obstructed through the credible threat of missile and drone attacks. The result is a highly selective form of disruption, in which flows are filtered along political lines. The effects extend well beyond oil and gas. As recent analyses have underscored, the Strait is a vital conduit for chemicals, metals, and fertilizers, with cascading consequences across sectors ranging from semiconductors and advanced manufacturing to agriculture and food

production. Disruptions to helium exports from Qatar, for example, threaten semiconductor fabrication and medical imaging, while constraints on sulphur and its derivatives impact both chip production and the mining of critical minerals used in batteries. Even more significantly, interruptions to the flow of urea and ammonia—key inputs into nitrogen fertilizers—risk depressing crop yields and driving up global food prices.⁴⁰ Against this backdrop, the shock to energy markets appears as only one dimension of a broader systemic disturbance. Fatih Birol, head of the International Energy Agency, has described the unfolding crisis as “the greatest global energy security threat in history,” but its implications reach far beyond energy alone, encompassing the material foundations of contemporary industrial and agricultural systems.⁴¹

This represents a striking reversal of the logic that has governed US policy over the past four decades. While the United States has leveraged its control over financial networks, legal jurisdictions, and infrastructural chokepoints to regulate Iran’s access to global markets, Iran is now exploiting its position at a physical chokepoint in the world economy to impose costs on its adversaries. What had previously been an architecture of asymmetrical constraint—embedded in dollar clearing systems, payment infrastructures, and regulatory regimes—has, under conditions of open conflict, acquired a more reciprocal, if still uneven, character. The same interdependent networks that enabled the projection of American economic power are now exposed to disruption at their material nodes: shipping lanes, commodity flows, and logistical corridors. In this sense, weaponized interdependence is no longer confined to the domain of finance and information, but extends into the circulation of energy, raw materials, and industrial inputs. The tools of empire have not been neutralized, but they have been partially inverted, revealing that even highly asymmetrical systems of global integration can generate countervailing forms of coercive leverage. These dynamics also point to a longer-term structural tension within the architecture of weaponized interdependence itself. As Daniel Davies and Henry Farrell have argued, the overuse of dollar-based financial coercion has begun to generate precisely the counter-reactions it was designed to prevent—driving targeted states, and increasingly US allies,

to seek alternative payment systems, currency arrangements, and logistical circuits.⁴² The erosion of dollar centrality is not yet at a critical threshold, but the feedback loop between escalating coercion and systematic evasion is already in motion, and Iran's exploitation of the Strait of Hormuz is its most dramatic physical expression to date.

Hybrid empire

Iran's fortunes under US pressure cannot be understood through the familiar binaries of resilience or collapse, victory or defeat. The Islamic Republic has neither been incorporated into an American-led regional order nor has it been overthrown. How, then, can we assess the results of the conflict at this stage? Now that Iran has been forced into the existential struggle that it spent decades trying to avoid, it appears that its prolonged process of fortifying itself against the US-Israeli campaign has given the state enough resilience to survive the decapitation of its political and military leadership. Whatever the outcome, the war has not lived up to its foundational promise that economic attrition followed by aerial assault would produce rapid regime collapse. Operation Epic Fury has fallen short of its objectives.

Yet Tehran's survival in the face of the US-Israeli onslaught by no means amounts to strategic success. While Iran can project considerable power and inflict real damage, it does not have the material and institutional strength to vie for any kind of regional hegemony: a limitation compounded by the absence of a nuclear deterrent and the intensity of imperial penetration. Iran's current condition is therefore one of embattled endurance. It can continue to resist the US-dominated order at both global and local levels, yet this resistance comes at an immense cost to its own people and the wider region.

The Iranian case clarifies the specific character of the American empire today. It does not need to rely on occupation or formal political tutelage. In lieu of a single uniform strategy, it can use a range of methods, from financial exclusion to full-scale assault, which are designed to mutually reinforce one another,

degrading, fragmenting, and disciplining states that refuse subordination. If a country cannot be assimilated into the sphere of empire, it can be turned into a site of chronic instability and developmental regression. The destruction of Iran's national infrastructure, from major steel plants, petrochemicals complexes, several leading research universities, to domestic pharmaceutical industries, points to a wider logic of accumulation through destruction and de-development that is increasingly central to contemporary imperial power, sustained by a permanent war economy and, at times, articulated in explicitly colonial terms.⁴³ Trump's threat to bomb Iran "back to the Stone Ages, where they belong" is a crude expression of this deeper logic. Hybrid in form, cumulative in effect, and total in reach, today's imperial warfare does not stop at the battlefield, but extends into the bank, the port, the refinery, the hospital, the household, and the payment system. The two-step process remains remarkably consistent: strangle, then destroy.

The consequences of this strategy are neither contained nor linear. The US-Israeli campaign has inflicted immense damage on Iran's industrial base and imposed severe costs on its middle and popular classes, degrading long-term prospects for national development. But it has not produced the rapid political capitulation that such forms of pressure are often presumed to deliver. Instead, it has exposed the limits of coercive escalation in a context structured by interdependence. Even as imperial power continues to operate through destruction and domination, it has struggled to translate overwhelming force into decisive political outcomes, generating a more unstable and contested equilibrium than its architects anticipated. The broader architecture of dollar-based coercion faces a related if distinct set of limits. The very intensity of financial sanctions has incentivized targeted states to construct alternative circuits of exchange, gradually eroding the structural leverage on which weaponized interdependence depends. Iran's control of the Strait of Hormuz during Operation Epic Fury offers an unusually powerful illustration of this dynamic: the same interdependence that made financial isolation so effective has also created physical and economic vulnerabilities that a sufficiently

determined adversary can exploit. Re-imperialization, it turns out, comes with its own contradictions.

Endnotes

1. The author would like to thank Oliver Eagleton, Toby Craig Jones, Mitra Yousefi, Golnar Nikpour, and Afshin Matin-Asgari for their feedback on earlier drafts of this article.
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