

Pakistan as a Mediator in U.S.-Iranian Relations: Strategic Balance and Regional Stability

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Abstract

This study aims to explore the ramifications of an upcoming conflict between Iran and the United States of America. This study will examine the potential advantages and disadvantages of a conflict between two nations. This paper will cover the global energy market, regional security regimes, nuclear nonproliferation regimes, and the positions of major and developing nations. It has been determined that while the war may have some strategic benefits for the United States, such as undermining Iran's military and eliminating its proxies, these benefits are substantially outweighed by the disadvantages, which include destabilization of the Middle East, an increased risk of nuclear weapons proliferation, and instability in the world economy.

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Introduction

The persistent hostility between the United States and Iran is regarded as one of the longest-running geopolitical rivals in the contemporary world. The relationship between Washington and Tehran significantly deteriorated in the years after the Islamic Revolution of 1979 as the two sides showed growing mistrust and ideological animosity, creating an environment where there was always a risk of direct military conflict (Alqassem& al-Sayyad, 2026). The likelihood of war has only increased since the JCPOA accord ended in 2018 due to the United States' exit from the treaty, as well as persistent disagreements about Iran's nuclear program, backing for proxy militias, and missile technology. These dangers have become much more serious in recent years. The United States launched strikes against Iranian nuclear facilities during the "12 Day War" between Israel and Iran in June 2025, which was by far the largest military conflict between the two countries (The National Interest, 2025). Another military campaign with regime change as its primary goal began on February 28, 2026, when the United States and Israel launched coordinated attacks against Iran (Alqassem& al-Sayyad, 2026). The world's most important marine energy choke point is the Strait of Hormuz, which handles 20% of the daily flow of crude oil traded internationally (MohdZainalAbidin, 2026). This kind of disruption will cause oil and LNG prices to soar, making energy costly globally, particularly in importing countries. The International Monetary Fund (IMF) claims that even a brief conflict will slow down global economic growth while raising inflation, and a protracted conflict could push the economy to the verge of recession, as was the case during the 2008 financial crisis or the coronavirus pandemic (IMF, 2026). A conflict between the United States and Iran would have significant geopolitical ramifications in addition to economic ones. In fact, the geopolitics of the Middle East would be drastically altered by such a war, and it might even start a nuclearization chain reaction as nations like Saudi Arabia, Turkey, and Egypt try to build their own nuclear programs in response to Iran's nuclearization process (The Jakarta Post, 2025). Additionally, superpowers like China and Russia would have to change their strategies in order to capitalize on American overstretching without running the risk of a conflict with the United States (Annahar, 2026). Security issues and a change in diplomacy would also be challenges for South Asian nations like Pakistan and India (BBC, 2026). Conflict proponents claim that military action may undermine Iran's ballistic missile program, destroy its network of proxies, prevent a nuclear exchange, and potentially pave the way for regime change (RAND Corporation, 2026). However, others who oppose conflict point out that these advantages are tactical and transient, whereas the disadvantages of nuclear proliferation, economic collapse, regional instability, and strategic overreach are strategic and long-lasting (Boston Globe, 2026).

Security of the Area and Geopolitical Development:

The existing academic work on Middle East security has identified the concept of "Axis of Resistance," which comprises proxy forces like Hezbollah in Lebanon, Hamas in Gaza, Shiite militias in Iraq, and the Houthis of Yemen as tools used by Iran for its strategic deterrence against any attack on itself (Alqassem& al-Sayyad, 2026). Repeated attacks on these proxy troops have raised questions about their capacity to protect Iran against a strategic attack,

according to scholarly literature (Alqassem& al-Sayyad, 2026).The Middle East Institute claims that the post-war period has been a critical turning point that may either continue armed confrontations on several fronts or result in regional peace through intensive diplomatic efforts (Middle East Institute, 2025). The area is currently experiencing a period of "unfinished order," which is unbalanced, unclear, and the result of wars (The Friday Times, 2025).

Energy Market Upheavals:

Any armed confrontation is extremely important to the world economy because of Iran's location in the global oil market. Iran produces about 2.7 percent of the world's crude petroleum and natural gas in terms of value, while it possesses about 9 and 17 percent of proven oil and natural gas reserves, respectively (Euromonitor, 2026).Iran produces over 3.4 million barrels of oil per day, which makes up 4.2% of the world's total petroleum production (Allworth Financial, 2026).However, the Strait of Hormuz, a small sea channel that connects the Persian Gulf with the Arabian Sea, poses a greater threat than Iran's manufacturing procedures. Every day, this sea route handles almost 20% of all oil shipments worldwide (MohdZainalAbidin, 2026).

Determination of Major Powers:

The growing importance of the strategic alliance between Iran, China, and Russia must be highlighted. In particular, it is observed that China and Russia aim to lessen US dominance while balancing their support for Iran in a way that avoids upsetting the US.Furthermore, China wants to arbitrate the issue rather than get involved directly because it is the largest oil user in the world and is therefore especially sensitive to any risks to the stability of the oil market, such as the Strait of Hormuz (Annahar, 2026).However, just 3.8 million barrels passed through the strait per day throughout the conflict era, compared to 20 million barrels before to the crisis—an 80% decrease in trade (IEA, 2026). It may be the biggest supply interruption in history (Straitstimes, 2026).The petroleum business is not the only sector affected economically by this disturbance. The airline industry will have to pay more for delays and cancellations, while ship operators will have to deal with higher insurance rates and additional fees since they must find alternate routes (Euromonitor, 2026). Additionally, manufacturing sectors that rely on energy for production may see higher costs for raw materials (Euromonitor, 2026).

War's Effect on the Financial Market:

As investors shifted to safe haven assets like gold, which hit its highest level ever, the war with Iran caused a global stock market sell-off.According to historical data, financial markets typically exhibit a risk-off reaction followed by a recalibration, viewing geopolitical threats as a source of volatility before assessing them and differentiating between fear and reality (Allworth Financial, 2026).On the other hand, a prolonged oil surge can have long-term consequences for markets.

Iran's Strategic Situation:

The Iranian administration has demonstrated tenacity and determination despite being weakened and losing confidence. Controlling the Strait of Hormuz, owning the nation's ballistic missiles and drones, and retaining IRGC commanders are the principal tools of coercion (Paliwal, 2026)."Everything else, from the fate of its people, energy infrastructure, and enriched uranium, down to even losing some territory, is up for negotiation," according to some (Paliwal, 2026).Regarding their strategic objectives, Israel and the United States have both achieved significant success. Iran's ballistic missile launches decreased by 90% in the first week, the nation's naval capabilities deteriorated, and Iran's nuclear installations were targeted (RAND Corporation, 2026).

The Network for Proxies:

The Axis of Resistance in Iran, which consists of Hezbollah, Hamas, Houthi rebels from Yemen, and Shi'ite organizations from Iraq, has been one of the elements causing instability in the region. But it's important to remember that Iran's proxies have established their own autonomous networks, which may even endure without Iran (Los Angeles Times, 2026).Hezbollah has established its own terrorist networks and infrastructure among the proxy networks, independent of Iran, in a number of nations, including Cyprus, Peru, Colombia, Thailand, London, and the United States (Los Angeles Times, 2026).

Regional and Gulf States Stability:

The Gulf states' overall strategic calculations have been altered by this circumstance. For example, "Saudi Arabia appears almost out of patience in responding to the Iranian attacks," and "offensive actions needed to restore deterrence equilibrium are being discussed in Gulf capitals" (iNews, 2026).Furthermore, Saudi Arabia has a nuclear umbrella because to the defense agreement it recently signed with Pakistan. As reported by "Saudi analysts," "In case the Saudis decided to intervene with full force... Iran will become the greatest loser, since Saudi Arabia would use its bilateral defense agreement with Pakistan" (iNews, 2026).

Pakistan and India:

The protracted conflict has led to a number of significant adjustments in policy in the South Asian region. Pakistan has reportedly served as a mediator between the United States and Iran, offering the Iranian leadership the United States' 15-point proposal to end the war and suggesting that peace talks be held on its soil (BBC, 2026). According to some analysts, "India has found itself frequently outmanoeuvred diplomatically by Pakistan's agility and aggressiveness in the 'war of narratives'" (BBC, 2026). India faces significant strategic disadvantages as a result of the conflict. According to one researcher, "one can expect reduced US interest in the Indo-Pacific," which would cause the United States to reallocate its military resources to the conflict in Iran (Indian Express, 2026).

China and Russia's roles:

China and Russia have used particular strategies in order to communicate their contempt to Washington without engaging in direct conflict. Their shared goal is to prevent "an Iranian defeat" (Annahar, 2026). Russia, which is already embroiled in a full-scale fight with the West in Ukraine, sees the ongoing struggle with Iran as another opportunity to deprive America of its potential and divert Western powers' focus from the Eastern European conflict (Annahar, 2026). Instead of getting actively involved in the conflict, Russian authorities help Iranians indirectly by giving them technical assistance and intelligence. In an effort to prevent the conflict from escalating into a full-fledged regional war, Russia tries to keep it at controllable levels. China's primary goal as the world's biggest energy importer is to guarantee a consistent supply of energy, particularly from the Strait of Hormuz (Annahar, 2026). China is acting as a "quiet mediator," promoting peace and applying pressure on both sides to prevent any significant conflict since it does not see military escalation as a path that would benefit it (Annahar, 2026). However, Beijing cannot be expected to bear the expenses of a confrontation with the West in favor of Iran, therefore its support is limited (Annahar, 2026).

Reducing Iran's Military Strength:

The United States and Israel have made significant progress in destroying Iran's ballistic missiles; within the first week of the operation, there was a historic 90% decrease in launches and strikes on nuclear facilities (RAND Corporation, 2026). Iran's capacity to project power and its potential threats to other nations may both be diminished by a vigorous military assault.

A catastrophe for humanity:

The sanctioned Iranian economy is predicted to collapse by more than 10% in 2026 because to the devastation of infrastructure and a sharp decline in income (Financial Afrik, 2026). Food inflation is predicted to be over 70% and inflation to be over 60% (Financial Afrik, 2026).

Putting an end to Iran's nuclear program:

Supporters of military operations contend that legitimate military threats or action are the only way to guarantee that Iran lacks nuclear weapons. Such actions include the US's attacks on the Iranian nuclear facilities at Fordow, Natanz, and Isfahan.

US Strategic Position Overstretching:

Due to the loss of resources and the length of time it would take to rebuild, this conflict has already caused the US to shift its focus away from the Indo-Pacific (Indian Express, 2026). China's reputation in the Asia-Pacific area will improve as a result of the new approach. Additionally, Russia and China will have the chance to put pressure on the US in the future as a result of this war, knowing that a weakening of Iran will eventually give them this chance (Annahar, 2026).

The costs of legitimacy and politics:

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

China and Russia's Constrictive Mediation:

In order to guarantee energy stability and non-proliferation, the United States must treat China and Russia as partners rather than enemies. This strategy entails creating a diplomatic avenue through which Beijing and Moscow may take credit for helping Iran act properly.

Discussion of Regional Security:

Iran, Saudi Arabia, the United Arab Emirates, Qatar, Oman, Kuwait, Bahrain, Iraq, and the United States should all participate in a regional security discussion in the Persian Gulf. Talk about issues that both parties are concerned about, like lowering tensions from proxy conflicts, ballistic missile proliferation, and maritime security in the Strait of Hormuz. Establish channels of communication between US CENTCOM and Iranian military leadership to prevent inadvertent escalation

Economic Reduction and Oil Markets:

To keep the price of oil stable throughout negotiations, the G20 and the International Energy Agency (IEA) must coordinate their strategic releases of petroleum reserves. To guarantee partial access in the Strait of Hormuz, create a temporary "oil security passage" with naval escort from non-combatant nations like China, India, and allied Europe. Provide IMF emergency liquidity financing to states that are at risk due to fluctuations in energy prices, such as Lebanon, Pakistan, Egypt, and Jordan.

Conclusion

In summary, this study examined the effects of the US-Iran conflict on the world stage in a number of areas, examining both the advantages and disadvantages of the military operation. Based on the findings, some broad conclusions can be drawn. First, the international economy will undoubtedly suffer greatly from a US-Iranian conflict. Given the Strait of Hormuz's significance as one of the world's main energy supplies, a military operation would likely result in higher oil prices and inflation, which would impede GDP growth across all economies. Regardless of the hopeful scenario taken into consideration, it is clear from the IMF's study that the US-Iran war will negatively impact global economic performance and push it toward recession. Second, the outlook following the US-Iran war appears to be very dire from the perspective of regional security. Finally, any benefits from non-proliferation measures may eventually be outweighed by the hazards of nuclear proliferation from a conflict between the US and Iran. Attacks would discourage Iran's nuclear development for a while, but they might also start a regional proliferation competition. It is evident that a conflict between the United States and Iran would benefit its adversaries rather than the United States when one considers the geostrategic location of China and Russia. It is ideal to compel America to fight an expensive and distracting war in the Middle East while avoiding an open clash.

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