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The United States and Iran in the Middle East: Power Politics, Sanctions, and Regional Instability

Dr. Ibrar Hussain

Assistant Professor, Department of Political Science University of Chitral

Email: ibrar.hussain@uoch.edu.pk

Dr. Muhammad Naveed Ul Hasan Shah (Corresponding Author)

Assistant Professor, Department of Political Science and IR, University of Central Punjab, Lahore, Pakistan

Email: Muhhammad.naveed1@ucp.edu.pk

Khalid Iqbal

Associate Professor, Department of Political Science, Government Superior Science College Peshawar

Email: khalidkhanzada76@gmail.com

Abstract

This study will discuss about the strategic competition between USA and Iran in the Middle East regarding the power politics, economic sanctions and instability in the region. It strongly suggests that the interaction between both states has developed from a beginning of cooperation, into a longer period of conflict and tension, due to ideological differences and competing regional ambitions, as well as security concerns. The study, based on the theoretical approach of Structural Realism, aims to demonstrate that the anarchic international system forces both actors to seek for maximization of power and security, which results in constant geopolitical competition. While the USA tries to assert dominance in the region with alliances, military forces and economic sanctions, Iran counteracts with asymmetric measures, regional alliances and resistance policies. The study also underscores the impact of sanctions, nuclear tensions and proxy wars on a number of countries, including Iraq, Syria, Yemen and Lebanon, which have exacerbated the regional instability. It also points to the fact that the U.S.-Iran rivalry has global implications on energy security, regional alliances and international order. The results indicate that this long-standing dispute is still affecting the peace and stability of the Middle East, and that there is not much hope for a short-term resolution as there is a high level of distrust and mutual strategic interests.

Keywords: U.S.-Iran Relations, Middle East Politics, Structural Realism, Economic Sanctions, Regional Instability, Proxy Wars, Power Politics

Introduction

The U.S.-Iranian relationship continues to be among the most complex and conflictual among international relations today. Iran and Pakistan's bilateral relations have been hostile, mistrustful, marked by economic sanctions, military tensions and geopolitical rivalry since the Iranian Revolution in 1979. The Middle East has become the major region where both states seek to serve their strategic interests, to influence regional actors, and try to affect the regional balance of power. The United States' conflict with Iran has had a noticeable impact on political stability, security relationships, economic developments, and diplomatic relations in the Middle East region. The competition between Washington

and Tehran has grown into one of the main elements of regional instability and geopolitical competition (Takeyh, 2011).

Hostility between the United States and Iran began with the Iranian Revolution of 1979 that brought an end to the pro American government of Shah Mohammad Reza Pahlavi and ushered in the Islamic Republic under the leadership of Ruhollah Khomeini. The revolution changed Iran's foreign policy course and brought a new powerful anti American ideology to Iranian politics. The tensions between the two countries grew even worse after the hostage crisis in the American embassy in Tehran and a subsequent severance of diplomatic ties. Since then, however, a history of mistrust and ideological differences has coloured relations between Washington and Tehran (Gasiorowski, 1991).

The Middle East is regarded as a region of great strategic significance by the United States for its energy supplies, shipping lanes, geopolitical location and security relations. Historically, the United States has tried to exert political influence and strategic control over the region through the support of its allies—Saudi Arabia, Israel and the Gulf monarchies. The American policy makers have interpreted Iran's regional aspirations and revolutionary ideology as threats to regional stability and interest of America. Thus, the U.S. has implemented policies to contain Iran's influence through isolation, military pressure and economic sanctions (Gause, 2014).

Iran, however, is aiming to become a major power in the Middle East. The main goals of Tehran are to achieve national sovereignty, to resist external pressure, to enhance regional influence and to assist the allied groups and governments in the region. Iran has been building ample political and military ties with players in Iraq, Syria, Lebanon and Yemen. With alliances and proxy groups in the region, Iran has expanded its strategic reach and threatened the U.S. presence in the Middle East (Wehrey, 2014).

Economic sanctions are now one of the main tools that the U.S. employs against Iran. Washington has imposed several waves of sanctions on Iran's banking system, oil exports and trade networks, as well as its military institutions. The sanctions have ramped up since the U.S. pulled out of the Joint Comprehensive Plan of Action and triggered the "maximum pressure campaign" against Tehran during the Trump administration. The U.S. government had insisted on imposing sanctions to stop Iran from pursuing nuclear weapons and to curb its regional influence. Critics, however, have been critical of the positive impact of sanctions on economic hardship, political tensions and regional instability, pointing out that sanctions have not changed the strategic behaviour of Iran (Kheder & Ismail, 2025).

Another major issue that has been the cause of conflict between the two states is the Iranian nuclear program. Iran has repeatedly denied that its nuclear program is military, but the U.S. and its allies have repeatedly voiced concern that Iran may be developing the ability to make nuclear arms. In 2015, a temporary diplomatic breakthrough was realized between Iran and the world powers with the signing of the Joint Comprehensive Plan of Action (JCPOJ). The deal imposed sanctions relief on Iran in return for curbing its nuclear programme. The American opposition to the agreement in 2018, however, led to a rekindling of tensions and added to the uncertainty of the situation in regards to regional security (Valadbaygi, 2023).

The geopolitical tensions between the U.S. and Iran have also added to the proxy wars raging across the region. Iran has supported various non state actors and armed groups such as Hezbollah in Lebanon, militias in Iraq, the Syrian government, and the Houthis in Yemen. These alliances have helped Tehran extend its influence outside its borders and threaten U.S. allies in the region. The activities are seen as destabilizing and threatening

to regional security by the U.S. and its regional partners. As a result, proxy conflict has emerged as a central element of Middle East geopolitics and has helped to prolong conflict and human suffering (Byman 2005).

Washington's assassination of Qasem Soleimani in January 2020 was a significant escalation in tensions between Washington and Tehran. Soleimani was a key figure in coordinating Iran's regional strategies and alliances, serving as the commander of the Islamic Revolutionary Guard Corps Quds Force. The murder made the prospect of direct military conflict between the two states more likely and served as an example of the tenuous security situation in the Middle East. While there was no general war, there was a high level of tension and regional instability was growing (Katzman, 2020).

Sanctions and geopolitical tension not only take a toll on bilateral relations, but on the larger Middle East region. Economic sanctions against Iran have had effects on regional energy markets, trade routes and economic cooperation. Strategic waterways, including the Strait of Hormuz, with most of the world's oil exports transiting the area, have raised concerns about energy security in the world. Any conflict between Iran and the United States could have a significant impact on global energy supplies and international markets (Cordesman, 2019).

In addition, political fragmentation, militarization, and sectarian tension have been added to the picture in several Middle East countries by regional instability in the wake of competition between the United States and Iran. In Iraq, Syria, Lebanon, and Yemen, for example, the regional and international powers are engaged in indirect rivalry. Rivalries have marred peace processes, exacerbated humanitarian crises, and endangered regional security architecture. This has led to continued unrest and turbulence in the Middle East, driven by Great Power politics and regional tensions (Kamrava, 2018).

The theory of Structural Realism is used to describe the power politics between the United States and Iran in the Middle East in this study. According to structural realism, states function in an anarchical international system with survival and security as their main concerns. States want to generate as much power as possible and not let others gain control of the region. The United States and Iran are competing for influence, balance of power and regional dominance in the Middle East. The theory also accounts for the formation of alliances, proxy wars and strategic rivalry in the region (Waltz, 1979).

This article tries to understand the strategic competition between the USA and Iran in the Middle East, particularly in terms of power politics, economic sanctions and regional instability. It examines the causes of the bilateral tensions and their impact, as well as the influence of various factors such as sanctions, proxy conflicts, and geopolitical competition on regional security and political stability. The study also explores implications of the United States/Iran rivalry on the future of the Middle East and the international system.

Theoretical Framework

It is a theory of Structural Realism that will be used to explain the strategic competition between the United States and Iran in the Middle East region for the purpose of this study. For this study it is a Structural Realism theory that will be used to explain the strategic competition between the United States and Iran in the Middle East region. Structural Realism (Neorealism) was created by Kenneth Waltz which focuses on power distribution, national security, and survival in an anarchic international system. This theory states that no one is sovereign over sovereign states who can guarantee security or enforce international law equally. Consequently, states have to assert their own

capabilities and build their alliances to secure national interests and survival in the international system (Waltz, 1979).

Structural Realism emphasizes that states are rational actors that continually strive to acquire security and influence with respect to external threats and evolving power relationships. Great powers strive to maintain their supremacy and to not allow their rivals to dominate them with their strategic position. Likewise, the regional states strive to increase their influence and to evade foreign domination in order to guarantee the safety of their respective countries and their own political independence. All of this is a competitive environment, a place where such mistrust exists, alliances are formed, military competition is fought, and geopolitical rivalry is seen between states (Mearsheimer, 2014). Both the United States and Iran undertake strategic interests in the Middle East based on balance of power calculations, making the competition between them amenable to Structural Realism. The United States' historical goals in the Middle East have been to have political, military, and economic control as the region plays a critical role in the world's energy and geopolitical positioning. American policymakers view Iran's regional influence, nuclear ambitions and support for armed groups as a threat to the interests of America and regional allies like Israel and Saudi Arabia. Therefore, the United States has been pursuing policies to limit Iran's regional influence by using sanctions, military deployments and strategic alliances (Gause, 2014).

Iran's actions can also be understood on the basis of Structural Realism. Iran has been trying to stand up to pressure and maintain its sovereignty since the Islamic Revolution of 1979, when it was being targeted by America. Iran aims to extend its regional reach through cooperation with the governments and non state actors of countries like Iraq, Syria, Lebanon and Yemen. Iran sees these alliances as essential for strategic depth, deterrence and regional security. According to Structural Realism, weaker or regionally limited states tend to invent ways to project power indirectly to counter stronger enemies (Wehrey 2014).

The theory is also applicable to understanding how the economic sanctions policy works in the United States relations with Iran. Sanctions are being adopted by the U.S. as a tool to reduce Iran's economic power and regional influence, but not to start a major military conflict by itself. The sanctions aim to impose political and economic pressure on Iran to try and change its foreign policy and its nuclear program. Iran, on the other hand, sees sanctions as a threat to its sovereignty and thus reacts in terms of resistance measures, regional cooperation and military force (Takeyh, 2011).

Structural Realism also provides an account of the security dilemma that exists between the United States and Iran. The security dilemma is a state of increased tensions and/or competition between two states that arise because security measures taken by one state are understood as being threatening by the other state. The U.S. sees missile development and regional alliances by Iran as destabilizing, whereas American military movements and support for regional rivals are seen by Iran as a threat to its national security. The mutual suspicion deepens animosity and helps to generate instability in the region (Jervis, 1978). Proxy conflicts in the Middle East are a good area of the theory to apply. Iran is helping to build up regional organisations and militias to help it grow in influence and to thwart U.S. presence, while the U.S. is reinforcing its ties with regional states to limit Iran's influence. These indirect confrontations are an expression of balance of power politics and strategic competition in an anarchic international system. This is the reason why Structural Realism offers an overall framework for discussing the Middle East, the dynamics of

power politics, the nature of sanctions, the formation of alliances and the degree of regional instability.

Historical Background of US Iran Relations

The U.S.-Iran relationship has been a roller coaster from cooperation to heightened tension. Prior to the Iranian revolution in 1979, Iran was seen as among the friendliest nations in the Middle East to the US. Washington's policy was to back Iran politically, economically and militarily during the kingship of Shah Mohammad Reza Pahlavi, because Iran was important to protect American interests in the Persian Gulf region. During the Cold War, the United States saw Iran as a strategic partner which could balance Soviet influence and guarantee regional stability in the Middle East, an oil-rich region. (Gasiorowski, 1991).

The most important incident in the early history of Iran-U.S. relations was the coup of 1953 in Iran against the Prime Minister, Mohammad Mossadegh. Mossadegh tried to nationalize Iran's oil industry, thus endangering the economic interests of the western powers, especially those of Britain and the USA. The American Central Intelligence Agency and British Intelligence agencies responded to this by sponsoring a coup that removed Mossadegh from power and reasserted the power of Shah Mohammad Reza Pahlavi. This caused long time resentment to many Iranians who saw the American participation as interference with Iran's sovereignty and internal affairs (Kinzer, 2003).

The Shah has remained friendly with the United States and during the next few decades has followed policies of modernization under the "White Revolution." Washington helped Iran build up its military and economic strength, and it was one of the strongest military powers in the Middle East. But, the increase in authoritarianism, political repression, economic injustice, and disillusionment with western influence created opposition within Iranian society. The Shah's government and its ties with the United States were criticized by religious leaders, students, intellectuals and political activists (Bill, 1988).

The Iranian Revolution of 1979 was a turning point in bilateral relations. The revolution led by Ayatollah Ruhollah Khomeini toppled the Shah and created the Islamic Republic of Iran. The new revolutionary leadership that was in power in Iran had a very anti-American foreign policy, and blamed the USA for using Iran for political and economical purposes. The revolutionary government stressed independence from foreign influence and Islam as the basis for government policy. As a result of the revolution, Iran ceased to be a pro Western ally and became one of the harshest critics of the American policies in the Middle East (Takeyh, 2011).

With the 1979 hostage crisis when Iranian students took over the American embassy in Tehran and kept the Americans hostage for 444 days, tensions grew sharply. The U.S.-Soviet relationship was severely hurt and embarrassed by the hostage crisis. Washington retaliated by imposing sanctions on Iran, freezing its assets, or even cutting off its diplomatic ties. Formal diplomatic relations have never been established and hostility has been a main theme of their relations since then (Bowden, 2006).

Another factor that affected US Iran relations was the Iran Iraq War that took place between 1980 and 1988. The U.S. indirectly backed Iraq under Saddam during the war because Washington considered revolutionary Iran to be a serious threat to the stability of the region and American interests. American support for Iraq was seen by Iran as a sign of America's hostility toward the Islamic Republic. The war also gave Iran a greater impetus to build its military power and strategic independence against external threats (Hiro, 1989).

The conflict persisted in the 1990s when the United States charged Iran with sponsoring terrorism, weapons of mass destruction, and attacking allies like Israel and Saudi Arabia. Washington had implemented a policy of “dual containment” with regard to Iran and Iraq, seeking to limit its regional influence. During this time period, economic sanctions extended to Iranian trade, investments and energy sectors. But Iran pursued a policy of developing relations with regional partners and asserted its independence from American domination in the Middle East (Hunter, 2010).

It was complicated by the events of 9/11 in 2001. Iran had been initially willing to join with the United States to combat the Taliban in Afghanistan but a short time later, tensions flared again following President George W. Bush's description of Iran as part of the “Axis of Evil.” During this time, America's worries about Iran's nuclear program grew sharply. The United States charged Iran with trying to make nuclear weapons, and Tehran claimed its nuclear program was peaceful with the goal of producing energy for civilian use (Parsi, 2007).

The signing of the JCPOA in 2015 was a brief respite in relations between the world powers and Iran. The deal assured Iran a reduction in its nuclear program in return for sanctions relief. But the departure of the United States from the pact in 2018 by President Donald Trump sparked the conflict once again. Sanctions were reintroduced in the framework of the “maximum pressure campaign,” further harming relations and exacerbating instability in the Middle East (Maloney, 2020).

US Iran Power Politics in the Middle East

In the Middle East, a region that remains a battleground between the United States and Iran, power politics and competing influence over the region are the bedrock of the strategic rivalry. Both states want to take full advantage of the strategic benefits of the area in which they operate which is of paramount importance in terms of global energy supplies, geopolitical connections and security architecture. The Middle East is a true great power sport where states attempted to wield influence through alliances instead of territorial expansion and military deployment and political leverage. In this context, the U.S. prioritizes a balance of power in the region, by backing regional allies like Saudi Arabia, Israel and the Gulf monarchies, while Iran works to upset this balance by using asymmetric means and regional alliances (Gause, 2014).

In terms of Structural Realists, the struggle for regional hegemony and survival in an anarchic international system characterizes the power politics in the Middle East. The U.S. has large military facilities in the Gulf area, such as in Bahrain, Qatar, Kuwait, and the United Arab Emirates, which allow for quick military response and strategic deterrence. These deployments are aimed at securing the energy routes, protecting allies, and thwarting Iranian expansion. Iran sees the military presence as an outright threat to its national security and regional autonomy, thus creating a security dilemma between the two countries (Jervis, 1978).

Iran, on the other hand, does not depend on balancing conventional military power with that of the United States, instead using asymmetric tactics to neutralize the influence of the United States. These strategies encompassed the development of missile capability, support of non state actors, cyber operations and regional alliances. The Islamic Revolutionary Guard Corps is central to the implementation of these strategies, organizing with others who share its goals throughout Iraq, Syria, Lebanon and Yemen. Iran's network of alliances enables it to exert influence beyond its borders and to maintain strategic depth within the region (Wehrey, 2014).

The Iraq war and the consequences of the war have played a great role in broadening Iran's regional influence. The Iraq war and its after effects have contributed greatly to Iran's regional influence. The fall of Saddam Hussein following the 2003 U.S. invasion of Iraq left a power vacuum in the country that Iran exploited by reinforcing political and military ties with Iraqi Shiite groups and institutions. This, in turn, made Iraq an area of indirect conflict between the two powers, the United States and Iran. The United States was trying to secure a stable, pro-Western government in Iraq, while Iran tried to ensure the Iraq's politics were pro-Iranian (Dodge, 2012).

Likewise, the Syrian War was another flash point of the conflict between the US and Iran. Iran supplied the Syrian government of Bashar al Assad with massive military, financial and advice support as it considered Syria as a key point in its axis of influence in the region. The U.S. and its allies, however, backed opposition groups that wanted regime change. The war also furthered polarization in the region, and provided an example of how external rivalries can fuel internal conflicts in fragile states (Phillips, 2016).

The Gulf region is another major battleground for power politics between the two states as well. The competition between Iran and Saudi Arabia, who are a close U.S. ally, has escalated sectarian and geopolitical tensions in the region. The competition is not just an ideological one, but a strategic one as both states try to dominate the region and exert influence on neighbouring countries. Saudi Arabia has been propped up by the U.S. with arms sales, military and security cooperation, and political involvement while Iran has fostered relations with opposition groups in other Gulf countries (Fulton, 2019).

The US competition with Iran also has a strategic aspect in the Persian Gulf and the Strait of Hormuz, as it is traditional in maritime security. It is one of the critical chokepoints in the world as a large share of global oil exports goes through this narrow waterway. Iran has made repeated threats to disrupt shipping in retaliation to sanctions or military pressure and the United States has kept a strong naval presence to ensure that shipping is free. These tensions illustrate the economic and military dimensions to the competition (Cordesman, 2019).

Competition between the two states also goes beyond the ideological and political arena. America's foreign policy advocate a free international system, with democratic forms of government, free markets, and international institutions. Iran, however, advocates for a model of Islamic governance, opposition to western intervention in the region, and regional self determination. The ideological divide fuels geopolitical competition and diminishes the chances of long-term normalisation between the two states (Hunter, 2010).

Economic Sanctions as a Tool of US Policy against Iran

One of the most consistent and effective weapons the United States has in its arsenal against Iran is economic sanctions. The purpose of sanctions has been to try to curtail Iran's economic ability, its access to the international financial systems, and its foreign policy actions. Writings from the Structural Realist tradition see sanctions as not only economic measures but as a tool of a dominant power to weaken a region's adversary without a full-scale military confrontation. Sanctions are becoming the favored weapon for the United States to use in an "economic war" against Iran to limit its regional reach and nuclear ambitions (Drezner, 2011).

US sanctions against Iran have been in place since the 1979 Iranian Revolution, when its diplomatic ties were severed due to the hostage crisis. Sanctions started with putting limits on trade and freezing Iranian assets. In the course of time, however, these antiquies were multiplied in scope to cover energy exports, banking systems, insurance industries and international financial transactions. A detailed sanctions policy emerged in the United

States that involved multilateral action through international institutions and allies as well as unilateral measures (Nephew, 2017).

A significant increase in the level of sanctions took place in the 2000s and 2010s when fears of Iran's nuclear program grew. The U.S., its European partners and the U.N. instituted severe sanctions designed to curb Iran's efforts to build nuclear arms capabilities. The sanctions hammered Iran's oil exports, which are an essential source of national revenues, and severely limited Iran's ability to sell its oil abroad. The economic effects of these sanctions helped cause inflation, currency devaluation and economic contraction in Iran (Fitzpatrick, 2013).

In 2015, the Joint Comprehensive Plan of Action (JCPOA) was signed, creating a brief period of change in the dynamics between the United States and Iran. As part of this deal, Iran would scale back its nuclear enterprise in return for easing of international sanctions. This deal was regarded as a diplomatic success, helping to defuse immediate tensions and establish avenues for economic collaboration. But, the US withdrawal in 2018 changed the course of bilateral relations, and the severe economic sanctions under the "maximum pressure" policy were reimposed. (Maloney, 2020)

The "maximum pressure" phase of the sanctions launched during the Trump era was one of the most extensive sanctions imposed on Iran in history. Not only was it supposed to stop nuclear development but also to weaken Iran's regional influence by attacking its oil exports, banking trade and international trade networks. The policy was to separate Iran from the rest of the world economically and diplomatically, thus inducing a change in behaviour. But the trend did not result in a softening of policy, but in greater tension, regional instability, and Iran's ability to increasingly turn to other economic ties, such as with China and Russia (Elliott, 2020).

In Iran's eyes, the sanctions are tools to pressure the country, curtail its sovereignty and independence. Iran has responded with measures of economic resilience, such as enhancing its trade relationship with non-Western countries and boosting its domestic production as well as its economic integration with its neighbours. Iran has also adopted asymmetric approaches towards regional politics in order to mitigate backlash from the United States, such as deepening ties with non state actors and those regional governments that are sympathetic to Iranian interests (Takeyh, 2011).

Sanctions on Iran go beyond a domestic economic impact and have a significant regional impact in the Middle East. Sanctions have had an impact on international oil markets, energy prices and shipping routes, especially in the Gulf of Iran and the Strait of Hormuz. The significance of these strategic waterways in the international oil transport makes any disruptions in them a threat to global energy security. Therefore, the sanctions impact on Iran has ripple effects on global economic stability and regional security dynamics (Cordesman, 2019).

In addition, sanctions have helped to aggravate the humanitarian problems in Iran such as inflation, unemployment, and access to basic commodities and medical supplies have declined. Critics state that sanctions are intended to carry out a political agenda, but they can have a negative impact on the civilian population's economy. This has caused discussions among international policy makers on the efficacy and ethical nature of sanctions as a foreign policy instrument (Hufbauer et al., 2007).

Structurally, sanctions are the result of the general imbalance in power between the United States and Iran. The United States, as a major world power, has the potential to apply pressure to Iran through its control of world financial institutions and trade networks. This is an example of the use of economic means in power politics in the international system.

Such limited strategic compliance, however, illustrates Iran's capacity to make alliances and shift policy to the regional level to meet sanctions demands, albeit at the cost of making concessions (Nephew, 2017).

Regional Instability in the Middle East and US Iran Rivalry

The escalating tensions between the U.S. and Iran are now a major source of instability in the Middle East. This dynamic of strategic mistrust, military build-up, sanctions and proxy conflict has played a major role in the political polarization, long-standing wars and undermined state institutions in the region. In the Structural Realist view, this instability is a result of power competition in the anarchic international system where states seek security by competing and balancing instead of cooperating (Waltz, 1979).

The potential for proliferation of proxy wars throughout the Middle East is one of the most serious impacts of the US-Iran competition. Iran has been increasingly relying on other non-state actors and friendly governments in other countries like Iraq, Syria, Lebanon and Yemen for its regional influence. Such pacts enable Iran to exercise its influence beyond its borders but avoid direct confrontations with the Americans. In the United States, however, regional allies like Saudi Arabia, Israel and multiple Gulf nations are backed to hold Iran back. This indirect clash has turned some of the regional wars into fields for geopolitical competition (Byman, 2005).

The fall of Saddam Hussein in Iraq in 2003 left a power void, which led to an increase in the rivalry between the U.S. and Iran. As the United States was striving to establish a democratic and stable political system, Iran sought to consolidate its power through politics and political parties and militias based on their Shia faith. The competition was one of many causes of political instability, sectarian divisions, and problems in state building. Iraq then became a major flash point in what became an indirect US Iran rivalry (Dodge, 2012).

The Syrian conflict is another example of how great power rivalry in the Middle East is destabilizing. Iran has been supporting the Syrian government to maintain its strategic partnership and regional influence through military and financial aid. Opposition groups were supported in the United States and its allies in a bid to help limit Iranian and Russian influence in the region. This outside factor helped prolong the conflict, worsened the plight of the human population, and helped to fragment the region (Phillips, 2016).

In Yemen, US Iran tensions have also played a role in the conflict between the Houthis and the Saudi led coalition. Saudi Arabia and the United States view Iran's involvement in the Houthis as part of Tehran's regional agenda to increase its influence in the region. This has triggered one of the world's worst humanitarian crises, and illustrated how geopolitical competition can exacerbate domestic conflicts, erode state institutions and leave them vulnerable (Juneau, 2016).

Another area of concern is the Persian Gulf, where US Iran competition has had a major impact on the region's instability. The Strait of Hormuz is a chokepoint in the sea that is vital to the oil exportation of the world. Iran has made threats to disrupt shipping on a regular basis over the last few years in response to sanctions or military pressure by the United States. The US has responded by keeping a strong navy in the gulf to preserve freedom of navigation. This constant tension escalates the chance of military escalation and the global energy insecurity (Cordesman, 2019).

There has also been an increase in sectarian polarization due to the US-Iran rivalry. The conflict is primarily geopolitical and is sometimes played out in sectarian terms between the Sunni and Shiite communities. Iran's ties with Shiite groups and the U.S. ties with Sunni Arab states have helped exacerbate sectarian divides in nations like Iraq, Syria and

Bahrain. This kind of sectarianisation of conflict has made social cohesion even more fragile and helped to create long term instability (Gause, 2014).

The nuclear aspect of the US-Iranian relations adds to the insecurity of the region. Due to Iran's nuclear program and the ambiguity of its strategic intent, regional powers have been seeking to improve their military capabilities and put in place defensive measures. The failure of the Joint Comprehensive Plan of Action (JCPOA) led to more concerns about the possibility of nuclear escalation and decreased confidence in the diplomatic relationship between Iran and Western powers. This uncertainty contributes to a regional arms race and heightens security dilemmas (Fitzpatrick, 2013).

The assassination of prominent Iranian military official Qasem Soleimani in 2020 only further heightened the tension and proved the unpredictable nature of US Iran relations. The incident sparked counter-measures from Iran and heightened tensions with the prospect of direct military conflict. The incident underscored the precarious nature of stability in the region and how quickly things can get out of hand in a crisis between two countries (Katzman, 2020).

Implications of US Iran Rivalry for Regional and Global Order

The long-standing U.S.-Iran conflict transcends bilateral conflict, having wider ramifications for the regional order in the Middle East and the international system. This clash has altered the dynamics of the alliances, modified the relationship between regions and helped develop an increasingly polarized and volatile world. A Structural Realist would predict these outcomes in an anarchic international system, where great powers vie with each other for influence and regional powers join others in order to survive and secure their security (Waltz 1979).

Polarization of regional alliances in the Middle East is one of the most important consequences of the US-Iran rivalry. The U.S. has been bolstering ties with Gulf monarchies like Saudi Arabia, the United Arab Emirates and Bahrain and Israel. The alliances are mostly formed to counter-balance and sustain a 'balance of power' with Iran's regional influence. Normalization deals between Israel and several Arab countries, such as the Abraham Accords, also demonstrate how mutual fears of Iran have changed regional alliance dynamics (Gause, 2014).

In retort, Iran has strengthened its strategic ties with non state actors and friendly governments, forming what is dubbed as an "axis of resistance." That involves working in collaboration with Hezbollah in Lebanon, multiple militias in Iraq, the Syrian regime, and the Houthis in Yemen. These networks will keep Iran with strategic depth and influence in several theatres in the Middle East. But they also help to maintain continued instability and undermine the sovereignty of some regional states (Wehrey, 2014).

The competition has also had far-reaching consequences for the security architecture in the region. The traditional security structures in the Middle East have been undermined by mistrust, changing alliances, and divergent strategic interests. The lack of a mutual security arrangement in the region has enabled outsiders, mainly the USA and Iran, to influence security through bilateral security partnerships and proxy arrangements. Security is characterised by fragmentation which can lead to escalation of conflict and to limited opportunities for long-term regional cooperation (Fawcett, 2016).

The trade, investment flows, and energy markets in the region have been affected economically by the U.S.-Iran tension. The sanctions have choked Iran's contribution to regional economic integration and its access to global financial systems. Meanwhile, the Persian Gulf and Strait of Hormuz region has some uncertainty in international energy markets due to tensions there, influencing oil prices and energy trade stability. The

disruptions illustrate how regional geopolitical rivalries can have global economic implications (Cordesman, 2019).

The US-Iranian rivalry at the international level is not only a function of the US-Iran rivalry, but a result of changes in the international order. The competition demonstrates the inability of the United States to exercise power alone and the growing influence of regional powers in the world's politics. Middle powers such as Iran have proved resilient in a long chain of international sanctions, and have retained their regional influence. In the meantime, the United States has persisted in its approach of military alliances, economic pressure, and diplomatic isolation as means of maintaining its presence in the world (Ikenberry, 2018).

The competition also impacts on international diplomatic structures and multilateral negotiations. The Joint Comprehensive Plan of Action was one of the few instances of successful multilateral diplomacy by key international actors. But, its collapse following the withdrawal of the U.S. exposed the vulnerability of international agreements in a competitive geopolitical landscape. It weakens global confidence in the effectiveness of diplomatic tools and makes future efforts at non proliferation of nuclear weapons more difficult (Maloney, 2020).

One of the other important effects is the Middle East's growing militarization. The military readiness of both nations and missile strength has been enhanced and defence alliances with other countries have been deepened. This arms build-up exacerbates a regional security conundrum in which the defensive arms of one side are seen as offensive arms by the other side. This is a vicious cycle of distrust and escalation that makes the chances of unintentional or intentional conflict higher (Jervis, 1978).

Moreover, the competition has helped to aggravate humanitarian crisis in the region. Large-scale displacement, loss of life and destruction of infrastructure have been caused by conflicts that have been shaped by US Iran rivalry in countries including Syria, Yemen and Iraq. The crises have also put a strain on neighbouring states and international humanitarian groups, and thus underscored the larger human dimension of geopolitical competition (Phillips, 2016).

Conclusion

The U.S.-Iran geopolitical competition is one of the longest-standing and most influential in the Middle East. The relationship began with cooperation and has since become highly antagonistic, fueled by ideological differences, the evolution of power dynamics, insecurity and conflicting regional aspirations. As time passed, the dynamic between the two states has grown more complex than bilateral, and has emerged as an important driver of political security, stability, and economic conditions in the entire Middle East region. The U.S. has always worked to keep the region strategically under its control through backing supportive states, ensuring energy supplies and blocking the rise of any other power that might threaten it. Iran, on the other hand, has been following a policy of regional resistance and expanding its influence, looking to fend off outside pressure and to assert itself as a major regional power. The fight between these two goals has resulted in a long history of mistrust, antagonism and oblique warfare.

Much of this rivalry has been influenced by economic sanctions. Although they have severely limited Iran's economy and international trade, they have also sparked political tension and pushed Iran to pursue other partnerships and regional policies. Sanctions have deepened polarization and created long-term instability, rather than ending the conflict. A further aspect of this competition is the MED use of proxy wars in other parts of the world. Both states back political and military factions in countries like Iraq, Syria, Lebanon and

Yemen, ensuring that these become theatres of broader geopolitical contestation. This has led to a chain of wars, the failure of state institutions, humanitarian crises and a rise in sectarian tensions throughout the region.

The nuclear issue has also added to the complexities of relations, raising a strategic doubt and creating a competition for arms in the region. Diplomatic attempts have sometimes been able to defuse the situation, but there has been no consistent trust between the two sides, resulting in the failure to create a permanent cooperative framework. In short, the U.S. Iran contest remains a key geopolitical and security factor in the Middle East. It contributes to regional instability, adds to peace building difficulties and in turn perpetuates strategic competition. Without a move toward a more constructive diplomacy and mutual accommodation, the region is likely to stay affected by cycles of confrontation and instability, fueled by this long-standing geopolitical rivalry.

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