

Has this war changed global power forever?

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Yesterday might mark a turning point in global history, and not because of what happened, but because of what did not.

For the first time in my life, I found myself relieved that genocide had been avoided. That alone tells us how dangerous this moment has become.

We are now told there is an Iran peace deal. The United States is presenting this as a success. It is not. Strip away the rhetoric, and this looks like a retreat. After huge cost and escalation, the US has stepped back from a weaker position than the one it started from.

In this video, I explain why that matters.

First, the deal itself appears to favour Iran. Claims that Iran “begged” for peace look implausible. Instead, this is a fragile ceasefire born of failed escalation.

Second, this signals a shift in global power. Iran has held the combined pressure of the US and Israel at bay, not through overwhelming force, but through strategy and economic leverage, especially via oil flows through the Strait of Hormuz.

Third, the wider consequences are profound. NATO’s credibility is shaken. Europe can no longer rely on US leadership. And new global alignments may now begin to emerge.

Fourth, markets are dangerously complacent. Share prices have risen, and oil has stabilised, but the risks of supply disruption, renewed conflict, and economic instability remain very real.

Finally, this conflict exposes a deeper issue: our dependence on fossil fuels. Energy and fertiliser supply chains remain fragile, and the risk of shortages has not gone away.

The conclusion is simple. The US is no longer the uncontested centre of global power. Iran has gained influence. Old alliances are under strain. And the new world order has not yet been formed.

Everything has already changed.

The question is whether we are willing to recognise that — and respond.

<https://www.youtube.com/watch?v=AD7vxxQm5yY?si=Dy5py1t2kUeKWUWO>

This is the audio version:

https://www.podbean.com/player-v2/?i=ejb6d-1a9311d-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

Yesterday was a tumultuous day; one of the most difficult I've lived through as a political economist. Let's put it in context.

I never expected to wake up in the course of my life, being relieved that genocide had not taken place. That should have been beyond my human experience, and it happened, and that set the theme for everything else that followed.

We heard of an Iran peace deal.

We've heard enormous amounts of noise from the USA since then, claiming that Iran begged for a deal and everything else.

Much of that feels like nonsense.

A day on, the Iran peace plan still looks like a defeat for the USA. It has spent \$30 billion to end up at a point worse than that, which it started at. There are no signs of US victory as a result of this peace plan, and what we know is that Israel is already doing everything it can to undermine it. The terms of this deal seem to favour Iran, and the USA is just making itself look silly by claiming otherwise.

So let's accept JD Vance's interpretation of this deal and accept that it is fragile, but where are we really as a result?

We know that Trump backed down from escalation. He threatened annihilation and

genocide, and the ceasefire was made available to him to cover a retreat. That is what actually happened on Tuesday night.

His reputation is now deeply damaged as a result. He is a pariah president. A President who has now been shown to be willing to behave beyond any acceptable boundaries. He made a threat to a civilisation, one of the gravest crimes known to humanity, and that threat cannot be undone. International trust in Donald Trump has been destroyed, whatever is being said by politicians at present. They cannot ignore the consequences of what has happened. This man is a threat to peace, and we all have to recognise the fact.

At the same time, we have to recognise that Iran has emerged as a regional power as a result of this conflict in a way that no one could have anticipated. It has held the combined power of the USA and Israel at bay. By a combination of the use of good strategy, cheap weapons, and the economic power granted to it by control of the Strait of Hormuz, it has been able to keep their power at bay just as Ukraine has, against all the odds, been able to keep the power of Russia at bay. We are seeing new forms of war as a consequence, and we're seeing economics having a vital role to play.

Iran has used its control over oil flows to leverage strategic advantage. Global power has shifted as a consequence, and anyone pretending otherwise is deluding themselves, as most in the West would appear to be based upon what they're saying at this moment.

We need to rethink world power as a result. US military limits have been cruelly exposed. For all their weaponry, they cannot impose their will. Superior force is no longer decisive in warfare, as both Iran and Ukraine have proved. Economic warfare is also now central to the way in which war progresses, and all the old assumptions about who has power are collapsing.

At the same time, Israel is definitely out of control. It's acting without restraint. It's ignoring the ceasefire terms that I am sure the USA wants it to comply with. It is continuing its attacks in Lebanon. There is no evidence that the US has any influence over its behaviour. It is now seen for what it really is. It is a rogue state, and the pressure for sanctions upon it must now grow. It has to be treated separately from the USA, because they are separate entities with separate agendas and separate economic power, but the point is, Israel is now the biggest rogue state in the world.

We also have to recognise that NATO has been shaken to its core by what has happened. Its credibility is surely shattered. Nobody in Europe can now look to the USA for leadership on defence issues. We cannot rely on Donald Trump. That is the simple bottom line that cannot be avoided now. As a consequence, Europe has to rethink its whole defence strategy and its whole defence procurement. It's begun this process, but there's a long way to go, and in the UK, this rethink has to be deep and strategic.

At the same time, Canada needs to be drawn into this, and so too, maybe do other states. Australia is a potential partner: so too, maybe our countries like India and South Africa, they too could align in a process where there is a combination that stands against the major blocs of power in the world by thinking about the biggest element of defence of all, which is the delivery of freedom from fear for the people who live in the countries that are being defended. That is what is at stake at present.

Meanwhile, markets are deluded. This is important. Markets are getting this all wrong. Share prices rose fast yesterday. Oil prices are bouncing back. All of this is ridiculous because the risks are still very high. People are talking about jet fuel taking months to be re-established in terms of supply, and this might be true of oil as well. War could also restart quickly. I think that's going to happen. This euphoria looks totally misplaced, and the reality is that in practice, economic risks are now intensifying. They're not going away. Our oil dependence has been cruelly exposed. Shortages are not going to disappear, and we need to end our dependence on fossil fuels as a result.

The call resulting from this war is that we must be investing more in the process of reducing our fossil fuel dependence, not just for strategic reasons, but also for climate change, of course. Renewables are now essential. And we must remember, it was not just supplies of oil and gas that went through the Strait of Hormuz: fertiliser supplies remain fragile. In that case, the risk of famine in parts of the world has not gone away. We could still be facing food shortages this year. We are still at risk of an existential crisis in the case of some countries, and certainly shortages in others. None of that can be avoided, and as a consequence, the politics of this are now severe, and they should be talked about.

Fascist politics got us into this mess. Anti-Muslim sentiment drove this war. Let's not pretend otherwise. That is the culture of the American far right. That is the culture that people like Donald Trump and Pete Hegseth promote, and we have people in the UK who are following the same path. Labour is offering little response. As Prime Minister Keir Starmer almost seems to be paving his way to fascism. Now we need to call out Trump, and we need to call out the supporters of Trump because they are increasing the risk of instability, and profit gouging, which is highly likely to continue in the current economic environment, will only encourage that. We are living in a fragile political environment.

The issues that are resulting from this war are enormous. In fact, managing the peace, if we get it, may be the biggest shock that we are going to face. We've had the equivalent of World War III. We now need to reshape the world as a result. The USA is not at the world centre anymore. Iran has gained global influence. Old alliances are now uncertain. The new order has not yet been formed.

We may not be ready for that. That's the critical point that I'm making.

The real question now is, can we imagine this new world that we need where power is

no longer Western-led and a Muslim state is at the centre of power over oil? Western politics may resist this reality, but the truth is this: outcomes of this war are still unknown; everything has already changed, and the war may or may not be the end of it, even if the war has ended. The consequences are going to endure. This feels like a real-world shift. Everything, as I've said before, and I'll say again, has changed. It's how we influence that process of change that now matters.

That's what I think. What do you think? There's a poll down below. Please let us have your vote. Please leave us your comment. We do read them. Please do also like this video if that's what you do, and share it because that helps us no end with YouTube. They notice how many times a video is shared, and that increases our ranking. If at the same time you think these videos are of value, if you'd like to make a donation, that helps us produce them. Thank you for your support.

Poll

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