



A mere spectator? Europe and the imploding Middle East

Description

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A year after Hamas launched its October 7th attack on Israel, the Middle East is on the edge of a broader war. For a time, Europeans and the US hoped that the conflict could be contained to Gaza. Initially, Israel and Hezbollah engaged in limited hostilities and Iran was not directly involved. But as each side probed the other's red lines, the gloves came off. Hezbollah hit civilians in Israel and Israel increasingly took the fight to Hezbollah's strongholds and its top leadership. In April, Iran also became more involved in the conflict when it attacked Israel directly for the first time with a barrage of missiles and drones. Ultimately, the spiral of escalation has proved unstoppable.

Netanyahu, encouraged by Israel's recent successes against Hezbollah, calculates that Israel can push it back from its border, allowing around 60,000 displaced Israeli civilians to return home. But he has even spoken of the much more ambitious aim of defeating Hezbollah, which would deal Iran a big blow, undermining its ability to threaten Israel. Netanyahu will be encouraged by the fact that some US policy-makers have come round to the view that Israeli military action can refashion regional politics, reducing Iran's influence.

The risk of an escalatory spiral is high: Iran does not want a war but equally does not want to look weak in the face of repeated humiliations. Iran could probably absorb a limited Israeli strike on military infrastructure, as happened in April. But a broader strike on

military installations, attacks on oil production or attacks on nuclear facilities would push Iran to retaliate. At the same time, Iran could intensify its efforts to obtain a nuclear weapon, with the regime calculating that this is its only real guarantee of survival. But efforts to accelerate the nuclear programme would only do more to convince Israel that it needs to strike Iran and its nuclear facilities hard, and that now is the right time to do so. The more Iran escalates, the more Israel will calculate it can count on US support, which in turn will embolden it. The cycle of escalation could be difficult to break. Alarmingly, Russia might conclude that it does not want to see Iran weakened, and so arm it with advanced air defence systems or other weaponry.

There is no certainty over what the outcome of a broader conflict would be. It is possible that Israel could succeed in reducing Hezbollah's military and political power and setting back Iran's nuclear programme, or even undermining the Tehran regime. But the chances of a messy outcome are much higher. Israel's past entanglements in Lebanon should be a reminder that a ground invasion is unlikely to be as short and successful as Netanyahu hopes. At the same time, Iran's nuclear programme is probably too far advanced to be set back with limited airstrikes and sabotage. A bigger strike would need US assistance and weapons to hit facilities deep underground and simultaneously remove Tehran's ability to retaliate. Even then, Iran's determination to secure a nuclear deterrent would probably only grow stronger.

Europe's role

Europe's initial response to the Middle East conflict was haphazard and confused. European leaders emphasised that they supported Israel in its right to strike back against Hamas in self-defence, while urging Israeli leaders to act within the parameters of international law. In practice, however, Europeans proved powerless to restrain Israel's offensive in Gaza or to address the settler violence inflaming the West Bank.

Some countries, such as Germany, Austria and Hungary are strong supporters of Israel and consider the notion of restraining it unthinkable. Spain and Ireland, on the other hand, took a symbolic step to advance a two-state solution by recognising Palestine. Other countries, like the UK, France, Spain, Italy and the Netherlands have limited some arms exports to Israel.

Ultimately, none of this has mattered much: the centre of gravity of Israeli politics has moved so far to the right that even a co-ordinated halt to arms sales would have been unlikely to shift the dial towards restraint, particularly as European countries (aside from Germany) only provide limited amounts of weaponry to Israel. Meanwhile the US, which

accounts for nearly 70 per cent of Israel's arms imports, has been unwilling to limit weapons deliveries.

Europeans would be deeply affected by a broader conflict. First, despite regular warnings from European governments that they should leave, there are thousands of European citizens still in the region; governments will face the dilemma of whether to try to evacuate them (when airports may be under attack or airspace contested), or to advise them to shelter in place. Second, if there is prolonged fighting in Lebanon a large number of refugees would flee, and many might try to reach Europe. Third, Europe would face the risk of disruption to energy supplies if Iran strikes shipping passing through the strait of Hormuz or attacks on energy production facilities in the Gulf. Energy prices may tick up or even surge, stoking inflation in Europe. Intensified attacks on Red Sea shipping by the Iranian-backed Houthis in Yemen could disrupt European supply chains more generally. Fourth, European countries could face a renewed risk of terrorism. The images of Israel carrying out large-scale military operations in Lebanon and causing thousands of civilian casualties will fuel radicalisation and further polarise European public opinion. At the same time, Hezbollah, Iran and other actors may decide to wage terror attacks and sabotage acts against Western countries closely supporting Israel. Finally, Europe may have to grapple with Iran accelerating its nuclear programme, perhaps with support from Russia. A nuclear-armed Iran is likely to prompt other countries in the region, such as Saudi Arabia and perhaps Turkey, to obtain their own weapons.

Europeans have limited influence on whether the conflict escalates. While the EU is Israel's largest trade partner, the depth of divisions between the member-states means that meaningfully using this lever remains unfeasible. The key decisions will be made in Jerusalem, Tehran and Washington. Still, there are things that Europeans can do to help reduce negative spillovers and work towards long-term stabilisation.

The first priority is containing the fighting in Lebanon. Only co-ordinated messaging with the US has a chance of pushing Israel to limit its incursion. Europeans should also increase financial assistance to Lebanon and try to use this assistance to nudge Lebanese parties to select a president and form a government - which the country has lacked since late 2022.

The second priority should be trying to influence Iran's decision-making. If it wanted, Iran could push Hezbollah to retreat from the Israeli border, defusing the situation in Lebanon. Europeans should lean into the new Iranian President's stated willingness to engage in talks on Iran's nuclear programme, showing that there is an alternative to tit-for-tat

retaliation. Much depends on the outcome of the US election. If Kamala Harris wins and signals that she is willing to engage, then diplomacy stands a chance. If Donald Trump wins that is far less likely. In any case, Europeans should increase their naval patrols in the Gulf to deter Iran from carrying out attacks and sabotage on shipping and energy facilities in the region.

The third priority for Europe should be the situation in Gaza and the West Bank. A ceasefire would give Hezbollah and Iran the political cover to de-escalate. Sadly, Europeans have little influence over whether Israel and Hamas agree to one. There may never be a ceasefire, as it may never be aligned with both sides' interests. However, Europeans can contribute to de-escalating tensions in the West Bank. Sanctioning Israeli settlers who engage in violence, and government ministers who encourage it, would be a deterrent.

The EU, working with partners like the UK and the Arab monarchies, should also focus on strengthening and reforming the Palestinian Authority (PA). While the PA is notoriously corrupt and unpopular, there is no realistic alternative, so Europeans have no choice but to try to nudge it towards reform. Moreover, while it is very difficult to see any country or body assuming responsibility for governing Gaza in the near future, the PA is probably the only entity that could realistically do so. A more credible and empowered PA is a prerequisite for Gaza's reconstruction and for a possible resumption of talks over a two-state solution.

Ever since Hamas's attacks of October 7th and Israel's retaliation, the risks of a broader regional conflict have been high. The consequences of further escalation would be significant for Europe, but Europeans have so far been marginal players, unwilling to fully use the leverage they have. They should at least try to stop the situation getting worse.

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