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**DAILY EDITORIAL
ANALYSIS**

TOPIC

**INDIA AND ISRAEL-
HEZBOLLAH CONFLICT**

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Context

- Recent escalation between **Israel and Hezbollah** marking one of the most intense periods of violence **since the 2006 Lebanon War**. It is impacting **longer trade routes and higher shipping rates** and **increased risk for the India-Middle East-Europe Economic Corridor**.

Historical Background

- The Israel-Hezbollah conflict is a complex and long-standing issue with deep historical roots and significant geopolitical implications. The **establishment of the state of Israel in 1948** was accompanied by the violent displacement of more than 750,000 Palestinian Arabs in the event known as the **Nakba (catastrophe)**. Many of those who were **displaced settled in south Lebanon**.
- The conflict between Israel and **Hezbollah** (a Shia Islamist militant group based in Lebanon) dates back to the **early 1980s**.
 - Hezbollah** was formed **in response to the Israeli invasion of Lebanon in 1982**. Over the years, the group has received **substantial support from Iran and Syria**, both in terms of funding and military aid.



- Lebanon** is a small country that **borders Syria** to the north and east, **Israel** to the south, and the **Mediterranean Sea** to the west.
- Key events include:
 - 1982**: Israel invades Lebanon to expel the Palestine Liberation Organization (PLO).
 - 2000**: Israel withdraws from southern Lebanon after 18 years of occupation. Even after Israel withdrew from Lebanon in 2000, disputes over border areas, such as the **Shebaa Farms**, have persisted. Hezbollah claims these areas as Lebanese territory, while Israel disputes this.
 - 2006**: A major conflict, known as the **Second Lebanon War**, erupts between Israel and Hezbollah, lasting 34 days and resulting in significant casualties and destruction on both sides.

Present

- The conflict has seen a resurgence in recent years, particularly since October 2023, when Hezbollah began firing rockets into Israel in solidarity with Palestinians following a major Hamas attack on Israel.
- It led to a significant escalation, with Israel conducting extensive airstrikes on Hezbollah positions in Lebanon and even killing Hezbollah's leader, Hassan Nasrallah.
- Key events include:
 - 2023-2024**: Ongoing cross-border hostilities, with Israel targeting Hezbollah's infrastructure and Hezbollah retaliating with rocket attacks.

- ◆ **2024:** Israel has been preparing for a potential ground invasion of southern Lebanon to create a buffer zone and ensure the safety of its border areas.

Global Impact of Israel-Hezbollah Conflict

- **Regional Stability:** The conflict has the potential to destabilize the Middle East further. Hezbollah's actions and Israel's responses could draw in neighboring countries, escalating tensions across the region.
- **Global Security:** Hezbollah's operations have been linked to criminal activities worldwide, including drug trafficking and terrorism financing. The elimination of key Hezbollah leaders by Israel is seen as a victory for global security.
- **Economic Impact:** Prolonged conflict can disrupt global oil markets, as the Middle East is a major oil-producing region. Any instability can lead to fluctuations in oil prices, affecting economies worldwide.
- **Humanitarian Concerns:** The conflict has led to significant displacement of civilians on both sides. This humanitarian crisis can strain international aid resources and impact global refugee policies.
- **International Relations:** The conflict influences the diplomatic relations between major powers, including the US, Russia, and European countries, as they navigate their alliances and interests in the region.

Implications on India

- **Disruption in Trade Routes:** A full-blown conflict could disrupt the crucial Red Sea shipping route, impacting global trade.
 - ◆ In August 2024, Indian exports fell by 9%, largely due to the Red Sea crisis, with petroleum exports dropping by 38%.
 - ◆ Indian exporters, especially in petroleum products, are facing increased shipping costs and reduced profitability, particularly in Europe, which accounts for 21% of India's petroleum exports.
- **Energy Security Risks:** India relies heavily on Middle Eastern oil and gas imports, despite increased purchases from Russia. A war could disrupt key shipping routes like the Strait of Hormuz and the Red Sea.
 - ◆ **The Strait of Hormuz** is a critical choke point for LNG from Qatar and oil from Iraq and Saudi Arabia. Any disruption here could severely affect India's energy flows.
- **Impact on Oil Prices:** A full-scale conflict would likely drive up global crude oil prices, increasing inflation in India.
 - ◆ A \$10 increase in oil prices could push up India's current account deficit by 0.3% of GDP, adding pressure on the economy.
- **Longer Trade Routes:** Disruptions in the Suez Canal and the Red Sea have forced ships to detour around the Cape of Good Hope, increasing shipping costs by 15-20%.
 - ◆ It has particularly impacted labor-intensive industries such as textiles and engineering products in India, which rely on high-volume, low-margin exports.
- **Effect on India-Middle East-Europe Economic Corridor (IMEC):** The conflict could hinder the development of IMEC, a critical project aimed at enhancing connectivity and trade between India and Europe.

Silver Linings

- **Neutrality of GCC Countries:** Despite the conflict, major Gulf Cooperation Council (GCC) countries like Saudi Arabia, UAE, Kuwait, and Qatar remain uninvolved, helping to keep trade with India relatively stable.
 - ◆ India's trade with GCC countries increased by 17.8% between January and July 2024. Exports to Iran also grew by 15.2% during this period.

Peace Efforts

- Efforts to de-escalate the ongoing conflict between Israel and Hezbollah have been gaining momentum. Recently, the **United States, France, and several allies** called for an **immediate 21-day ceasefire**.
 - ◆ It aims to create a window for negotiations and humanitarian aid, hoping to prevent further escalation and address the needs of affected civilians.
- **India** has been actively advocating for peace and stability in the ongoing Israel-Hezbollah conflict, and emphasized that **'terrorism has no place in our world'** and highlighted India's commitment to supporting efforts for an early restoration of peace and stability in the region. It includes **three main priorities**:
 - ◆ **Preventing regional escalation:** Ensuring that the conflict does not spread further.

- ♦ **Safe release of all hostages:** Advocating for the humane treatment and release of individuals held captive.
- ♦ **Early restoration of peace and stability:** Working towards a swift and sustainable resolution to the conflict.
- India's balanced stance aims to navigate its historical ties with both Israel and the Arab world, reflecting its broader diplomatic strategy in West Asia.
- These efforts reflect a broader international push to stabilize the region and avoid a wider conflict.

Way Forward

- The future of the Israel-Hezbollah conflict is uncertain and highly dependent on regional dynamics and international interventions. If hostilities continue, there could be a full-scale war, drawing in other regional players like **Iran and Syria**.
- International pressure and mediation could lead to a ceasefire and negotiations (Diplomatic Resolution), though it seems challenging given the current tensions.
- The conflict could persist at a low intensity, with periodic flare-ups but no major changes in the **status quo**.

Source: IE

Mains Practice Question

[Q] How should India navigate its diplomatic and strategic relationships in West Asia, considering the ongoing Israel-Hezbollah conflict and its broader implications for regional stability?

