Rethinking the prevailing approach to peace between Palestinians and Israelis requires more than the symbolic recognition of Palestinian statehood; it means addressing the root causes of this conflict such as colonisation and occupation, as well as practical clarity on how to guarantee the Palestinians’ right to self-determination.

Regional de-escalation cannot begin without a ceasefire in Gaza. In the long view, the desire to restore stability shared by most Middle Eastern countries should be seen as an opportunity to address the Israeli-Palestinian conflict.

The European Union (EU) can contribute to conflict resolution and peace by taking action against Israel’s war crimes, making the two-state solution more than an empty slogan and supporting regional de-escalation.

The Hamas-led attacks of October 7th, 2023, and the subsequent Israeli war on Gaza clearly represent a pivotal moment in the Israeli-Palestinian conflict. Israel’s military response to these attacks, resulting in nearly 1,140 deaths and the abduction of around 240 Israelis and foreign nationals, has killed over 34,200 Palestinians, mostly civilians. Additionally, more than 85% of Palestinians in the Gaza Strip have been forcibly displaced and half of Gaza’s population is on the brink of starvation. Meanwhile, violence in the West Bank has surged to levels not seen since the Second Intifada. Clashes between Israeli settlers and Palestinians there, coupled with increased Israeli military raids, have claimed the lives of over 460 Palestinians in the past seven months.

The conflict has spilled beyond Israel and Palestine, too, heightening the risk of regional war. Increasing clashes between the Israeli Defence Forces (IDF) and Hezbollah raise the spectre of an all-out war, while other emerging flashpoints in the Red Sea, Syria, Iraq and Jordan have drawn the United States and some allies into confrontation with armed groups aligned with the “axis of resistance”. The recent Iranian retaliation against Israel adds a further layer of potential risk of regional escalation.

Despite mounting casualties, calls for a ceasefire in Gaza have gone unheeded. But there is a growing chorus of voices advocating for conflict resolution and peace, including High Representative of the Union for Foreign Affairs and Security Policy Josep Borrell. While the specifics of his 10-point plan have yet to be revealed, the underlying principles resonate within the international community: a political resolution to this conflict is imperative, involving the establishment of a Palestinian state within the 1967 borders alongside that of Israel. Amid the ongoing conflict in Gaza and escalating violence in the region, what impacts is this war having in Israel?
and the Occupied Palestinians Territories (OPT)? What does a political solution in Israel and Palestine require? How can the Palestinian question, which is pivotal to regional stability, remain at the forefront of discussions about regional de-escalation? Finally, what role can the European Union (EU) play in this volatile context?

**Assessing the failures in the Israeli-Palestinian conflict**

Prior to October 7th, the United States considered the Middle East to be “quieter” than it had been in two decades. The Hamas-led attacks shattered this perception by exposing the deep-rooted operational and conceptual failures in the Israeli-Palestinian conflict. Operationally, these attacks laid bare the longstanding security failures in Israel’s conflict management strategy. In addition to the air, land and sea blockade of the Gaza Strip since 2007, the Israeli military occupation and expansion of illegal settlements across the West Bank have helped to make a two-state solution an elusive prospect. These approaches failed to deliver peace and security to the Israelis, not to mention how they denied Palestinian security and resulted in multilevel forms of oppression. In essence, the shift from conflict resolution to conflict management has proven ineffective.

Conceptually, the Hamas attacks underscore the absence of any true “status quo” in such profoundly asymmetric circumstances, where the dominant party, Israel, continues to expand its illegal settlements in the OPT, rendering any efforts by the weaker party, the Palestinians, to challenge such a situation fraught with peril. Regionally, October 7th shattered the illusion that stability and peace in the Middle East could be attained while obliterating the Palestinian cause. Globally, they serve as a tragic reminder of the lack of accountability mechanisms and effective pressure on Israel to comply with international law and address human rights violations.

While the root causes of this conflict remain the same as prior to October 7th, the main difference between the current Gaza war and previous episodes of violence lies in the unprecedented intensity of that violence. In Israel, the magnitude of the death toll resulting from the Hamas-led attacks revived the idea that Israel is under existential threat and brought an end to 39 weeks of mass protests. Portrayed by Israeli diplomats as Israel’s equivalent of 9/11, these attacks have intensified calls for the erasure (or resettlement) of the Gaza Strip and the annexation of the West Bank. Israel is engaged in one of its largest and bloodiest wars since it was formed, yet the ongoing military operation has failed to achieve any of the stated goals: Hamas has not been eradicated, the Israeli hostages have not been freed through military coercion, and rockets continue to be launched from Gaza into Israeli territory. Consequently, Israeli Prime Minister Benjamin Netanyahu faces pressure on at least three fronts: a military stalemate in Gaza; domestic pressure to free Israeli hostages; and growing international pressure over accusations Israel is provoking a man-made famine and committing genocide. Yet without strong US pressure, it is difficult to see an end to this war.

In Gaza, the death toll and level of destruction are unprecedented. The EU’s top diplomat, Josep Borrell, described the Strip as the world’s “greatest open-air graveyard”. According to the United Nations Conference on Trade and Development (UNCTAD), if the current Israeli operation were to end immediately, it would take Gaza until 2092 to restore the GDP levels of 2022. But Israel’s strategy, which consisted of attacking the civil population to make it turn against Hamas, has proven a failure. While some of its leaders have been killed by Israel, Hamas is proving resilient militarily and politically. Palestinians in Gaza have not turned against it yet and support for the Palestinian movement has increased across the West Bank. Moreover, the ongoing war in Gaza has relaunched intra-Palestinian talks for national reconciliation, confirming that a role for Hamas in future negotiations between Palestinians and Israelis is inevitable.

These talks should not overlook the fact that there are diverging interests between Fatah and Hamas in both the short and long term. While Fatah recognises Hamas as part of the Palestinian political landscape, it is currently under pressure from the US to exclude Hamas from any plans for after the war in Gaza. Fatah’s engagement in these talks is driven by the intention on the part of the Palestinian Authority (PA) to administer Gaza once the war ends. Hamas, however, has no desire to be part of a body that has been grappling with a deep legitimacy crisis, nor does it want to participate in a hypothetical technocratic government in the Gaza Strip. Its primary objectives are to become part of the Palestinian Liberation Organisation (PLO), the sole political entity representing the Palestinian people, and to have a hand in attempts to resolve the Israeli-Palestinian conflict.
With Israel’s war against Hamas showing no signs of ending, regional escalation presents an opportunity to address these conceptual and operational failures and rethink the dominant approach to achieving peace between Palestinians and Israelis.

Rethinking peace: from symbolic gestures to concrete action

In the words of former Jordanian diplomat Marwan al-Muasher, returning to the previous negotiating format once the war on Gaza ends “would be like reheating spoiled food, and is bound to fail”. Rethinking peace in the current context requires addressing the often overlooked root causes of this conflict, while applying the principles of equal rights and self-determination of peoples.

In this respect, the two-state solution should commence – rather than conclude – by addressing Israeli colonisation and occupation. Three decades on since the Oslo Accords, approximately 700,000 Israeli settlers reside illegally in the OPT. Colonisation still remains one of the main priorities of Netanyahu’s government, and has accelerated dramatically since October 7th. This has exacerbated the systematic oppression, violence and discrimination against Palestinians. While various actors, including the US administration and the EU, advocate for the two-state solution, the Israeli prime minister openly stated that Israel should “control the entire area from the river to the sea” in any future arrangement. Furthermore, years-long settler violence against Palestinians in the West Bank has increased over the past seven months, often with active support from the Israeli security forces. Both the US and the EU have imposed sanctions on individuals and entities financing the violence. While these sanctions are a commendable effort to hold Israel accountable for its illegal settlements, they must not overlook the systemic character of colonisation and occupation in the OPT. Discussions about the two-state solution should therefore be inseparable from ending Israeli occupation in Gaza and the West Bank, including East Jerusalem.

Similarly, calls to recognise Palestinian statehood should carry more than symbolic weight. While they hold significant symbolic value, recognising Palestinian statehood is also an act of justice towards the Palestinians, placing them on an equal footing with Israelis. Moreover, such calls serve as a means to put pressure on Israel, which rejects the two-state solutions, and to advocate for the “revitalisation” of the Palestinian Authority. In Europe, the momentum for recognition is building, with several EU member states – including Belgium, Ireland, Malta, Norway, Slovenia and Spain – seeking to form an alliance to recognise Palestine as a nation state in accordance with the 1999 Berlin Declaration. However, the practical implications of Palestinian statehood remain unclear, highlighting the urgent need to address these issues. Questions persist regarding enforcement and implementation mechanisms to ensure Palestinian statehood, as well as how to effectively tackle colonisation and resolve the fate of over 5.9 million Palestinian refugees registered with the UNRWA.

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On the Palestinian side, the key question revolves around the role Hamas would play in such a process. Despite military setbacks, Hamas remains a necessary player in Palestinian politics. Notably, Israel has failed to “eradicate” it and its popularity has surged in the West Bank since the October 7th attacks. Put simply, Hamas is here to stay. Over the past seven months, the Palestinian movement has repeatedly signalled its willingness to engage in a peace process aimed at achieving the two state solution, which would involve recognising Israel and renouncing armed conflict against it. However, October 7th also reinforced perceptions that Hamas seeks the destruction of Israel, which presents significant obstacles to its participation in peace talks. Israel continues to call for Hamas’s complete elimination and the EU continues to consider Hamas as a terrorist organisation and maintains its policy of no contact with the Islamist movement.

The PA, meanwhile, faces a legitimacy crisis. There have been no elections for almost two decades and a staggering 84% of Palestinians are calling for the resignation of President Mahmoud Abbas. Despite this, the EU views the PA as the sole legitimate Palestinian interlocutor. In this context, can Hamas be excluded from Palestinian politics despite its growing popularity? If so, how can the EU avoid repeating the 2006 scenario when it rejected
Hamas’s victory in the democratically held parliamentary elections? More importantly, how can any peace process between Palestinians and Israelis be conducted while excluding one of the parties that is labelled a terrorist organisation? These questions become more urgent as the regional dimensions of this conflict further stress the pivotal role of Hamas in regional de-escalation efforts.

Regional escalation: an opportunity for regional peace?

The regionalisation of the conflict between Israel and Hamas had already happened by October 2023. Several thousand professional mercenaries and non-Israeli foreign fighters joined the IDF, while Hezbollah, the Houthis and pro-Iranian militias have attacked Israeli and US targets across the region in response to the war in Gaza. Therefore, the question is not whether regionalisation can be avoided, but rather how to prevent the situation from deteriorating. In other words, the key challenge is to avoid a complete regional unravelling.

The threat of wider war became more imminent with the escalation between Israel and Iran. Over the past few months, Iran has consistently declared its intention not to get involved in this conflict as it found itself in a favourable position. Firstly, the Hamas-led attacks shattered the myth of Israel’s invincibility and temporarily halted the Abraham Accords, which were threatening to marginalise Iran. Secondly, Israel has failed to achieve any of its stated objectives in its current military operation in Gaza. Furthermore, Israel faces increasing isolation on the global stage and a growing domestic discontent. Despite this, repeated Israeli attacks on Iranian targets, culminating with the air strike on Tehran’s consulate in Syria, provoked a large-scale response from Iran. Iran’s response may have been large in scale, but the limited damage suggests that Tehran sent a clear message to the US and Israel: it does not seek a war with Israel.

From a regional perspective, the escalation between Iran and Israel serves as a litmus test for both the Abraham Accords and the ongoing reconciliation efforts between Iran and Gulf Cooperation Council (GCC) countries. While some Arab states’ collaboration with US intelligence and/or Israeli forces may suggest a strategic alignment with Israel, the notion of an “Arab NATO” is overstated. GCC countries are not willing to jeopardise their reconciliation with Iran by forming an anti-Iran axis, despite the importance of their strategic and security ties with the US and Israel. Conversely, since October 7th, several GCC countries have engaged in dialogue with Tehran, primarily seeking to de-escalate tensions and safeguard their own security.

Contrary to what Europeans and Americans may assume, most Gulf Arab states are not inclined to choose between normalisation with Israel or reconciliation with Iran. Instead, they see the necessity for both normalisation and reconciliation to restore regional stability. Rather than viewing it as a “normalisation versus reconciliation” dilemma, most regional actors prefer a scenario of “normalisation and reconciliation”. And they all agree that addressing the Israeli-Palestinian conflict is crucial for restoring stability.

In this context, the role played by the Kingdom of Saudi Arabia (KSA) is paramount. For one thing, the Saudi-Iranian reconciliation facilitated by China has been instrumental in ensuring a minimum level of regional stability since October 2023. Following the escalation between Israel and Iran, this agreement is likely to have trickle-down effects in relation to the conflict in Yemen, regional economic cooperation dynamics and diplomacy. For another thing, a normalisation deal between KSA and Israel would not only benefit Israel but also the Biden administration, which has advocated for normalisation for several years. However, as the threat of regional escalation persists as long as the war on Gaza continues, Saudi Arabia will likely demand more concessions from the US to strike such a deal. In addition to US security guarantees and support for its civil nuclear programme, Riyadh insists on the creation of a Palestinian state as part of any such deal with Tel Aviv. Given that Arab countries have only limited ability to ease regional tensions without effective US pressure on Israel, Saudi Arabia’s aspirations for regional leadership could be enhanced by advocating for the creation of a Palestinian state in exchange for normalisation of ties with Israel.

While these scenarios may or may not come to fruition, one thing remains certain: regional de-escalation is impossible without a ceasefire in Gaza. Moreover, a ceasefire in Gaza alone may not suffice, considering the overlay of other conflicts. Mounting tensions between Hezbollah and Israel could escalate into full-scale war, while the Houthis in Yemen and Iranian-backed militias in Iraq have leveraged their attacks for strategic advantage. Additionally, there is no indication that the recent escalation between Israel and Iran has
concluded. In essence, the regional dimensions of this conflict must be central to ongoing discussions about the “day after” in Gaza.

**Recommendations for the European Union**

Despite the magnitude of the Gaza war, the EU appears to be stuck in the pre-October 7th era and logic, behaving as if the situation on the ground had not deteriorated. While the current conflict has deepened existing divisions among EU member states, EU officials continue to engage in the same routines, issuing regular statements expressing regret over Israel’s actions in the OPT without following up with concrete action. Against this backdrop, how can EU officials navigate an approach that breaks this cycle of repetitive poor practice? Despite its waning credibility in the region, the EU still has an opportunity to contribute to peace between Palestinians and Israelis and to stabilise the new regional order in the making.

First, restoring the EU’s legitimacy, credibility and reputation in the region involves setting firmer boundaries regarding Israel. This means concrete action such as suspending the EU-Israel Association Agreement due to Israel’s violation of the agreement’s human rights clauses (as suggested by Spain and Ireland); imposing a complete arms embargo on Israel in response to its violation of international humanitarian law; and exerting effective pressure on Israel to cease its illegal settlement expansion in the West Bank, including in East Jerusalem. While these actions should be taken at EU level, they can also be implemented by blocs of states, as demonstrated by the current initiative to recognise Palestinian statehood. Otherwise, the EU’s failure to apply its own standards, values and principles – those it applies to Russia and Iran among others – will only render it more vulnerable to accusations of double standards and further deepen mistrust from Middle Eastern countries and societies.

Second, from a regional perspective, the EU should aim for the best-case scenario for de-escalation, which would combine Arab states normalising relations with Israel and reconciliation with Iran. From a regional perspective, the EU should aim for the best-case scenario for de-escalation, which would combine Arab states normalising relations with Israel and reconciliation with Iran.

In this regard, one of the most challenging issues is how the EU will address the fact that Hamas is a necessary actor in present and future negotiations for a political settlement of the Israeli-Palestinian conflict. Brussels still adheres to its policy of no contact with Hamas, despite the acknowledgement that Hamas will not be eradicated by Israel. In addition, Palestinians and many countries in the Middle East share the same observation: discussing a hypothetical state of Palestine while excluding Hamas would not only impact any project aimed at “revitalising” the Palestinian Authority, but also perpetuate this conflict for many more decades to come.

De-escalation. By leveraging its different approach to Houthi attacks in the Red Sea, the EU can contribute to building a more inclusive attitude to regional order, one that incorporates Iran rather than one shaped by an anti-Iran alliance.

Third, the EU must ensure that the Palestinian question, which is crucial to regional peace, remains at the forefront of discussions related to regional stability. In the short term, a European call for – and action towards – a ceasefire in Gaza is necessary to fulfil the EU’s duty and moral obligation to prevent further Israeli war crimes. Additionally, concrete action is required from the EU to make the two-state solution more than just an empty slogan. To achieve this, Brussels needs clarity on the form the State of Palestine would take and how to support it. This involves addressing issues relating to Israel’s occupation, colonisation, borders and Palestinian refugees, among others, and participating in enforcement and implementation mechanisms for the recognition of Palestinian statehood.

In conclusion, in essence, the regional dimensions of this conflict must be central to ongoing discussions about the “day after” in Gaza.