



Middle East Dialogue

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Chairs: Randa Slim, Hafsa Halawa | Report Author: Hafsa Halawa
Rapporteur & Report Editor: Faria Nasruddin

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The developments in recent months in Lebanon have provoked significant shifts in the country's internal dynamics. The collapse of Hezbollah's military—notably the eradication of its senior military leaders, including the assassinations of Secretary-General Sayed Hassan Nasrallah and his deputy, Sayed Hashim Safieddine—has raised new questions about the national and regional positioning of the group. The election of Joseph Aoun (former head of the Lebanese Armed Forces) as president and Nawaf Salam as prime minister are seen as positive milestones towards rebuilding a fractured social, political, and economic national landscape.

Economic and financial restructuring are seen as the immediate priority for the country. The recent war with Israel, building on the disastrous 2019 economic collapse and the traumatic 2020 Beirut port explosion, has left the country in a dire situation. Sixty percent of the country is below the poverty line, little to no reforms have been made in recent years, and state expenditure plummeted as a result[†]. Furthermore, the war with Israel is estimated to have cost the state approximately 13-14 billion USD, with significant pressures on war-ravaged communities and challenges for returning displaced citizens^{††}. A Lebanese policy expert noted the hidden environmental and economic effects of the war with Israel: “over 60,000 olive trees were uprooted [in southern Lebanon], phosphorous was used damaging the fertility of soil [in agricultural areas], and in communities like Nabatiyeh the economic lifelines such as the souks were destroyed...meanwhile Israel remains occupying five outposts in [southern] Lebanon.”

[†] “Lebanon's Economic Crisis Pushes 60 Percent of the Population Into Poverty,” Lebanese American University, January 3, 2025, <https://news.lau.edu.lb/2025/lebanons-economic-crisis-pushes-60-of-the-population-into-poverty.php#:~:text=According%20to%20the%20findings%20of,of%20the%20ongoing%20economic%20crisis.>

^{††} “Lebanon, Ravaged by War, Needs Changes to Unlock Aid. That Could Be a Tall Order.” New York Times, March 24, 2025, <https://www.nytimes.com/2025/03/24/world/europe/lebanon-hezbollah-israel-government-economy.html>.

Both this year's municipal elections and next year's parliamentary elections are viewed as important milestones that will test this inflection point in Lebanon and provide significant answers in relation to Hezbollah's role domestically. Lebanese policy experts lamented the risks posed by not having, to date, any organized Shia voices to rally Shia constituents ravaged by the war and noted the ability for Hezbollah to use nativist rallying calls, including the specific targeting of Shia communities across the country by Israel, to enhance their supporter base and return disaffected Shia civilians to their cause. Nevertheless, there remains criticism within the Shia community of both Amal and Hezbollah, which is unable to command the same level of financial resources as they did in 2006 when they succeeded at presenting themselves as the leader and the financier of the reconstruction efforts post-Israel-Hezbollah War.

On the security side, longer-term questions about Hezbollah's ability to regroup are rife, including the question of whether this moment may force a longer-term disarmament of the group. A Lebanese expert noted the sheer level of decimation of the military wing: "The two top leadership tiers of Hezbollah's military infrastructure have been wiped out. They are bringing retirees back into the jihadi council because of command-and-control issues. We're talking about the third rank of fighters now—none of them have leadership potential. Expect infighting among the rank and file." On the question of whether there would be disarmament of the group, the expert noted that "there are different wings inside Hezbollah that are competing for setting the party agenda. It is very hard to get the full story of what is taking place inside the party. For example, there is talk of a pro-Iran, pro-regional resistance competing with a pro-Lebanon policy. One camp prioritizes Hezbollah as a political party, whereas another group is prioritizing the regional role and how to regain it...a lot of internal ideological cleavages are rising to the surface."

Fundamentally, however, experts agreed that Hezbollah leadership has not reflected on what went wrong and how much the recent war with Israel has damaged their military capabilities and affected the group's political role among Lebanese.

On the other side of the Lebanese political spectrum, non-Hezbollah political groups have not sent the wider Shia community an inclusive, reassuring message that could serve as a way to further delegitimize Hezbollah and force new forms of national political representation for Shia. It was argued further that the messages on what is needed to reintegrate the Shia community into a broader national state-building narrative need to come from within the community and not be heralded from outside it, with reference made to longstanding victimhood and "Shia grievances," a powerful social and political driving force within the community. Overall, it was concluded that it is far too early for any verdict about Hezbollah and its positioning inside Lebanon. Although, it was also concluded that Hezbollah's capabilities and legitimacy as a transnational military force are likely severely weakened, even as deeper questions related to Hezbollah's relationship with Iran still need to be addressed and acknowledged.

To that end, an Iranian official argued that the "relationship with Hezbollah was never vertical, only horizontal...Nasrallah was pure Lebanese." In defending Iran's wider relationship with

Hezbollah, they noted that “the 1982 invasion of Lebanon made Hezbollah. Iran supported Amal originally. Hezbollah imposed itself on Iran. Iran did not manufacture Hezbollah.” One Iranian expert argued that Tehran wants to strengthen Hezbollah’s capacities while acknowledging that this will take time. Meanwhile, an Iraqi expert noted that a similar leadership gap across the “axis of resistance” after the 2020 assassination of Qassem Suleimani and Abu Mahdi Al Muhandis did not trigger a similar crisis of legitimacy among the Iraqi Popular Mobilization Forces (Hashd al-Sha’bi), nor inside Iran’s funded resistance axis, despite the power vacuum that has prolonged since.

To that end, the same period in Iraq has seen the formation of the Shia Coordination Framework, which emerged from the political fallout from the 2019 Tishreen Uprising and the subsequent elections in 2021. An Iraqi policy expert noted that the power of the framework came from the fact it “brought all different [Shia] parties to sit and discuss different issues, leading to a strong level of rationality [and] providing strong support for the prime minister. The prime minister could do more and prevented uncontrolled behaviors from 65 armed groups in Iraq. Just two insisted on attacking [the US] while the others did not because of ideology. A decision was made inside the framework that it was not in the interest of the Iraqi framework to engage; Iraq can do a lot when it is out of the conflict.” The mechanism of the framework is judged to have provided a format and platform of containment and even reconciliation within the Shia political movement with its armed factions.

While Iraq continues to contend with a militarized political space across all factions and groups (Sunni, Shia, Kurd, etc.), it is deemed that the current successes on infrastructure development, economic reform, and regional alliances—notably the fresh engagement with the Gulf, Jordan, and Egypt—have proven the lucrative nature of peace rather than conflict. There is, therefore, renewed consensus that the country should remain stable and conflict-free even amid ongoing competition for power. To that end, an Iraqi expert highlighted certain steps that could support important balancing of domestic and bilateral relationships.

They highlighted the role the Autonomous Kurdish Region can play in shaping a balanced policy between Washington and Iraq. President Nechriwan Barzani was identified as a key facilitator between Erbil and Baghdad. In addition, Baghdad welcomes institutionalized channels of dialogue between Iraqi Shia elites and US policymakers to expand the scope of political and intellectual engagement, whereas Iran should recalibrate its approach toward Iraq by focusing on diplomatic, economic, and cultural instruments rather than an excessive reliance on security and military tools.