

## After the Agreement for the Release of the Hostages—What Should Be Done with the Gaza Strip?

Ofer Guterman | No. 1937 | January 29, 2025

**The deal to release the hostages is reshaping the course of the military campaign in the Gaza Strip but leaves Israel facing complex strategic challenges. While the agreement may achieve the objective of bringing the hostages home, it also highlights the failure to eliminate Hamas. Israel has not succeeded in establishing an alternative to the organization during the long months of war. As a result, Hamas will continue to pose both security and civilian challenges. Compared to the options such as imposing military governance, annexation, or continuing the current chaotic situation, the most balanced solution for Israel appears to be the establishment of a local technocratic administration, supported by moderate Arab states, while maintaining Israel's freedom of military action. This technocratic administration would focus on Gaza's humanitarian stabilization, economic rehabilitation, the creation of an alternative to Hamas's rule, and laying the groundwork for the Strip's long-term reconstruction.**

The hostage release deal is transforming the nature of the military campaign in the Gaza Strip. Beyond the natural desire to see Israeli citizens return from Hamas captivity, it is not an exaggeration to say that their release carries historical significance. It upholds the Jewish ethos of redeeming captives, the Israeli ethos of mutual responsibility, and the IDF's principle of leaving no one behind. Moreover, the deal comes at a time when Hamas's military structures have been dismantled, even though the organization still remains the dominant force in most of the Gaza Strip. The intensity of fighting has subsided, and the IDF could benefit from a break in the relentless combat to reorganize and prepare for the next phase. Additionally, it seems that diplomatic pressure from President Trump to finalize the deal before he officially took office left Israel with few alternatives.

While the deal achieves one of the three stated war objectives—the return of the hostages—it will, in principle, make it more difficult to achieve the other two objectives: the destruction of Hamas's military and its governing capabilities in the Gaza Strip. The ceasefire, the initial reduction of military presence in the first phase of the deal, and the complete withdrawal of IDF forces from the Strip in the second phase will prevent intensive military operations aimed at eradicating Hamas from the territory.

However, in reality, continuing military activity in the Gaza Strip in the same manner as before, without a parallel political strategy, will fail to achieve the objective of eradicating Hamas.

Throughout the war, Hamas has maintained civilian control over the Gaza Strip, seized humanitarian aid and shelters, enforced its authority through internal security forces, and leveraged its control and the dire civilian conditions to continue indoctrinating the public through its *da'wah* network. Furthermore, reports indicate that Hamas has even replenished its ranks in its military wing—albeit with young and inexperienced recruits—and has shifted to a strategy of terror and guerrilla operations against IDF forces.

The failure to eradicate Hamas—especially as a movement with public support among Gazans—was inevitable once it became clear that Israel, for its own reasons, was not working to establish an alternative in the Gaza Strip or even to create the conditions for one to emerge. A comparative study of deradicalization processes in regimes marked by extreme ideology and violence—from Nazi Germany and Imperial Japan to the Taliban in Afghanistan and the Ba'ath regime in Iraq—reveals a key lesson: success does not depend solely on the complete military defeat of a radical regime but also on an active effort to cultivate a local, more moderate alternative in its place. Palestinian society in Gaza does not see any ideological, political, or governmental horizon beyond what Hamas offers as a pathway to recovery from the destruction and the construction of a different reality. Under these circumstances, the public's expectations struggle to extend beyond Hamas's framework, and continued fighting only fuels the jihad industry, which remains the only sustainable enterprise in the Gaza Strip.

What's next? In the short term, over the coming weeks, the deal with Hamas could develop in two different directions. The first possibility is progress toward the second phase of the agreement, which includes ending the war and the complete withdrawal of IDF forces from Gaza. The second possibility is the collapse of the deal during the transition to its second phase, leading to the resumption of fighting. The outcome will depend on three key players: Hamas, which is unlikely to hand over all the remaining hostages, as it seeks to retain them as bargaining chips for its survival; the Israeli government, which will face conflicting political and public pressures both domestically and internationally; and the Trump administration, which, much like its decisive role in brokering the current deal, is expected to exert direct pressure on Israel and indirect pressure on Hamas—through Qatar and Egypt—to steer the dynamics in Gaza in line with the administration's broader strategic interests.

Whether the deal advances to the second phase or collapses into renewed fighting, it is crucial to recognize that avoiding discussion on long-term strategic alternatives for the Gaza Strip is detrimental to Israel. Halting the war and withdrawing IDF forces without stabilizing the Strip or establishing an alternative to Hamas will create a power vacuum that will only reinforce Hamas's rule. Similarly, resuming fighting without establishing a viable alternative to Hamas will lead to a similar outcome. Strategically, these two scenarios are variations of the same approach—one that preserves Hamas's control over Gaza and effectively reinstates Israel's pre-October 7 policy, albeit under new conditions: maintaining Israel's operational freedom without defeating Hamas, allowing humanitarian aid to enter but avoiding the reconstruction of local infrastructure and the economy, thereby perpetuating a state of ongoing chaos in the Strip.

An alternative, which could arise either from an Israeli decision or gradually from the current instability, is the full military conquest of Gaza and the imposition of military governance. This option would maximize Israel's military capabilities in the Strip, particularly once restrictions on the use of force—previously limited by concerns for the safety of live hostages—are lifted, helping to suppress Hamas militarily. However, the risks and challenges of this approach are significant. Militarily, the IDF would need to commit substantial forces for an extended period, continuing to endure casualties in a prolonged war of attrition against Hamas's guerrilla tactics. Diplomatically, a military occupation would, for the foreseeable future, eliminate the prospect of normalization with Saudi Arabia, hinder regional coalition-building, and deepen Israel's international isolation, heightening global diplomatic pressures. Economically, military governance would require Israel to take full responsibility for Gaza, including managing civilian affairs and reconstruction efforts—an effort costing tens of billions of shekels from the state budget (as no international humanitarian aid would flow into the Strip under occupation). Even after bearing all these costs, there is no guarantee that Hamas would be eradicated. While the organization would be suppressed and weakened, it would not disappear and would likely continue to exist as both the dominant political and ideological force in Gaza.

A more extreme version of military governance is the partial or full annexation of the Gaza Strip, a position supported by certain factions within the Israeli coalition and, according to recent polls, by a significant percentage of the Israeli public (although often without a full understanding of its implications). While this option does not offer any military advantages over military governance, its costs are significantly higher. Diplomatically, Israel's international isolation would intensify, the normalization process with Saudi Arabia would be frozen, and regional stability—along with the peace agreements with Egypt and Jordan—could be jeopardized. Economically and socially, granting Israeli citizenship to two million Palestinian residents would pose a threat to the Zionist project itself. Calls to promote “voluntary emigration” not only constitute a clear war crime but are also impractical. Moreover, annexing only parts of the Gaza Strip without its Palestinian population would still trigger the full diplomatic consequences of complete annexation while offering no real strategic benefits to Israel.

In contrast to the problematic alternatives outlined above, Israel has yet to respond to the proposal put forward by Egypt, the UAE, and Jordan for establishing a technocratic administration in the Gaza Strip. This proposed entity would be composed of local bureaucrats and professionals with no ties to Hamas—of which there are thousands in Gaza, many affiliated with Fatah. It would be supported by an international-regional administration tasked with stabilizing the Strip and laying the groundwork for its rehabilitation. The Arab states behind the proposal acknowledge that, in the initial stages, Israel would need to retain operational freedom to combat terrorism and prevent Hamas from regaining strength—a shared interest. However, Israel has hesitated to accept the proposal due to the requirement for the Palestinian Authority's (PA) involvement. The PA would need to invite regional and international assistance and establish a policing force to maintain public order in Gaza. The Israeli government is wary of this option, viewing the PA as a platform for establishing a Palestinian state, while also doubting its ability to effectively counter terrorism, given its

history of incitement and radicalization. Although this is not Israel's ideal solution—if such a solution even exists—it remains the most viable under the current circumstances.

Hamas, for its part, has agreed to Egypt's initiative to establish a civilian committee, effectively paving the way for a technocratic administration. This decision stems from Hamas's recognition that as long as it maintains civil control over the Gaza Strip, it will struggle to secure the necessary foreign aid for reconstruction. At the same time, Hamas has threatened to target any foreign entity operating in the Strip, especially if it collaborates with Israel. However, it is likely to avoid direct opposition to an administrative body under the PA, particularly if it includes Arab forces from Egypt, the UAE, and Saudi Arabia.

The technocratic administration's first priority will be Gaza's humanitarian stabilization. Gradually, it can shift to rebuilding infrastructure and the economy, developing a security force to maintain public order and combat terrorism, and fostering deradicalization within governance and daily life—particularly in the education system. The success of these efforts depends on the direct involvement and assistance from Arab states, which are not only critical financial backers but also bring valuable expertise in countering radicalization, given their past experiences dealing with extremist Islamist groups.

For Israel, ensuring maximum operational freedom remains essential to eliminating threats and pushing for Hamas's disarmament, with backing from Arab and international actors. Once the hostage deal is concluded and fighting in Gaza subsides, Israel will face increasing difficulty in maintaining operational freedom and preventing Hamas from undermining the technocratic administration—just as Hezbollah has exerted control over Lebanon's political system. A potential safeguard could involve Israel retaining the right to conduct military operations in Gaza as needed at a later stage, justified as a measure of self-defense.

Another advantage of a local technocratic administration is its potential to serve as a foundation for a broader resolution of the Palestinian issue within a wider regional initiative, particularly one led by the Trump administration. Such a governing mechanism could help stabilize the area and demonstrate Israel's willingness to allow Palestinian self-governance—an important factor in meeting Saudi Arabia's demand for a clear pathway toward the establishment of a Palestinian state. The more successfully the technocratic administration meets its mandate and functions effectively, the greater autonomy it will gain. At the same time, if the Palestinian Authority undergoes meaningful reforms that satisfy both Israel and moderate Arab states, it could gradually strengthen its ties to this administration in Gaza.

In conclusion, an analysis of the options for “the day after” the war in Gaza highlights the local technocratic administration as the least problematic choice among a set of imperfect options facing Israel. This approach strikes a balance between the necessity of establishing an alternative to Hamas in Gaza—backed by moderate Arab states—and the imperative of preserving Israel's security responsibilities and operational freedom. It offers a framework for enlisting Arab states to invest in stabilizing the civilian sphere and deradicalization efforts in Gaza before requiring the PA to assume control, especially if the PA has not undergone significant reforms. Additionally, this model allows Israel to retain influence over the political

process that the Trump administration appears poised to advance as part of its vision for establishing a new regional framework.

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