

Policy Recommendation for Ending the War in Gaza in the Absence of a Hostage Deal

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The failure to secure the release of the hostages through military pressure or a binding agreement raises the question of what Israel should do now, given the likelihood that Hamas will refuse the deal currently on the table—or, alternatively, impose conditions that Israel cannot accept. The purpose of this policy paper is to analyze this evolving situation and offer a recommendation for a new and adapted policy.

The current Israeli government strategy holds that its two objectives for this war—defeating Hamas and securing the release of the 50 remaining hostages—will be achieved through a combination of partial hostage deals and IDF rescue operations, aimed at reducing the number of hostages held by Hamas while the war continues. The underlying working assumption is that after most of the hostages are returned, Israel will be able to intensify military pressure and defeat Hamas.

However, this strategy has run its course. Hamas has reached a point where it can no longer release hostages without jeopardizing its own survival, making it difficult to agree to any proposed compromise. Furthermore, as a result of Israel's intensified military actions, Hamas has shifted from an organized military force to a decentralized "resistance" movement, engaging in guerrilla warfare and terrorism, which shields it from Israel's continued operational efforts. In other words, occupying territory in Gaza or conducting additional military maneuvers is unlikely to bring Hamas to the point of collapse. Rather, this reality may lead to prolonged and effective guerrilla warfare against IDF forces.

In addition, after many months of unprecedented strain, the IDF is showing signs of fatigue, most evident in harm to the individual and in a decline in operational discipline. This combination creates fertile ground for unethical or unprofessional behavior by a few, a phenomenon that is likely to increase over time. Domestically, support for the war and opposition to its continuation have aligned with partisan political divides. At the same time, Israel has become embroiled in a severe international crisis that threatens its global standing and undermines its economic, diplomatic, and scientific ties with the world.

This reality compels Israel to reconsider its strategy in Gaza. At present, the extreme options being considered are the full occupation of the Strip or ending the war in pursuit of a hostage deal. As Hamas seems unwilling to release all the hostages in a

deal and occupation would impose prohibitive costs, a third option is required. In other words, an intermediate option is needed. The analysis and clarification of that alternative is the focus of this paper.

Clarification

This document complements the policy paper on [Achieving the War's Objectives and Improving Israel's Long-Term Security: Recommended Policy for Ending the War with a Victory](#) published by the Institute for National Security Studies (INSS) on June 9, 2025, which recommended adopting the Arab/Egyptian proposal as the basis for negotiations to end the war—namely, ending hostilities in exchange for the release of the hostages, establishing a technocratic administration in Gaza to replace Hamas, maintaining law and order through Palestinian security forces trained by the United States, and reconstructing Gaza through an international management board. **This paper addresses the practical question of what Israel should do if Hamas persists in its refusal to release all the hostages.**

Policy Recommendation—Summary

The State of Israel must undertake a three-pronged course of action: (1) Stop the deterioration in the international and domestic arenas; (2) Stabilize the operational situation in the Gaza Strip; and (3) Return to a framework for ending the war with a hostage deal that preserves Israel's vital interests and enhances its integration in the Middle East.

Recommended Implementation:

1. **Stop the deterioration** by stabilizing a forward defensive line that provides a basis for continued offensive activity from defensible positions—without occupying the Gaza Strip, without causing additional displacement of the population, without concentrating the population in a “humanitarian city,” or encouraging their “voluntary emigration.” This should occur alongside increased humanitarian aid to the Strip and presentation of a diplomatic framework for ending the war.
2. **Stabilize the operational situation** by creating a security buffer zone inside Gaza, composed of forward operating bases (FOBs) and clearing the area east of the FOB line—targeting the destruction of underground infrastructure. This deployment is necessary to reduce the IDF manpower required for ongoing operations, thereby easing the burden on the army. Such deployment would allow continuous offensive action in areas that remain under Hamas control to eliminate operatives and commanders still operating there.
3. **Present a diplomatic framework** for ending the war, with the Egyptian/Arab proposal as the foundation for negotiations, enabling a hostage deal and the safeguarding of Israeli interests. This would include Israel's withdrawal to the

perimeter line; ending the war in exchange for the return of all the hostages; establishing a civilian governance alternative to Hamas; enforcing law and order and providing services for the population without Israeli involvement; and preserving Israel's overarching security responsibility.

The Current Context and Core Problem

The evolving situation in Gaza places Israel in a dangerous dilemma. It may be unable to conclude the war with a deal to release all the hostages, yet continuing the war could further damage Israel's international standing, its economy, and its societal resilience.

This situation is unfolding before our eyes. As Hamas becomes resilient to military pressure, it is able to increase its demands and reject an outline for releasing the hostages and ending the war. The continuation of the war and Israel's deepening predicaments serve Hamas's goals and ensure its survival. Therefore, Hamas may make extreme demands (such as "lifting the blockade," emptying Israeli prisons of Palestinian prisoners, gaining authority over the Temple Mount, securing guarantees for continued military existence, and so forth), which would prolong the war, as every compromise would create a vicious cycle of new demands. If such demands were met, Hamas's standing would be restored in the Palestinian arena and throughout the entire "Axis of Resistance."

Range of Options and Possible Responses

The INSS has conducted in-depth analyses of the options available to Israel for ending the war. Each time, the recommendation was to adopt the Egyptian/Arab proposal as the basis for negotiations, as it best enabled the realization of the war's objectives. However, this recommendation was based on the assumption that Hamas would agree to some framework for releasing the hostages. The erosion of that assumption and the possibility that Hamas may prefer to continue the war to ensure its survival rather than to release the hostages necessitate a renewed analysis of the realistic options:

1. **Defeating Hamas**—Achieved by denying Hamas both the capability and the will to continue fighting, demonstrated by Hamas's surrender or unilateral cessation of hostilities. This would likely require significantly expanding the ground operation, possibly to include the occupation of the Gaza Strip.
2. **Ending the war without resolving the hostage issue**—This would occur either by fully accepting all of Hamas's conditions or through unilateral withdrawal and ceasefire, with negotiations for the release of the hostages in exchange for Palestinian prisoners as a post-war process.
3. **Prolonged war of attrition**—Maintaining combat at a forward line of outposts, supplemented by targeted offensive operations.

Option 1—Defeat of Hamas Through an Expanded Ground Operation and Occupation of the Gaza Strip. This option could also include relocating Gaza’s population, as a protective measure, to areas south of Wadi Gaza or to an extensive shelter zone established between Rafah and al-Mawasi (the “humanitarian city”). This approach reflects the aspirations of several Israeli government ministers, who have suggested that some of Gaza’s residents might choose to leave (“encouraging voluntary emigration”). If this option is chosen, the IDF would significantly expand its ground maneuver in Gaza, capturing additional areas not yet under its control.

This process would be divided into two stages:

A. Occupation of Gaza City and the Central Refugee Camps

In line with the Cabinet’s decision on August 7, 2025, it can be understood that civilians (noncombatants) would be evacuated from Gaza City, followed by imposing a siege and launching a maneuver to occupy the city. This occupation would require additional forces and a large-scale call-up of reserves. Inevitably, IDF casualties would occur, alongside risks to the hostages, who are already in danger of immediate execution. A similar course of events would likely unfold later in the Strip’s central refugee camps. At the end of this campaign, the IDF would exercise civilian and security control over Gaza until otherwise decided by political leadership, as part of a hostage deal or some other arrangement.

B. Creation of a Humanitarian Zone (“Humanitarian City”)

The end state of this course of action requires providing for the population evacuated from the combat zones. The proposed “humanitarian city” would be a large-scale displaced persons camp, established between al-Mawasi and Rafah, and secured by IDF forces. In this area, infrastructure would be set up to meet the population’s basic needs (security, shelter, food, and medical care). This site would likely become the most densely populated place in the world, with harsh living conditions. Its establishment would be costly, and securing the area would require significant operational effort and dedicated forces. From the perspective of international law, such a measure would be permissible only if it were temporary.

Implications for Achieving the War’s Objectives

Release of the hostages (“creating conditions for the release of the hostages”): A maneuver into Gaza City and the central refugee camps will place the hostages in immediate mortal danger. They are likely being held underground, and any IDF attempt to maneuver through the tunnels to defeat Hamas would almost certainly result in their deaths. Proponents of this approach argue that Hamas’s defeat must take precedence over the release of the hostages and that only further military pressure could bring about a change in Hamas’s position and create greater flexibility for a hostage deal. It is highly likely that this option would extend the time needed to achieve this war objective.

Dismantling Hamas (“destroying the organization’s military and governance capabilities”): The IDF will successfully confront Hamas forces and destroy tunnels in the areas it captures. However, many Hamas operatives could blend into the civilian population displaced to southern Gaza, smuggling weapons southward among the evacuees’ belongings, which cannot be thoroughly inspected. Even if some Hamas operatives are killed or remain underground, those who escape southward would rearm and re-emerge as a guerrilla and terrorist force in the foreseeable future. In other words, Hamas would almost certainly not disappear, and the likelihood of its capitulation or unilateral cessation of conflict with Israel remains extremely low.

In addition—

Deepening the societal rifts in Israel: The decision to occupy Gaza City is not a matter of national consensus, particularly given its potential costs. It involves directing the IDF to take actions that knowingly risk the lives of the hostages. This plan is both practically and morally complex, and it will provoke backlash within the military and among civilians—reigniting public debate over the mobilization of reserve forces.

Erosion of the IDF: After two years of fighting across seven fronts, the IDF is exhausted. A large-scale ground operation would likely exacerbate the situation, as the IDF is already short on soldiers and resources. This fatigue could lead to operational accidents, a lack of professionalism, reduced mission quality, and higher casualties.

Erosion of social resilience: The damage to Israel’s societal resilience would be especially painful. The trauma of sacrificing the hostages would be remembered forever. True, while some view the settlement of Gaza as the realization of a new national Zionist aspiration (according to INSS surveys, this represents only a small portion of Israeli citizens), imposing such a vision on the State of Israel would have serious and potentially destructive consequences for the broader Israeli society.

Economic cost: The economic burden of occupying Gaza would be immense. Israeli taxpayers would bear the cost of maintaining Gaza’s population ([security officials estimate](#) approximately NIS 25 billion annually for military expenses, plus an additional NIS 10 billion per year for providing basic services such as electricity, water, medical care, and food). Israel would assume responsibility for a population of two million unemployed and frustrated people struggling daily for survival in an area lacking basic civilian infrastructure (hospitals, sanitation to prevent epidemics, and so forth).

Harm to innocent civilians: Gaza was already overcrowded before the war, and its population is now concentrated in even smaller areas. Despite the IDF operating according to international law and making tremendous efforts to minimize harm, often at great operational cost, innocent civilians are inevitably affected. Maneuvering

in dense urban areas, whether for the first time or after civilians have been resettled, would significantly increase the scale of incidental civilian casualties.

Worsening Israel's position in the international arena: Israel's position in the international arena is at its lowest point ever. Hamas propaganda, bolstered by the grim reality on the ground, has fueled unprecedented criticism against Israel, including from friendly countries. Israel faces growing accusations of genocide and deliberate starvation of Gaza's civilians. Without a countervailing Israeli initiative, this narrative may become entrenched in global public opinion and that of international leadership for years. In the United States, while President Trump still supports Israel, his stance could change. Within the Democratic Party, support for Israel is at a low point, and many young Republicans criticize US involvement in Gaza alongside Israel. In Europe, countries are gradually recognizing a Palestinian state, with some calling for an arms embargo against Israel. All this is taking place even before an expanded ground operation, which would produce devastating images. This severe diplomatic damage may never be repaired. Moreover, any move perceived as an attempt to expel Gaza's population through forced concentration under harsh conditions would amplify accusations of ethnic cleansing.

Option 2—Ending the War Separately from the Hostage Issue, or as Part of a Hostage Deal, Accepting All Hamas Demands

The logic behind this option is that continuing the war is worse than any other alternative, and therefore it must be stopped immediately, almost at any cost. In other words, since the war harms every dimension of Israel's national security, any action that ends it should be considered.

At its extreme, this option entails halting the war unilaterally, with negotiations for a hostage deal in exchange for the release of Palestinian prisoners to occur afterward. The war could end immediately either through unilateral withdrawal or by accepting all of Hamas's demands—assuming no new demands are added.

In the more favorable scenario of a ceasefire tied to a hostage deal, Israel and the United States would likely insist on establishing an alternative administration in Gaza. Hamas might agree if this guaranteed its survival and its right to retain the so-called "weapons of resistance." In the case of a unilateral ceasefire, Hamas would almost certainly continue to govern Gaza.

Implications for Achieving the War's Objectives

Release of the hostages: A unilateral ceasefire would not secure the release of the hostages. Subsequent negotiations would likely be lengthy, with Hamas demanding far-reaching concessions. In the scenario of an Israeli compromise, most hostages (both alive and deceased) might be returned, although some might never be found, as Hamas may not know where they are buried. There is also the particularly cruel possibility that Hamas would deliberately maintain uncertainty about some of the

living hostages—using them as a deterrent against renewed fighting, as a means of ensuring the organization’s survival, and as leverage for further concessions in the future. In other words, this option would likely achieve most, but not all, of this war objective.

Dismantling Hamas: Hamas is currently battered and weakened, but a unilateral withdrawal and prisoner release would strengthen it. Images of freed prisoners, coupled with IDF withdrawal, would be portrayed by Hamas as a victory and used to gain the trust of Gaza residents. This option would enable Hamas to continue existing as a military force. Internal Israeli criticism of the government over a long and costly war that failed to destroy Hamas and, in the unilateral case, failed to free the hostages would reinforce Hamas’s narrative of victory and help rebuild its power. Relinquishing Israeli control and presence in the security perimeter would hinder IDF ability to implement the lessons learned after October 7, exposing Israeli communities near Gaza to potential threats and undermining their sense of security.

Disadvantages

Deterrence: Israeli deterrence was severely damaged on October 7. While Israel’s impressive successes against Hezbollah in Lebanon and in the war with Iran partially restored its image, ending the Gaza war in a way perceived as a Hamas victory—through its defiance, refusal to compromise, and willingness to take risks—would once again erode its deterrence. This possible conclusion could lead Iran and Hezbollah to believe that they conceded too early in their own battles against Israel. Other adversaries could infer that aggressive actions, including the kidnapping of Israelis, even if costly in the short term, ultimately pay off in the long term.

Polarization of Israeli Society: Ending the war by conceding to Hamas or through unilateral withdrawal would deepen divisions within Israeli society. Each political camp would blame the other—for “weakness” that undermined the military effort or “messianism” that caused an unnecessary war. While Israeli society has shown resilience, recovery would be painful. If reforms are added to this, particularly in the judicial context, exemptions from military service for the ultra-Orthodox, and the weakening of institutional checks and balances, the anger and polarization would likely intensify.

Advantages

Rehabilitation of the IDF: Ending the fighting would allow the IDF to recover, rebuild, and prepare for future conflicts.

Improvement of Israel’s International Standing: A ceasefire could include possible US concessions, helping to restore Israel’s economic position and diplomatic relationships.

Option 3—War of Attrition / Continuing Combat from Forward Positions with Targeted Offensive Operations

The IDF would not fully withdraw from Gaza but would maintain a forward line of outposts inside the Strip. Forces would focus on destroying underground infrastructure within Israel's controlled zone, limiting the effectiveness of Hamas's guerrilla warfare. The defense of southern Israeli communities would be strengthened by a deeper security buffer zone, with a new defensive line based on updated security doctrine—including autonomous "kill zones," defense in depth, and effective reserves for extreme cases.

From this forward line, the IDF would carry out routine offensive raids into Gaza's coastal strip, including Gaza City, the central refugee camps, and al-Mawasi. This approach would resemble the "mowing the grass" operations conducted in Judea and Samaria from 2002 to 2005, which ultimately led to the defeat of Palestinian terrorism (although success in that case was also tied to the Palestinian Authority (PA) assuming civilian responsibility in 2004 and changes in PA policies under Mahmoud Abbas's presidency).

There would be no additional displacement of Gaza's population, but civilians would remain concentrated in Gaza City, the central refugee camps, and al-Mawasi. Large-scale humanitarian aid would be delivered to these areas to mitigate mass starvation and acute humanitarian crises, easing international pressure. Food distribution to Gazan residents would be coordinated by the IDF and the UN, with efforts to increase assistance from private organizations. A civilian administration should be established to coordinate humanitarian efforts, linking aid organizations in Gaza with the Israeli government.

This proposal, which effectively adopts Israel's security approach in Judea and Samaria, lacks a crucial component—an independent Palestinian civilian administration. This absence stems from the Israeli government's opposition to introducing a technocratic governing body to replace Hamas. A civilian authority that is not Israel would provide a far better framework than the current reality, in which Israeli citizens and the IDF are left to support Gaza's civilian population and finance it through tax revenues. Possible alternatives include a technocratic administration (Egyptian proposal), an international/Arab trusteeship (Emirati proposal), or the Palestinian Authority (in line with the Saudi initiative).

Implications for Achieving the War's Objectives

- **Release of the hostages:** The situation of the hostages worsens over time, but Hamas's condition also deteriorates. Under this option, the possibility of a hostage deal remains feasible if Hamas eventually compromises on some demands due to its weakened state. However, by that stage, fewer hostages

may survive. Thus, this option does not secure the objective immediately but leaves the door open for future achievement.

- **Dismantling Hamas:** This option would gradually weaken Hamas, although the inflow of humanitarian aid would also allow for some recovery. Hamas would likely survive, but civil unrest in Gaza could grow, even if it would not lead to a bottom-up alternative government. In short, this option would not defeat Hamas but would provide Israel with tools to counter emerging threats and limit Hamas's rearmament.

In addition—

Rehabilitation of the IDF: The IDF urgently requires recovery and renewal. This option would facilitate force reduction and rebuilding after its longest war to date.

International Criticism: Lowering the intensity of operations while increasing humanitarian aid could help repair Israel's global image. Although not a full ceasefire, fewer civilian casualties and large-scale aid delivery could ease international pressure and prevent further diplomatic deterioration.

Main Disadvantage—"Security Buffer" Syndrome

The major drawback of this option is the risk of entrenching a semi-permanent state of warfare within a buffer zone. This would likely be perceived by the Israeli public as "stagnation" and a lack of initiative, inviting public criticism. It would also effectively encircle the Palestinian population between IDF forces and the sea, obliging Israel to take responsibility for the population and intensifying international condemnation. The solution is to clearly define this as temporary, with a concrete end date, and simultaneously pursue a realistic compromise involving a hostage deal and an agreed-upon political framework for Gaza "the day after" the war. Israel must act to end this temporary state before it becomes permanent.

Conclusion and Recommendations

Israel's position in Gaza is especially difficult. With Hamas either refusing to release the hostages or demanding an unacceptably high price, Israel currently lacks a mechanism to end the war. All the options are bad, but indecision is also a poor choice. Therefore, Israel must choose the least harmful of the three options:

The first option—expanding the ground campaign—is the worst of all and should be avoided. It would likely fail to achieve the war's objectives, endanger the hostages, and worsen Israel's international isolation by expanding economic boycotts, canceling cooperation in research and development (notably Horizon Europe), and various other academic fields. In addition, Israel's violations of international law would continue, and it would struggle to justify its policies amid mounting claims that it is not acting in self-defense.

The second option—ending the war at any cost—will not achieve the war’s objectives either. If the war were to end unilaterally without any concessions from Hamas, much of the Israeli public would interpret this as a defeat. If the war were to end with Israel’s acceptance of all Hamas’s demands, including legitimizing its rule and positioning it as the entity responsible for Gaza’s rehabilitation, it would be seen as a failure. Such an outcome would deepen polarization within Israel and create fertile ground for the strengthening of extremist forces. In sum, while this option might secure the release of most of the hostages, the costs would be extremely high.

Policy Recommendation

In the short term, Israel should apply the operational principles of the third option—attrition and targeted offensive operations—to pressure Hamas into softening its positions. In the medium term, this could create conditions to end the war and secure the release of the hostages at a reasonable cost through a responsible compromise. In the long term, this approach should be integrated into a strategy for Gaza’s civilian governance without Hamas, including gradual disarmament, reconstruction with Arab and international support, and the dismantling of the remaining underground terror infrastructure.

Maintaining pressure on Hamas from a forward security zone may also encourage it to accept a comprehensive framework for the release of the hostages that would conclude the war. To capitalize on this, the Israeli government must begin discussing a broader framework for Gaza’s future, based on one of the Arab or international proposals. The interim arrangement recommended in this policy paper provides the necessary time to do so.

This strategy is the least harmful option under the current circumstances. It is the only option that allows Israel to maintain flexibility, pursue a favorable hostage deal, and continue exerting pressure on Hamas. Its implementation would help stem Israel’s diplomatic bleeding, allow the IDF to renew its forces, and reduce the daily moral dilemmas faced in combat. The passage of time may offer new opportunities—currently unavailable—that could cause Hamas to reduce its demands, making it possible to end the war through a comprehensive hostage deal on more favorable terms.