

Special Publication



Israel's National Security Balance

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The Institute is staffed by a diverse team of researchers—drawing on experience from the defense establishment, government institutions, and academia—who systematically and continuously analyze the strategic issues facing Israel.

The aim of the insights derived from this research, as well as from the Institute's various other initiatives—such as conferences, strategic dialogues with international research and government bodies, training programs, and media outreach—is to formulate practical policy recommendations. Their implementation is intended to improve the State of Israel's situation and standing while simultaneously enriching professional and public discourse regarding Israel's national security issues, both domestically and internationally.



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Foreword by the Head of INSS, Maj. Gen. (res.) Tamir Hayman

This analysis of Israel's National Security Balance presents a review of the current reality compared to the situation prior to the war. It goes without saying, but nevertheless should be stated explicitly: While Israel accrued several strategic advantages in the Swords of Iron War that began on Simchat Torah, October 7, 2023, the long-term consequences of the national trauma caused by the October 7 massacre cannot be assessed on the basis of a dispassionate analysis of the security balance without sufficient consideration of historical perspectives.

After all, national security is not solely military. It includes non-military components, among them Israel's diplomatic standing and foreign relations, internal societal resilience, and an economic infrastructure that enables the mobilization of the resources required to maintain and preserve the security of the state and its citizens. From the perspective of this broader approach, the picture that emerges today is complex. Alongside exceptional Israeli military achievements, certainly in light of the considerable weakening of Israel's enemies during the years of the war, it cannot be stated categorically that Israel's national security situation has improved significantly. This is because the current diplomatic, economic, and societal situation somewhat detracts from the positive value of the balance sheet overall. And although it remains positive, the weakening of Israel's international standing among leading Western countries, the long-term economic burden imposed by the war, and internal political polarization, which at times approaches the threshold of violence—all these erode the advantages indicated thus far by the balance sheet.

The first part of this review analyzes the sources of national security power—military, political, economic, and societal—and the second part presents a balance sheet analysis across three arenas: the Palestinian arena (the Gaza Strip, Judea and Samaria), Iran, and Lebanon. The common denominator among the different arenas is that none of them features stability anchored in political agreements. This situation undermines the military achievements, such that as time passes without proactive political action, the current military achievement becomes unstable, the enemy recovers, and the assessment presented here is liable to change—not necessarily for the better.

The Bottom Line

The military advantage achieved during the years of war is offset in the national security balance sheet by the deterioration in Israel's international standing, the danger of isolation and sanctions it faces, and additional expected challenges, including the enormous economic costs of the prolonged war. If internal cohesion is not restored quickly, the balance of Israel's national security could deteriorate to an extremely low level.

October 2026



Military Power: Operational Superiority Alongside Strategic Erosion

Three years after the October 7 attack, Israel faces a complex strategic reality. On the one hand, the IDF demonstrated unprecedented operational and technological capabilities during the years of war, achieved significant gains in all fields of combat, and severely damaged the capabilities of Israel's principal enemies. On the other hand, none of the campaigns has thus far ended in a decisive outcome or a political settlement that would consolidate the military achievements and translate them into an improved and more stable security reality. At the same time, the prolonged fighting is wearing down the standing and reserve forces and clarifying the limitations of military power when it is not guided by a clear political purpose.

Immediately Prior to October 7

On the eve of the war that broke out on October 7, Israel was perceived by its adversaries as a country enjoying clear military and technological superiority, but one that struggled to realize its advantages, partly due to its evident reluctance to employ ground forces and conduct an extensive ground maneuver. This perception was reinforced by the limited rounds of fighting that took place over the years in the Gaza Strip, the avoidance of a broad confrontation with Hezbollah, and, in addition, the growing reliance on intelligence systems, precision fire, and the campaign between wars (CBW).

During those years, the IDF developed the concept of the “multi-dimensional battle,” intended to combine real-time intelligence, precision fire capabilities, and ground maneuver. However, on the eve of the war this concept had not yet been subject to a broad operational test. At the same time, the readiness and abilities of ground forces had eroded following years of routine security activity in Judea and Samaria, while the Air Force and intelligence community had dominated national priorities for force buildup.

Added to this was the internal upheaval experienced by the IDF in the year preceding the war. The political-social crisis surrounding the judicial reform advanced by the government placed military service at the center of public controversy, harmed internal cohesion, and undermined the sense of stability on which the people's army model rests.

What Changed?

The October 7 attack exposed a profound failure in the IDF's warning, defense, and command systems. Intelligence, which had been so accurate in CBW operations, failed in its fundamental mission to provide warning of war; the defenses under Southern Command (and in the north, where Hezbollah decided not to join the invasion of Israel) were sparse; a regional division was defeated in less than an hour by an enemy without aircraft or tanks; and the performance of the central command was confused and ineffective. Only the determined action of forces in the field, at a heavy cost, repelled the enemy within a few days.

However, once it recovered from the surprise, the military demonstrated a series of impressive operational capabilities.

The multi-front fighting that developed demonstrated the effectiveness of combining precise intelligence with fire and ground maneuver; the Air Force demonstrated continuous and precise operational capability—from close support for ground forces to strikes deep inside Iran; air defense systems, in cooperation with the United States and additional partners, succeeded in significantly reducing damage to the home front despite massive missile and drone fire directed at it; and on the northern front, the IDF succeeded in inflicting severe damage on Hezbollah and changing the military balance of power vis-à-vis the organization.

At What Cost?

In many respects, three years of fighting provided operational proof of capabilities developed in the IDF over many years, foremost among them an unprecedented integration of intelligence, combat, maneuver, and technology. However, alongside the operational achievements, the war also exposed the limitations of military power. Thus far, Israel has not succeeded in achieving a decisive outcome in any arena. Impressive achievements, foremost among them the damage inflicted on Hezbollah, remain dependent on political developments and arrangements that have yet to be achieved.

At the same time, the prolonged fighting is stretching the IDF to the limits of its capacity. There are signs of erosion in the standing and reserve forces and in operational discipline, shortages of munitions and spare parts, and damage to the readiness required to conduct a prolonged campaign on several fronts simultaneously. At the same time, tensions between the political and military echelons are increasing, as is the difficulty of sustaining over time the manpower model on which the IDF relies.

The picture is also complex at the level of public perception. While public trust in the IDF remains high, doubts are growing regarding the role of warfare, in and of itself, in improving Israel's security. In a public opinion survey conducted by the Institute for National Security Studies (INSS) in June 2026, 42% of respondents said that Israel's national security situation was "bad or very bad" (compared with only 20% who thought it was "good or very good"). Satisfaction with the military achievements was lower than that measured in previous surveys. At the same time, Israel's display of military power did not deter its adversaries from continuing to fire at it during Operation "Roaring Lion"—the U.S.–Israel war with Iran that began in late February 2026.

Moreover, Israeli deterrence was not enhanced to the extent that might have been expected following such an exceptional series of military achievements. Israel's enemies are influenced not only by the IDF's strength, but also by the erosion of Israel's political standing and by the perception among the Israeli public that the campaign has not yet produced stable strategic change.

As we learned on the eve of October 7, Israel's enemies are attentive to tensions within the Israeli arena and view them as evidence of weakness. In the "Existential Threats" survey conducted by the Institute in July 2026, one of the prominent findings was the ranking of the scenario of "violent confrontation between groups in society" as the highest of the three principal threats, alongside the Iranian nuclear issue and the undermining of the democratic character of the State of Israel.

The Bottom Line

Compared with the eve of October 7, the IDF has grown considerably stronger, as have its operational capabilities. The war demonstrated its technological superiority, its ability to continuously employ intensive and integrated force, and its clear advantage over its adversaries in all areas of combat.

However, at the strategic level, the picture is more complex. Impressive operational achievements have not yet been translated into a decisive outcome or sustainable arrangements, while the ongoing war is eroding the IDF's principal resources—manpower, readiness, and preparedness—and raising questions about its ability to continue for an extended period at the same intensity of fighting. Accordingly, Israel's military balance sheet has improved at the operational level, but the improvement remains limited so long as it is not accompanied by a political move that leverages the achievements of the war into a more stable security reality.

Political Power: Growing Strategic Value alongside Dangerous Deterioration in International Standing

Political power is one of the foundations of national security. It reflects a state's ability to advance its objectives through its foreign relations, international standing, influence over the shaping of the regional and global environment, and the legitimacy it enjoys for exercising its military and economic power.

The Swords of Iron War, which developed into a multi-front confrontation, put Israel's political power to an unprecedented test. Although the war produced significant military achievements against Hamas, Hezbollah, and Iran, it also created profound political challenges: deepening disagreements with some of Israel's allies, erosion of international legitimacy for its policies, a sharp increase in manifestations of antisemitism around the world, and harm to the sense of security of Jewish communities.

Alongside the continuation of the war itself, the absence of an agreed conception for the "day after," together with policy decisions and public messages by the political leadership, made it difficult for Israel to leverage its military achievements into sustainable political achievements. The war demonstrated that even impressive military power does not necessarily translate into political power. In the absence of a clear political strategy, the use of force is perceived by many of Israel's partners not only as a means of dealing with threats, but also as a factor deepening regional instability. This erodes Israel's ability to convert operational achievements into legitimacy, partnerships, and political influence.

This chapter examines changes in Israel's political power across four complementary dimensions: the American strategic alliance; Israel's standing in the global arena; its integration into the Middle East; and international legitimacy for its policies.

The American Strategic Alliance and the Special Relationship with Washington

The American strategic alliance is based on three principal components: the quality of relations between the countries, including relations between the administrations, and support for Israel within the American political system and among the American public; the strength and international standing of the United States; and the willingness of the United States to continue dedicating resources and energy and to take risks in the Middle East.

Immediately Prior to October 7

Relations between Israel and the United States on the eve of the outbreak of the war were marked by growing tensions between the Biden administration and the Israeli government, mainly over judicial reform and the composition of the coalition. Nevertheless, the strategic alliance remained strong: security cooperation was close, American assistance continued, and the commitment to preserving Israel's qualitative military edge did not waver.

At the same time, however, signs of erosion were already evident in the bipartisan base of support for Israel, particularly among the progressive wing of the Democratic Party and among young people, against the backdrop of political polarization in the United States itself and internal divisions in Israel.

What Changed?

The war brought about a profound change in the nature of relations between the countries, expressed in three principal dimensions: deepening security cooperation, intensifying political disagreements, and accelerating erosion of the public and political base of the alliance.

On the security level, the United States provided Israel with unprecedented backing: extensive military assistance, intelligence support, deployment of forces in the region, leadership of a regional coalition to defend against Iranian attacks, and direct assistance in defending Israeli airspace. The joint campaign against Iran demonstrated the depth of operational cooperation and strengthened Israel's standing as a major strategic asset for the United States.

However, as the campaign developed, it became clear that security partnership does not guarantee alignment on political objectives. Differences between the countries deepened over the conduct of the fighting, humanitarian assistance, the Palestinian issue, and the shaping of the "day after" in the Gaza Strip. These disagreements were reflected in American pressure, including delays in arms shipments and the imposition of conditions on some security assistance.

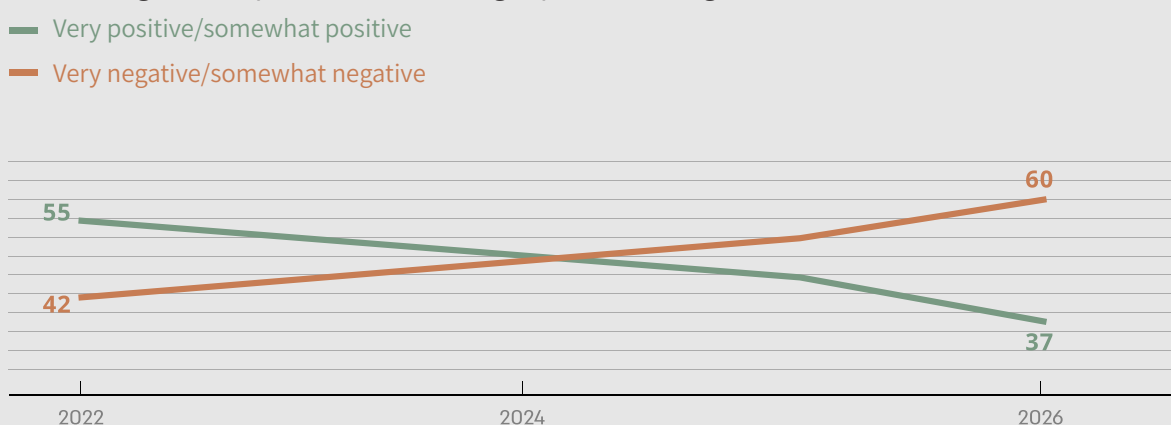
Even after the change of administration in Washington, differences in interests did not disappear. Although the Trump administration adopted a more favorable line toward Israel, lifted restrictions on security assistance, and reduced public criticism, it advanced and in practice imposed ceasefire arrangements in the Gaza Strip, Lebanon, and the campaign against Iran, even when these did not accord with the preferences of the Israeli government.

At the same time, the decline in public and political support for Israel continued. During the war, Israel shifted from being a foreign-policy issue to becoming a controversial domestic American issue. Within the Democratic Party, criticism expanded, particularly among young people, on campuses, and within the progressive wing. Within the Republican Party, support for Israel remained high, but isolationist voices skeptical of prolonged American involvement in the Middle East and continued assistance to allies also grew stronger.

For the first time in years, criticism of the relationship with Israel has been heard both from the right and from the left. At this stage, these trends do not undermine the strategic alliance, but they do undermine the broad base of support on which it rested for decades.

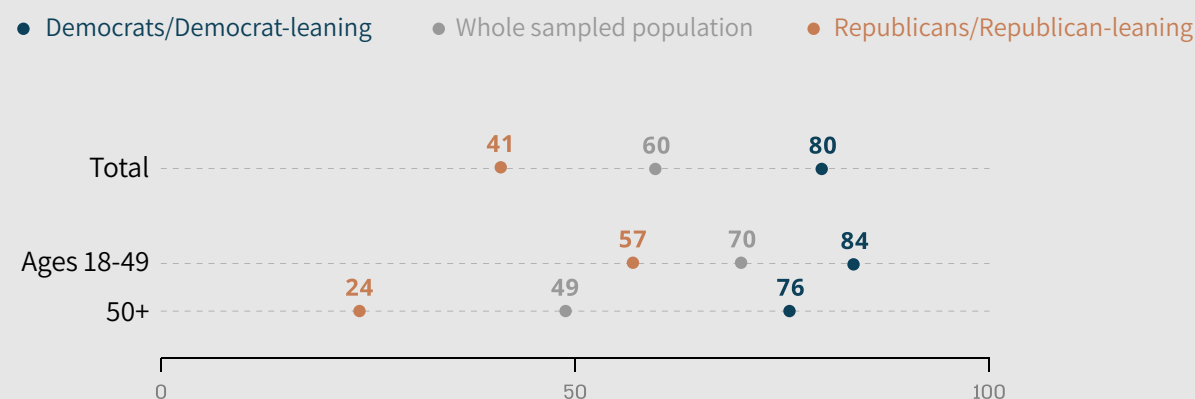
Erosion of American public support for Israel

Percentage of respondents holding a positive/negative view of Israel



American views on Israel are sharply divided by party and age

Percentage of respondents with a very or somewhat negative view of Israel



Source: Survey of U.S. adults conducted March 23–29, 2026. Pew Research Center

At What Cost?

One of the significant consequences of the war is Israel's increased dependence on the United States and an accelerated outsourcing of its national security.

Israel's ability to wage a prolonged war on several fronts relied to a large extent on American assistance—in the provision of weapons, intelligence, and air defense systems, as well as in blocking international pressure and deterring regional actors. Almost all the theaters of fighting were conducted with direct American involvement, in a manner that enhanced Israel's capabilities but also reduced its freedom of political action.

At the same time, there are increasing questions around the future standing of the United States in the Middle East. The campaign against Iran has not yet translated into a clear strategic achievement, and the internal debate in the United States over the costs of military involvement in the Middle East has intensified. If this trend continues, the gap may deepen between Israel's growing dependence on American support and the willingness of the United States to continue investing in the region over the long term.

The Bottom Line

Compared with pre-October 7, Israel's strategic value in the eyes of the United States has strengthened. The war demonstrated its contribution to regional security and its importance in confronting Iran and its proxies, and led to unprecedented security cooperation.

At the same time, however, differences between the strategic interests of the two countries have deepened, the public and bipartisan base of the alliance has eroded, and Israel's dependence on the American alliance for managing the campaign and shaping the arrangements that follow it has increased. The result is complex: Israel is more important to the United States strategically, but it is also more dependent on it politically.

Israel on the Global Stage

Israel's political strength in the global arena rests on four key components: the quality of its relations with countries around the world; its status in international institutions and forums; the international legitimacy of its policies; and its public image in the world. These components directly affect its ability to advance its political, security, and economic goals and its freedom of action in the international arena.

Immediately Prior to October 7

Israel's foreign relations were relatively stable. It had steadily expanded its ties with countries in Europe, Asia, Africa, Latin America, and even in the Middle East, relying on its competitive edge in security, innovation, energy, and technology. While Israel's policies towards the Palestinians drew criticism from some countries, in most cases it did not prevent the continued development of political and economic relations. However, even before the war, there was a clear deterioration in Israel's relations with some of its democratic allies, mainly against the backdrop of the internal political crisis and the judicial reform, which somewhat harmed its international image and the quality of bilateral dialogue.

The October 7 massacre initially generated an unprecedented wave of solidarity with Israel. Many countries condemned Hamas' attack, recognized Israel's right to self-defense, and granted it broad legitimacy for the use of military force.

What Changed?

As the war progressed, the trend reversed.

The Palestinian issue returned to the center of the international agenda. If on the eve of the war the topic was pushed to the margins of foreign policy for many countries, during the war it returned to being one of the key variables in shaping the relationship of members of the international community with Israel. The change was reflected in a wave of recognition of a Palestinian state, in growing pressure to advance a political settlement, and in the sharpening of criticism of Israel's policies in Gaza and the West Bank.

Bilateral relations with countries around the world became more complex. Most countries continued to view Israel as an important partner in the fields of security, economy, and technology, but at the same time, key countries—including some of its allies in Europe—sharpened their criticism, applied measures of political pressure, and sometimes even took practical steps. At the same time, Israel focused its diplomatic efforts mainly on the American administration, also at the expense of cultivating its relations with other key partners.

Israel's position in the multilateral system was significantly eroded. Israel was sharply criticized in international institutions, faced proceedings at the International Court of Justice and the International Criminal Court, and was exposed to measures aimed at increasing its political isolation, including arrest warrants against Israeli officials.

Israel's public image was seriously damaged. In many Western countries, public criticism widened, protests intensified, and there was a significant decline in support for Israel, mainly among young people, on campuses, and in parts of the academic and cultural elites. Concurrently, the phenomenon of boycotts—both overt and quiet—expanded. Academic institutions, research foundations, business companies, financial entities, cultural institutions, and professional associations canceled collaborations, refrained from inviting Israeli researchers and artists, reduced investments, and sometimes even restricted the activities of Israeli entities. Unlike political crises between governments, these processes take place in the institutional and civic arena, and it is therefore more difficult to block them or reverse their trend.

The delegitimization of Israel also increased, along with the spread of narratives presenting it as committing war crimes, crimes against humanity, and even genocide, sometimes while undermining its very right to exist. Alongside this, manifestations of antisemitism grew and there was a sharp rise in harassment of Jews, particularly in European countries and North America. If in the past these positions were the domain of the ideological margins, during the war they spread to broader parts of public, academic, and political discourse, mainly in Western countries.

At What Cost?

The erosion of Israel's status is not expressed only in political criticism, but also in the ongoing harm to its ability to exercise soft power.

While many governments continue to pursue cooperation with Israel in the fields of security, economy, and technology, relations are gradually deteriorating with civil institutions, universities, foundations, business companies, and cultural bodies—institutions that over time shape public opinion, scientific and economic cooperation, and the basis of Israel's international legitimacy.

This is a slower but deeper phenomenon. Unlike a political crisis that can sometimes be resolved through a change in policy or a change of government, shifting public and institutional attitudes is a prolonged process, which may adversely affect relations even years after the end of fighting.

Alongside this, it is important to note that the war also reinforced the recognition by a significant portion of

Western countries of the strategic threat posed by Iran and its proxies to regional and global stability. Even countries that severely criticized Israel continued to view Iran, Hezbollah, Hamas, and other components of the “axis of resistance” as a central destabilizing factor in the region. In this sense, Israel succeeded in strengthening awareness of the threat about which it had been warning for years—even if it failed to harness broad support for the policy it pursued to confront it.

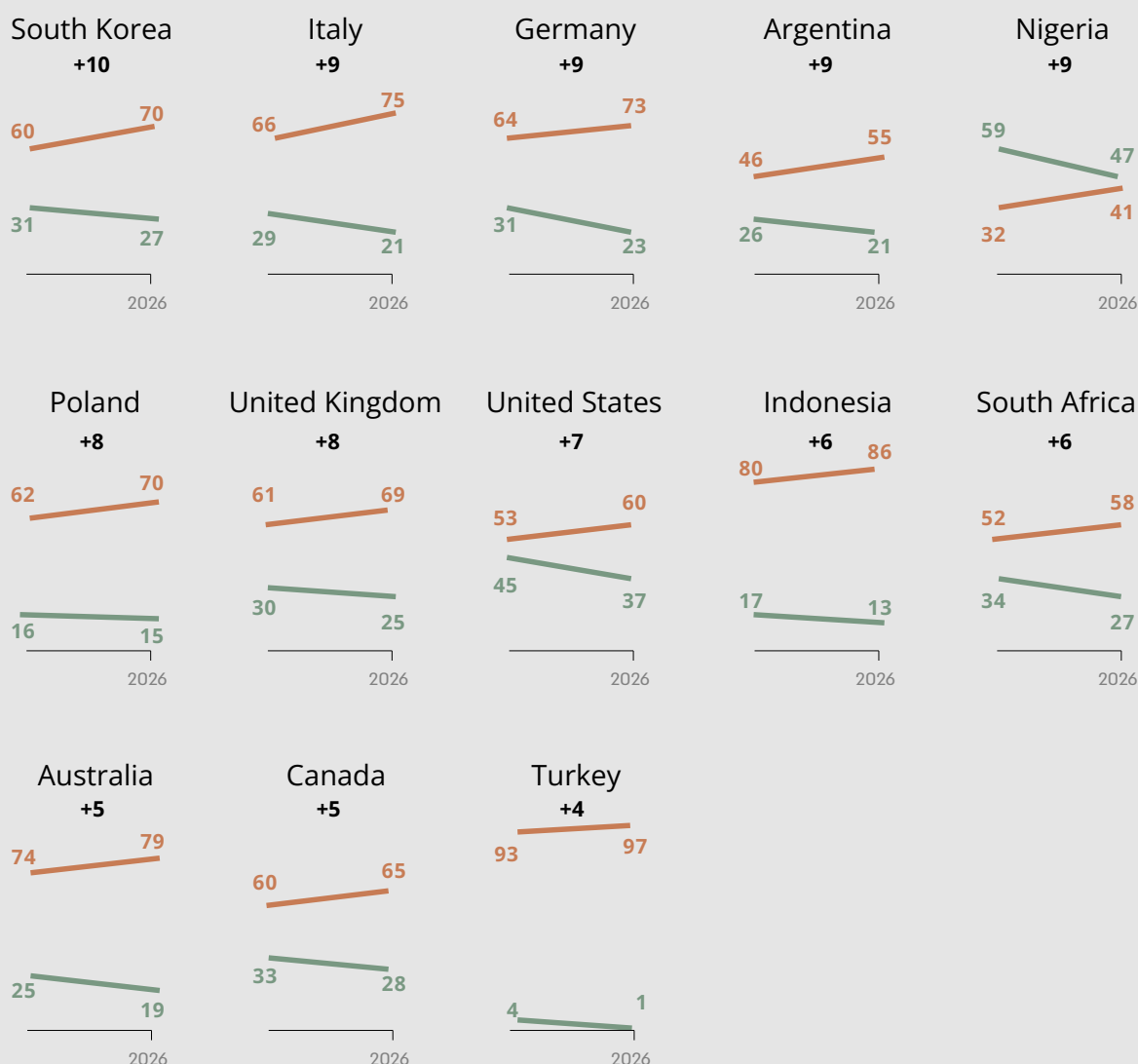
The Bottom Line

Negative views of Israel have become more common in certain countries since 2025

Percentage of people with a negative/positive view of Israel

— Very positive/somewhat positive

— Very negative / somewhat negative

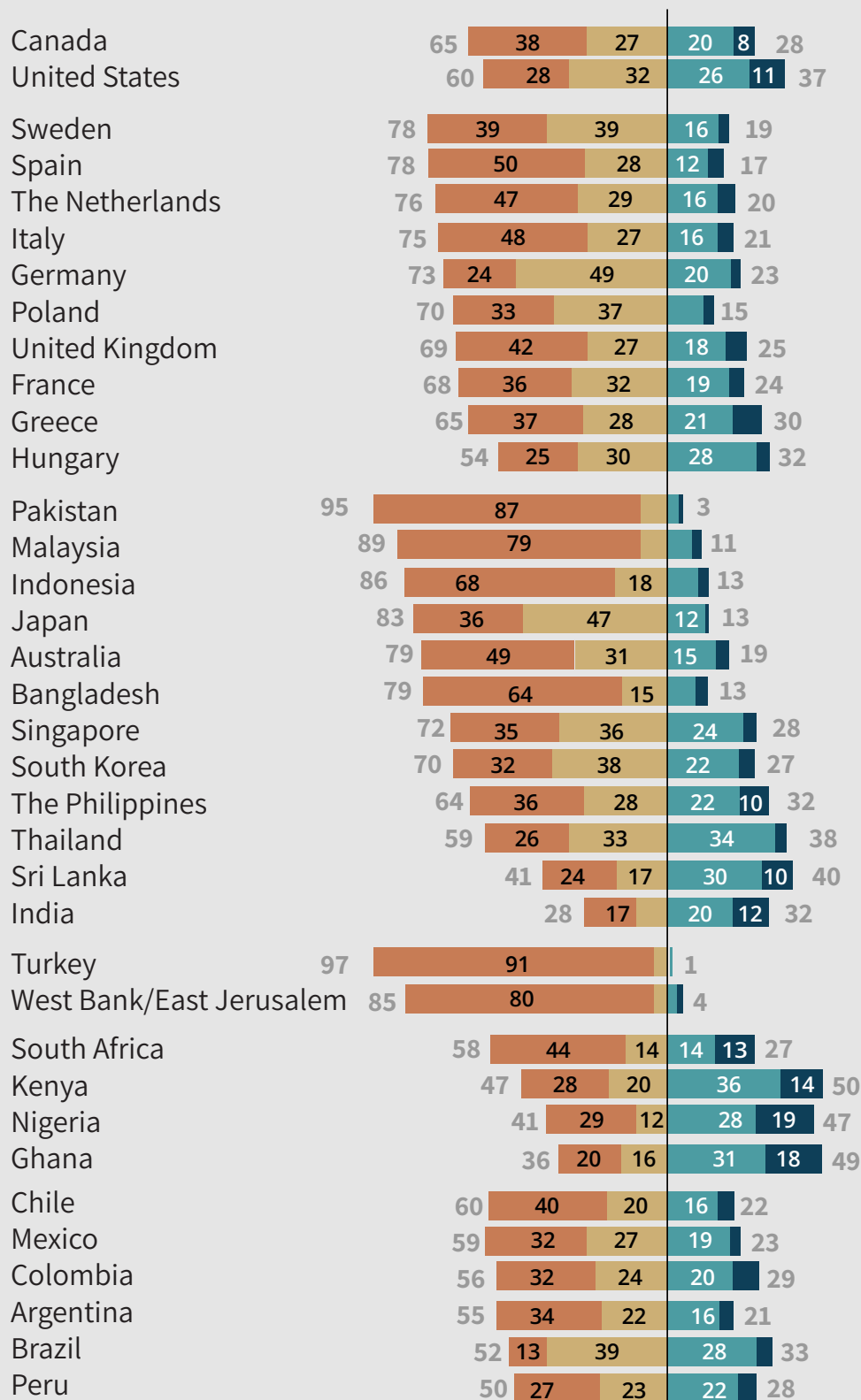


Source: Global Attitudes Survey, Spring 2026. Pew Research Center

A large majority in most countries holds negative views of Israel

Percentage of adults holding negative or positive views of Israel, by country

Very positive Somewhat positive Somewhat negative Very negative # Total



Source: Global Attitudes Survey, Spring 2026. Pew Research Center

Compared to immediately prior to October 7, Israel has maintained its central assets in the international arena—its ties with many countries, its security and technological advantages, and its status as a strategic partner—but its political status has been considerably eroded.

The main damage to Israel's image is evident in the public and institutional arena: in public opinion, academia, culture, the business sector, and international institutions. In this way, Israel has experienced harm to its ability to exercise soft power, mobilize international support, and leverage its security achievements for long-term political influence.

Israel in the Middle East

Israel's political power in the Middle East rests on four key components: the depth of its relations with those countries with which it has peace and with the "Abraham Accords" countries; the extent of its integration into regional political, security, and economic frameworks; its ability to advance a stable regional order based on shared interests; and the regional and international standing of its strategic partners. These components are influenced first and foremost by the regional threat perception, chiefly of Iran and its proxies; by events in the Palestinian arena; and by the scope of American involvement in the Middle East.

Immediately Prior to October 7

Israel's regional strategy was based on expanding the "Abraham Accords" and advancing normalization with Saudi Arabia, under the assumption that shared security and economic interests with moderate Arab countries were gradually outweighing the Palestinian issue.

Concurrently, a regional perception developed which viewed Iran and its proxies as the primary threat to the stability of the Middle East. This created a broad basis for cooperation between Israel and some Arab countries, mainly in the fields of security, intelligence, and technology.

What Changed?

The October 7 attack and the multi-arena war that broke out in its wake curbed the momentum of regional integration, but did not collapse the strategic infrastructure upon which it rested.

At first, many Arab countries distinguished between the Hamas attack, which did not receive broad regional legitimacy, and the war in the Gaza Strip. However, as the fighting progressed, criticism of Israel intensified and the Palestinian issue returned to the center of the Arab agenda. Nevertheless, alongside public criticism, security cooperation with some regional countries continued and even tightened. The confrontations with Iran illustrated the development of regional coordination mechanisms—including intelligence cooperation, air defense, and operational coordination—some within the framework of CENTCOM and some through direct channels between Israel and its partners, chief among them the United Arab Emirates.

This again sharpened the gap between public political discourse and the strategic partnership of interests that was maintained behind the scenes. At the same time, the war highlighted the limits of this partnership. Moderate Arab countries expressed growing interest in being involved in shaping post-war regional arrangements, but were not prepared to bear responsibility for the reconstruction or management of Gaza without a broader political framework that includes progress toward resolving the Palestinian issue.

In parallel, channels of dialogue were opened with Lebanon and Syria, mainly through American mediation. While they do not yet constitute a major breakthrough, their very existence indicates that even after years of war, there are still specific opportunities based on shared regional interests.

Meanwhile, the regional standing of Turkey and Qatar strengthened. Through mediation roles, aid, and involvement in the Palestinian arena, they established their position as central players and active partners alongside the United States, in shaping regional arrangements. From Israel's perspective, this is a problematic development, as these two countries have completely different conceptions from Israel's regarding the future of the region.

At What Cost?

Alongside the deepening security cooperation, the war illustrated that Israel's military superiority alone is not sufficient to shape a new regional order. Moderate Arab countries were indeed impressed by Israel's operational achievements against Hamas, Hezbollah, and Iran, but at the same time, their reservations grew regarding Israel's tendency to use force as a default in the face of threats, without an Israeli effort to translate these achievements into long-term political agreements.

As a result, countries in the region accelerated the hedging strategy that characterized them in the past, partly due to the emerging question mark over American commitment to the region. Against this background, Gulf countries are building additional security layers beyond the one connected to Washington, maintaining dialogue with Tehran, and at the same time conducting covert security cooperation with Israel. Public hostility toward Israel on the Arab street also limited the ability of regional governments to expand any kind of open political partnership with it.

The war with Iran also exposed the importance of the geo-economic dimension in the region. The closure of the Strait of Hormuz and Bab al-Mandab alongside damage to energy facilities and disruption of freedom of navigation, due to both Houthi and direct Iranian attacks, became a top-priority national security issue for countries in the region and beyond.

Furthermore, the war with Iran exposed a significant gap between the immense defense expenditures and advanced systems of the Gulf states and their ability to protect critical infrastructure in their territory in the long term. The war further illustrated the centrality of the United States to regional security, but also its limitations. Despite direct American involvement, a stable regional order has not yet been established, and doubts have grown regarding Washington's willingness to continue investing in the Middle East. From the perspective of the Gulf states, this is a reminder that even the alliance with the American administration does not exempt them from the need to diversify their ties with additional centers of power.

The Bottom Line

Compared to immediately prior to October 7, Israel has strengthened its security position in the Middle East. Strategic cooperation with some regional countries has deepened, new regional coordination mechanisms have been consolidated, and confronting the threat posed by Iran and its proxies is currently perceived more clearly as a shared interest.

The Palestinian issue has returned as a central condition for almost any regional move—Arab countries are not prepared to integrate into long-term arrangements without a political horizon for the Palestinians. The war further illustrated that military superiority alone is not enough to shape a stable regional order. The result is a complex reality: **Israel is more integrated security-wise in the region, but less integrated politically.**

International Legitimacy for Israel's Policies on Core Issues

International legitimacy is one of the key constituents of political power. It affects Israel's freedom of action in the political and military arenas, its ability to mobilize international support, the willingness on the part of other countries to cooperate with it, and its degree of exposure to political, legal, and economic pressures.

Immediately Prior to October 7

Apart from its stance on the Israeli–Palestinian conflict, Israel enjoyed relatively broad legitimacy for its policy on the eve of the war. This assisted Israel greatly, and immediately following the October 7 attack, such legitimacy even strengthened when most countries in the world recognized Israel's right to self-defense and granted it broad backing for military action against Hamas.

What Changed?

The war generated a profound shift across four main dimensions.

The Palestinian issue returned to the top of the international agenda. Alongside the growing demand to advance a political solution based on the two-state vision, trends of delegitimization regarding the very existence of Israel as the nation-state of the Jewish people also grew, even if these views do not yet reflect the position of most countries in the world. In this way, the long-standing assumption in Israel that the Israeli–Palestinian conflict could be managed over time without advancing a political process was undermined.

A complex shift occurred in international attitudes toward Iran and the “axis of resistance.” The war illustrated to many countries the scale of the threat posed by Iran's nuclear program, its missile array, and its proxies. Direct missile attacks, the closure of the Strait of Hormuz, Houthi activity in the Red Sea, and the economic consequences of the war reinforced recognition that the Iranian challenge is not an exclusively Israeli problem, but a regional and international threat. However, international opinion also tended towards addressing Iran through broad coalitions combining political, economic, and military measures, rather than through military action alone. Thus, the gap widened between the broad recognition of the Iranian threat and the limited legitimacy for the use of force as a primary solution to address it.

Israel's affiliation with the liberal-democratic camp was eroded. While on the eve of the war international criticism was focused mainly on the judicial reform and concerns regarding damage to democratic institutions, during the war it expanded to Israel's conduct of the war, the war's severe humanitarian consequences, and the absence of a political horizon. As the war progressed, the number of casualties among Gaza residents grew, and accordingly, international legitimacy for continuing the war gradually eroded. Added to this were allegations of violations of international law, disproportionate use of force, war crimes and even crimes against humanity.

Statements by ministers and coalition members, alongside the increase in violence by Jews toward Palestinians in Judea and Samaria, also exacerbated criticism of Israel worldwide. In the absence of consistent disavowal on the part of the political echelon, these statements were in some cases perceived as an expression of Israel's official policy and exacerbated doubts regarding its commitment to liberal-democratic values and a future political solution.

The war illustrated the gap between military success and political achievement. Israel demonstrated impressive operational and intelligence superiority and significantly damaged the capabilities of Hamas, Hezbollah, and Iran. However, these achievements have not yet been translated into shaping a new regional order or sustainable political arrangements. From the perspective of a large part of the international community, the central question is no longer whether Israel succeeded militarily, but whether it is capable of proposing a political framework that will ensure long-term stability in Gaza, Lebanon, and in the entire region.

At What Cost?

Israel's shrinking international legitimacy is not expressed only in sharper political criticism, but also in a gradual reduction of Israel's room to maneuver.

As the understanding deepened that the war was not accompanied by a clear political strategy, political and legal pressures grew, initiatives for recognition of a Palestinian state expanded, proceedings in international legal institutions intensified, and the willingness of certain countries to grant Israel automatic support diminished.

The Bottom Line

The war illustrated that military achievements, impressive as they may be, do not guarantee lasting political legitimacy. In the eyes of a large part of the international community, the decisive question is no longer how Israel exercises its power, but whether it is capable of presenting a political vision that translates the achievements of the war into reality.

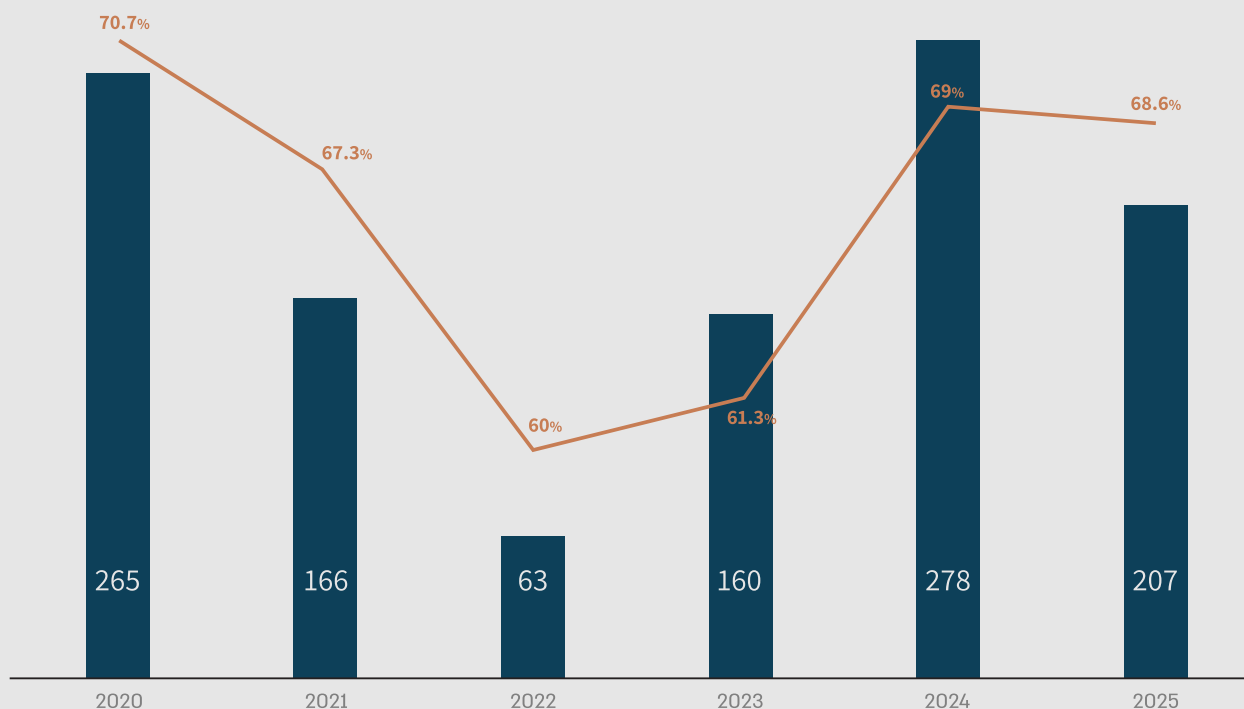
Economic Strength: Impressive Resilience, Future Challenges

As the evidence attests, the Israeli economy demonstrated extraordinary resilience during the three years of war. The economy continued to function, avoided a prolonged recession, and maintained its growth capacity even under multi-arena war conditions. However, resilience is not equivalent to prosperity. Beyond the macro data lies a deep structural shift: a continuous increase in the defense expenditure burden, erosion of fiscal maneuverability, and stagnation in the standard of living. Therefore, the central question is not whether the economy survived the war, but what the price of this achievement is and what its implications will be for Israel's national security in the coming years.

Debt Issuance and Debt-to-GDP Ratio in Israel, 2020–2025

■ Debt issuance (in billions of shekels)

— Debt-GDP ratio (as a percentage)



Source: Bank of Israel report

Immediately Prior to October 7

On the eve of the war, the Israeli economy enjoyed strong macroeconomic fundamentals. The economy grew at an average rate of about 3% per year, the debt-to-GDP ratio stabilized around 60%, and fiscal policy was characterized by high budgetary discipline, which allowed the government to direct resources toward civil investments and growth engines.

The defense budget, although high compared to most OECD countries, constituted only about 4% of GDP—a rate considered low compared to that recorded in previous decades. This situation enabled a balance between security needs and investment in infrastructure, education, health, and innovation, and granted the economy flexibility to deal with future shocks.

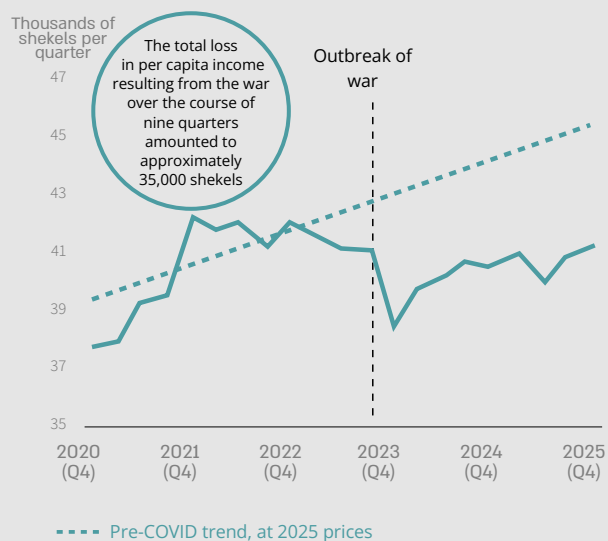
Over 9 quarters, the war resulted in a cumulative loss of approximately NIS 175 billion—equivalent to about 8.5% of annual GDP

Actual GDP vs. trend

Seasonally adjusted, at constant 2025 prices

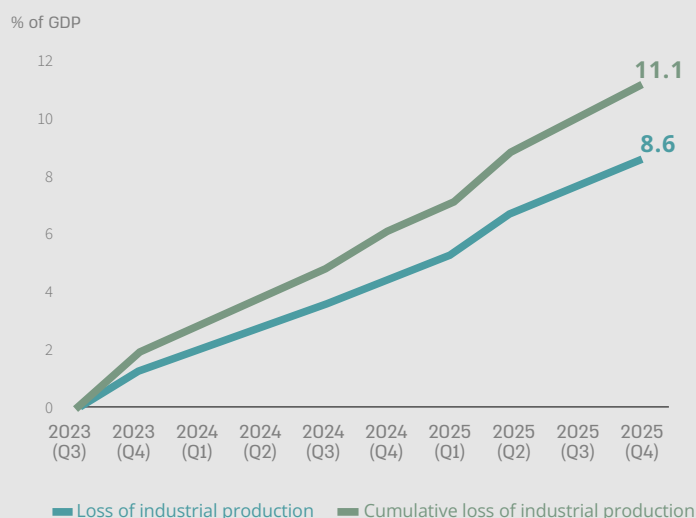


National income per capita from civilian activity



Cumulative loss in GDP due to the war

Seasonally adjusted, constant prices



Source: Bank of Israel report

What Changed?

Despite the initial shock caused by the war, the Israeli economy demonstrated impressive resilience. Following the sharp contraction in the last quarter of 2023, the economy returned to growth and did not enter a technical recession throughout the years of fighting. It thereby demonstrated its resilience and its ability to continue functioning even in a reality of a prolonged war on several fronts. Concurrently, Israel maintained access to capital markets and its ability to raise debt, even during a period of insecurity and economic uncertainty. This stability allowed the government to finance the needs of the fighting and prevent a broad financial crisis.

In this sense, the three years of war illustrated the structural strength of the Israeli economy and its ability to absorb exceptional shocks without becoming unstable.

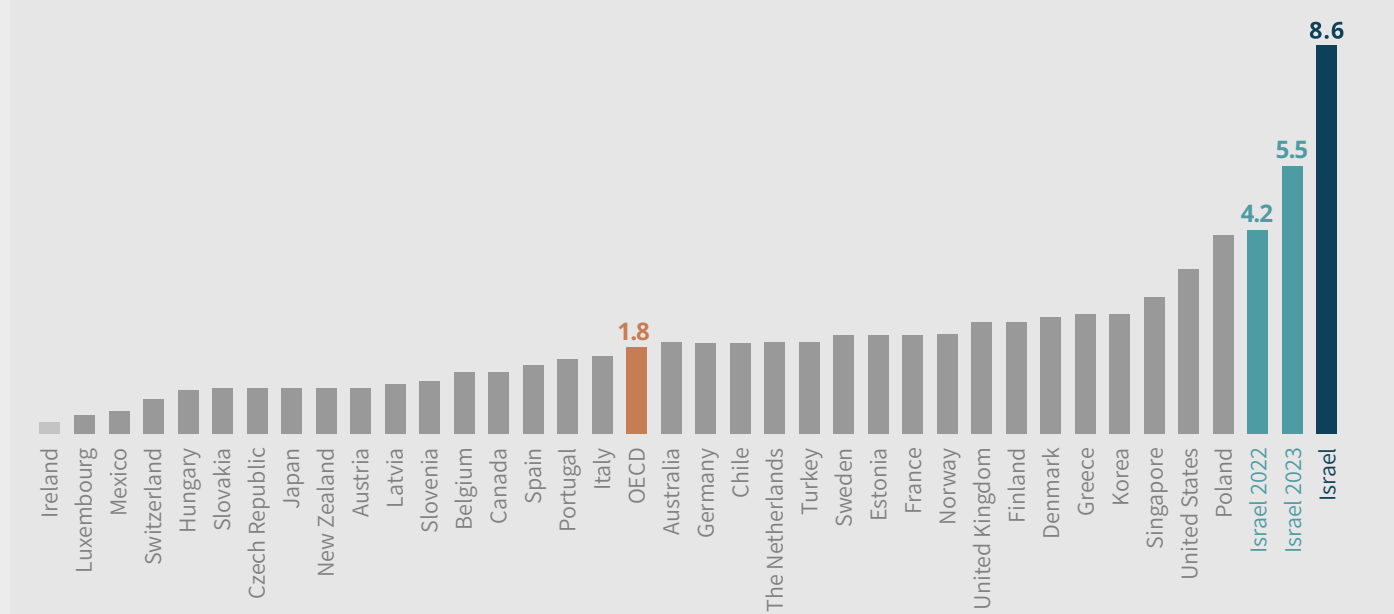
At What Cost?

Economic resilience was achieved at a cumulative price that continued to rise throughout the years of war.

First, although the overall GDP continued to grow, GDP per capita barely changed. During these years, the rate of demographic growth in Israel offset economic growth, and therefore the standard of living of citizens effectively stagnated for nearly three years. According to Bank of Israel estimates, in the civilian realm, this translates to a cumulative loss of about 35 thousand shekels per citizen over nine quarters of fighting (this index does not include the first quarter of 2026 and the economic consequences of Operation “Roaring Lion”), relative to the growth trajectory that was expected on the eve of the war.

Defense spending as a share of GDP in OECD countries

As a percentage of GDP, 2024



Source: Bank of Israel Report

Second, a marked erosion occurred in Israel's fiscal position. The debt-to-GDP ratio rose by about 9 percentage points, the deficit target was breached again and again, and credit rating downgrades increased the cost of future debt raising and reduced the government's budgetary flexibility for the coming years.

Finally, a deep shift occurred in national priorities. The defense budget nearly doubled and reached more than 8% of GDP. This shift does not reflect only the costs of the current war, but indicates a transition to a new budgetary structure, within which a growing share of national resources is directed to defense, unavoidably at the expense of long-term investment in the economy's growth engines and in civilian services.

The Bottom Line

Compared to immediately prior to October 7, the Israeli economy demonstrated a higher level of resilience than expected. It continued to grow, maintained financial stability, and succeeded in financing a prolonged war without deteriorating into a macroeconomic crisis.

However, this achievement comes at a significant price. The continuous rise in the security burden, the erosion of the fiscal position, and the stagnation in the standard of living reduce the government's room to maneuver and may impair the economy's growth capacity over time. Therefore, it can be said that the ability of Israel's economy to survive was strengthened and passed the test, but the foundations of future prosperity were eroded to a degree that requires a change in economic policy with the end of the war.

Societal Resilience: Solidarity When Put to the Test Alongside Deepening Internal Division

Immediately Prior to October 7

In March 2023, the Institute for National Security Studies published a strategic warning titled: “The internal rift due to the advancement of the judicial reform threatens Israel's national security.” It stated that “the continuation of the move will severely harm societal resilience, the spirit of the IDF and its functioning; will reduce Israel's ability to deal with its enemies, and to continue to win the support of its friends, chief among them the United States, and will damage its economic stability, particularly in high-tech.” During the six months that passed from the publication of the warning until October 7, this situation worsened.

Immediately prior to October 7, Israeli society was in the shadow of a deep internal divide, which manifested in political paralysis (five election rounds in less than four years); controversial moves by the coalition and in particular efforts to bring about fundamental changes in the balance between the branches of power and a full-scale attack by senior government officials on the judicial system and senior officials in the public service, including the top brass of the IDF; continuous and powerful social protests against these moves by the coalition, during which the issues of military service and reserve military service were placed on the agenda as leverage in the socio-political debate; and the weakening of trust in the various institutions of the state and democracy.

What Changed?

In the first months after October 7, the socio-political disputes were pushed aside by the shock caused by the security failure and the massacre, and the war against Hamas in the Gaza Strip received full legitimacy from all sides. Disagreements did arise regarding the tension between two declared war goals—defeating Hamas and releasing the hostages—along with a demand that those responsible for the failure pay the price. In addition, anger at the Ultra-Orthodox population that does not serve in the army reached new heights. Yet, in a survey conducted by the Institute in April 2024, 61% of respondents expressed optimism that Israeli society will recover and grow from the crisis. About half of the respondents even said that in their opinion, social solidarity strengthened or strengthened greatly after October 7.

However, as the war progressed, the political dispute around national identity in Israeli society was reignited with full force through attacks by the political echelon on the military echelon and on the judicial system, alongside a growing feeling that the war's goals were not being achieved and decision-making considerations were becoming political (in the Institute's survey in July 2026, 56% of respondents said they did not agree with the claim that the government's considerations in leading the war were primarily security-related and not political).

The upcoming elections, which will be held in late October 2026, will be marked by unprecedented political polarization, which casts doubt on the possibility of establishing a stable coalition regardless of their results. Furthermore, between 12% (a “Kan” survey from August 2026) and 23% (Times of Israel, July 2026) of respondents declared that the election results might even lead them to consider leaving the country. Migration balance data over the past three years indicate an unprecedented low, mainly among academics—and for the first time in decades, a significant surplus of emigrants from Israel relative to new immigrants to the country was recorded.

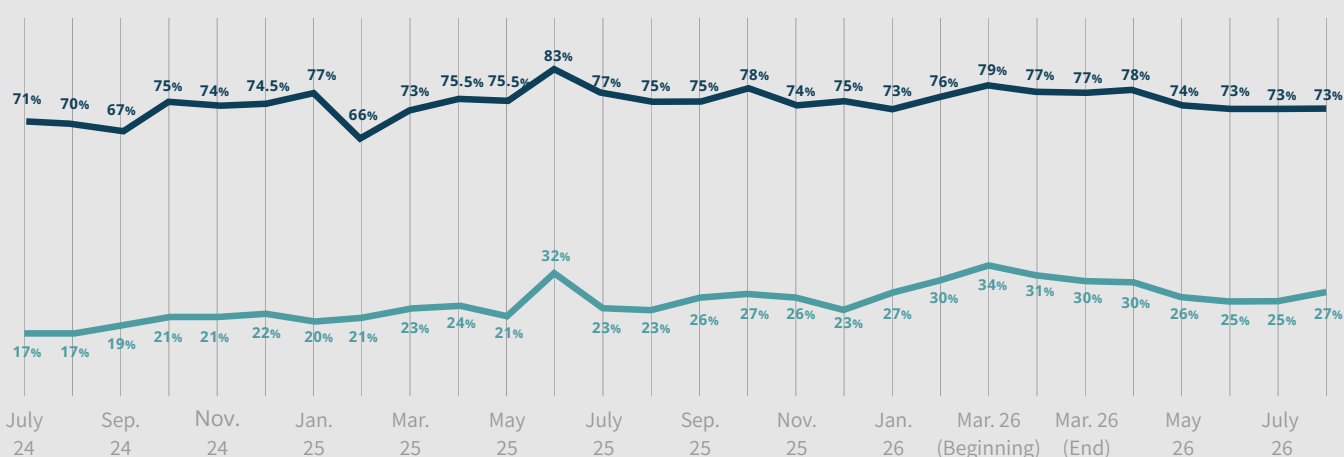
At What Cost?

The price of the internal rift to Israel’s resilience and prosperity is high, immediate, and likely difficult to tackle. The lack of trust in institutions and in the democratic process fuels a culture of lawlessness and social alienation. Concern for the state’s future is already driving an emigration of human and economic capital beyond its borders. The rift between sectors in society weakens the model of the people’s army and makes it difficult to mobilize resources for practical solutions to social problems, such as crime and violence in Arab society. The continuation of this trend, combined with political instability and the undermining of Israel’s democratic character, could result in the eruption of violent clashes between groups in society—scenarios that were defined by the public (in a July 2026 INSS study on the topic of existential threats to Israel) as the most threatening of a variety of external threats and other internal challenges.

Percentage of respondents expressing a great deal or a fair amount of trust in institutions

(as a percentage of the total sample)

— IDF — Government of Israel



Source: INSS survey, September 2026

The Bottom Line

After three years of war, when not even one of the arenas of combat has resulted in a stable solution or agreement, the internal Israeli landscape emerges as requiring particularly fundamental repair. This would require political stability and unifying leadership, both of which are highly doubtful in the context of the October 2026 elections and their likely results.

The Palestinian Arena: Military Achievements in the Absence of a Strategic Horizon

In the Israeli-Palestinian arena, the gap between military achievements and strategic stagnation is most evident. Three years of fighting fundamentally changed the reality in the Gaza Strip, in Judea and Samaria, and in the system of relations between Israel and the Palestinians. Israel severely damaged Hamas and increased its security control both in the Strip and in Judea and Samaria, while expanding its freedom of action militarily. But at the same time, the possibility of establishing a governance alternative in the Gaza Strip was undermined, the Palestinian Authority continued to weaken, the Palestinian issue returned to the center of the regional and international agenda, and Israel's scope for political maneuver was reduced. The changes in the Palestinian arena therefore reflect significant security achievements alongside an exacerbation of strategic and political challenges.

Immediately Prior to October 7

On the eve of the war, Israel's policy was focused around "conflict management." Hamas' rule in the Gaza Strip was recognized *de facto*, while Israel attempted to restrain the organization through economic incentives, work permits in Israel, and improvement of living conditions, alongside maintaining the separation between Judea and Samaria and the Strip. In Judea and Samaria, a policy of "mowing the lawn" was conducted, alongside limited security cooperation with the Palestinian Authority and a simultaneous process of expanding Israeli settlements and deepening Israel's hold of Area C.

Regional assessments held that it would be possible to expand the "Abraham Accords" and even advance normalization between Israel and Saudi Arabia, without advancing a significant political process toward a settlement in the Palestinian arena.

What Changed?

The Swords of Iron war generated a profound change in the security reality and in Israeli security strategy. From a policy of containment and conflict management, Israel moved to an attempt to decide the conflict by force, unilaterally, and without any parallel political steps.

In the Gaza Strip, most of Hamas' organized military capabilities were dismantled, and the IDF achieved extensive security control over large parts of the area. Concurrently, Israel adopted a new security concept based on continuous control of security spaces, demilitarization of the Strip, and prevention of the possibility of a renewed establishment of terrorist organizations in its territory.

In Judea and Samaria too, the security concept changed. The IDF expanded its freedom of action, deepened its presence and operational control on the ground, and in some cases adopted patterns of action reminiscent of the combat methods that developed in the Gaza Strip in recent years. The concept of “absolute security” gradually replaced that of “containment,” which had characterized policy and operational conduct in the years preceding the war. Thus, the pursuit of exclusive Israeli sovereignty west of the Jordan River was accelerated, eliminating any possibility of establishing a Palestinian state in the future, and dismantling the Palestinian national system into local sub-administrations (“cantons”).

In parallel, the settlement enterprise and the construction of outposts in Judea and Samaria expanded significantly, as part of a policy seeking to reshape the reality on the ground, establish territorial facts, and strengthen the Israeli hold there. In Israeli discourse, legitimacy grew for the encouragement of Palestinian emigration from the Gaza Strip and from Judea and Samaria, for the expulsion of communities from their places of residence, and for Jewish terror events as an effective tool for taking over Area C—this, alongside a growing recognition by the Israeli media of the threat this phenomenon poses to Israel. The moves on the ground are consistent with government policy—which is to impose a de facto solution. The purpose of this policy is to suppress Palestinian national aspirations.

At What Cost?

Alongside the military achievements, a series of new strategic challenges was created.

Despite the severe damage to Hamas, a stable organizational-governance alternative has not yet been formulated in the Gaza Strip. The organization continues to operate, rebuild governance hubs, and maintain influence over the population, while Israel struggles to formulate a mechanism to replace it over the long term.

The Palestinian Authority has weakened even further while Israel continues to compound its challenges. Its economic and political situation deteriorated, and it struggles to function both as an effective governing body in Judea and Samaria and as a possible alternative for rule in the Gaza Strip.

At the same time, a significant shift occurred in the regional and international arena: the Palestinian issue, which was pushed to the margins of the agenda on the eve of the war, returned as a central condition for political progress within any regional move. The possibility of expanding normalization with Arab countries, and especially with Saudi Arabia, is currently linked directly to progress on a political track with the Palestinians.

Finally, the processes of expanding Israeli settlements in Judea and Samaria, and particularly the rise in the number of outposts and the intensification of violence by extreme Jewish elements on the ground, deepen and exacerbate international criticism toward Israel, harm its legitimacy, and increase the risk of expanding its political isolation.

The Bottom Line

Compared to immediately prior to October 7, Israel has significantly improved its military position in the Palestinian arena. Hamas has lost most of its organized military power, the IDF's operational freedom of action has expanded, and Israeli security control has been strengthened both in the Gaza Strip and in Judea and Samaria.

However, on the overall strategic level, the picture is more complex. The absence of a governance alternative in the Gaza Strip, the weakening of the Palestinian Authority, the deepening of Israeli control over the Palestinian population, and the return of the Palestinian issue to the center of the regional and international agenda—all of these intensify pressure on Israel to take the political initiative or join such an initiative. Although the war undermined the concept of “conflict management,” an alternative strategic concept has not yet developed that would allow Israel to leverage its military achievements into a more stable political and security reality.

Iran and the Shiite Axis: Unprecedented Damage to Capabilities, No Change in Strategic Objectives

Three years of war saw the most significant change known to Iranian strategy since the “axis of resistance” concept was formed. Israel succeeded in inflicting severe damage on many of the power assets Iran had built over decades—from its proxies in the region, through the missile program, to its nuclear infrastructure. However, Israel’s achievements have not yet generated a fundamental change in the overall strategic goals of the Islamic Republic. Iran continues to view Israel as its chief rival, acts to rebuild its capabilities and those of its proxies, and demonstrates growing willingness for direct confrontation and progress toward a military nuclear capability.

Immediately Prior to October 7

Iran’s security concept on the eve of the outbreak of war rested on three central foundations:

“**Ring of fire**”—a regional network of proxies that included Hezbollah, Hamas, the Shiite militias in Iraq, the Houthis in Yemen, and its foothold in Syria. Its purpose was to deter Israel, enable multi-arena pressure, and keep direct confrontation far from Iranian soil.

Continued position as a nuclear threshold state—this accelerated following President Trump’s withdrawal in 2018 from the nuclear agreement signed in 2015, while avoiding a breakout to a nuclear weapon (it was estimated that Iran could reach breakout material within less than two weeks, given a decision), alongside the continued development of missile and UAV arrays. The IDF Intelligence Directorate’s assessment was that within four years Iran would possess more than 8,000 advanced missiles. These capabilities were not activated against Israel until the first Iranian attack against it, in April 2024.

Improvement of Iran’s regional standing—reflected, among other things, in the renewal of relations with Saudi Arabia and in the deepening of its influence in the Middle East.

What Changed?

The war significantly damaged the components of power on which Iran relied.

Many assets of the “axis of resistance” were eroded: Hamas lost most of its military power, the Assad regime in Syria collapsed, and Hezbollah suffered a severe blow that weakened one of Iran’s central deterrence mechanisms.

The strategic capabilities of the Islamic Republic were also damaged. The nuclear program was set back following damage to enrichment facilities and additional relevant infrastructure, and the missile industry was severely damaged.

The deepest change was conceptual: Iran shifted from almost exclusive reliance on proxies to direct military confrontation against Israel by means of missiles and UAVs. In this, one of the central principles of the Iranian security concept was broken.

At What Cost?

Alongside the damage to capabilities, several trends were reinforced that increase a future threat.

The new leadership of Iran is characterized by a more aggressive approach and a heightened willingness to take risks relative to its predecessor (Khamenei senior), and doubt exists regarding its commitment to his relatively cautious nuclear doctrine. Specifically in the wake of the war, Iran's motivation to achieve military nuclear capability strengthened. Iran perceives such a capability as the sole deterrence measure expected to prevent future attacks on the Islamic Republic.

In addition, despite the weakening of the "axis of resistance," Iran continues to invest in rebuilding its proxies and deepening its control over them. Even if the axis' power decreased, it is still a central component in Iranian strategy.

Even after the rounds of confrontation with Israel and the United States, Iran retains an estimated 440 kg of enriched uranium. Despite the erosion of ballistic capabilities, Iran retains more than 1,500 precise and advanced missiles.

Domain	Immediately Prior to October 7, 2023	October 2026
Nuclear	Iran is a nuclear threshold state, a short step from initial military nuclear capability (given a political decision).	The nuclear program has been set back, yet remains with advanced capabilities, mainly in the field of enriched material, alongside growing motivation for a breakout to a weapon.
Missiles	Development of advanced capabilities at a rapid pace and improving missile precision.	Erosion of missile production capabilities alongside an existing arsenal of approximately 1,500 advanced and precise missiles.
Proxies	Establishment of a "ring of fire" around Israel with significant military capabilities held by Hezbollah and Hamas, an Iranian infrastructure in Syria, and growing influence in Judea and Samaria.	Significant damage to Hezbollah and Hamas capabilities, increased internal pressures on pro-Iranian militias, loss of strategic depth in Syria. However, the axis' capabilities were not destroyed and Iranian commitment to the components of "the axis" remains intact.
Regime Stability	Recovery from the 2022–2023 protest wave and a series of internal crises with no significant threat to regime stability.	Particularly significant economic crisis, leadership crisis in the wake of operation "Roaring Lion," still without a noticeable immediate threat to regime stability.

The Bottom Line

Compared to the eve of October 7, Israel has significantly improved its military position against Iran. Key power assets of the Islamic Republic have been eroded, its strategic capabilities have been damaged, and the “ring of fire” concept suffered a severe blow.

However, the damage to capabilities has not yet led to a change in intentions. Iran continues to strive to rebuild the axis, to sustain the confrontation with Israel, and to achieve a military nuclear capability. Therefore, even in light of the impressive military achievements, their stability depends on the ability to prevent the restoration of Iranian power in the coming years.

The Lebanese Arena: A Strategic Opportunity

Of all the arenas of combat, Lebanon emerges as the one in which the most significant change occurred to the benefit of Israel's security. Hezbollah, which was considered on the eve of the war as the most severe military threat to Israel, has lost a considerable amount of power, has been moved away from the northern border, and is also politically weakened. At the same time, a new leadership arose in Lebanon, demonstrating a willingness to limit the organization's power and even advance dialogue with Israel. This, despite the fact that a fundamental change has not yet been consolidated in the security and political reality regarding Hezbollah and in the Israeli-Lebanese arena in general.

Immediately Prior to October 7

Hezbollah on the eve of the outbreak of the war was the dominant factor in Lebanon both militarily and politically. The organization possessed a considerable military force, de facto controlled the decision-making hubs in the country, and even succeeded in preventing the establishment of governing institutions that did not align with its particular interests.

At the same time, Israel faced a continuous threat of a large-scale raid on northern communities by Hezbollah forces, while the balance of mutual deterrence prevented both sides from deteriorating into an all-out war.

What Changed?

Hezbollah's decision to join the fighting after October 7 led to a dramatic change in its status.

The organization lost a significant portion of its leadership, its military capabilities, and its vital infrastructure, and was de facto distanced from the Israeli border. The IDF established a presence in the buffer zone and thus substantially improved the security of the northern communities. During the third year of the war, on March 2, 2026, despite its relative weakness, Hezbollah joined the confrontation with Israel in the service of Iran. This decision illustrated its commitment to fight for Tehran's interests despite its military and political weakness, and pushed the Lebanese government to advance toward direct talks with Israel through American mediation.

A change also occurred in the Lebanese political system. A new president was elected, a government not affiliated with Hezbollah was established, and direct dialogue began for the first time between Israel and Lebanon through American liaison.

In many respects, a groundbreaking window of opportunity was created to shape a new security and political reality on the northern border and in relations between Israel and Lebanon.

At What Cost?

Hezbollah was significantly weakened, but not defeated. Despite the deepening of the ground maneuver and the IDF's establishment in southern Lebanon, the organization continues to possess weapons, enjoys Iranian backing, and acts to rebuild its capabilities. In parallel, Hezbollah threatens to foil the political talks with Israel in order to stop the Lebanese government from taking steps that might reduce the organization's power in the country.

From Israel's perspective as well, significant challenges remain. The IDF's presence in southern Lebanon places a long-term, extra burden on forces and increases their exposure to threats, while the success of any agreement depends on the ability of the Lebanese government and the Lebanese army to confront Hezbollah, a task whose achievement remains in doubt.

The Bottom Line

Compared to immediately prior to October 7, Israel's strategic position in the Lebanese arena has improved greatly. The immediate threat to northern communities has decreased, Hezbollah has been weakened, and a rare window of opportunity has opened to advance a political settlement.

However, the achievements are still reversible. As long as Hezbollah possesses weapons, relies on Iran's support, and maintains its influence in Lebanon, the risk remains that the opportunity created will not be translated into permanent strategic change. The primary challenge facing Israel is no longer defeating Hezbollah on the battlefield, but realizing its military achievements through a diplomatic settlement that ensures a stable reality over the long term.

Summary and Policy Recommendations

Three Years After October 7: What Has Changed in Israel's National Security Balance?

As it enters its fourth year since the October 7 attack, Israel presents a complex strategic picture that cannot be described solely through concepts of victory or failure.

On the one hand, Israel demonstrated unprecedented military and technological superiority during the war. It inflicted significant and comprehensive damage on Hamas, Hezbollah, Iran, and other central components of the pro-Iranian axis; expanded its military freedom of action; and demonstrated impressive operational capabilities in all arenas of combat.

On the other hand, these achievements have not yet been translated into a more stable strategic reality. The war continues, Israel's political room to maneuver has been reduced and its international standing severely damaged, while risks of isolation and the imposition of sanctions have grown, and the process of its regional integration has been halted. Meanwhile, reliance on the American administration has increased, the economic and security burden has escalated, and along with it, engines of growth and the standard of living have been eroded.

Therefore, the central question is not whether Israel won on the battlefield, but whether and to what extent it succeeded in leveraging its military achievements for a lasting improvement in its national security.

The Overall Balance

Five main conclusions emerge from the analysis:

Israel's military position has improved very significantly.

The IDF proved impressive operational superiority, realized its maneuvering capability, severely damaged its enemies' capabilities, and expanded its freedom of action in the various arenas.

The military gains have not yet been fully translated into long-term strategic achievements.

In most arenas, stable security regimes have not yet been established and sustainable political arrangements have not been achieved; therefore, some of the achievements are liable to erode over time.

In parallel with the strengthening of military power, other national security assets were eroded.

Dependence on the United States deepened; Israel's international legitimacy was eroded; the security burden on the economy grew; and Israeli society continues to bear the cost of a prolonged war.

The strategic concept that characterized Israel on the eve of October 7 collapsed.

The assumption that security could be ensured through deterrence, military superiority, and conflict management in the Palestinian arena without a complementary political process was proved wrong.

The war suspended the internal divisions, but did not resolve them.

The solidarity that arose after October 7 temporarily ameliorated the root conflicts in Israeli society, but as the war progressed, they returned and even worsened. The socio-political divide, the decline in trust in institutions, and the dispute surrounding the sharing of the burden are not merely internal challenges: they harm national resilience and affect all dimensions of Israel's power.

Policy Recommendations

1. Translate military achievements into political arrangements

Military force must be viewed as a tool to shape a new reality.

In the Gaza Strip, a governance alternative to Hamas should be advanced; in Lebanon, the window of opportunity that opened for a settlement should be exhausted; and in the remaining arenas, a broad political process should be formulated on the basis of the military-security conditions created during the war. Israel must be careful not to miss an opportunity to formulate a security arrangement with Syria.

2. Renew regional integration initiatives

The war illustrated that it is no longer possible to sever the connection between the Palestinian arena and the regional system, even if this involves establishing new regional alignments that are not necessarily comfortable for Israel.

Israel must formulate a policy that will allow the renewal of normalization processes and contribute to strengthening regional partnerships, particularly with moderate Arab countries.

3. Rebuild political assets

The alliance with the United States remains Israel's most important national security asset.

Alongside the deepening of security cooperation, effort must be made to rebuild bipartisan support in the United States, to strengthen Israel's international legitimacy, and to expand its political leeway. Israel must treat with utmost seriousness the need to rebuild relations with peace partner countries (Egypt and Jordan) as well as with Western European countries and the European Union in particular. In addition, Israel must place special emphasis on and allocate resources to public diplomacy (Hasbara) efforts and the attempt to restore its standing in the international arena.

4. Redirect the economy from an emergency model to a growth trajectory

The Israeli economy proved extraordinarily resilient, but at a heavy cumulative price.

A new policy must be adopted to balance security needs with preserving engines of growth, reducing the deficit, and returning the economy to a long-term growth trajectory.

Three years after the October 7 attack, Israel is militarily stronger than it was on the eve of the war, but does not yet enjoy more stable national security.

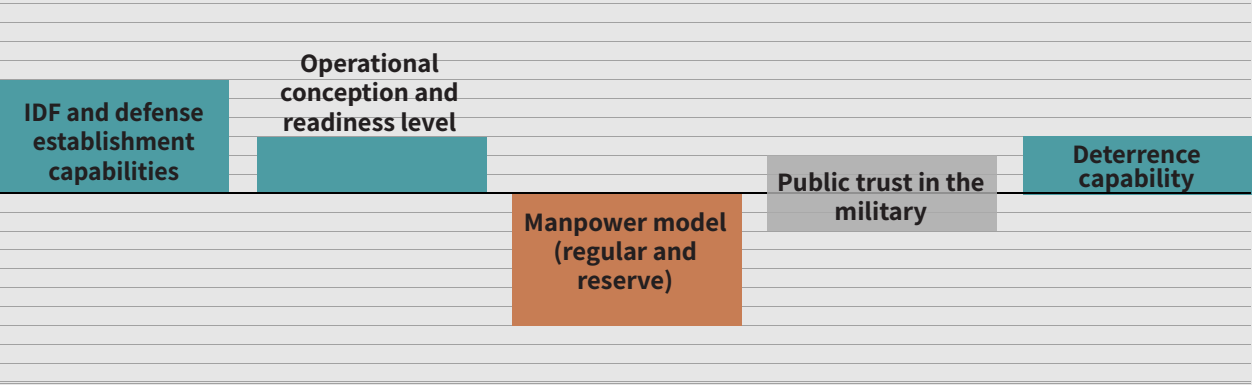
The achievements of the war will be measured not only by the severity of the damage inflicted on Israel's enemies, but primarily by its ability to translate them into a political, regional, and economic reality that will ensure its long-term security and prosperity.

A Comparison of the Situation Immediately Prior to October 7 and Today (October 2026)

Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
National Security Foundations				
Military Power	IDF and Defense Establishment Capabilities	Focus on the advanced technological and operational capabilities of the Air Force and the intelligence community	Continuous, sophisticated warfare that combines intelligence and combat, air and technological superiority from Beirut to Tehran, and an effective defense array that reduced damage to the home front	Positive Technological and operational superiority through unprecedented, sophisticated, combined fire and intelligence capabilities
	Operational Conception and Readiness Level	Concept of “multi-dimensional battle” untested; neglect of the readiness of ground forces; and reluctance to launch any significant ground maneuvers	Prolonged war contrary to the classic security concept. A return to a broad, combined ground maneuver. However, there is also an erosion of readiness and equipment. Operational achievements dissipate in the absence of a decisive outcome or settlement strategy	Strategically Limited Restoration of maneuvering capability and readiness of ground forces, without translation into stable political achievements
	Personnel Model (Regular and Reserve)	The ground forces are worn down by policing and security missions in Judea and Samaria, the IDF was harmed by the political-social upheaval around the judicial reform	The IDF is stretched to the limit of its capacity (“threat of internal collapse”), with fatigue and shortages in regular and reserve formations	Negative and Severe Severe damage to the reserve model and risk of operational overstretch
	Public Trust in the Military	Military and reserve service stand at the heart of the public dispute around the judicial reform	Consistent trust in the IDF, alongside overt tension between the political and military echelons and growing public doubt regarding the utility of fighting to advance security	Mixed Firm basic trust in the military, alongside a deepening rift with the political echelon and erosion of trust in the war’s purpose
	Deterrence Capability	Severe erosion. Perception of Israel as weakening and reluctant to deploy ground forces encouraged Hamas and Hezbollah to plan an invasion and seek a decisive outcome	Severe damage to the enemy’s capabilities but not to its intentions. Iran and its partners draw encouragement from Israel’s isolation and its internal disputes	Positive yet Fragile Inability to restore stable strategic deterrence despite the demonstration of impressive offensive power and the reduction of enemies’ capabilities

October ‘23 vs. October ‘26

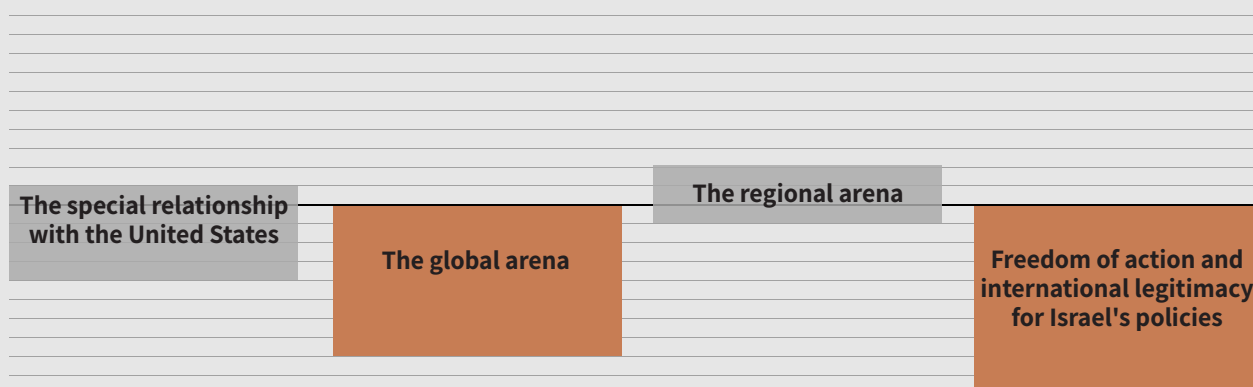
Changes in components of military power relative to October 6, 2023



Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
National Security Foundations				
Political Power	Special Relationship with the United States	Firm security alliance and stable aid, alongside tensions surrounding the judicial reform and the beginning of erosion in bipartisan support	Unprecedented operational cooperation and security backing, but at the cost of deep dependence on resources and coordination, reduction of freedom of action, imposition of arrangements, and worsening political antagonism from both right and left	Volatile with Growing Risks Deepening of operational partnership and military dependence on the United States, alongside narrowing of freedom of action and weakening of the bipartisan political base
	Global Arena	Stable and expanding foreign relations in Asia, Africa, Latin America, and Europe, alongside friction with Western countries surrounding the Palestinian issue and the internal democratic crisis	Unprecedented trend of political isolation, proceedings and arrest warrants in international courts in The Hague, and growing boycotts in academia, culture, and the business sector	Sharply Negative Severe damage to international standing and acceleration of delegitimization; rise in antisemitism
	Regional Arena	Momentum of the “Abraham Accords” and contacts with Saudi Arabia, pushing the Palestinian issue to the margins of the international agenda	Return of the Palestinian issue to center stage, halting of public normalization alongside covert security partnership against Iran, deterioration of relations with Jordan and Egypt, and strengthening of Qatar and Turkey’s influence	Political Stagnation vs. Tactical Cooperation Tightening of covert regional security cooperation against Iran, alongside a rigid barrier to open normalization
	Freedom of Action and International Legitimacy for Israel’s Policy	Broad freedom of action in managing internal and security affairs and broad legitimacy on most national security issues, alongside moderate yet ongoing international criticism regarding the Palestinian issue. Perception of Israel as part of the liberal-democratic camp	Dramatic reduction of freedom of action due to the “internationalization” of foreign and security issues and absolute dependence on American backing and international constraints, alongside a partial arms embargo. Sharp erosion in legitimacy for the use of force, allegations of war crimes and violations of international law, and doubts in the West regarding Israel’s commitment to shared values	Sharply Negative Shift from dependence mainly on resources and aid to deep dependence on political coordination, joint management of the campaign, and restriction of movement. Collapse of the “conflict management” approach, severe damage to value-based reputation, and rise in delegitimization

October ‘23 vs. October ‘26

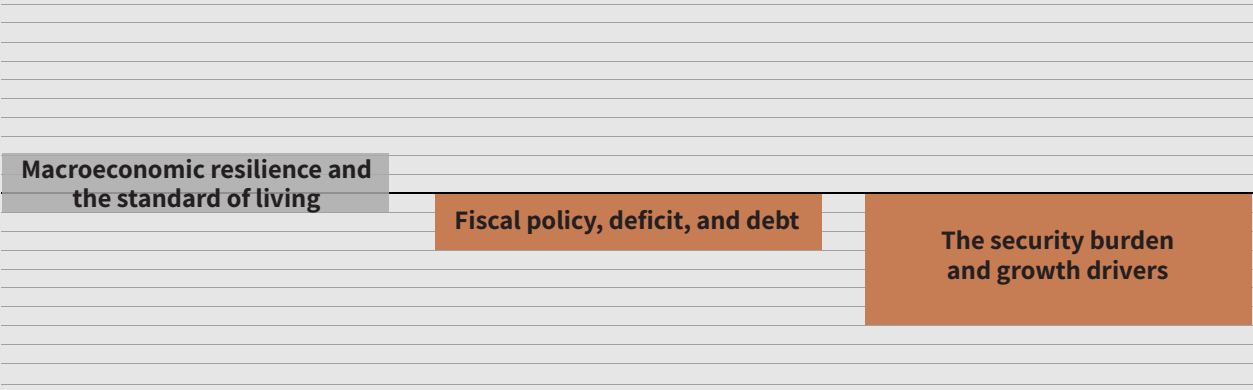
Changes in components of political power relative to October 6, 2023



Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
National Security Foundations				
Economic Power	Macroeconomic Resilience and Standard of Living	Stable GDP growth (about 3% on average) and consistent improvement in the standard of living and individual welfare	Systemic resilience and prevention of a technical recession (growth of 1.0% in 2024 and 2.9% in 2025), but stagnation in per capita GDP and a cumulative loss of income of about 35 thousand NIS per citizen, on average	Mixed Impressive functional resilience of the economy that prevented a collapse, at the cost of persistent stagnation in the standard of living of the state's citizens
	Fiscal Policy, Deficit, and Debt	Notable fiscal discipline, very low deficit, and a stable debt-to-GDP ratio around 60%	Breaching deficit targets (around 5%), a surge in the debt-to-GDP ratio by about 9 percentage points, and consecutive credit rating downgrades that increase the cost of debt raising	Fiscal Erosion and Rising Risk Premium Loss of financial safety margins and a dramatic reduction of budgetary flexibility for decades ahead
	The security burden and growth drivers	Low defense expenditure (about 4% of GDP, about 63 billion NIS) that allowed extensive allocation of resources to infrastructure, education, and civilian growth engines	Doubling of the defense budget to more than 8% of GDP (over 150 billion NIS), which crowds out civilian spending (33% compared to 42% in the OECD)	Sharply Negative Permanent increase in defense costs at the expense of civilian services, weighing heavily on long-term prosperity and innovation potential

October ‘23 vs. October ‘26

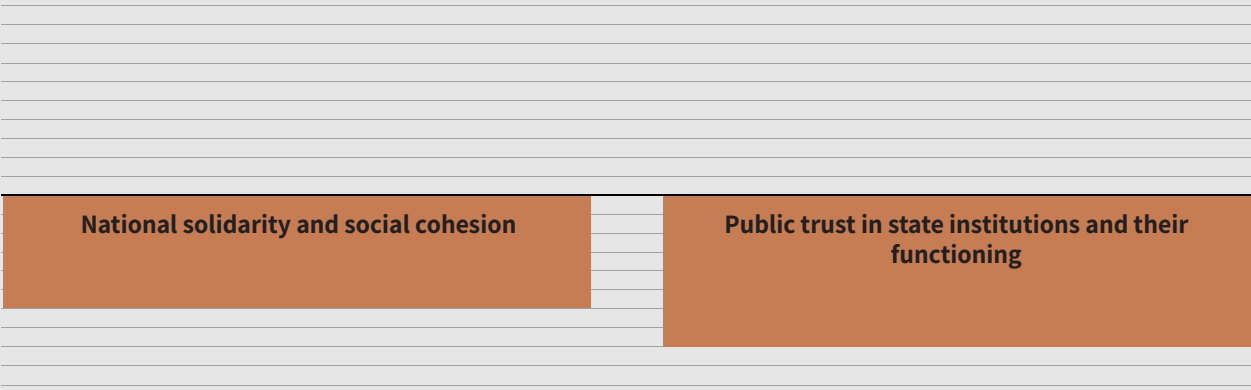
Changes in components of economic power relative to October 6, 2023



Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
National Security Foundations				
Societal Power	National Solidarity and Social Cohesion	Deep internal rift and polarization surrounding the judicial reform and the political crisis, political paralysis (5 election rounds), and a low point in society's solidarity indices	Temporary cohesion at the beginning of the fighting ("rallying around the flag") which was replaced by rapid erosion, the return of the political rift over national identity at high intensity, and politicization of consensual issues (such as the hostages issue, decisions on continuing the fighting, a commission of inquiry, burden-sharing, and Ultra-Orthodox conscription)	Negative: Deepening of the Rift Fading of the emergency cohesion effect, expansion of social polarization, and the definition of internal tension in the eyes of the public as a primary threat to the state
	Public Trust in State Institutions and Their Functioning	Sharp decline in trust in government institutions, alongside attacks by the political echelon on the civil service, the judicial system, and the IDF top brass	Deep crisis of trust in the political echelon and the purity of its considerations (about 56% of the public believe the considerations in leading the war are political). Trust in the IDF remains high but has diminished during the prolonged fighting, alongside acute and open tension between the political and military echelons	Severely Negative Deepening loss of trust in institutions and in decision-making, harm to governmental legitimacy, and undermining of relations between the political and security echelons

October '23 vs. October '26

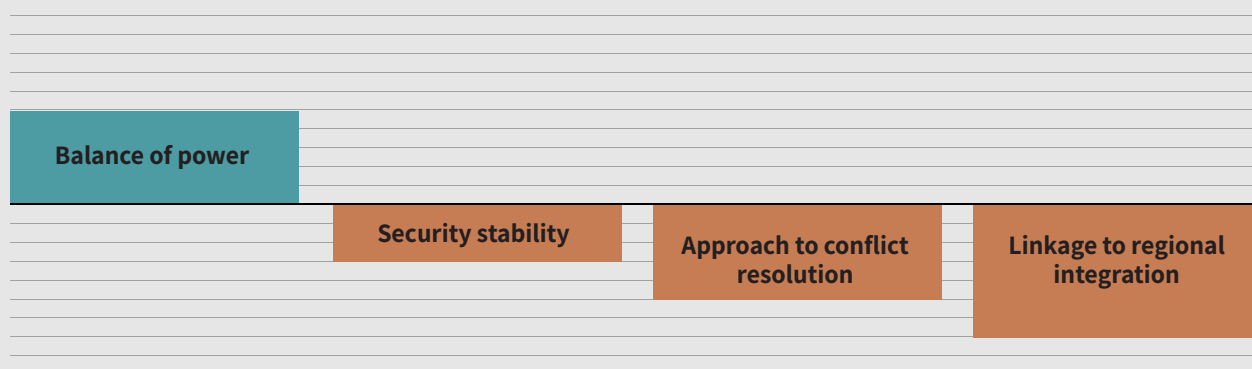
Changes in components of societal strength relative to October 6, 2023



Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
Primary Arenas of Confrontation				
The Palestinian Arena	Balance of Power, Rule, and Governance	Policy of differentiation and containment: maintaining Hamas rule in Gaza via finances and electricity leverage, to prevent the need for a comprehensive campaign and to weaken the PA in Judea and Samaria	The IDF controls 70% of the Strip following the dismantling of Hamas' military force. The PA is on the verge of economic collapse, while Hamas rebuilds local governance and capabilities in the absence of a governing alternative	Military Success vs. Governance Vacuum Military crushing of Hamas, alongside the absence of an agreed governing alternative for Gaza and the perpetuation of control over the population
	Security Stability	Border defense based on physical obstacles and a "quiet in return for quiet" policy. In Judea and Samaria – a "mowing the lawn" strategy and partial security coordination with the PA	Construction of forward security zones (perimeter) in enemy territory, transfer of combat methods from Gaza to Judea and Samaria, and a rise in Jewish terror violence that intensifies friction	Negative and Chronic Instability Transition from partial cooperation to direct military control and the adoption of high-intensity combat methods into Judea and Samaria
	Conflict Resolution Concept	Belief in "economic peace" and "conflict management" as a way to bypass political settlements. "Creeping annexation" in Judea and Samaria (125 settlements, 492,000 Israelis, 64 outposts and farms)	Ethos of "forever living by the sword" and a need for physical control over all Palestinians. "Accelerated annexation" and de-facto sovereignty (167 settlements, 519,000 Israelis, 321 outposts and farms)	Transition to Striving for "Decisive Outcome" Collapse of the containment concept and striving for a forceful decisive outcome, while reducing degrees of freedom for Palestinians and sliding into a one-state reality
	Linkage to Regional Integration	Assumption that regional normalization and contacts with Saudi Arabia could be advanced by completely bypassing the Palestinian issue with symbolic concessions	Rigid "package deal": regional normalization and economic corridors are conditional on laying out a path to a Palestinian state on the 1967 lines, which Israel refuses	Strategic Blockade The Palestinian issue returned to the center of the regional and international stage; the outline for any settlement became once again a rigid and impassable threshold condition for Israel's continued regional integration

October '23 vs. October '26

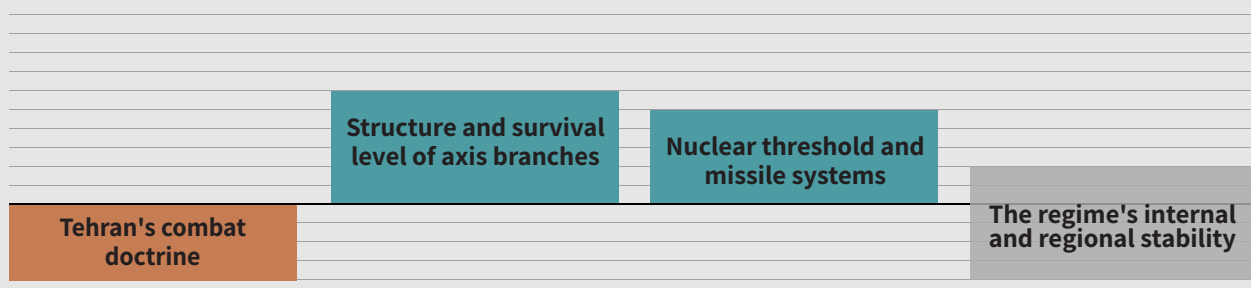
Changes in components of the Palestinian Arena relative to October 6, 2023



Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
Primary Arenas of Confrontation				
Iran and the Shiite Axis	Tehran's Combat Doctrine	Reliance on proxy warfare ("ring of fire"), covert capabilities, and cyber, while maintaining space for denial and distancing combat from its territory	Dramatic strategic shift; transition to direct, overt, and aggressive military confrontation against Israel (direct missile attacks, "Rising Lion," and "Roaring Lion")	Breaching Barriers and Frameworks Transition from indirect proxy confrontation to direct application of force and Iranian readiness to take broad risks
	Structure and Survival Level of Axis Proxies	Firm deterrent "ring of fire" around Israel (Hamas in Gaza, Hezbollah in Lebanon, Iran's foothold in Syria, and the axis in Iraq and Yemen)	Mortal blow to the axis: defeat of Hezbollah in the summer of 2024, severe damage to Hamas, and the collapse of the Assad regime (severing the logistical axis); nevertheless, residual capabilities are operated and rebuilt	Erosion of Capabilities Alongside Survival and Rehabilitation Efforts Severe strategic damage to Iran's proxy assets, but without their absolute defeat
	Nuclear Threshold and Missile Arrays	Nuclear threshold state (enrichment to 90% in less than two weeks), but deterred from breaking out to a bomb out of fear of confrontation; intensification of missile capacity without its deployment	Significant technical setback in enrichment capabilities ("Rising Lion") and missile production ("Roaring Lion"). However, in the absence of supervision, the impulse to break out to a weapon increased	Temporary Technical Setback vs. Heightened Breakout Impulse Physical damage to capabilities, alongside a dramatic rise in motivation to obtain a nuclear insurance policy
	The Regime's Internal and Regional Stability	Coping with internal legitimacy crises (2022–23 protests), alongside maintaining conservative cohesion under the leadership of Ali Khamenei and regional détente (Saudi Arabia)	Leadership change (the rise of Mojtaba Khamenei and the Islamic Revolutionary Guard Corps) led to a more radical, militant, and rigid line	Extreme and Bold Leadership Regime survival despite severe internal protests and the rise of a bold leadership willing to take risks

October '23 vs. October '26

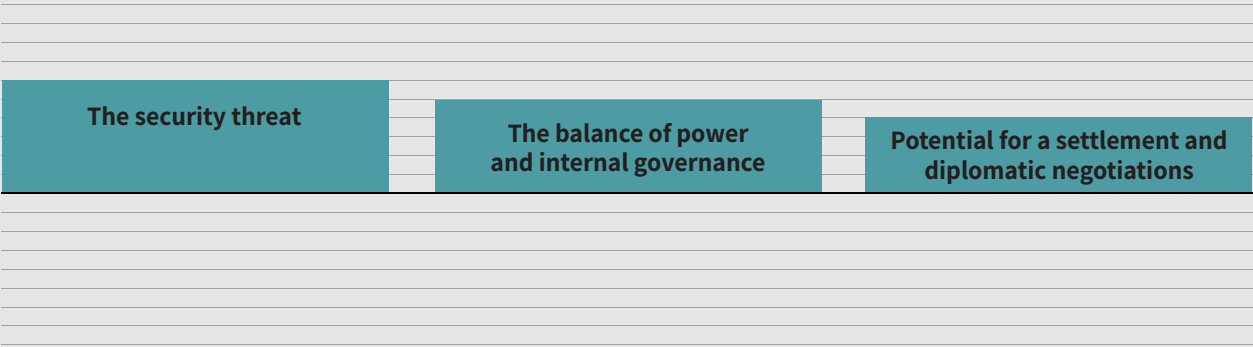
Changes in components of the Iranian arena and the Shiite axis relative to October 6, 2023



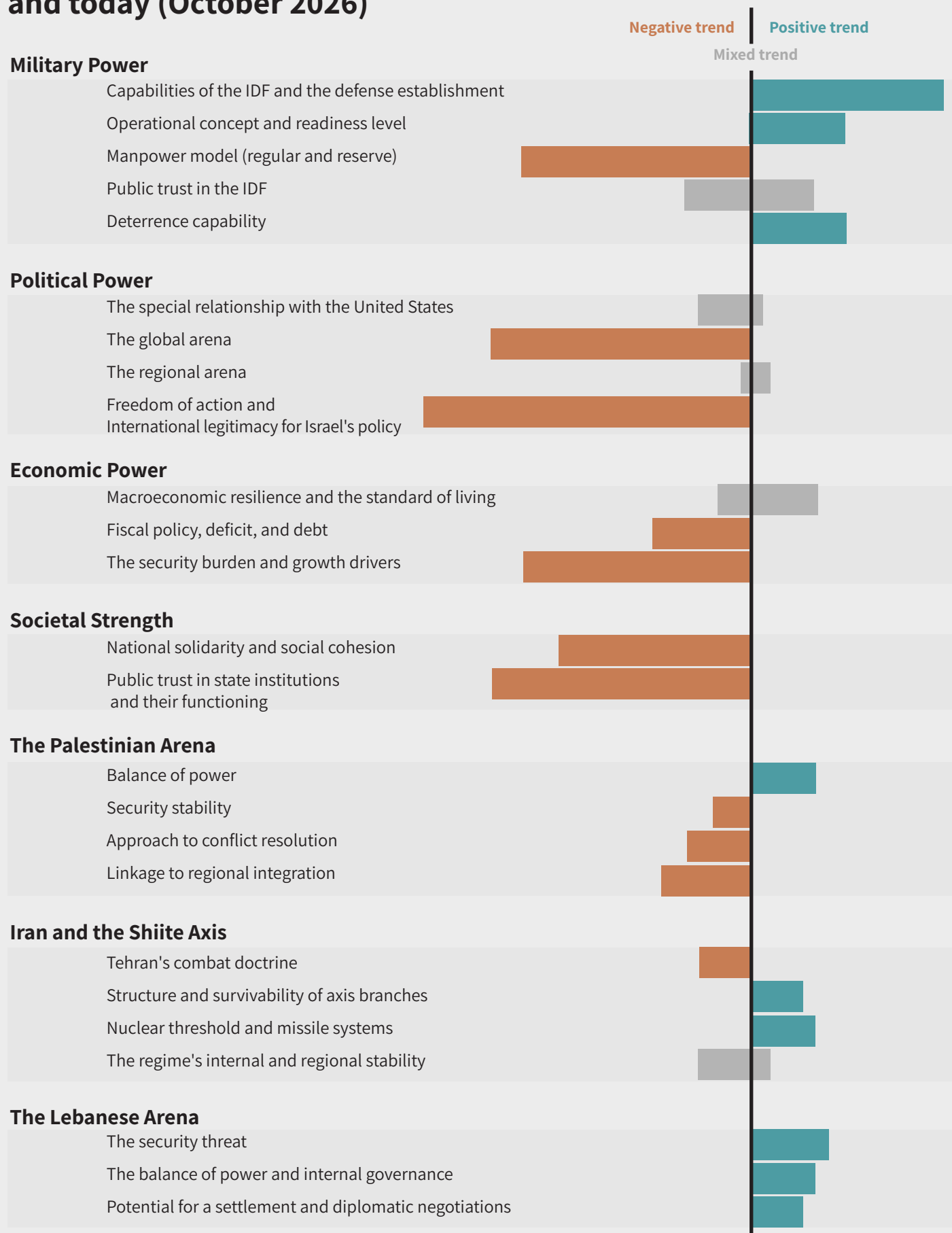
Domain	Criterion	Immediately Prior to Oct 7, 2023	October 2026	Trend of Strategic Change
Primary Arenas of Confrontation				
The Lebanese Arena	The Security Threat	Full deployment of Hezbollah on the border and a permanent threat of ground attack on northern communities (similar to Hamas' plans). Mutual deterrence that prevented Israeli action	Distancing of Hezbollah from the border and neutralization of the raid threat. IDF entrenchment in the buffer zone in southern Lebanon which improves security, but intensifies the threats to the forces	Operationally Positive vs. Entrenchment Risks Dramatic improvement in the security of northern communities, alongside the challenge of force protection in the buffer zone and fear of eroding achievements
	Internal Balance of Power and Governance	Hezbollah is the most dominant and influential factor politically and security-wise in Lebanon. It manages a "state within a state" and prevents the election of a president and government not to its liking	Unprecedented damage to Hezbollah and intensification of public criticism against it. Election of President Joseph Aoun (January 2025) and the establishment of Nawaf Salam's government acting to dismantle the militias	Positive yet Fragile Political weakening of Hezbollah and the rise of a sovereign leadership interested in restricting it, alongside a permanent fear of civil war
	Political Settlement Potential and Negotiations	Absence of direct dialogue channels. Security relying on a balance of terror. Hezbollah bound to the Iranian axis with no openness to separating the arenas	Opening of direct talks between Israel and Lebanon (April 2026). On the other hand, Hezbollah refuses to relinquish its weapons, coordinates with Iran, and acts to foil the talks	Opportunity for Political Settlement vs. Risk of Conflict Unprecedented political channel and American support, versus a high risk of collapsing talks and potentially being dragged into renewed fighting under Iranian pressure

October '23 vs. October '26

Changes in components of the Lebanon arena relative to October 6, 2023



A comparative look at the situation immediately prior to October 7 and today (October 2026)





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