



**SMOKE AND MIRRORS:
ISRAEL STRONGER OR WEAKER IN 2025?
IMPLICATIONS FOR ISRAEL
AND ITS NEIGHBOURS**

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SMOKE AND MIRRORS: ISRAEL STRONGER OR WEAKER IN 2025? IMPLICATIONS FOR ISRAEL AND ITS NEIGHBOURS

Writing this 2025 trend report on a topic I am knowledgeable about has been a Sisyphean task. Every day I woke up to realize the ‘trend’ I confidently foresaw yesterday is questioned by a new development. I submit that by the time I complete this report, it will become outdated the next day.

Since its colossal security/defense failure on 7 October 2023, Israel has been able to restore its reputation as a formidable military power with substantial military support from the USA and others, notably its neighbors (Bradley A, 2024). Gaza is destroyed and Hamas is still in charge, but Israel can point to its elimination of Hamas and Hezbollah leadership, the decimation of their military capabilities, and effective striking of Iran and the Houthis as impressive wins. Yet Israel at the start of 2025 is weaker as a state and as a society. The reasons are manifold. Some trace back to before the 7th of October, while others followed from it. All of the issues—from extreme political and social divisions to a plummeting international standing (Wintour, P. 2024) to grave economic losses (Ziady, H. 2024)—have worsened since.

Israel’s choices and actions in 2025, both domestically and internationally, will not only affect its long-term security and stability, but also those of its neighbors and the broader Middle East. The polarized geopolitical landscape already is facing disruptions at the start of the year; the extent of their severity will depend on how the USA foreign policy

will unfold under the new administration. What is clear is that in 2025, the United States has become even more significant in determining Israel’s path and the broader region’s trajectory. President Trump’s initial statements of intent to end all wars, with focus on the Middle East and Ukraine, and to secure a lucrative deal for Israel with Saudi Arabia hint at possible scenarios. However, as he adds outlandish items to his ‘to do’ list—even some which diametrically contradict his earlier wishes—one can logically assume that not all of his plans will come to fruition. Given Trump’s mercurial nature, many “known unknowns,” as Donald Rumsfeld once put it, remain.

A Permanent Ceasefire in Gaza, or Return to War?

After months of painstaking negotiations—facilitated by the USA, Qatar, and Egypt, and a final nudge from Trump—Phase I of an Israel-Hamas agreement is ongoing and expected to

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conclude by March 2. This phase has involved the release of some hostages in exchange for Palestinian prisoners, a temporary ceasefire, a partial withdrawal of Israeli forces, the entry of humanitarian aid, and the return of displaced persons to northern Gaza. Phases II and III, still under negotiation, are expected to include further prisoner exchanges, a full Israeli withdrawal, a permanent ceasefire, and the launch of major reconstruction efforts in Gaza.

From the outset, concerns loomed that the fragile 3-phase agreement might unravel even before Phase I concludes. These fears have intensified following President Trump's announced plan for takeover of Gaza. His assertion that "Israel will hand over the Strip to the USA after it ends up fighting in Gaza" directly contradicts Israel's commitment to a full withdrawal and a transition to a permanent ceasefire in Phase II. The extreme right that until recently threatened to topple the government unless the war resumes, now rejoices at Trump's plan for mass transfer of Palestinians out of Gaza, offering Netanyahu a greater sense of political security. How he reconciles this plan with his promise to bring all the hostages still in Gaza back home is just one more item on the "known unknowns" list.

Will Israel Focus on Restoring Strength or Continue Fighting?

Israel touts its successful deployment of new weaponry, technology, and intelligence. However, widespread criticism—including from its own military—has underscored the lack of a clear endgame in the Gaza conflict. This has become Israel's longest war since 1948. While tactical victories have been achieved, Israel has avoided articulating a strategic vision for ending the war and for post-war Gaza. The war has come at heavy costs for the IDF, which has yet to fully absorb, let alone

address the failures of October 7. Among the fallen are some of its most highly skilled soldiers, whose loss will be difficult to overcome. Meanwhile, demands from religious parties for exemptions from military service have deepened domestic social divisions. As the fighting has shifted to the West Bank, including in densely populated areas, soldiers continue to die daily. Disciplinary breaches have been steeply rising—many overlooked or even tacitly condoned—while fatigue and lax oversight have contributed to deadly mistakes. The newly appointed Chief of Staff faces formidable challenges. The IDF, long celebrated for its successes, is now also under heavy scrutiny, making it a convenient scapegoat for the political leadership. Without a transition from warfare to political dialogue, a fatigued and morally depleted army will only weaken further in 2025.

Will the Deep Schism in Israeli Society Begin to Heal or Explode in 2025?

The likelihood of Prime Minister Netanyahu calling for elections remains high. While threats from extreme right parties to withdraw from the coalition may have eased due to Trump's plan for Gaza, his government could still collapse if the agreement with Hamas falls through or if religious parties withdraw over the draft exemption law, known as 'the evasion law' (Karni 2025). Netanyahu may also voluntarily call for elections, betting that his success in Washington will boost his chances of victory. To secure his position as Prime Minister, he may try to attract more centrist allies rather than relying heavily on far right and religious partners. This shift could diminish the influence of these factions and, at least ostensibly, provide him with greater flexibility to pursue a deal with Saudi Arabia

Netanyahu has successfully built a fiercely

loyal and increasingly aggressive right-wing base that relentlessly attacks any government critic. Protesters, hostage families, the media, the IDF and other security agencies are blamed for the October 7 failures—some even labeled as traitors. Violence by police and Netanyahu's supporters, as well as threats and incitement orchestrated by his inner circle, point to the increasing risk for violent civil unrest (Jerusalem Post 2024).

Emboldened by Trump's lifting of sanctions on settlers responsible for terrorist attacks against Palestinians—as well as his plan to transfer out Palestinians and take over Gaza—extreme right politicians can today openly encourage settler violence and speak of forced territorial expansion.

Yet, opposition to Netanyahu is also strong. Mass anti-government protests, which began in January 2023, have persisted across party lines. Initially triggered by a controversial reform plan—widely seen as an attempt to erode democracy and independent institutions, including the judiciary—the protests have only intensified. Despite the war, or perhaps because it serves as a convenient distraction, Netanyahu's reform plan is advancing steadily. Public outrage has also been fueled by Netanyahu's corruption indictments, which many believe should have disqualified him from office. Critics argue that his decisions—including prolonging the war in Gaza—are primarily driven by his desire to cling to power and evade legal consequences. His steadfast refusal to publicly accept any personal responsibility for the October 7 failures, along with his continued delay in establishing an independent commission to investigate the events leading to the Hamas attack, has only deepened public anger. Among protestors, the immediate priority is release of all remaining hostages in Gaza. Their families believe a deal could have been reached much earlier and accuse

Netanyahu of repeatedly stalling it for political gain. Many fear he may attempt once again to delay and derail the agreement. Netanyahu's chances of winning remain high. However, the deep mistrust in his ability to unify the country—a priority for most Israelis, including members of his own party—poses a significant challenge. Naftali Bennet emerges as a viable alternative, largely due to his track record leading a broad coalition government that spanned the political spectrum from right to center and left, even including the Muslim Arab party Ra'am. However, opposition leaders have lost appeal with their voters for failing to position themselves as a compelling alternative to Netanyahu. Despite shared policy positions among some factions, personal rivalries have so far prevented them from forming a united front. Ultimately, Netanyahu's political future will hinge on whether the opposition can overcome its divisions and rally behind a cohesive alternative—or whether new leadership emerges to challenge him.

Will Israel Course-Correct to Improve Its International Image?

The initial wave of international solidarity with Israel following Hamas' crimes was soon overtaken by outrage over a war that has claimed over 50,000 Palestinian lives, left Gaza in ruins, and created the largest humanitarian crisis in the world. Multiple UN Security Council resolutions calling for a halt to the fighting were vetoed by the USA, but parallel resolutions were adopted by majority vote in the UN General Assembly. All were dismissed by Israel as biased. Israel's refusal to allow any humanitarian pause—except for polio vaccinations—its obstruction of entry of humanitarian aid, the catastrophic scale of civilian deaths including thousands of women and children, the videos of soldiers shown committing war crimes, and statements by ministers justifying the

killing of Palestinian civilians, all contributed to rulings by the International Criminal Court (ICC), leading to arrest warrants issued by both the ICC and the International Court of Justice (ICJ) for Israel and Hamas leaders. Israel's foreign policy response to accusations of war crimes and international humanitarian law violations has been flat denial, framing its actions as legitimate self-defense. It has accused the United Nations of bias, even antisemitism, and has focused on mobilizing pro-Israel lobbies to label any criticism of Israel as antisemitic. Antisemitism is undoubtedly on the rise. The resurgence of extreme right nationalism in Europe and the United States has created fertile ground for its revival, but antisemites have also exploited the rage among the anti-war, pro-Palestinian, anti-Israel far left, to further their own agenda. Hamas and other extremist Islamic armed groups have similarly sought to use this to improve their own portrayal in the media.

However, Israel has not helped its own cause. Its response has been largely reactive, declaring the UN Secretary General persona non grata, unilaterally shutting down UNWRA, while stalling efforts to mete out justice for crimes that even its own justice system confirms have occurred. The government's Legal Advisor has explained that establishment of an independent, non-political commission of inquiry to investigate the October 7 attack would strengthen Israel's defense against the ICJ rulings. It should, however, be noted that even when such a commission is eventually formed, it is uncertain whether it will address Israel's alleged war crimes, including its failure to protect civilians. Since October 7, Israelis have been trapped in trauma, grief, anger and fear over the brutality of Hamas' attack and the resulting losses. Israeli media has focused on stories of Israelis who were massacred, injured, kidnapped, or displaced, while

keeping the public insulated from the horrific images and stories of Palestinian suffering caused by Israel's war in Gaza.

Ironically, since Trump announced his plans for Gaza, the media has started to reveal images of the devastation and hardship in Gaza, as a backing to Trump's arguments that the place is unlivable, transferring Palestinians out is a 'humane solution' that would then allow its reconstruction and conversion into prime real estate 'for people' (which people, remains vague for now). With Trump's protective backing, Israel is likely to continue its "offense only" strategy in the face of international criticism, disregarding the mounting negative consequences of its declining international standing on the country's security, its economy, and its citizens.

How Will Israel's Behavior in 2025 Impact Its Neighbors and the Region?

Egypt, Jordan, and other Arab states have been quick to flatly reject Trump's plan for Gaza. So far, Trump's refrain has been that he will eventually convince these countries — and others — to change their stance. The real leverage, however, lies with Saudi Arabia and other Gulf states, with whom Trump seeks both business and peace deals. Statements from Saudi Arabia confirm that any normalization of relations with Israel is contingent on Israel agreeing to a path that leads to Palestinian statehood.

Occupied Palestinian Territories:

Gaza: The war in Gaza has not only inflicted death and destruction but has also shattered this region's social fabric. Entire families have been killed or torn apart, leaving survivors, including thousands of traumatized orphans, who face bleak futures. A rise in negative coping mechanisms—such as criminality, forced marriage,

and sexual exploitation—is already evident. While more humanitarian aid is now flowing in, plans for recovery and reconstruction cannot afford to wait much longer. With no jobs, no access to education, and no hope, Gaza's traumatized youth may see joining armed groups as their only viable option. Setting aside Trump's illegal, immoral, and unfeasible solution, Gaza does urgently need a Marshall Plan. Gulf states may step in to invest in Gaza's recovery if Israel agrees to Palestinian self-governance in Gaza, with security assurances, and the revival of a path to a two-state solution.

West Bank: The solidarity with Gazans, combined with the severe economic impacts of the war, has severely affected the West Bank population. Settlement expansion and intensifying settler violence before and during the war, have bolstered support for Hamas and other armed groups in the region. Since the ceasefire in Gaza, Israel has launched a major operation in the West Bank that is expected to last for many weeks (O'Sullivan, 2025), costing civilian life on a daily basis. Israel has ruled out the option of the Palestinian Authority (PA) taking over governance of Gaza. The PA faces a legitimacy crisis that has deepened since the war. For the PA to assume leadership in Gaza, internal changes would be necessary. The PA does enjoy international backing to its reform plan, including from the EU (Neuman & al-Omari 2024). However, Israel would need to be persuaded to cease undermining the PA—such as withholding funds from its budget—and allowing it to regain strength. Hamas would also need to come on board. Given the latest developments and Trump's removal of all restraints on Israel it is within the realm of possibility that the Netanyahu could follow Trump's approach to 'take over' the West Bank and push the Palestinians into Jordan. The swift approval of a 7 billion dollars arms sales deal with the USA increases Israel's capacity to do so (Lieberman & Bertrand 2025).

Jerusalem: While Jerusalem has remained

relatively quiet during the war, although Arab citizens were vocal in condemning the Hamas attacks, tensions are rising for many reasons, including new Jewish prayer arrangements at the Al-Aqsa Mosque, demolitions of Palestinian homes, published plans for new Jewish neighborhoods in sensitive areas of East Jerusalem. With Ramadan approaching in late February, security tensions are expected to escalate, as they do each year. In the absence of measures to alleviate tensions, there's reason to fear that just one provocative incident targeting a holy site could spark a religious war.

Clearly, a sustainable solution to the Israel-Palestine conflict that ensures security, equal rights, and freedoms for both peoples will not be realized unless Palestinians can govern themselves, including in Gaza. Since the October 7 attack by Hamas, the Gaza war has led to significant shifts in the region. One could envisage that a war with no winners alongside big changes in the wider region, could spark reconsideration of political solutions to peace. Whether steps in that direction are taken in 2025 depends not so much on the will of the peoples but on the self-interest of the power players involved. What we have seen so far from these key players, unfortunately, does not bode well.

Other neighbors:

Egypt, Jordan: Despite their strong condemnation of the war in Gaza, both Egypt and Jordan have a vested interest in maintaining their peace treaties with Israel for the sake of their security and stability. However, for their populations—who share strong solidarity with the Palestinian people—the war in Gaza has fueled strong anti-Israeli sentiment and an increasingly hostile view of diplomatic ties with Israel. High poverty and unemployment rates have worsened since the war (UNDP, 2024), particularly in the tourism sector (Al-Khalidi & Plucinska, 2024) and in Egypt, due to income loss from ships crossing the Suez Canal. Trump's pressures on Jordan and Egypt to accept the transfer of Palestinians from Gaza are escalating internal pressures (Quilliam,

2024). Whether King Abdullah’s arguments in his anticipated meeting with President Trump can dissuade him from a plan that could undermine his rule, remains to be seen (Al-Khalidi, 2025).

With the fall of Bashar al-Assad in Syria, these authoritarian regimes who are contested by Islamist-leaning groups, may experience surging unrest in 2025. Netanyahu’s relationship with the leaders of Egypt and Jordan has been strained. Israel’s neglect of its critical relationship with these neighbors undermines its own security and economic interests (Bar-el, 2023). Israel would be wise to shape its foreign policy with greater attention to the two important neighbors with whom it shares the longest border (El-Ghazaly Harb, 2024).

Lebanon, Syria: it is too early, and too complex to offer a definitive analysis or prediction for the trajectory of these two countries in 2025. However, the significant changes in 2024 offer some hope for reconciliation and recovery. The risk of interference by self-interested external actors, however, threatens to pull both countries back into crisis. Israel’s need to ensure the safety of its northern population from attacks originating in South Lebanon is clear. However, given the proximity of its border to both Beirut and Damascus, military incursions that displace thousands of people from their homes will not provide Israel with the security guarantees it seeks—security could only be achieved through a political agreement. Hopefully, the new governing dynamics in Syria and Lebanon will lead to an end to Israel’s ‘temporary occupation’ of parts of southern Lebanon and Syria in 2025. A helpful nudge from President Trump in that direction seems elusive these days.

I began by asserting that in 2025, Israel is weaker as both a state and a society, though some recent developments could be seen as signs of strengthening. For instance, Israel’s Prime Minister—welcomed as the first world leader at the

White House by a new U.S. President—appears to have secured near-unconditional American backing for military action. Yet, phases II and III of the Hamas-Israel agreement face growing uncertainty, divisions within Israeli society are deepening, and hostility from neighboring countries and the international community is unabating. Given these challenges, I stand by my assessment that Israel in 2025 is weak and vulnerable. Opportunities do remain for Israel to pursue sustainable security solutions through political negotiations. Its enduring peace treaties with Egypt and Jordan, as well as the Abraham Accords, demonstrate this potential. However, under a leadership dominated by messianic parties advocating forcible expulsion of Palestinians and further expansion of Israeli occupation—even with its military strength bolstered by President Trump—Israel faces considerable risks.

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