



**ARGAMAN**



# Israel's Iran Strategy: Undermining the Regime and Restoring Deterrence

**Shai Bantski**

## **The Paradigm Project: A New Strategic Agenda for Israel**

Editor and Translator: Dr. Raphael BenLevi

Editor-in-Chief: Dr. Ronen Shoval

Assistant Editor: David S. Allerhand

Layout and Design: Moti Alexandrovich

Cover Design: Yael Gluzberg

Publisher: Amiad Cohen

Original Hebrew version published in September 2025

Published in Jerusalem

© All rights reserved

Herut – The Center for Israeli Liberty, 5 Aholiav St., Jerusalem 9446778

Printed 2026

English Edition © Herut – The Center for Israeli Liberty Publishers

All rights reserved

Printed in Israel



# Chapter 11

## **Israel's Iran Strategy: Undermining the Regime and Restoring Deterrence**

Shai Bantski

### **Executive Summary**

Over the past two decades, Iran has been the primary existential threat to Israel. The Iranian leadership openly declares its intention to destroy Israel and has pursued this goal on multiple fronts: developing nuclear capabilities; building a large arsenal of surface-to-surface missiles (SSMs), unmanned aerial vehicles (UAVs), and cruise missiles; deploying proxies including Hezbollah, the Houthis, and Iraqi militias and assisting Hamas; carrying out terrorist activities in Israel and abroad. In addition, Iran transfers weapons and funding to terrorist organizations in Judea and Samaria and seeks to destabilize moderate regimes in the region.

At the same time, currently Iran is experiencing a severe internal crisis—its economy is collapsing, there are shortages of water and energy, public unrest is rising, and it is exposed to Israeli-American strikes. This point of weakness presents a window of opportunity for Israel in 2025–2026 to leverage its strategic advantage over Tehran.

In recent years, Israel has operated mainly within the framework of the “campaign between wars” (CBW)—targeted killings, strikes in Syria and Iraq, and attacks on senior Iranian figures. In the large-scale Operation Rising Lion in June 2025, nuclear sites, missile launchers, air defense batteries, and some regime symbols in Iran were attacked. Nevertheless, Iran continued missile and UAV fire toward Israel directly and through its proxies, especially the Houthis. The naval blockade in the Red Sea, which caused economic and psychological damage to Israel, and the continued

surface-to-surface missile fire toward Israel, illustrated that airstrikes alone do not provide deterrence.

This chapter proposes that Israel's policy should be based on two complementary principles:

1. **Undermining the stability of the Iranian regime** – The fall of the current regime must be the long-term strategic objective, since as long as it exists, it will continue to seek Israel's destruction. This can be advanced through heavy economic sanctions, kinetic operations inside Iran, strikes on energy infrastructure, cyber activity, mobilizing and supporting internal opposition and minorities, and conducting an influence campaign aimed at removing the “barrier of fear” among the Iranian public.
2. **Imposing direct responsibility on Iran** – It should be established that any hostile action by its proxies (UAVs, missiles, or terrorism) will lead to a direct response against Iranian targets. This step would make clear to Tehran that it cannot hide behind proxies and would compel it to restrain them.

To enable this, Israel needs a diverse firepower array that complements the Air Force, including surface-to-surface missiles and large quantities of low-cost UAVs, enabling rapid, sustained responses at varying levels of intensity—up to creating a dilemma for Iran whereby continuing proxy attacks it risks sliding into a broader direct confrontation.

Regarding the Houthis and the Iraqi militias, the article proposes additional strike options: eliminating senior leaders (such as Abdul-Malik al-Houthi), targeting regime and economic infrastructure, and applying international pressure. In Iraq, it argues that pressure should also be directed at regime power centers themselves in order to compel the government to restrain the militias.

In conclusion, Israel faces a historic strategic opportunity to exploit Iran's weakness. A shift is required from a policy of limited responses against proxies to a comprehensive offensive policy—applying maximum pressure to undermine the regime while establishing a clear deterrence equation: for every attack on Israel, Iran will pay a direct price.

## The Iranian Threat in Its Various Dimensions

Over the past two decades, Iran has been the principal existential state-level threat to Israel. The Iranian leadership has repeatedly declared its desire and intention to destroy the State of Israel and has called for the elimination of the “Zionist cancer.” Beyond rhetoric, Iran is working to realize this objective through several strategic and operational efforts:

**Development of nuclear capability** – The primary existential threat to the State of Israel. Despite Israeli and American strikes on Iranian nuclear scientists and on nuclear facilities in Fordow, Natanz, and Isfahan, the current status of Iran’s nuclear program remains unclear. It is not fully known what has happened to the uranium enriched to 60%, nor what the Iranians intend to do next, including in the context of a possible nuclear agreement with the United States.

**Surface-to-surface missiles** – The threat of ballistic missiles being launched at Israel directly from Iran continues to constitute a strategic threat independent of the nuclear capabilities. Large numbers of missiles launched simultaneously cannot be fully defended against, as seen during Operation Rising Lion. As well, Iran’s various proxies, including the Houthis and Hezbollah, despite the heavy blows they have suffered from Israel, still retain significant missile capabilities. This threat has accompanied Israel throughout the Iron Swords War and

is expected to continue in the future. It is estimated that all elements of the “axis of resistance” together possess thousands of missiles. Such quantities pose major destructive potential for Israel and would strain Israel’s air defense systems, especially due to the large number of interceptors required for protection.

**UAVs and cruise missiles** – The launch of suicide UAVs and cruise missiles from Iran and by its proxies toward Israel. Although the destructive capacity of cruise missiles and UAVs is lower than that of surface-to-surface missiles, and certainly lower than that of nuclear weapons, they can still strike strategic sites in Israel, cause significant casualties, disrupt civilian life, and harm the economy. This threat has accompanied Israel throughout the Iron Swords War and is expected to continue in the future.

**Invasion of and attacks on Israel through various proxies** – Iran trains its proxies, builds up their capabilities, funds and directs them, and provides them with intelligence in order to create a “ring of fire” around Israel and prepare forces for attack. These forces are intended to strike strategic targets inside Israel, wear it down, and potentially carry out ground incursions. It is true that two of Iran’s principal proxies, Hezbollah and Hamas, were severely degraded in the Iron Swords War, and Hezbollah is under heavy pressure within Lebanon to disarm and avoid renewed war with Israel. However, Iran will try to rebuild these organizations’ capabilities as quickly as possible in order

to restore the threat to Israel. Iran is not expected to forgo rebuilding and reinforcing these groups despite the blows they suffered in the war.

**Terrorist activity against Israeli and Jewish targets abroad** – Iran continues to attempt to carry out and facilitate attacks overseas against Israeli and Jewish targets and is expected to persist in doing so in the coming years. To execute these attacks, Iran uses various proxy actors, including criminal elements, thereby broadening the threat to Israeli and Jewish targets and making prevention more difficult.

**Terrorist activity against senior figures inside the State of Israel** – Following the targeted killings of various Iranian figures, Iran has intensified its efforts to assassinate senior Israeli officials, including through the recruitment of Jewish and Arab agents inside Israel. Reported targets have included a former prime minister, defense ministers and other ministers, a former chief of staff, additional senior security officials, and scientists.

**Support for Palestinian terrorist organizations in Judea and Samaria** – Iran smuggles high-quality weapons into Judea and Samaria, mainly through Jordan. In addition, Iran provides funding and direction to these terrorist organizations so they will carry out attacks both in Judea and Samaria and within the “Green Line,” as part of the concept of unified arenas and in order to wear Israel down.

**Subversion and destabilization of regimes near Israel’s border or those maintaining relations with it** – Iran will continue trying to undermine stability in various states, especially those that have ties with Israel, particularly Jordan and Bahrain, and possibly Egypt as well. The goal is that moderate regimes will be replaced by radical Islamist elements hostile, among others, to Israel, which could allow Iran to operate near Israel’s borders and promote regional hegemony.

Israel has not stood still in its actions against Iran over the past decade, especially within the framework of the campaign between wars (CBW). Beyond striking various proxies during the Iron Swords War, Israel targeted senior Quds Force officials operating in Syria, assassinated Hamas leader Ismail Haniyeh during his visit to Tehran (31 July 2024), and struck inside Iran (on October 26, 2024) strategic air defense targets, surface-to-surface missile production sites, and a nuclear-related site in Parchin in response to Iran’s attack on Israel (October 1, 2024), leaving Iran exposed to potential Israeli and American airstrikes. Indeed, on 13 June 2025, Israel launched a surprise attack on Iran, focusing on nuclear facilities, missile sites and launchers, and numerous air defense batteries, and eliminated most of Iran’s senior military leadership as well as Iranian nuclear scientists. In addition, regime symbols and regime-stability targets were attacked, including Iranian state television, Evin Prison, and Basij facilities. Iran then launched about 500

ballistic missiles and roughly 1,000 UAVs at military and civilian targets in Israel. The attacks killed about 30 Israeli civilians, wounded hundreds, and caused extensive property damage.

Iran today is at a peak of weakness as a state and as a society. It is facing one of its most severe economic crises, acute energy and water shortages, and in many places lacks electricity and running water; the Trump administration has increased pressure through economic sanctions. The combination of these crises could potentially drive the public into the streets and threaten the regime.

The period spanning 2025 into 2026 is shaping up to be a critical period in Israel's confrontation with Iran. Israel currently holds a significant strategic and military advantage over Iran, and it has a duty to continue leveraging this window of opportunity.

## Israel's Current Policy

At the time of writing, Israel faces a Middle East dramatically different from the one it confronted at the end of October 7, 2023. To date, Israel has been proactive in its actions against Hamas and Hezbollah, and unlike in the past, it does not allow them to rebuild their capabilities or establish themselves along Israel's border. Instead, Israel strikes immediately upon detecting any terrorist activity and works to destroy infrastructure that is being rebuilt, particularly in

Lebanon. Likewise, in Syria, whenever Israel identifies a threat—whether from Palestinian armed factions, the al-Assad regime, or Iranian proxies—it responds immediately and aggressively to neutralize the danger.

Iraqi militias launched numerous cruise missiles and UAVs toward Israel over the course of about a year. Israel did not respond directly but relied, without effect, on American pressure on the Iraqi regime to prevent further attacks from the territory. Although these militias have ceased attacking Israel since the Israel–Lebanon/Hezbollah ceasefire agreement in November 2024, they continue to rearm and could pose a future threat to Israel.

---

**Iran today is at a peak of weakness as a state and as a society. It is facing one of its most severe economic crises**

---

On the Houthi front, Israel has carried out several large-scale strikes against seaports, Sana'a airport, electricity facilities, oil refining and storage infrastructure, and a cement factory, and even destroyed several civilian aircraft parked on the ground in Sana'a. However, the Houthi naval blockade in the Red Sea continues, forcing Israeli-linked shipping to reroute around the African continent on routes between the Far East and Israel and vice versa. Missile and UAV launches toward Israel have also continued. Israel has suffered significant

reputational, economic, and psychological damage, beyond the serious risk to human life; meanwhile, the status of the Houthis and the personal standing of their leader, Abdul-Malik al-Houthi, have strengthened in the eyes of many in the Arab and Muslim worlds. Israel finds it difficult to sustain a continuous airstrike capability over time against the Houthis and to generate real-time targets beyond fixed infrastructure due to the great distance from Yemen. It does not appear that periodic airstrikes alone will cause the Houthis to stop launching missiles and UAVs toward Israel. Israel may therefore face a prolonged problem with the Houthis, since its leverage is limited and the Houthis will likely feel comfortable acting against it whenever Israel uses force on any front.

Until the election of President Trump, Israel acted to thwart the Iranian nuclear program through several channels: advancing an international diplomatic campaign, conducting covert operations, and in parallel building a military option for striking Iran's nuclear program—an option that was ultimately employed in June 2025. However, even after this blow, Tehran is unlikely to abandon its intentions to destroy the State of Israel or to seek revenge against it.

Regarding Iranian activity against Israeli and Jewish targets abroad, it appears that Israel is coping with it successfully, as open-source reporting indicates that many networks are being exposed and foiled, and Iranian agents are being uncovered

and arrested, some with the assistance of foreign countries.

With respect to Iranian efforts to smuggle high-quality weapons into Judea and Samaria, the IDF is operating inside Palestinian refugee camps, evacuating residents and conducting house-to-house searches in order to dismantle terror infrastructure and seize weapons. It is also maintaining forces within the refugee camps so as to preserve operational control on the ground and the ability to prevent terrorist activity. In addition, there is an intention to establish a serious and effective security barrier along the Jordanian border similar to the one on the Egyptian border, which would help prevent weapons smuggling, as well as to establish a new division that would be responsible for the Jordanian border and be able to deal much more effectively with potential threats from that direction, including infiltration and the smuggling of weapons and drugs.

Against the regime itself, until Operation Rising Lion, activity consisted mainly of influence and messaging efforts, including video appeals by the prime minister to the Iranian public, along with occasional harassment-type operations inside Iran attributed by the media to Israel. During the operation itself, several actions were carried out aimed at undermining regime stability and encouraging the Iranian public to take to the streets, but in practice these moves did not lead to widespread protests.

## **The Proposed Policy: Maximum Pressure on the Regime, Including Efforts to Undermine its Stability, and Direct Retaliation for Attacks Carried Out by its Proxies**

### **Activity Aimed at Undermining Regime Stability**

As long as the current regime continues to rule Iran, it will continue to work toward the destruction of the State of Israel in various ways: rebuilding the ground forces of its different proxies surrounding Israel, producing a missile arsenal, and developing weapons of mass destruction. Therefore, in the long term, Israel must set for itself the objective of toppling the Iranian regime.

Against the backdrop of the deep economic crisis facing Iran, the regime is highly fearful of widespread protests and responds harshly to any sign of criticism directed against it. Until now, the regime has managed to cope with the waves of unrest in 2009, 2017, 2019, and 2022; however, the current situation is different. In those earlier periods, the regime was able to suppress the protests because it was dealing with a single major crisis at a time, whereas now it is confronting several large-scale crises simultaneously, along with pressures and forces it has not previously faced. This comes at what is arguably the weakest strategic point for the regime in the 46 years since the revolution.

To undermine the stability of the regime, Israel can act according to several principles:

1. Creating external and internal pressure on the regime. An example of external pressure is persuading many countries to designate the Islamic Revolutionary Guard Corps as a terrorist organization. This could harm Iran's relations with those countries and encourage public opposition inside Iran against the regime. Additional possible steps include: encouraging large-scale protests against the Iranian regime abroad; organizing demonstrations in front of Iranian embassies overseas; activity in various parliaments and at the UN against Iran and its regime with an emphasis on human rights violations; organizing a body composed of different opposition elements to operate with regard to internal Iranian affairs; establishing a team to apply international pressure regarding detainees inside Iran through human rights organizations, governments, the UN, and mobilization of global public opinion.
2. The activity should be designed so that Iranian citizens support it rather than oppose it or fear it.
3. Removing the barrier of fear among the Iranian public toward Iranian security forces by harming them and their image.
4. Creating an alternative to the current leadership. This step could encourage the Iranian public to understand that overthrowing the regime would not lead to chaos or worsen the situation in Iran.

5. Support and assistance to various groups and minorities operating against the regime inside Iran through funding, weapons, communications tools, and technology.
6. Enlisting global and regional powers for action against the regime in diplomatic, economic, and legal spheres.

---

**Israel should declare that from this point forward, any launch of UAVs, ballistic missiles, or cruise missiles toward Israel by the Houthis or by Iraqi militias will be treated as an attack for which Iran bears direct responsibility**

---

Beyond the above principles, Israel could act concretely along several lines in order to encourage the Iranian public to take action and weaken regime stability:

1. Supplying weapons to various opposition groups in Iran. These actors would occupy the security forces in the internal arena. It should be emphasized that the Iranian security forces are relatively strong and exercise effective control over events inside Iran and over public sentiment. Removing fear, together with the understanding that security forces can be targeted on a daily basis, could give a large segment of the population the courage to rebel against the government and attempt to replace it. In this context, it would be preferable for such opposition elements

to target judges who hand down death sentences to opposition activists and prison wardens who carry them out, in order to create deterrence among judges and wardens on the one hand and encourage the public to take action on the other.

2. Kinetic activity against various regime targets that would damage the regime's economic capabilities and weaken it, such as harming oil exports and energy infrastructure. There is already significant criticism of the regime due to long daily electricity outages. Factories are closing and schools are not operating. During the winter, many homes lacked heating and residents suffered severe cold in various regions of Iran, while in the summer, they suffer from heavy heat. Activity of this kind would serve Israeli interests and also help generate protests against the regime.
3. Recruiting operational agents — Israel could recruit agents in Iran broadly and assign them operational missions that would force the security services to allocate extensive resources to locating and thwarting them. This step could exhaust Iran's internal security countermeasures apparatus. In this context, one could learn from Iran's extensive efforts to recruit agents in Israel. Even if some agents are caught during or after their activities, it would still be possible to amplify and publicize the weakness of the security services and portray it as problematic.

4. Imposing economic sanctions — If a nuclear agreement with Iran is not signed, heavy economic sanctions would be highly important in encouraging the public to take to the streets. Accordingly, close cooperation with the United States to halt Iranian oil exports (a key source of regime revenue) would be essential. Steps should be taken that would lead to further depreciation of the rial against the dollar, up to the point of economic collapse and extreme inflation.
5. Cyber activity — Against various infrastructure targets in Iran, such as communications, transportation, energy, and the economy. Such activity could also present the regime as vulnerable and incapable of defense and response, potentially encouraging public anger toward it.
6. Influence operations — The campaign should also include influence, reputational, and psychological efforts directed at the Iranian public, including direct appeals over the heads of the regime by the Israeli government; cooperation with leading social media influencers abroad who would deliver daily messages and highlight problems inside Iran; various active measures inside Iran that would damage the regime's image and resilience and encourage the public to take to the streets; and identifying an Iranian security or military figure who opposes the regime and would declare this publicly.

### **Placing Direct Responsibility on Iran for Attacks Carried Out by its Proxies**

Israel should declare that from this point forward, any launch of UAVs, ballistic missiles, or cruise missiles toward Israel by the Houthis or by Iraqi militias will be treated as an attack for which Iran bears direct responsibility. In the event of such an attack, Israel should exact a price first and foremost from Iran itself — through strikes on Iranian targets or on Iran proper — and only afterward, or in parallel, strike Iran's proxies.

Israel does need to not limit itself to a strictly proportional response. It could escalate the response somewhat beyond the scale of the original attack. Thus, an attack on an Israeli port, airport, or energy infrastructure would trigger an immediate strike on parallel targets in Iran, plus an additional target, so that Tehran understands that the price it pays for proxy activity will exceed the damage inflicted on Israel. Such a policy would create situational surprise for the Iranian leadership. Israel would be conveying that it is not prepared to chase every Iraqi militia operative or every Houthi fighter in a cave, but will instead place full responsibility for hostile proxy activity on Iran itself. In every case of an attack on Israeli targets, Iran would be the party that suffers the consequences — and it is better that Tehran understand this now, while it is concerned about a renewal of fighting after Operation Rising Lion. As a result, Tehran may instruct its proxies to refrain from attacking Israel,

especially if it concludes that the Israeli threat is credible.

### **Developing Appropriate Force Capabilities in the Long Term**

To enable the consistent implementation of this policy, it is necessary to establish as quickly as possible a diverse strike capability that includes loitering munitions (suicide UAVs), ballistic missiles, and cruise missiles as a complementary response to air force aircraft. This capability — especially in the areas of ballistic missiles and UAVs — needs to be low-cost. For example, Iran produces Shahed-136-type loitering munitions at about \$30,000 per unit and advanced ballistic missiles at roughly \$1 million per unit. This makes it possible to manufacture large quantities of weapons, sustain operational continuity and endurance over time, and maintain the ability to strike numerous targets, even if some UAVs or missiles are intercepted or fail en route to their targets.

Israel's strike force should have rapid activation capability and cover long ranges. Its advantage lies in operational flexibility — it would enable an immediate response mechanism against Iran and its proxies — and would ease political decision-making regarding the execution of strikes. This is because there would be no need to risk pilots or conduct manned flights over sovereign countries. In addition, these would be autonomous Israeli capabilities that do not depend on the United States, and they could also serve as an initial substitute if air force bases were significantly damaged

in a way that limits the ability to operate aircraft.

Such a diversified force would allow responses across different levels of intensity, so that below the high threshold of fighter aircraft would be ballistic missiles, and below that, loitering munitions. A particularly low-intensity strike could place Iran in a dilemma due to escalation concerns. Israel could also use “proxies” to launch UAVs against Iranian targets. The need for prior coordination with the United States would be reduced. In a situation where Israel fears broad escalation with Iran, this capability could enable responses below the escalation threshold.

### **The Proposed Policy toward the Houthis and the pro-Iranian Iraqi Militias**

In parallel with strikes on Iranian targets in response to Houthi fire, several response alternatives should be considered:

1. Target top Houthi leader directly, Abdul-Malik al-Houthi, along with other senior leadership. Abdul-Malik currently sees himself as a central figure, similar to Nasrallah in Hezbollah, and therefore taking him out could have organizational and governance effects.
2. Consider broad measures aimed at degrading the Houthis' governing and revenue-generating capabilities, including restrictions and enforcement actions affecting key logistical and commercial gateways under their control.

3. Maintain sustained economic pressure on regime-linked resource sectors in order to constrain revenue flows and increase internal accountability pressures.
4. Include actions directed at regime symbols and legitimacy assets as part of a wider deterrence and signaling campaign.
5. Promote expanded international sanctions — led by the United States and partners — against companies, vessels, and other entities that maintain ties with the Houthi regime, which is designated as a terrorist organization by Israel and the United States.
6. Employ cyber, financial, and regulatory measures against critical regime-supporting systems, subject to legal and coalition frameworks.
7. Over the long term, weakening the Houthi regime could strengthen rival Yemeni actors and create conditions for political change with regional and international backing.

With respect to the pro-Iranian Iraqi militias, Israel should adopt a policy that addresses both the militias themselves, and the Iraqi state framework connected to them. The rationale is that the Iraqi government holds influence and leverage over these militias, since many of them are incorporated into the Popular Mobilization Forces structure, subordinate to the Iraqi state, and receive budgets and equipment through official government channels.