

# The Gulf's Calculus on UAE-Israel Deal

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Aug 19, 2020

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Articles & Testimony

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## Why did the United Arab Emirates decide to establish formal diplomatic ties with Israel? How much was Iran a factor?

**T**he UAE leadership has long viewed Israel as a model for how a small nation can nonetheless thrive in a region filled with security threats. The Emiratis have studied how Israel, Singapore and others have harnessed strong leadership, high tech, a certain amount of risk-taking regionally and globally as well as their highly educated populace to succeed diplomatically, economically and in terms of security.

Israelis have been going to Dubai on other passports or meeting Emirati businessmen in third countries since the 1980s. The Emiratis and Israelis have had informal, covert, and indirect contacts, notably on intelligence and security, for more than two decades.

The pace and depth of UAE-Israel ties has accelerated over the last decade in no small part because of Iran, as well as the wider regional turmoil unleashed by the Arab Spring of 2011. The UAE's threat perception of the Islamic Republic – located just 35 miles across the Strait of Hormuz – converged with Israel's view. For Abu Dhabi, Iran's interventions across the region – in Bahrain, Iraq, Lebanon, Syria and Yemen – were the most significant threat, more immediate than Iran's ballistic missile arsenal and nuclear program. The UAE and Israel saw Iran's allies and proxies, including Lebanese Hezbollah, as destabilizing, acting as parallel organizations to weakened states in one country after another. Both countries also had shared concerns over extremist Sunni groups.

The alignment of Emirati and Israeli thinking on Iran became especially apparent during the Obama administration's quest for a nuclear deal with Iran from 2013 to 2015. Israel was more overt in its criticism of the negotiations than the UAE. Israel publicly attempted to convince members of Congress and the American public that the Obama administration was not extracting sufficient concessions from Iran. Emirati leaders, in private settings, conveyed sharply similar concerns. The Gulf states, while publicly welcoming the deal at the time, were frustrated that the 2015 nuclear deal provided Iran with sanctions relief for curbing its nuclear program leaving unaddressed

Tehran's increasingly destructive regional policies and activities.

## **How might closer UAE-Israel ties alter the balance of power in the region vis-à-vis Iran?**

**T**he UAE, which has only about a million citizens, and Israel, with a population of about nine million, are both small countries. Their alliance will not significantly shift the balance of power in the region, although Tehran will monitor closely the direction of Emirati-Israeli intelligence and defense cooperation.

Iran is still a regional heavyweight with a population of some 84 million. It has more than half a million active military personnel and hundreds of thousands of reserve personnel. It also has the region's largest arsenal of ballistic missiles. The UAE-Israel agreement may be unsettling for Iran, but it does not change Tehran's position in the region.

Iran has long viewed Saudi Arabia, Israel and the United States as its three principal antagonists. It might well react more dramatically to a Saudi-Israel rapprochement, although the Saudis have made clear that they will not follow the UAE's move at this point. Iran's foremost national security issue resides with the outcome of the U.S. presidential elections and what that will mean for prospective negotiations and sanctions relief.

## **For the Gulf states, how much is countering Iran a priority compared to other issues?**

**E**ach of the Gulf countries has long viewed Iran through slightly different prisms. Views differ even within the UAE; Dubai has historically had close trading relations with Iran. The 1979 revolution in Iran sharpened the sense of threat in Saudi Arabia and Bahrain, home to significant Shiite communities. Historically, Oman has had a cordial and even at times collaborative relationship with Iran given geography, historical trade and cultural relations. Sultan Qaboos was the only Arab leader with a personal relationship with Iran's Supreme Leader Ayatollah Ali Khamenei.

Gulf anxiety over the Islamic Republic has risen steadily in recent years as a result of:

- The U.S. toppling of Saddam Hussein in 2003. The advent of democratic rule in Iraq brought Shiite governance to Baghdad and provided a strategic opportunity for Iranian influence, some would say domination, in Iraq.
- The provocative actions of the Islamic Revolutionary Guard Corps (IRGC) Navy in the Gulf and attacks on Gulf shipping and energy infrastructure
- Iran's development of increasingly advanced ballistic missiles and its transfer of this technology to non-state actors such as Hezbollah and the Houthis
- Iran's interventions in the region – whether in Syria as a backer of the Assad regime, in Lebanon through Hezbollah or in Yemen through the Houthis
- IRGC training of Shiite militants in Gulf countries

Qassem Soleimani, the late commander of the IRGC's elite Qods Force, was the architect and executor of Iran's regional policies from 1998 until he was killed in a U.S. drone strike in 2020. His approach was to exploit cleavages among Arab states and in particular in countries with significant Shiite populations, alienated minorities, or in Iraq's case, a Shiite majority. The IRGC has armed and trained elements in Shiite populations, notably in Bahrain and Saudi Arabia. Bahrain has felt acutely vulnerable to Iran's lethal aid and training of Shiite groups.

## **What are the implications for UAE-Iran relations given that their foreign ministers began a dialogue in early August**

## 2020?

The Emiratis will engage with the Iranians as long they pick up the phone. The UAE has applied adroit diplomatic footwork since tensions with Iran escalated dramatically in the summer of 2019. The Emiratis have done so even as they made the strategic decision to bring their relationship with Israel out of the shadows.

Early in the COVID-19 pandemic, the UAE sent two shipments of humanitarian aid to Iran, punctuated by a phone call between their foreign ministers. The outreach was all the more notable in that only a year earlier Iran had begun a series of attacks on Gulf shipping and energy infrastructure with an attack on tankers off the UAE coast.

The astute use of humanitarian aid is in keeping with a traditional pillar of Emirati foreign policy. an Emirati tradition of doing so as a pillar of their foreign policy. After previous natural disasters in Iran, Abu Dhabi had also sent aid—for example after the Bam earthquake in 2003 and the disastrous rains and mudslides in 2019.

## What can Israel offer to Gulf countries fearful of the Islamic Republic?

Israel can offer intelligence and offensive and defensive cyber capabilities. The UAE is also likely to be interested in Israel's advanced air defense systems, such as Iron Dome. Yemen's Houthis, thanks to training by Hezbollah and technology transfers from the IRGC, have repeatedly tried to send drones north to attack the UAE.

The Gulf states have been interested in drone defense since the onset of the Yemen campaign, which has featured regular Houthi attacks both inside and outside the country. Their concerns have been acutely heightened since the Iranian attack on the heart of Saudi oil facilities in September 2019. The hybrid assault, allegedly carried out by Iran, involved drones and cruise missiles that evaded detection by Saudi air defenses. The strike, which temporarily cut oil production in half, amounted to an act of war by Iran, a conflict for which the Gulf countries are wholly unequipped, given the difference in size of adversaries and Iran's arsenal of ballistic missiles.

## How do Arab Gulf countries hedge against threats from Tehran while coping with the reality that Iran is a close neighbor?

Gulf countries have shifted their approaches on Iran in part according to the degree to which they feel the United States has their back. The Gulf states' confidence in the U.S. commitment to their security has waned during both the Obama and Trump administrations.

The Gulf countries felt especially vulnerable in the summer of 2019. In May 2019, National Security Advisor John Bolton issued an explicit warning to Iran that any attack on United States interests or on those of its allies would "be met with unrelenting force."

Exactly one week later, Iran responded by placing limpet mines on four tankers off the coast of Fujairah in the UAE. But the Trump administration failed to respond – diplomatically or covertly – to that or a series of attacks throughout the summer. And two days later, the Houthis attacked Saudi Arabia's East-West oil pipeline with drones.

President Trump's response to the attack on Saudi oil facilities in September 2019 was a sharp wake-up call for the Gulf states. "We don't need Middle Eastern Oil & Gas, & in fact have very few tankers there, but will help our Allies!" he tweeted on September 16, two days after the strike. The administration made it clear that the U.S. did not feel bound to come to the Gulf states' rescue, even in the face of clear attacks. This marked a wholesale departure from the 40-year-old policy laid out in the Carter Doctrine. In 1980, President Jimmy Carter pledged that the United States would, if necessary, use military force to defend the Gulf states.

Throughout the ensuing tense summer of 2019, the Emiratis worked to de-escalate tensions with Iran by emphasizing that they were not interested in conflict. In the past, the Emiratis have often tried to avoid getting caught in the middle of tensions between Iran and Saudi Arabia. But they have also heard more threats coming directly from Iran in recent years.

The UAE had hoped that the Trump administration's "maximum pressure" campaign would contain Iran in regional terms, depriving it of resources to intervene and destabilize. Iran's economy, especially its oil exports, have taken an enormous hit due to the U.S. "maximum pressure" campaign, which worked in 2019 to drive Iranian oil exports to almost zero. But the Trump administration has never laid out a clear diplomatic pathway to the negotiating table for the comprehensive deal it has ostensibly sought.

In that sense, the UAE and the other Gulf states have ended up with the worst of all possible worlds. Tehran has felt little to lose and possibly much to gain in lashing out. But rather than risk direct conflict with the United States by targeting American forces or facilities, Iran has targeted Gulf energy infrastructure and shipping.

Establishing diplomatic relations with Israel gives the UAE essentially another arrow in its quiver to counter the Iranian threat. Israel is a potent partner with whom it can work openly now on defense, security and intelligence – quite apart from the obvious benefits Abu Dhabi sees in burgeoning direct commercial and trade links. Israel may not be a global superpower, but it is certainly one in regional terms. The Emiratis have also correctly read the political mood in the United States and understand that many Americans would not support expanding U.S. involvement in the Gulf, especially militarily.

## Why a deal now?

**T**he timing of the normalization deal was driven by the opportunity, counter-intuitively, provided by Prime Minister Netanyahu's apparent plans to annex significant territory claimed by the Palestinians for a future state, as well as the U.S. electoral calendar. Sheikh Mohammed bin Zayed Al Nahyan, known as MBZ, saw an opportunity to enhance the UAE's standing ahead of the November 2020 election in the United States by a move that would engender strong bipartisan support. The UAE's image has suffered significantly in the U.S. Congress in the last four or five years, over its role in the war in Yemen in particular.

The UAE's new diplomatic relationship with Israel, warmly welcomed by Republicans and Democrats, has increased its value exponentially as a U.S. partner in the region. The UAE is ideally positioned to work with President Donald Trump if he wins a second term or with the Democrats, if they end up controlling the White House, and one or both houses of Congress.

In the United States, President Trump had been looking for a foreign policy victory amid criticism over his administration's response to the COVID-19 pandemic and as the election nears. In Israel, Prime Minister Benjamin Netanyahu was eager to prove a longstanding position of his that he could find Arab peace partners irrespective of progress on the Palestinian track; he also was emmeshed in domestic political troubles, and this breakthrough brought him welcome relief.

## What does the UAE-Israel deal reflect about the broader strategic priorities of Arab countries today, particularly in the Persian Gulf?

**F**or decades, the Palestinians were the primal issue in the region. The issue has not receded altogether, but it has been overshadowed by the regional turmoil since the 2011 uprisings, the war in Iraq and for some, tensions with Iran. Even among an older generation which grew up with the Palestinian cause, some in the Gulf have come to feel increasingly that they devoted too much time and money to the Palestinians with little to show for it. The Emiratis

have been very public about their frustrations with the Palestinian Authority's leadership, particularly Mahmoud Abbas.

The Palestinian Authority's spokesperson, Nabil Abu Rudeineh, said that the UAE's actions were a "betrayal of the Palestinian people." Has the UAE abandoned the Palestinians out of fear of Iran?

The Emiratis have not abandoned the Palestinians. Rather they have prioritized their own national security. The Emiratis will continue to contribute financially, despite mutually acrimonious relations with President Mahmoud Abbas. One recent incident underlines the tensions in those relations — in May 2020, the Palestinian Authority rejected Emirati humanitarian and medical aid sent on a first-ever direct Abu Dhabi-Tel Aviv flight.

The Emiratis view normalization as a strategic decision with a potentially transformational effect for the region. Whether that will prove to be the case in this very divided region is an open question. The Gulf family itself is riven in a way that was unimaginable only a few years ago. They have publicly wrapped their decision in the argument that the deal with Israel staves off annexation and thus preserves the possibility of a two-state solution which might otherwise have been dealt a fatal blow. That argument was not persuasive to the Palestinians, who were clearly shocked by the news and feel increasingly beleaguered.

*Barbara A. Leaf, a distinguished foreign service officer and the U.S. ambassador to the United Arab Emirates from 2014-2018, is the Ruth and Sid Lapidus Fellow at The Washington Institute and director of the Geduld Program on Arab Politics* ❖

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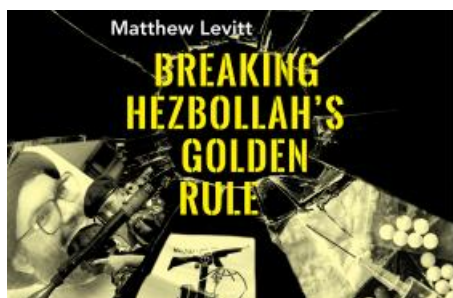
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