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INSS Insight No. 882, January 8, 2017 Sparta in the Gulf: The Growing Regional Clout of the United Arab Emirates Yoel Guzansky

The weakening of the traditional Arab political and military centers, as a result of the upheavals in the Middle East, has spurred a change in the conduct of some of the Arab Gulf states and boosted their influence. A prominent example of this is the United Arab Emirates (UAE), which has positioned itself as a key player in the processes shaping the region. After dealing with potential threats at home, the federation (which includes the emirates of Abu Dhabi, Dubai, Ajman, Fujairah, Ras al-Khaimah, Sharjah, and Umm al-Quwain) took a leading role in contending with some of the political, economic, and military challenges posed by the Arab Spring.

The withdrawal of the British forces from areas "East of Suez" in 1971 accelerated the formation of the UAE on the basis of the Trucial Coast. Forty-five years later, the second largest economy in the Middle East – with the best trained and equipped military among Arab militaries – is focusing on neutralizing regional threats and on projecting power well beyond its borders. While its strategic relations with the United States and its membership in the Gulf Cooperation Council (GCC) still constitute key components of its defense policy, the UAE has made more frequent use of its military since the outbreak of the regional turmoil. The assertiveness typifying its foreign policy is closely related to its doubts about the future United States commitment to its security, and to its concerns about the strengthening of Iran and radical Islam and their impact on its internal stability. "We can't be a stable house if there is a brush fire around us," said the UAE Minister of State for Foreign Affairs back in 2014.

Little Sparta

As part of this trend, the UAE inaugurated a naval and air force base in Eritrea on the Red Sea coast, and thus became the only Arab country with a military base outside of its borders. It was also reported recently that the UAE built an additional military base in eastern Libya. Despite its small military (about 50,000 military personnel), the UAE is well equipped with the most advanced weapon systems it can obtain and gained extensive operational experience in Afghanistan, Somalia, and Bosnia. Its forces were critical in suppressing the Shiite uprising in Bahrain in 2011, and its air force participated in the campaign to topple Muammar Qaddafi's regime in Libya. The UAE's military (which includes mercenaries) plays a key role in the INSS Insight No. 882

continuing air, ground, and naval operations against the Houthis in Yemen, and it is the most active Arab partner in the coalition against the Islamic State (along with its support of rebel groups seeking to topple the Assad regime). Furthermore, its air force has attacked targets in Libya numerous times, using Egyptian bases. In addition to providing financial assistance to el-Sisi's regime, the UAE allows Egypt to use surveillance drones, made by the Abu Dhabi-based Adcom, in the Sinai Peninsula.

Unlike Arab neighbors that purchase advanced weapon systems but often leave them unused, the Emirates makes optimal use of its purchases, and has thus earned itself the nickname "Little Sparta" within the US military. "there's a mutual respect, an admiration, for what they've done – and what they can do," said General (ret,) James Mattis, who was nominated to serve as United States Secretary of Defense in the Trump administration. Furthermore, the federation is seeking to deter Iran and, no less important, to achieve closer ties with Washington, by permitting the American air force and navy to operate in its territory (about 5,000 American military personnel are stationed in the UAE) and undertaking massive weapons purchases. The federation was the first to order the Terminal High Altitude Area Defense system (THAAD), and it is now looking to purchase the F-35 fighter plane.

The ratio between its small population (out of about nine million residents, only about one million are citizens) and the enormous proven oil reserves within its borders (about 100 billion barrels of oil) makes the UAE one of the richest countries in the world. This wealth allows Crown Prince Mohammed bin Zayed (the de-facto ruler) to buy domestic quiet. The wave of regional protest prompted some intellectuals and youth in the Emirates to ask for more political freedom. This minor protest, expressed mainly in the social media, has since been silenced, and the Federation proceeded to suppress any possible upheaval, particularly any associated with the Muslim Brotherhood. In addition, and due to concerns about protests given the downtrend in oil prices over the last two years, the UAE awarded generous stipends to citizens, and a greater role was given to women and youth in the state institutions.

Relations with Iran

The tensions between the UAE and Iran, which antedate the Islamic Revolution in Iran, were exacerbated in recent years by Tehran's support of the Houthis in Yemen and the Assad regime in Syria. To the UAE, Iran poses the main threat to regional stability, and UAE leaders do not hesitate to criticize the Islamic Republic for its persistent involvement in Arab affairs. At the same time, the UAE diligently protects its normative commercial relations with Iran, and it seeks to capitalize on the removal of the sanctions on Iran and increase the volume of bilateral trade.

The fact that it is Iran's second most important trade partner (after China) has led some in the federation to take a more pragmatic stance toward Iran. Yet despite the high volume of trade with Iran (many Iranian companies operate from the UAE, taking advantage of Dubai's position as a financial hub), the issue of the three disputed Persian Gulf islands muddied the relations

between the countries. Upon the withdrawal of the British forces from the Gulf, Iran seized Greater Tunb, and Lesser Tunb. In 1992, Iran asserted complete control of Abu Musa, routed the guard corps stationed there, and breached the joint sovereignty agreement between the countries. In recent years Iran has increased its control over the islands, does not recognize the UAE's historic affinity to them, and is claiming its inalienable rights to the islands.

Relations with Saudi Arabia

The UAE and Saudi Arabia have enjoyed warmer relations since the outbreak of the turmoil in the Middle East, and the two states are cooperating in a number of arenas. The personal relationship between Mohammed bin Zayed and Mohammed bin Salman, Deputy Crown Prince and Minister of Defense of Saudi Arabia, contributed to the warming of these relations, and in particular, to the development of similar threat perceptions. These are in contrast to the strained relations that existed before the formation of the federation between the two royal families, al-Nahyan and al-Saud, which were accompanied by frequent border disputes as well as power plays over leadership roles in the Arab world and within the GCC. Despite the shared current challenges, the mutual distrust has not dissipated entirely, and is reflected inter alia in the differing positions held by Abu Dhabi and Riyadh toward the Muslim Brotherhood and the el-Sisi regime in Egypt. Abu Dhabi is Egypt's strongest economic supporter, and it is possible that it had a hand in el-Sisi's rise to power.

Nuclear Development

Barring any delays, the first nuclear reactor (out of four currently under construction) will be connected to the electric grid by late 2017, and the UAE will become the first Arab country with a sustainable nuclear program. Even though the UAE has one of the largest proven oil reserves in the world, it plans to diversify its energy mix, which is based almost completely on fossil fuels. Alongside investments in developing solar power, the federation launched an ambitious program for generating electricity through nuclear power plants, and the assessment is that once completed, they will add 5.6 gigawatts to the power grid. The completion of the nuclear power project will earn the UAE much prestige and an improved regional standing vis-à-vis Iran and its Arab neighbors.

The UAE has posed convincing arguments about its need for a nuclear power program: the increased demand for energy, its desire to reduce its dependence on pollutant fossil fuels, and the need to free up more oil for exports. For the foreseeable future, the federation indeed does not constitute a threat as to nuclear weapons proliferation. However, in the distant future, its nuclear program may have a deterrent contribution, perhaps because its rivals are concerned about the possibility that its nuclear program might contain a military dimension. Doubts on the Emirates' continued commitment to prohibit uranium enrichment within its borders surfaced following the signing of the nuclear agreement with Iran, and in light of certain remarks by UAE leaders.

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The UAE will continue to use its vast economic resources and its military might to attempt to influence the direction that the Arab world is taking. In the past, the UAE exhibited moderation and restraint in its foreign relations and stood in the shadows of others; today, however, it is the driving force behind many of the regional changes and is a key player in many arenas – not less, and sometimes more, than Saudi Arabia. Many in the Arab world and elsewhere now understand that the UAE has the power to influence the direction taken by regional developments, and they seek to attract the UAE to their side. For its part, Israel too recognizes that the UAE is an essential element in Israel's efforts to strengthen relations with the Sunni Arab world.

