THE THREE ISLANDS
THE THREE ISLANDS
Mapping the UAE-Iran Dispute

Khalid S. Z. Al-Nahyan
To the nation of the United Arab Emirates
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ACRONYMS AND ABBREVIATIONS

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<tr>
<td>GCC</td>
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Map of the Gulf.
HERE is a long and well-established literature about the diplomacy and survival of small states in a world dominated by big states and super-states. It is a matter of constant fascination for scholars to explain why small states do not get gobbled up by bigger neighbours. After all, if the international world were a genuine ‘power jungle’, a Hobbesian ‘state of nature’ where life consists of a struggle for survival of all against all, then very few small states would still exist, particularly where they find themselves situated close to, or directly adjacent, to large ones.

The fact is, however, that there are more nation states in the world now than at any time in history. In 1945, there were fewer than sixty nation states in the world and now there are just on 200, about two-thirds of them small or relatively weak. So the great power politics of the modern international system, far from diminishing the number of small states that find it possible to exist, not only tolerates small (and weak)
states, but seems to create the conditions that positively promotes the phenomenon.

This is something that is clearly worthy of a detailed explanation and this book by Sheikh Khalid Al-Nahyan is an analysis that illuminates some of these subtleties. It is a long overdue study of this particular issue. It is also a very welcome addition to the body of scholarship on the general issue of small states in world politics. It is welcome for several reasons. Firstly, there has been a curious lack of interest in the generic phenomenon of small states in world politics since the work over a generation ago of writers such as David Vital, Dan Keohane, Maurice East and Ron Barston. Geanne Hay and Archie Simpson have, in the last decade, drawn together a couple of very useful collections of essays and case studies dealing with small states in world politics. But, still, the generic understanding of the phenomenon has not moved along very far. This may be because there is not much new to say. But I doubt it. The fact is that International Relations has been more interested in different issues while the phenomenon of the small state in world politics has become ever more apparent. There has been a failure to keep up our understanding as this has happened.

It is probably the case that we need more detail and case-study material drawn from small states to understand better how our generic appreciation ought now to evolve. That is a further reason to welcome the current study as it addresses
a particular bone of contention between tiny and new Abu Dhabi, within the United Arab Emirates, and the vast and ancient state of Iran. In the dynamic of relations between these two particular states, the Three Islands dispute is a raw nerve, and the study of it here is an analytical and brave attempt to highlight the issue that can tell us the most about the power relations between Abu Dhabi and Tehran at one of the points where they meet most painfully felt. We need more such detail if we are to get a better understanding of how the small-state phenomenon has evolved in the last forty years.

Perhaps most important in this regard is the fact that the subject of this book also encompasses one of the key contemporary dynamics of world politics; the fact that some states can fairly be described as ‘post-modern’. Contemporary writers such as Robert Cooper, Joseph Nye and Philip Bobbitt have noted the rapid emergence of the post-modern state in world politics, existing alongside ‘modern’ and ‘pre-modern’ states in a situation that dislocates traditional patterns of foreign policy between them. Sheikh Khalid Al-Nahyan has performed another service to the discipline by examining a case study that encapsulates rather precisely this feature of the contemporary international system. His study, in fact, illuminates one of the most subtle of interactions in this hybrid era of statehood, that between a very small but undoubtedly post-modern state in the UAE, in relation to a modern, but
determinedly twentieth-century state, in the Islamic Republic of Iran.

In general, a post-modern state can be defined as one in which the embrace of contemporary globalisation for its society and economy effectively changes the classical relationship between government, people and sovereignty – a relationship on which the classic nation state from the seventeenth-century onwards has rested. A post-modern state is uniquely open to the economic forces of the international system. It is highly multi-lateral in the way it must seek to solve its problems; it has a big stake in the continuing prosperity and order of world capitalism. And though its citizens will doubtless feel a powerful spiritual and cultural identity with the existence of that state, their economic and social loyalties may well be dispersed in several other directions. Post-modern states, such as most of the countries of Western Europe, have effectively shared a measure of their national sovereignty in order to be prosperous. For some scholars, such states are effectively moving away from the generic roots of the original nation states of the international system to become now ‘market states’, where the government’s prime role is to influence and shape the market conditions under which its citizens will then operate. It retains a residual duty to protect its citizens, of course, but this is expected not to be required for the foreseeable future. Post-modern states generally feel very safe in the international system and see their role as helping
To promote rule-based good international order and global prosperity – from which they themselves derive the greatest benefit. Some states, such as Western European countries, have evolved in this direction over the last sixty years while others, such as some of the states in the Gulf, have in effect had post-modernism imposed upon them more recently since the oil boom of the 1970s by the conditions of world politics in which they have found themselves.

No matter how it has come about, however, there can be little doubt that Dubai, Qatar and the UAE, and in particular Abu Dhabi within the UAE, have rapidly emerged as post-modern societies. Abu Dhabi is post-modern in the way its oil wealth deeply entrenches it within the global economic system and its sovereign wealth funds circulate throughout the Western world. It is an increasingly important strategic actor in the Gulf which, nevertheless, finds it both necessary and desirable to conduct almost all its diplomacy in multilateral ways. It is a growing centre of international travel and tourism, a small but significant international footprint for many companies, financial institutions, services and industrious individuals operating in the Gulf and increasingly throughout Asia. Indeed, Abu Dhabi’s non oil and gas sector is now almost 65 per cent of its GDP, so it has diversified from hydrocarbons very successfully inside thirty years. It now has one of the highest per capita GDPs in the world. Abu Dhabi is a state with an indigenous population of fewer than 500,000,
but a residential citizenry of around 2.4 million as expatriate foreign workers. Fewer than 20 per cent of Abu Dhabi’s residents are Emiratis. For this reason, it is evident that Abu Dhabi has had to take a hybrid approach to protecting its own rich history and cultural identity whilst also giving a majority of the residents of Abu Dhabi powerful incentives to continue to live and work there. All of these elements make Abu Dhabi one of the signal cases of a society that is post-modern.

It is equally obvious that Abu Dhabi’s powerful neighbour, Iran, is a modern state rather than a post-modern one. That is to say that Iran is a version – of which there are not so many left in the world – of a rather particular type of twentieth-century autocratic regime. It is ‘statist’ in the analytical sense of the term. The government seeks not to manage the Iranian economy, but rather to control it, in the way that Fascist and Communist governments in the mid-twentieth-century assumed that if they could only get hold of all the economic levers they would be able to run their economies in such a way that it would be relatively impervious to foreign pressures and global trends. In a country of 75 million people, the leaders of the Iranian Revolution find it difficult to appreciate that such a big economy is not necessarily susceptible to tight control. They find it difficult to accept that the international market system, based on capitalist principles with which they have fundamental social and religious disagreements, appears to be genuinely pervasive in the twenty-first century. Alongside this
determination to be economically statist is also a powerful nationalist belief, bolstered by the cultural richness of its Persian heritage, that seeks to unite the instincts of national and cultural identity, loyalty to the state, and it’s citizens own belief in it; precisely those elements that the post-modern state allows to evolve in different directions.

Whereas most post-modern states tend to feel relatively secure, the Islamic Republic of Iran is beleaguered, with few reliable friends in world politics. Its closest friends have been the Assad regime in Syria and the Hizbullah movement in Lebanon. Beyond that, it has some residual support from Moscow and Beijing, but that has become increasingly conditional in recent years. Certainly, in Beijing’s case, it is driven more by China’s energy needs than any wider community of interests. On the other hand, Iran displays a pattern of behaviour which often threatens to unite its near (and far) neighbours against it. Iran’s determination to acquire the capacity to become a nuclear-weapon state is at once an expression of its overwhelming desire for recognition as one of the significant powers of the world, as well as the chief driver that is creating a pariah status for Iran and blocking its diplomatic and economic opportunities. The Iranian leadership appears to be caught in a vicious spiral of mid-twentieth-century thinking that takes little account of the pace of change in the post-modern twenty-first century. Even a state as large as Iran cannot deliver prosperity and long-term
security for its people without a high degree of international co-operation. And the greater the economic price Tehran pays for that isolation, the more it is forced to clamp down on political and social dissent within the country in an era when global communications and social media make clampdowns increasingly dangerous and ineffective.

The ultimate fate of the Iranian Revolution of 1979 remains unclear. It is possible that the fractured leadership in Tehran will find ways of making a large mid-twentieth-century state successful and internally cohesive, perhaps by appealing for much greater help from countries in Asia. But the chances seem to be against it. For Abu Dhabi, the hard fact remains that it has a neighbour who is playing the diplomatic game according to rules that Abu Dhabi and most of the rest of the world regard as essentially outdated in the contemporary era.

For all these reasons, therefore, this is a timely and important study in terms of what it can tell us about the small-state phenomenon in contemporary world politics as well as what it says about a small post-modern state facing a merely modern twentieth-century and much larger political entity. This is the general context. But this book is also about a small pattern of islands and that focuses our interest even further.

Island disputes are famously difficult political issues, and there are a lot of them in world politics affecting every region. They range from disputes between African nations
over territories such as the Glorioso Islands or the Perejil Islands, to more famous disputes in the Asia-Pacific region over the Spratley Islands, the Kurile Islands, the Senkaku/Diaoyu Islands, the Paracel Islands or even the Socotra Rock; to other island disputes in the Middle East such as the Khuriya Muriya Islands, not to mention the Isla Brasilera dispute between Brazil and Uruguay in Latin America or the famous Falkland/Malvinas Islands dispute between Argentina and Britain.

Island disputes tend to be highly contentious because they represent displaced sovereignty. They create sovereign rights, or some variation of them such as Protectorate or Commonwealth status, from which so much else flows. There are several dimensions to this sovereign identification. One is that island sovereignty creates claims to maritime jurisdiction around them, creating sovereign territorial waters. This generates authority over legal rights of passage through territorial waters, fishing rights within them and legal title to licenced exploitation of any hydrocarbon or mineral resources found under the sea bed. Disputes over hydrocarbon exploitation are certainly characteristic of island disputes within relatively shallow waters such as the Gulf or the eastern Mediterranean. But they also apply increasingly in deep sea disputes such as in the south Atlantic or in the Indian Ocean where the technology now exists to lift such resources.
and where energy pricing increasingly makes it economically viable to exploit even deep sea bed hydrocarbons.

A second major dimension to the displaced sovereignty that island jurisdiction provides has a direct security element. Islands can be defence outposts that can host military hardware, staging posts and air bases, radars, listening stations and intelligence assets of all descriptions. They can provide extremely useful – and therefore extremely threatening to neighbours – military assets for a state, and perhaps also the allies of that state to use. For this reason, many states who occupy disputed islands are careful not to exploit their military utility too far, for fear that they become crisis points with other parties to that dispute. Claims to island sovereignty are one thing, but the deployment of military installations or forces on them is quite another.

A third reason why island disputes are particularly interesting is because they are frequently at the intersection of legal norms and power diplomacy. In this respect, they are a good indicator of how the post-modern world is evolving and they tell us a great deal about current trends in the relations between big and small, strong and weak, states. Island disputes are always based on some competing claims in international law. In the case of populated islands, one state may claim prior occupation of an island while another claims the rights of self-determination for an existing population. Both parties may also claim widespread international recognition
for their stated position. In such cases, the principle of self-determination for an existing population is very difficult to deny in international law since it has been enshrined in both the League of Nations and the United Nations for almost a century as one of the guiding legal principles of the modern international system.

In the case of the island dispute over the Falklands/Malvinas between Britain and Argentina, the Argentinian government makes claims based on prior occupation of the islands when they were temporary whaling stations for whalers operating from a number of countries before 1833. They also base a claim on the geographical proximity of the islands to Argentina since they are no less than 8,000 miles away from the British homeland. On the other hand, Britain disputes the actual reality of settled Argentinian occupation before 1833, but more importantly bases its claim on the right of self-determination for the Falklanders themselves over a period of constant habitation stretching to 180 years. And it is abundantly clear that the Falkland Islanders themselves are determined to remain part of Britain. At the political level, Argentina cites support for its claims from most other South American governments, but the British Government points out that this is very tepid support and has no effective influence at the United Nations. For the principle of self-determination is one that no modern countries or organisations are willing to breach decisively, even if they find the Falklands/Malvinas
issue distasteful. In contemporary international law, the principle of national self-determination for the residents of a territory virtually trumps any other claims in interstate territorial or island disputes.

In the case of largely uninhabited islands, however, which are far more numerous in the catalogue of island disputes, such an overwhelming principle does not necessarily apply. In these cases, states would normally produce historical claims in old documents, ancients maps, references from other states to the islands, geological evidence and even flora and fauna patterns, to support their claims to have sovereign rights over an island or an island chain. In the absence of a self-determination argument, such competing claims are almost always difficult to weigh objectively in the legal balance, and normally result simply in a legal stand-off between two or more states.

This is where diplomacy and statecraft come into play, for many states acquiesce in the de facto occupation by another state of islands they legally claim. They maintain, sometimes with great ferocity, their legal claims to the territory, but chose not to put the issue at the top of the agenda in their bilateral relations with a competing state. Diplomatic precedent comes into play.

In the case of the uninhabited Senkaku islands, for example (claimed by China as the Daioyu Islands), Japan has a strong historical claim to continue to exercise sovereignty following
their annexation of the islands in 1895. When the Senkaku islands were occupied by the United States at the end of the Second World War, they were assumed to be occupied, and used by the Americans, because they represented one of the southern extremes of Japan itself. And when the islands were relinquished by the United States in 1972, they were handed back to Japan, not to Communist China or Nationalist Taiwan who both laid claims to them on the basis of more distant history and closer geographical proximity. Despite all this, the Communist Chinese navy makes a point of regularly sailing through the territorial waters surrounding the Senkaku islands. It does so not just to assert China’s legal claims, but also to establish a continuous set of precedents. The Japanese protest, but are not in a favourable position to prevent these manoeuvres without the threat of violent confrontation between the Japanese and the Chinese navies. It is very unlikely that these islands would be the source of a war between Tokyo and Beijing, but the diplomatic temperature between the two powers is raised and lowered regularly as a result of the Senkaku/Daioyu dispute and both countries have used them as a diplomatic pressure point against the other – a pressure point that excites strong passions among each of their respective domestic populations.

Some elements of all these international precedents apply in the case of the Three Islands issue between Abu Dhabi and Iran. For all these reasons, therefore, this study of a particularly
sensitive island dispute in the respective contexts of the UAE and Iran as significant political actors in the Gulf, has a great deal to tell us about large and small states, modern and post-modern political actors, legal claims and diplomatic balances. Its insights could not be more policy-relevant in the current international relations of the Gulf. The growing international crisis over Iran’s nuclear ambitions is only one element of the problem. Iran is a key regional actor with or without nuclear weapons. And Iran, like other societies around the Gulf, cannot escape the social upheavals that have been sweeping across the region since 2011 from Morocco to Baluchistan. These pressures will be felt to some extent in every society in the Middle East. Not least, the economics of the region are changing fundamentally as some countries have broken their dependence on energy and others, who have not, are set to lose influence as the Western world develops game-changing energy alternatives.

So much in the region is in a process of transformation and young scholars like Sheikh Khalid Al-Nahyan are making a major contribution to better understanding of these new dynamics. He is one of the pioneers of a new intellectual elite now developing in the Gulf. It is sorely needed. Even more to the point, the growing prominence of the UAE, and within the UAE, Abu Dhabi itself, in world politics is already putting considerable strain on the diplomatic resources that such countries can deploy in support of their policies around the
world. Gulf societies must invest in their intellectual capital for the future and I am proud to say that this study is not only immensely valuable in its own right, but shows Sheikh Khalid Al-Nahyan to be one of the intellectual leaders of the future.

**Professor Michael Clarke**
January 2013
A LMOST all political problems in the Middle East give rise to strong emotions. The Three Islands dispute and issues of Gulf security are no exception to this, and one of the consequences is that much of the literature dealing with the dispute is very partisan. For example, Mattair, with UAE government support, has produced a very lucid analysis of the dispute, but it is written from a clearly national perspective. The same point can be made about other distinguished academics from UAE universities and think tanks.

Equally, Bavand, for example, has put the Iranian case very persuasively and so too have many others. Of course, it is impossible for any social science academic to achieve complete objectivity, but it seems in particularly short supply when the Three Islands dispute as the politics of the Gulf region are discussed by those who are so firmly committed to one side or the other.

Each side uses a different historical perspective to back up its case. Those using history to argue the UAE case tend to
choose their evidence for UAE sovereignty over the Islands from the eighteenth and nineteenth centuries. They do this because this is the period when the British made deals with Sharjah and Ras Al-Khaimah to administer the Islands, and a period when Iranian influence over them was virtually non-existent. On the other hand, the Iranian case normally takes a much longer historical perspective, pointing out that Persian influence over the Islands stretches back thousands of years and that the period of British colonialism and Arab influence was no more than a temporary break in a long period of Iranian sovereignty. Clearly, the analyst’s choice of relevant dates is critically important to the outcome of any debate, but it is largely determined by personal prejudices.

Historical maps of the area are another example. Old maps which show the Islands in the same colour as Persia are cited as proof that they belong to Iran. The UAE case, on the other hand, questions the authenticity of such maps and raises the issue of their status as evidence. How much attention should be paid to the existence of maps – sometimes unofficial maps – produced by foreign powers provides a further source of vigorous disagreement.

Western scholars of Middle East affairs also reveal significant biases in their attitude towards the various peoples of the region. Edward Said exposed those prejudices which lie not far below the surface of so much Western thinking about the Orient and Islam. ‘There is’, says Said, ‘a
consensus on ‘Islam’ as a kind of scapegoat for everything we do not happen to like about the world’s new political, social and economic patterns. For the Right, Islam represents barbarism; for the Left, medieval theocracy; for the Center, a kind of distasteful exoticism. In all camps, however, there is agreement that even though little enough is known about the Islamic world there is not much to be approved of there.’ In Said’s words, ‘On the one hand there are Westerners and on the other there are Arab-Orientals; the former are (in no particular order) rational, peaceful, liberal, loyal, capable of holding real values, without natural suspicion, the latter are none of these things. Said’s books were first published more than twenty-five years ago, but there is plenty of evidence, particularly in the United States, that little has changed – witness President George W Bush’s and the Neoconservatives’ dismissal of Iraq as a ‘rogue state’ bent on jihad and terrorism. James Russell has suggested that ‘the legacy of the Neoconservative revolution of Bush II will continue to extend a powerful influence on U.S. strategy and policy in the Middle East’. The shadow of a coming clash between ‘good’ and ‘evil’ remains a powerful metaphor used by Neoconservatives and their Orientalist allies in their continued attempt to influence policy and strategy, even in the era of the Obama Administration.

All this inevitably makes objective analysis of the Three Islands dispute extremely difficult. Perhaps the best that
the scholar investigating this topic can do is to show an awareness of the problem and a sensitivity to the nature of the sources used to construct an analysis.

Khalid Al-Nahyan
October 2012
I. INTRODUCTION

FOR over forty years, the dispute over the three islands of Abu Musa, Greater Tunb and Lesser Tunb has been a sore in relations between the United Arab Emirates and Iran. Initially occupied by Iran in 1971 during the time of the Shah and the formation of the UAE, the islands are a useful study of a seemingly intractable territorial dispute between a small set of city states and a regional hegemon. Though the intensity of the conflict has varied over time, there are no signs of an imminent change to the status quo or, indeed, a resolution. Throughout the years of the dispute, there has been a curious continuity of Iranian policy and action on the matter; despite a revolution (and the evolving foreign policy of the revolutionary regime), Iran’s stance on the islands has been remarkably consistent. Even the recent turbulence of Middle Eastern affairs, with the unforeseen eruption of Arab protest, is unlikely to have affected the environment such that a change in the current parameters of the dispute would be probable. However, if political change should affect Tehran’s strategic calculus in some way, then there
might be the *possibility* of a change in the Iranian position in the long term towards the islands.

The long-running dispute has centred on three small islands, located in the Gulf between Iran on the northern side and the emirates to the south (see Map of the Gulf). The dispute is a bilateral one, but external states and regional organisations, including the Gulf Cooperation Council (GCC) and the US, as the major military power in the region, have also had roles to play. Neither they nor the wider geopolitical significance of the Gulf region can be ignored in examining this dispute.

The dispute demonstrates that territory still very much matters in international relations. Border conflicts between India and Pakistan, Chinese claims to Tibet and Taiwan and its recent, heady clashes with Japan over the Senkaku/Diaoyu Islands, to say nothing of the Palestinian conflict, all show that the strength of issues related to borders, territory and sovereignty are as important as ever in many parts of the world. In South America, Argentina continues its belligerent rhetoric against Great Britain over the ownership of the Falkland Islands, whilst in the Mediterranean, Morocco and Spain have debated since Moroccan independence in 1956 the sovereignty of the Peñón de Alhucemas islands. China has continued to push the bounds of its territory, by naming Sansha its latest city despite the contestation of the ownership of the South China Sea islands by several Asian nations. Moreover, Sino-Japanese relations over territory hit their
a more sour note in late summer 2012, over the Senkaku/ Diaoyu Islands in the East China Sea. Both countries claim ownership, and the diplomatic row was overshadowed by the civilian response, which comprised a wave of anti-Japanese rioting in China after activists landed on the islands.³ It is a cautionary warning that not only can territorial matters flare up after years of quiet, as in the Falklands case, but that political and public opinion do not necessarily align.

This is certainly still the case in the Middle East, and within it the Gulf. Despite a history stretching back thousands of years, the political pattern of sovereign states there is of comparatively recent origin, and is as much a result of outside intervention as it is of native developments.⁴ The British introduced the concepts of territoriality and sovereignty under their rule – ideas which led to a policy described as a ‘ludicrous partitioning of territory’ in a society where European notions of territorialism were completely alien.⁵

However, the Gulf today is surrounded by fairly well-established territorial states participating fully in international society. Unfortunately, the emphasis which sovereign states put on the significance of borders and boundaries has led to serious territorial disputes between Gulf States, and even when those disputes have been legally settled by governments, resentment remains amongst populations that have found themselves on the wrong side of the borders.
The foreign policies of the protagonists frame the continuation of the dispute between the UAE and Iran, but, since it is a longstanding one, it is also necessary to understand the historic origins and complicated legal arguments relating to sovereignty that have led to in the current situation. This is explored in Chapter II, which also touches on the role played by British colonial policy that culminated in the 1971 Memorandum of Understanding (MoU) and British withdrawal from the region. The chapter also surveys the international and regional security context affecting the dispute, including the impact of the ongoing Arab political upheavals and currently unresolved Syrian conflict.

Chapter III examines how the dispute has unfolded since the occupation of Abu Musa in 1992. The study exemplifies the measures a small state can undertake in order to pursue its claims without either relinquishing its position or igniting further problems, which is important for a state that has historically been vulnerable to its larger neighbour. It highlights the various actions taken by key figures in Emirati politics to garner international support, to deal directly with Iran on a bilateral basis, and to seek support from international organisations. It demonstrates the high degree of consistency within UAE policy, and frames the crucial pursuit of the ‘decoupling’ method which has allowed the UAE to separate the dispute over the islands from its wider relations with Iran,
suggestive of a degree of realism in UAE thinking regarding its conduct of foreign relations.

Chapter IV explains in more detail this UAE policy on the sovereignty question since the creation of the UAE in 1971. In particular, it shows how the historical disparity in power between Iran and the UAE has essentially compelled the latter to undertake a careful policy of diplomatic engagement explored in the previous chapter.

Chapter V deals with Iranian policy, which has been consistent over the question of sovereignty. This chapter emphasises the perceived strategic importance of the islands to the security of Iran – that because of their strategic location, Iran will not tolerate any foreign power controlling the islands. Iran appears determined to hold the islands at all costs, and the chapter explains the continuity of this policy despite significant changes of government – including the overthrow of the Shah in the 1979 revolution. This is contextualised within the Iranian relationship with the US prior to the initial occupation and, following the events of 1992, the subsequent diplomatic policy of ‘refusal’ in handling the dispute. A key theme that emerges from this chapter is that the islands dispute is ultimately linked to both Iranian national pride and its security concerns, which are derived from its perception of external threat.

Finally, Chapter VI broadens the perspective to include the role of outside actors and the US in particular. It explains why
the dispute cannot be viewed in isolation as simply a bilateral one. When the British withdrew from the region in 1971, the Americans filled the power vacuum that resulted. Their presence steadily increased over the years, with the main focus of US policy in the region being Iran and how to deal with it. Contemporary nuclear-related concerns are touched upon here, along with the effect that sanctions have had on both Iranian foreign relations and the overall security of the region. The islands dispute is a minor issue from the American point of view. Nevertheless, the US has shown itself to be willing to provide at least diplomatic support to the UAE case.

The status quo over the islands is likely to persist for some time. Therefore, a US-backed approach to the management of the conflict, rather than forcing its resolution, would be to the long-term advantage of the UAE. Chapter VII, the conclusion, considers three alternative scenarios as to how the situation might play out in the future, evaluating them in the light of the most recent events that have affected the wider region. These suggest that there is not only the hope but also the possibility that a change of circumstances may finally be possible. If the three islands dispute is to be resolved in the UAE’s favour, it will need a positive change in the Iranian regime’s regional threat perception, and even then nothing is guaranteed.
The Three Islands

The islands – with Abu Musa and Lesser Tunb located 38 and 22 nautical miles from the Iranian coast respectively and, by way of comparison, both are nearly 32 nautical miles from Ras Al-Khaimah – have been forcibly occupied by Iran since 1971. Publicly, neither party to the dispute shows the slightest willingness to compromise on the sovereignty issue. The islands themselves, apart from some oil deposits (both on land and in their territorial waters) and deposits of red oxide, have little value in terms of resources. All three of them are small, and Lesser Tunb is tiny, uninhabited and without potable water. Even Abu Musa, the most well-endowed of the three, has an area of no more than four square miles, a population of around 2,000 people in 2012, three small oil wells and diminishing deposits of red oxide. What, then, is there to fight over, and why is there a long-running dispute? As this book argues, the dispute is in part the manifestation of much deeper regional rivalries: the islands are psychologically important to both Arabs and Iranians vying for regional influence and respect. They are powerful symbols of nationalism, status, prestige and regional authority.

The historical records show that the Arab Qawasim tribes of Ras Al-Khaimah, Sharjah and Lingeh made use of the islands from the eighteenth century onwards. The British, as the dominant power in the region, supported the Qawasim claims to the islands largely because they were anxious to
contain and limit the influence of Persia in the Gulf. British support of the Qawasim tribes was later translated into their support of the emirate of Sharjah’s claims to Abu Musa, and the Ras Al-Khaimah emirate’s claims to the Tunbs. When these emirates were united into the UAE, the new state inherited these claims, all of which are contested by Iran.

Yet beyond the historic contestation and symbolism of the islands, their significance is strategic, as they lie close to the Strait of Hormuz through which passes 35 per cent of the world’s seaborne oil and thousands of tons of commercial shipping on a daily basis. For Iran, ownership of the islands is part of its security strategy; their location is more significant than any tangible assets the islands may possess. It is this which has been a continuous strand of Iranian policy: even the last Shah of Iran declared in the *Guardian* in 1971, ‘we need [the islands], we shall have them; no power on earth shall stop us. If Abu Musa and the Tunbs fell into the wrong hands, they could be of a great nuisance value’. The Shah’s Foreign Minister Ardeshir Zahedi made the same point: ‘If these islands go, all our interests will be damaged’. Since the Iranian Revolution, there have been many changes in Iranian foreign policy, but on the issue of the three islands the Shah’s successors have not deviated from that commitment.

Whether Iran’s belief in the strategic importance of the islands to its security is objectively true is a matter of debate. It has been suggested that Iran could probably control the strait
from other islands, missile boats or even from the Iranian mainland, which is not far from Abu Musa. However, this does not change the subjective Iranian interpretation of the islands’ importance.

**The Implications**

The dispute is significant for both states involved, though more so for the UAE. From its perspective, its territory has been annexed and, though it is not contiguous to the Emirati heartland itself, leaves open the fear of further territorial encroachment by a neighbour that has historically been large enough to take what it wants. Careful management of the dispute is crucial to neither exasperate conditions and provoke Iran into a more forceful response, possibly targeted at the UAE mainland, nor to give Iran leave to argue that the UAE has dropped its ‘misunderstood’ claims to the islands. Long-term management rather than short-term resolution appears to be the best course of action. Moreover, the UAE’s actions at each stage of negotiating the conflict demonstrate how a small state can deal with a powerful neighbour – and that a disparity of strength does not give rise to foregone conclusions in international disagreements. Finally, irrespective of size, the islands dispute has so far upheld the principle of not resorting to force between states in order to produce a settlement, thereby providing a leading example of a state acting in good faith as a member of the international community.
For Iran, the dispute is a matter of Emirati misunderstanding. The territory of the islands has reverted back to its rightful owners after a period of usurpation by British colonial ambitions, and for the Iranian domestic audience, ‘all that matters is that [the territory] is Iranian.’ Giving up the islands would mean a loss of credibility in the eyes of the population that the regime, already more precarious than it would care to be, might not recover from. Strategically, the islands are both a security risk to the mainland should they be under the control of an external power, and they stand as a force multiplier for Iran’s ability to threaten the flow of traffic through the Strait of Hormuz. In de facto control of the islands, Iran needs little more than for the status quo with the UAE to continue, leaving it free to concentrate on its myriad of other concerns. Yet as the security situation in the Middle East has convulsed in recent years, and international focus has turned more harshly on Iran, an emboldened UAE could, in theory, take advantage of such change to press its point. While direct military intervention remains a far-fetched option – not least because of the potential to spark off another regional war – the time of protracted stalemate may have drawn to a close. Iran’s response would be an illuminating demonstration for all states, in the region and further afield, as to what Iran judges acceptable action against a state that, if not necessarily considered a friend, at least has broadly cordial relations.
II. HISTORICAL AND LEGAL CONTEXT OF THE DISPUTE

ARGUMENTS about the ownership of the three islands – Abu Musa, and Greater and Lesser Tunb – are embedded in their history and the role they have played in the lives of successive generations of Arabs and Iranians. Stretching back hundreds of years, Abu Musa and the Tunbs have been used by locals from both sides of the Gulf. Ownership, in the modern sense of sovereignty, was not an issue, but Iran now claims that it has always owned the islands. Historically, according to the Iranian position, the islands were part of the Persian Empire and, during the nineteenth century, were dependencies of the Persian port city and district of Lingeh (and administered by the governor of Lingeh, as an appointee of the governor of Iran). Iran claims that it continuously exercised sovereignty over the islands until 1903, when the British occupied them. However, it is important to stress that the sovereignty claimed by Iran was not predicated on a tangible, continuous presence, but rather of a more remote ruler who made sporadic visits to the area.
Persia and the Portuguese Empire

The Portuguese began the European imperial encroachment into the Gulf in the sixteenth century, as they followed Vasco da Gama’s discovery of the sea passage to India in 1497–98. The opening of this trade route initiated 150 years of Portuguese monopoly over commerce – from 1507 onwards, the Portuguese had seized control of key trade ports and cities in the Gulf and their dominance was only ended by naval defeat by the English in 1615. Yet by the mid-eighteenth century, alliances of Arab tribes had driven out not only Portuguese colonial rule, but also Iranian. The archives of the Dutch East India Company noted that by 1741, Arab tribes ruled the Gulf region, including the Iranian coastal areas, and there was no sign of the Iranians themselves.¹

It was at this time in the mid-1700s that the Qawasim ruling clan emerged as intermittent rulers on both sides of the Gulf. In particular, in 1750, they aided the Iranian ruler of Bandar Abbas in recapturing Lingeh, holding it until 1767 and then retaking it in 1780. A faction of the Qawasim would remain in Lingeh, administering territory on both the mainland and the islands – including Abu Musa and the Tunbs – off the coast.² This would continue until Iran ejected the Qawasim ruler in 1887, over a hundred years later. That September, the Iranians would attempt to mark their sovereignty over Greater Tunb with the erection of a flag-pole.³
II. Historical and Legal Context of the Dispute

British Rule

Along with the Dutch and French, from the seventeenth century onwards, the British encroached into the Gulf and successfully challenged the Portuguese monopoly. The British installed a diplomat in Bushehr in April 1763. British dominance of the region would only increase, leading to serious clashes with the Qawasim until in 1892 agreements were signed between the rulers of the Trucial States and Britain. These agreements limited the Trucial States to dealings with Britain alone, essentially installing them as protectorates. It gave the British government, through the Foreign rather than the Colonial Office, leave to arrange the foreign affairs of the emirates but, crucially, not the right to intervene directly in domestic issues. This state of affairs would persist until the British departure from the Gulf in 1971.

The first British record of Qawasim ownership over the three islands appeared in 1864, in a letter to the British political resident at Bushehr in Iran. It would lay the ownership of the islands specifically with Sheikh Sultan bin Saqar, the emir of Ras Al-Khaimah. The 1887 ejection of the Qawasim from Lingeh would initiate an early incarnation of the 1971 dispute over the three islands, as the sheikh of Sharjah clashed with Iran, with the British mediating, over the specifics of the administration and ownership. It had been British understanding – which they failed to convince the Iranians thereof – that the islands had
The Three Islands

been governed by the Qawasim in Lingeh by virtue of being Qawasim, rather than as being from Lingeh.7

The Twentieth Century

When the British occupied the islands in 1903, they hoisted the flag of Sharjah on Greater Tunb and Abu Musa, and in 1908, on Lesser Tunb. This occupation continued until 1971, when the 150-year domination of the Gulf by the British ended. During the long period of British dominance, the question of sovereignty was a low-key issue, but it never disappeared. Iran periodically reiterated its historic claim to the islands, and it was clear that without the British presence in the region, the sovereignty of the islands would re-emerge as a political issue between Sharjah, Ras Al-Khaimah and Iran.

By the late 1960s, Britain, having already withdrawn from Aden and keen to discard its Gulf responsibilities, nevertheless sought to put in place reasonably stable political arrangements before leaving the region. It finally brokered a deal – in the form of a Memorandum of Understanding – between Iran and Sharjah, according to which neither party relinquished their claims to sovereignty over Abu Musa. Instead, Article 2 of the MoU stated that Iran would occupy the northern half whilst Sharjah would exercise full jurisdiction over the rest of the island. This memorandum was signed in 1971.8 No agreement was reached over the Tunbs. The sheikh of Ras Al-Khaimah resisted the idea of giving up his claim to sovereignty
in return for financial compensation and, instead, the Tunbs were simply annexed by Iran on 30 November 1971.

Events since 1971 show that the sovereignty dispute over the islands was not resolved by the MoU. Though the British might claim that as a result of it, their withdrawal and the situation they left was not as unstable as it might have been, others have argued that ‘British policy left behind the seeds of a continuing dispute over Abu Musa and the Tunbs’.9 Mishari Al-Zaydi is more critical, stating that ‘whether by design or default the British guaranteed friction and disputes between Iran and the UAE for the next 30 years’.10

In the immediate post-1992 period, Britain would express its support for the UAE during meetings held with the country’s foreign minister, Sheikh Hamdan bin Zayed Al-Nahyan, in London in October 1994. There, British Foreign Secretary Douglas Hurd and other officials affirmed Britain’s support for the UAE’s demand to refer the issue to the International Court of Justice (ICJ). Hurd also said during his visit to the UAE in mid-March 1995 that the ‘UAE’s approach in handling the matter has been resolute and cautious. We strongly support their move to resolve it at the International Court of Justice.’11 A similar statement was made by the minister of state for foreign and commonwealth affairs, Jeremy Hanley, in 1996.12

Since its founding in 1971, the UAE has repeatedly asserted its claim to the sovereignty of the islands while Iran, now in
de facto possession, has repeatedly insisted that the islands are its property and has slowly tightened its grip, particularly on Abu Musa since 1992. There have been many changes in the Gulf since 1971 – not least a significant regime change in Iran – but the stalemate over the islands continues. As the UAE continues to push for a resolution, unfolding regional events might challenge the status quo. Though there is little to suggest that the UAE will suddenly take up a radical new stance and militarily attempt to reclaim the islands, the eruption of the Arab Spring in December 2010 and continuing regional unrest, especially in Syria, in 2012 cannot have failed to have influenced Iran’s perspective of the dispute. The Western world was quick to comment – or, in the case of Libya, act – upon the Middle Eastern uprisings, as was Saudi Arabia. Although the latter looked favourably upon the changing tide in Libya, when protests occurred in neighbouring Bahrain, it undertook military action to support the government. In both cases of intervention, Iran rejected and denounced the measures. Against that backdrop, Western oil sanctions against Iran’s nuclear programme led to two pronouncements, in January and July 2012, that Iran would close off the Strait of Hormuz if its security was threatened. Retaining the islands is now even more important to Iran, which views them as crucial to its ability to use the strait as a bargaining chip against Western action. Yet the Iranian regime has not only come under external pressure; as the mass domestic protests
II. Historical and Legal Context of the Dispute

of 2010 showed, it is a regime that also faces an internal challenge. While it is too early to say how Iran will emerge from the regional tumult, with any change in the character of the regime comes at least a possibility of a modified stance on the three islands dispute.

The Legal Arguments

Both the UAE and Iran have, over the years, devoted much effort to pushing their respective historical and legal claims to sovereignty over the three islands. From the legal standpoint, there are, under traditional international law, five means by which sovereignty may be claimed. Among these are prescription, which entails appropriation of a territory through occupation for a lengthy, continuous period of time, in the absence of any objection from its state of origin against the status quo; contiguity; and occupation – the intentional acquisition of sovereignty over a territory by a state, when the territory as that time is not under the sovereignty of another state. Iran’s claim to sovereignty rests on all three. As the Shah claimed in 1971, ‘What we are demanding is what has always belonged to our country throughout history – it is perfectly natural and reasonable that, now that imperialism is withdrawing, Iran should regain what has always been its possession historically’.

In December 1971, Iran’s representative at the United Nations argued that ‘Iran’s claim to the islands was long standing and substantial; both maps, hundreds of years old
and modern, highly authoritative encyclopaedias have treated the territories as belonging to Iran’. The Shah had made the same point. ‘The islands were ours; but some eighty years ago, Britain interfered with the exercise of our sovereignty and grabbed them and subsequently claimed them for her wards Sharjah and Ras al-Khaimah’. As evidence of the continuing validity of its historic claim to sovereignty over the islands, Iran has drawn attention to a number of maps of the area that portray Abu Musa and the Tunbs in the same colour as the Persian mainland. A British Admiralty map, drawn up by the Intelligence Section of the War Office in 1886 and presented to the Shah in 1888, is important in this respect, say Iranian officials, as it and other maps suggest that the islands were originally part of Persia. This would therefore mean that the British rule was an interruption of Persian sovereignty, thus leading to Iran’s view that the events of 1992 were an exercise of legal rights, not an illegal occupation. Since the Iranian Revolution, numerous Iranian officials have reiterated this historical claim stretching from antiquity to the seventeenth century, when the intervention of successive colonial powers began to undermine Persian influence.

Even if it is true that during the period of British domination Iran lost control of the islands, the Iranians argue that this did not mean that they lost their right of sovereignty over them. For this to happen, ‘there would have to have been “dereliction” under international law. Dereliction requires an
intended, voluntary and actual abandonment’. At no time did Iran intend to leave the islands; it made every effort to keep them and was only prevented from doing so by British power.

The Iranian government has argued that Iran’s occupation of the northern part of Abu Musa was legally negotiated through the 1971 MoU, and represented a partial restoration of pre-existing sovereign rights that were interrupted by British colonialism in the Gulf. Iran’s occupation of the Tunbs at the end of 1971 took place after the failure to negotiate a financial settlement with the sheikh of Ras Al-Khaimah. This takeover was also defended by Iran as a justifiable restoration of sovereign rights, which had temporarily been usurped by British power. Yet a declaration made by the Speaker of the Iranian Shura Council attempted to claim that the three islands belonged to Iran under an agreement signed with Britain. It was a claim that was quickly denied by a British Foreign Office spokesman.

The claim for Iranian sovereignty is also in part based on contiguity: the islands are physically closer to Iran than the UAE. Thus the islands are so strategically important for the preservation of Iranian vital interests that it must have control of them. If the islands were to fall into enemy hands, Iranian national interests and the security of its Gulf shipping would be compromised.
Finally, Iran has argued that possession is nine-tenths of the law, and that it has been in de facto control of the islands since 1971, during which time Iran has steadily increased its presence and influence by establishing several military and administrative installations on Abu Musa. Iran now steadily holds this it has a just claim to the sovereignty of the islands, and disagreement stems from the UAE’s ‘misunderstanding’: it is a matter neither for discussion nor negotiation.

The UAE claim to sovereignty over the three islands rests on the historical claims of the Qawasim and the Qawasim sheikhs of Lingeh – claims that the UAE inherited with the consolidation of the emirates. It argues that the Qawasim tribe had asserted patrimony over the islands from the eighteenth century onwards. The islands may have been administered by Lingeh appointees of the government of Persia, but this was done on behalf of the sheikhs of Sharjah and Ras Al-Khaimah. The idea that the Lingeh faction of the Qawasim was somehow administering the islands on behalf of Iran was rejected by both the British and the Qawasim tribes on the southern side of the Gulf – and then by the UAE.

Britain supported Ras Al-Khaimah’s and Sharjah’s claims by arguing that even towards the end of the nineteenth century, the islands were ‘not formally occupied by any government’ and that the sheikhs, by hoisting their flags on the islands, were the first occupiers. The legal argument was that islands were *terra nullius*: not in the domain of any state. Whatever
II. Historical and Legal Context of the Dispute

rights Iran may have had historically had lapsed because its occupation had become either intermittent or non-existent. Supporting evidence for this claim was cited that, as early as the 1870s, Abu Musa had become an agricultural centre and a resort for the Qawasim rulers of Sharjah. In 1883, when the then-ruler of Sharjah, Sheikh Salem bin Sultan, was overthrown by his nephew, he chose to live on the island of Abu Musa. In addition, the rulers of Sharjah had, over the years raised taxes, granted economic concessions and built schools – all evidence of a continuous presence. All this suggests that the rulers of Sharjah and Ras Al-Khaimah could claim continuous occupation for much of the period when Britain dominated the Gulf.

The UAE has rejected all of the arguments put forward by Iran in support of its claim to sovereignty over the three islands. It has insisted that Persia did not, in actuality, control the Gulf region for over 2,000 years until the British challenged Persian influence in the eighteenth and nineteenth centuries. The UAE has further rejected the evidence of antiquarian British maps which Iran claim’s shows Persian ownership of the islands, as the accuracy of the depictions is, it deems, highly questionable. Regarding Iran’s argument on contiguity, the UAE has pointed out that it has no validity in international law, and any acceptance by international society of this aspect of Iran’s claim would result in chaos. The UAE also rejects Iran’s claim to sovereignty based on
‘strategic necessity’ – the view that *raison d’état* and national interests provide an argument for the forcible acquisition of territory. Like contiguity, it is rejected, as acceptance by the international community would mean constant aggressions and conflict.\(^\text{27}\) Finally, the government of the UAE has queried the validity of the MoU ceding part of Abu Musa to Iran, claiming it was signed under duress. As for the forcible seizure of the Tunbs by Iran, the UAE condemns this as an illegal use of force – outlawed by the UN Charter (Article 2, Paragraph 4) and by General Assembly Resolution 3314, which states that ‘the territory of a State shall not be violated by being the object, even temporarily, of military occupation or of other measures of force taken by another State in contravention of the Charter’.\(^\text{28}\)

However, the UAE has also repeatedly stated that they are willing to address the issue before a third party, including the ICJ, and that it would abide by whatever ruling is determined according to international law. Iran thus far has refused to pursue the matter in this manner. Both sides have sought refuge in the legitimating narrative of history and legality upon which they rest their claims to the sovereignty over the three islands. Yet it is telling that Iran refuses to continue dialogue with the UAE or accept arbitration at the ICJ or elsewhere. With its hostility towards and suspicion of the West, Iran may believe that it would receive a prejudiced hearing if arbitration were to occur. More likely, it may believe that its physical presence on
the islands gives it the upper hand, and therefore that it does not need to make efforts to accommodate the UAE.

The International Context

The islands dispute, however, cannot be understood simply as a bilateral territorial disagreement between the UAE and Iran. This is a critically important part of the world, not least because so many countries are heavily dependent on the region’s oil and the ability to move it freely to distant markets. Any conflict which threatens ship movements through the Gulf, or upsets the fragile regional stability, has serious international implications.

In this context, attention has to be focused on Iran. Iran is a hegemonic revolutionary power with regional ambitions, and a potential nuclear-weapons state at odds with many of its neighbours as well as with some of the most powerful states in the world. Inevitably, the 2003 invasion of Iraq and resulting decline of Iraqi influence in the Gulf tipped the regional balance of power in Iran’s favour. The lack of a regional counterweight to Iranian strength pushed the Arab Gulf States to rely for their security needs on military arrangements with outside powers, particularly the United States.

Iran has tried also to extend its influence by co-opting the events of the ‘Arab Spring’ as a continuation of its own 1979 revolution. In September 2011, the First International Conference on Islamic Awakening was held in Tehran, followed up by a second in January 2012, and the participants
included the youth activists of seventy-three countries, whom Ayatollah Khamenei depicted as ‘the bearers of great news for the future of the Islamic Ummah’. The conferences sought to posit the wave of revolutions as ‘Islamic awakenings’, and Brigadier General Yahya Rahim-Safavi, former commander of the Islamic Revolutionary Guard Corps (IRGC), went as far as stating that they had been ‘modelled after Iran’s Islamic Revolution’. However, Iran’s hopes were quickly unseated by the protracted uprising across Syria, a key ally in the region, whose regime appears to be faltering. Though President Ahmadinejad tried to depict the Syrian uprisings as the result of the West’s efforts ‘to undermine Syria in an attempt to protect the Zionist entity through sowing sedition and division’, the noticeable absence of Syrian delegates at the January conference left Iran’s claims ringing hollow.

Unfortunately for Iran, events have failed to play out to its advantage, and international pressure over its nuclear programme has continued to mount while an allied regime in Syria, at the time of writing, faces – at best – a prolonged stalemate against armed rebels. Such regional uncertainty has had one concrete result: defence expenditure in the Gulf has not slowed, with one figure for 2011 putting arms spending for the region at over US$70 billion, testament to spiralling security fears. The international community has not repeated in Syria its actions in Libya, not least due to Chinese and Russian resistance to UN Security Council
proposals. Thus outside of a nation taking unilateral action, the world remains limited to watching Syria continue down a path of conflict.

Without oil, world powers would likely have little interest in the region’s disputes; but Middle Eastern oil is the lifeblood of the world economy, and, despite the global economic recession since 2008, there will continue to be a rise in demand, albeit at a smaller and slower pace than previously forecast.\(^ {34} \) The US Energy Information Administration calculates that global demand for oil is likely to increase in the short term from its 2010 figure of 87 million barrels per day, to 89 million in 2013.\(^ {35} \) However, this is in a period of sluggish global growth. Long-term, it is projected to reach more than 100 million barrels per day by 2030.\(^ {36} \) Such long-term trends in oil production and consumption are based on continued Chinese and Indian economic expansion. A forecast to 2030 suggests that, respectively, they ‘will be the world’s largest and third largest economies and energy consumers’ and together will account for 94 per cent of net oil demand growth.\(^ {37} \)

As far as other Gulf States with an interest in Gulf affairs are concerned, the intricacies of the legal and historical arguments surrounding the islands dispute have not been of much interest. The respective merits of the UAE and Iranian arguments in terms of justice have been less important to them than making sure that, however the dispute is finally settled, their economic and strategic interests are preserved.
The Gulf States have certainly thrown their weight behind the UAE, but not to the extent that any have been prepared to go beyond diplomatic support. The changing climate of the Middle East, brought about by political changes across the region, look unlikely to change this stance.

However, the implications of conflict within the Gulf are serious enough to concern powers outside of the region. One only has to think through the dire economic, political and environmental consequences which would follow from the sinking of a large tanker in the Strait of Hormuz to see that political stability cannot be allowed to dissipate through lack of attention. US foreign policy-makers allocate a high priority to Middle Eastern affairs, and Russia, China and European states have found, and are likely to continue to find, it necessary to involve themselves politically, economically and even militarily in the region.

The issue at the heart of this problem is that from a legal, historical and political perspective, there is an irreconcilability in the three islands dispute. Iran and the UAE have radically different interpretations of the evidence and neither has been willing to compromise on their respective claims.
III. ESCALATION AND MANAGEMENT OF THE DISPUTE

This chapter turns to look in detail at the dispute since the Iranian occupation of Abu Musa in 1992, and the means by which the UAE could and did respond to the abrupt change of circumstances when Iran significantly escalated the dispute. The steps undertaken continued its previous methods of negotiating the conflict, but in such a manner that allowed for the growth of relations with Iran in other areas.

The dispute over the three islands may have continued indefinitely, contained within the partitioning terms of the 1971 Memorandum of Understanding. In 1992, however, Iran unilaterally seized the UAE’s half of Abu Musa. Yet UAE policy did not change markedly in character or substance, despite this second forceful takeover of a populated area. The diplomatic mechanisms which the UAE has used to manage the dispute since – bilateral talks, calls for arbitration, third-party mediation and mobilising regional organisations – are described in detail in this chapter.
As the following case study demonstrates, the escalation of the dispute could have been ample motivation for the UAE to attempt new – perhaps more coercive – methods by which to pursue, however successfully, the reclamation of its territory. That the UAE did not escalate the situation further requires an explanation of its own. Instead, it has worked to build an increasingly wide consensus on the issue in favour of its claims rather than resorting to hasty unilateral actions, even if in doing so the dispute has remained unresolved, and the three islands occupied.

Until the occupation of 1992, Iran had hitherto jointly administered Abu Musa with Sharjah as part of the 1971 Memorandum of Understanding. On 24 August, Iran refused to grant access to Abu Musa to a 104 residents of the island, including the governor appointed by Sharjah, as well as citizens of the UAE, Palestine, Syria, Egypt and Jordan. The Iranian authorities refused to allow passengers to disembark at the island, and threatened to sink the ship carrying them if it did not return immediately to Sharjah. In addition, Iran seized a desalination plant and a school belonging to the UAE.\(^1\) It was a serious violation of the MoU, and the UAE sharply denounced the action on 1 September. Although Iran retreated somewhat from its stance and allowed the governor and twenty UAE citizens to return on 3 September, the others were still refused.

Later that September, senior Emirati officials strongly condemned the actions taken by Iran on the island, in line
with their established policy towards the dispute. The UAE sought to address world public opinion through the United Nations General Assembly; in a speech before the UN General Assembly, UAE Foreign Minister Al-Nuaimi reiterated the illegality of Iranian actions in relation to Abu Musa as a violation of the MoU. Moreover, Al-Nuaimi declared that Iran acted against the principles of coexistence and good neighbourliness and outside the bounds of traditional relations between the two countries.

That autumn, the two countries held a first round of talks in Abu Dhabi about the islands. During the talks, the UAE set up an agenda that included a comprehensive discussion of the matter and called for:

1. An end to the military occupation of the islands of Greater and Lesser Tunb
2. Iran’s commitment to the 1971 Memorandum of Understanding regarding Abu Musa
3. Non-interference in any way, or under any circumstances or any justification, in the practice of the United Arab Emirates’ full jurisdiction of the parts of Abu Musa that were under its administration, as stipulated in the Memorandum of Understanding
4. Cancellation of all measures and procedures imposed by Iran on the UAE’s agencies, citizens and residents on Abu Musa
5. An appropriate framework with which to resolve the question of the sovereignty of Abu Musa within a specific timeframe.

However, Iran refused to discuss any issue except the MoU regarding Abu Musa. It also refused to consider the status of Greater and Lesser Tunb, or refer the case to the ICJ. One UAE delegation member believes that Iran had no intention of discussing the issue, but was instead tactically expressing an apparent willingness to negotiate in order to mend relations with Saudi Arabia. Consequently, the talks broke down without reaching an agreement on the agenda.³

Foreign Minister Sheikh Hamdan bin Zayed Al-Nahyan recalls that in the September talks, the UAE demanded ‘that Iran remove all the measures it imposed on the island’, which included the installation of long- and medium-range missile facilities, as well as the absorption of the island into the Iranian province of Bandar Abbas.⁴

Following the failure of these talks, the Supreme Council for National Security in Iran issued a statement saying that Iran had no expansionist ambitions in the Gulf region. However, it stuck to its position on the islands, before exploiting the outbreak of a border dispute between Qatar and Saudi Arabia to describe the islands problem as a border issue – in other words, not a matter of great importance.⁵
When the GCC summit, held 21–23 December 1992, unanimously expressed its rejection of the Iranian occupation, Iranian media warned that if the UAE wanted to regain the islands, it would have to cross a ‘sea of blood’ in order to achieve its goal. That same month, Iran deployed additional troops from its Revolutionary Guards to the islands and declared that it was ready to defend them against any attack. With a belligerent attitude, and bellicose rhetoric, Iran reminded its Arab neighbours that it had been ready to fight Iraq for eighty years. Nevertheless, the UAE disregarded the threats and continued to pursue the issue, and in February 1993 the Federal National Council issued a statement condemning the occupation, and calling upon ‘the Islamic Republic of Iran to take all measures that are consistent with its commitment to the principles of good neighbourliness and respect of the sovereignty and territorial integrity of countries in the region. Moreover, the Council calls on the world parliaments to support the UAE in its legitimate right which is in line with international legitimacy.’

Subsequently, the UAE made another attempt to resume direct talks and on 23 May 1993, Sheikh Hamdan met Iranian Foreign Minister Ali Akbar Velayati in Abu Dhabi, where they discussed bilateral relations and regional issues, and expressed ‘their willingness to hold further talks between the two countries to remove obstacles in the outstanding issues.’ On 6 June 1993, Sheikh Hamdan received a reciprocal invitation
to visit Tehran and continue talks, but on 10 September it was announced that the visit was cancelled. The UAE was not convinced that Iran wished to make the trip a success, as it had refused to issue a statement indicating that it aimed to discuss the differences over the three islands.  

Despite this failure, the UAE continued its tactic of raising the issue and calling for a peaceful settlement of the dispute. On 2 December 1993, the occasion of the 22nd National Day, President Sheikh Zayed’s speech reiterated the desire for a direct dialogue with Iran and a peaceful resolution to the question of sovereignty. The UAE also continued to offer to seek international arbitration, and Sheikh Zayed reaffirmed on 20 March 1994, in a call for international arbitration, that the UAE had evidence confirming its rights of ownership of the islands.  

That autumn, the UAE reiterated its objections to the changes introduced by Iran on Abu Musa as an attempt to impose a *fait accompli*. It protested on 29 September that the new air route to the island was a violation of UAE sovereignty and contradicted the principles of friendship and good neighbourliness. On 5 October, in a speech by the foreign minister before the 49th session of the UN General Assembly, the UAE again called for the dispute to go before the ICJ. On 19 December, Sheikh Hamdan expressed his country’s concern over the possibility that Iran would transform the islands into military arsenals.
The diplomatic campaign was not constrained to purely bilateral moves and protests, however. The UAE’s response to the 1992 occupation of the entirety of Abu Musa also elicited an attempt to resolve the dispute through third-party mediation. Between September 1994 and September 1995, in a series of speeches and statements to the United Nations, the Arab League and the GCC, the UAE continued its calls for a peaceful settlement, to be achieved either through direct negotiations or by referring the dispute to the ICJ.13

In a 1994 interview with the Algerian newspaper *Al-Watan*, the secretary general of the UN, Boutros Boutros-Ghali, expressed his hope that the UAE and Iran would reach a resolution of the three islands problem. He stressed that the UN was ready to play a role to resolve the dispute within the framework of diplomacy, mediation and arbitration if the two sides were to seek its help. However, any success of UN mediation and good offices remained subject to the request for action by both parties, without which the UN could not achieve any viable result.

In mid-November 1995, after an invitation to both Iran and the UAE by the Qatari minister of foreign affairs, Sheikh Hamad bin Jassem bin Jabor Al-Thani, a second session of bilateral talks was held in the Qatari capital Doha. Qatar had invited both parties to agree on the agenda of the bilateral negotiations. The UAE proposed the following areas for discussion: first, the Iranian occupation of the Tunbs;
second, Iran’s commitment to the MoU; third, the issue of the sovereignty of Abu Musa; and fourth, referral of the dispute to the ICJ should the bilateral negotiations fail. These were the same proposals as made in December 1992, in the immediate wake of the occupation. Iran, which had always been unwilling to consider the first, third and fourth items, rejected the UAE proposal; consequently, the meeting failed to reach any agreement.

Both parties expressed their willingness to hold talks in the future, but Khalifa Shaheen Al-Mirri, head of the UAE delegation to the talks, said Iran’s refusal to agree on an agenda was a rebuff to the Qatari mediation effort. He added that Iran had stated that it had only accepted the Qatari invitation because of a letter sent by Sheikh Zayed to Iranian President Rafsanjani, which called for a meeting between the foreign ministers of both countries. Thus the objective of the Doha meeting was to prepare the protocol for a future meeting of the foreign ministers. For their part, the UAE said both parties should prepare for the meeting through the establishment of an agenda, but the Iranians had refused.¹⁴

The failure to make progress via a third-party intermediary did not deter the Emiratis from pursuing their diplomatic recourse to the dispute. Sheikh Zayed’s speech on the 24th National Day, following the failure of the Doha talks, reiterated previous statements, calling for a peaceful solution: ‘For our side, we have shown our good will towards Iran on more
than one occasion, sufficiently so for them to decide upon their own options, based upon our historic links, our friendly relations, good neighbourliness and common interests.” Nevertheless, Iran continued to expand its presence on the islands, leading the UAE to issue a formal note of protest to the Iranian government in November 1996 over the opening of a branch of a university on Abu Musa. A copy of the note was circulated in December 1996 by the General Secretariat of the Arab League to its member states. Although the Qatari mediation had failed, the UAE still sought external assistance in order to bring pressure to bear on Iran to reconsider its attitude.

The dispute has also steadily been drawn into the Middle East’s regional security architecture. After the 1992 seizure of Abu Musa, the islands become an important item on GCC summit agendas; in September that year, the Ministerial Council issued a statement supporting the UAE, and expressing its ‘strong denunciation of the actions taken by Iran on Abu Musa, as they represent a violation of the sovereignty and territorial integrity of a GCC member state, and a disturbance to the security and stability in the region.’ The council called on Iran to respect the MoU signed by Sharjah and Iran, stressing that Abu Musa had become the responsibility of the UAE government since the establishment of the federation. Foreign Minister Abdullah had warned of a detrimental impact on wider relations: ‘If there is no solution
to this problem it will be very difficult for Iran to develop relations with GCC’.

At a meeting later that month of the foreign ministers of the Damascus Declaration (the GCC plus Egypt and Syria) in Doha, they, too, stressed their full support for the UAE with respect to its sovereignty dispute over Abu Musa, and for its many and various diplomatic efforts to confirm its sovereignty.

Subsequently, the GCC and Arab League leaders continued issuing statements in support of the UAE, reflecting a growing concern as they felt that Iran’s actions posed a direct threat to GCC states. All the subsequent statements issued by the GCC summits, at least until 2010, have asserted the following:

- Support of the UAE’s right of sovereignty over the islands, including the territorial waters, airspace, continental shelf and the exclusive economic zone of the three islands, as an integral part of the UAE
- Regret at the failure of attempts to garner positive results from Iran that would resolve the dispute, and which would therefore contribute to the strengthening of security and stability in the region
- Encouragement for the pursuit of all peaceful avenues that would lead to restoring the UAE’s rights over the islands
• An expectation that Iran would respond positively to the UAE’s efforts to resolve the issue through direct negotiations or recourse to the ICJ.

When a change within the leadership of the Iranian regime came about, hopes were raised of an amicable solution to the dispute. Mohammad Khatami, generally considered a reformist member of the regime, was elected president of the Islamic Republic in May 1997. Gulf leaders built their hopes on the fact that the establishment of a more conciliatory regime could usher in a new phase of relations with Iran. Indeed, in one of his first speeches after his election, Khatami called for an opening of a new chapter in the Arab-Iranian relations, and for the resolution of the dispute over the islands through dialogue.

There was the possibility that the rise of reformists in Iran’s government would enhance co-operation on a number of issues. Gulf leaders also hoped that the reformists would lead Iran towards a peaceful settlement of the dispute, prompting Sheikh Zayed to comment that same August: ‘We hope that the Iranian policy under the new president will be just and possible.’ Sheikh Saqr bin Mohammed Al-Qasimi, emir of Ras Al-Khaimah, was quick to congratulate President-elect Khatami on 26 May, expressing his hope that relations between the two countries would improve and explaining
how Iran’s occupation of the islands had deepened tensions in the region.

Hopes were dented within days, however, as Khatami publicly stated that ‘the islands belong to Iran’.

Though the UAE leadership had responded positively to Iranian political change, Iran failed to meet the expectations, and the gap between the rhetoric of the Khatami regime and its actions did not inspire feelings of confidence regarding a possible resolution.

Nevertheless, a year after Khatami’s election, Sheikh Zayed expressed his readiness to continue bilateral negotiations to resolve the issue of the islands, but underscored that it should be done within a set time limit. Although he expressed reservations, he also recognised a change in tone and rhetoric. Nevertheless, Zayed argued that if ‘President Khatami wants to pursue a policy of openness towards his neighbours and the world … we are still waiting for practical action.’

It was a signal that with a reformist personality at the head of the Iranian government, the UAE still held hopes that this change in the character of the government would translate into a change in policy.

Despite this signal by the UAE, the initially promising Iranian rhetoric was not matched by action. Despite a cordial visit to Abu Dhabi in late May 1998 by the Iranian Foreign Minister Kamal Kharrazi, no new proposals regarding the islands were presented. On the eve of the visit, the
head of the Iranian Foreign Ministry’s Arab Department, Mohammed Al-Sadr, once again defined the dispute within a narrow framework: ‘The main problem facing us is that of Abu Musa and the mechanics of the implementation of the 1971 Memorandum of Understanding’; adding: ‘We believe that the issue could be solved and there is no obstacle that could prevent us from reaching a solution.’ However, such definition of the dispute avoided consideration of the issue of sovereignty over Abu Musa, as well as over Greater and Lesser Tunb, and served only to re-state the problem in terms of the MoU. Despite the Iranian foreign minister visiting the UAE twice more, meeting with Sheikh Zayed and inviting him to attend the Islamic Summit Conference held by the Organisation of Islamic Cooperation in Tehran in December 1997, when the UAE delegation attended the conference, no talks were held on the issue of the islands.

In December 1998, the Iranian air force and navy conducted military manoeuvres in the waters around and on the islands themselves. These actions led the UAE, in line with their previous responses, to send a protest note to Iran in January 1999, with a copy to the UN, describing Iran’s actions as illegal, unjustified and provocative. The UAE also filed a complaint to the Arab League in February, reiterating its non-recognition of any other sovereignty over the islands and its reservation of all rights concerning them.
foreign minister pointed out that the Islamic regime had now expanded its control far beyond the Shah’s legacy.

Not all escalation was military in form: the construction of settlements has also been an issue of contention between Iran and the UAE. In February 1999, Iran began building a new town on Abu Musa, leading the UAE in both February and March to hand letters of protest to the UN, the GCC and to the Arab League against this and repeated naval exercises near the occupied islands. That September, Ambassador to the UN Mohammed Al-Shaali accused Iran of seeking to transform Abu Musa into a stationary aircraft carrier, constituting a direct threat to the security of the UAE, regional oil fields and shipping through the Strait of Hormuz. Such militarisation of the island was contrary to the MoU. In his National Day speech that year, Sheikh Zayed again called for resolution through negotiation, arbitration or judgement by the ICJ. This time, he noted, it was an ‘approach that Iran itself sought in the first three decades of this century.’ However, the Iranian response continued to be negative, as they refused to deal with the Committee. It is significant that even then, with the potential for a full militarisation of the islands heightening regional security fears over Iran’s future policy (albeit set against a regional détente brought about by ascendant reformists in Iran), the UAE refrained from escalating its own response. Instead, it intensified the rhetoric and diplomatic moves – confident in its own judgement as to
how best, as a member of the international community, to go about resolving the dispute.

In early 1999, amid this backdrop of security concerns, the GCC took further proactive steps on the three islands issue. As part of this, the minister of foreign affairs of Oman, Yousef bin Alawi, and the foreign minister of Bahrain, Mohammad bin Mubarak Al-Khalifa, stressed the importance of the establishment of the Tripartite Committee. The approach was to attempt to bridge the gap between the two countries by developing a mechanism for engaging in direct negotiations to reach a solution. The GCC considered that Iran’s dealings with the committee would be an important start that would pave the way to resolving the issue.

In mid-July, after Saudi officials and Iranian Foreign Minister Kharrazi reviewed the meeting of the Tripartite Committee, UAE Foreign Minister Sheikh Hamdan declared that the committee should enable the start of negotiations between the UAE and Iran, during a specified period of time not exceeding a few months, in order to end Iran’s occupation of the islands. The UAE maintained its position that, otherwise, the dispute should be referred to the ICJ. Sheikh Hamdan noted that the UAE’s position had ‘absolute support’ within the GCC. In response, the Iranian Foreign Ministry said that Iran welcomed negotiations, but rejected any ‘preconditions’; as a result, by November 1999, no progress was made on the Tripartite Committee. Iran simply refused to receive it.
By the end of February 2000, the Tripartite Committee had still made no progress, prompting Sheikh Abdullah bin Zayed to note that the committee and the GCC needed to make more active efforts to end the dispute, but that the UAE preferred ‘not to interfere in the duties of the Committee.’

Ultimately, the Tripartite Committee did not succeed in obtaining any positive response from Iran. At the summit held by the GCC in December 2000, the committee stated that Iran refused to co-operate. Consequently, in the light of this conclusion, the summit announced that the committee’s mission was ‘over’. Iran’s stonewalling of the issue had succeeded, but so had the UAE in at least activating the regional political architecture.

The victory of Mahmoud Ahmadinejad in the August 2005 Iranian presidential elections suggested to the GCC countries that the improvement in relations – even the limited progress achieved during President Khatami’s preceding term – was about to come to a halt, if not regress. These concerns were further fuelled by the situation that arose between Bahrain and Iran in late June 2005: a cartoon depicting the Iranian Supreme Leader Ali Khamenei – published by a Bahraini newspaper – caused a violent reaction from Iran, which considered it an insult to the country’s supreme religious authority. The Iranian response, in the form of a strong threat to the GCC states, was seen by the Gulf Arab countries as exaggerated and a worrying sign for the future of relations with
Iran. It had come at a time when the Gulf States had assumed that Tehran would be keen on showing good intentions, not issuing threats.

To date, Iran’s position over the islands remains a source of concern for the UAE, as the latter clings to a position of resolving the dispute by peaceful means, while at the same time repeatedly asserting its rights to the islands. In its conviction to pursue its claims, the UAE has continued to develop further the support of regional organisations, but with little success beyond keeping the issue on the agenda and maintaining the UAE’s claim, even when there seemed to be an opportunity to resolve the dispute due to the ‘reformist moment’ in Iran.

Overlying all of these moves has been consistent pressure at the highest forum for global security: the UN. The UAE annually renews its request to keep the issue of the islands as a permanent item on the UN Security Council’s agenda. UAE representatives at UN General Assembly sessions have made speeches on the debate, yearly, through to the 66th session in 2011. Through this practice, the UAE endeavours to pre-empt an Iranian argument on the legal grounds of prescription. Although there has been no impact thus far – other than to forestall an Iranian argument on prescription – with the changing global perception of Iran, the UAE may hold hope that it can source additional pressure through the legitimating body of the UN, particularly during a period of
international action against the Iranian nuclear programme. UN pressure may yet be one more thorn in Iranian affairs that forces an end to the limbo of inaction.

In his speech before the United Nations in October 2011, Sheikh Abdullah bin Zayed Al-Nahyan expressed his country’s disappointment at the continued occupation by Iran of the islands, reminding the gathering of the affirmative peaceful attempts the country had made:  

Since the illegitimate occupation of these islands … the UAE has adopted a flexible diplomatic approach to resolve this matter through peaceful means, through direct bilateral negotiations, or by referring the matter to the International Court of Justice. However, the UAE expresses its deep concern over not achieving any progress in direct, regional, and international contacts made with the Islamic Republic of Iran in relation to reaching a peaceful, just and permanent solution.

The following April, the UAE minister of foreign affairs declared before the Federal National Council that ‘the issue of the UAE islands occupied by Iran is a negative factor in the relations between the two countries, and will continue to be painful for all UAE citizens’. The UAE showed then, as now, no signs of dropping its pursuit of a resolution to the dispute. Most recently, a week after President Ahmadinejad
visited Abu Musa in 2012, the Arab Group at the UN issued a statement condemning the visit, as did the GCC, noting that not only was the trip provocative, but it ‘contradicts good neighbourly policies’ and left the group reiterating its support for the UAE.\textsuperscript{26} That September, the Arab League also restated its support of the UAE position, rejection of Iranian action and desire for a peaceful conclusion to the matter.\textsuperscript{27}

For all that the UAE has relentlessly voiced its claims to the islands and pursued Iran over the matter on the international stage, it is significant that Iranian-Gulf relations are not more bitter. The peaceful approach has meant that though the federation as a whole has pursued the dispute, it has not prevented the individual emirates, including Dubai, from establishing important commercial relations with Iran. These commercial links were allowed to develop even while the various emirs still strongly supported the UAE’s rights to the islands’ sovereignty.

This is because of the way in which the dispute has been decoupled from wider UAE-Iranian relations, and how Iran has sought better relations with the GCC despite the differences over the three islands. The two countries have enjoyed strong relations for many years in other areas of interaction. Both countries participate in multilateral bodies such as OPEC and the Non-Aligned Movement, and until 2009 Iran and the UAE were each other’s biggest trading partners.\textsuperscript{28} In 2009, the Iranian president visited the UAE to sign another MoU,
although it did not concern the islands, reflecting instead the increasing bilateral co-operation between the two states in other areas of policy. Thus even though the islands are a sore spot in relations, they are not enough to sink them entirely.

The events of 1992 and onwards exist as a notable case study, not for the events themselves, but for the means by which the UAE as a small state was able to persist with its claims whilst neither abandoning its position on the islands nor exacerbating military tensions – as has been the case in other long-running territorial disputes. The UAE has achieved these ends by pursuing low-risk strategies: requesting negotiation or debate instead of demanding, and continually attempting to engage in dialogue instead of taking up forceful, unilateral action to alter the situation. Moreover, the UAE’s repeated requests to take the matter to arbitration, and its assertion that it would accept the resulting judgement, whichever way it fell, have been the consistent declarations of a rational, well-intentioned international actor. High-level engagement with multinational organisations, both regional in the form of the GCC and Arab League and global in the form of the UN, has kept the matter alive not only for the UAE, but also in the consciousness of countries not directly involved in the dispute.

In each of its various approaches, the UAE has utilised a reassured discourse, refraining from deliberately inflammatory remarks to prevent escalation – a tactic that, one notes, could
be contrasted with that of President Kirchner in Argentina’s rearing of the Falkland Islands dispute with Britain. To that end, it serves as a useful model for other, similar disputes.
IV. THE UAE POSITION

There is a great disparity in the size and power of the Iranian state and that of the UAE. Yet how is it that such a small state has been able to pursue its historical, legal and political claims in a dispute of such apparent importance to a large and assertive neighbour? It is precisely how the UAE has handled the dispute in these circumstances that is of relevance to other nations in the same situation: isolating the dispute, building cordial ties and developing a policy of ‘good neighbourliness’ – all the while emphatically not abandoning diplomatic pressure to restore occupied territory.

There can be no doubt about the belief in the UAE on the question of sovereignty over the islands. Its claims have been pursued peacefully but consistently for over forty years, and represent a deep political commitment for the country. The size of Iran precludes the unilateral use of violence to recover the islands, but both Iran and the UAE have fortified their coastlines in an open-ended arms race over the issue. More than that, the UAE has avoided any appeasement of Iranian
claims, since this could lead to more assertive behaviour from Tehran; behaviour which could be devastating to the UAE on other issues. The UAE has recognised the disparity of power between the two countries, and the symbolic nature that the islands hold, with regards to any trial of physical strength between them. However, this does not diminish the power of the UAE’s legal claim to the islands, or the spiritual and political force of its determination to recover them at some future time.

UAE policy on the dispute features the same characteristics as its general foreign policy, which in itself is essentially an extension of UAE domestic policies. By virtue of its smallness as a state, the UAE is dependent on an effective and prudent foreign policy. Moreover, with small state institutions that do not have the sprawling diplomatic bureaucracy of a large state, the role of individual leadership is much more important in policy analysis.\(^1\) Therefore, it is necessary to understand that the UAE’s policies reflect the personality of its first president, Sheikh Zayed bin Sultan Al-Nahyan. The ruler of Abu Dhabi since 1966, he was the most prominent leader in the negotiations on, and subsequent formation of, the new federation in 1971. Sheikh Zayed displayed an effective grasp of diplomatic manoeuvring noted by contemporaries. The British political agent in Abu Dhabi, Sir Archie Lamb, sent the following assessment of him to the British political resident in Bahrain in a secret note in November 1966:\(^2\)
Beneath the outward appearance [of the European ideal of the romantic Arab sheikh] there is, however, another man: intelligent, patient and reasonable in argument, knowing what he wants to do (if not yet how to do it properly and effectively) and with all the acquisitive instincts of the bedu. He has an instinctive appreciation of the political needs of the Gulf States. He has a statesmanlike grasp of the basic principles of rule and a pragmatic approach to international politics. His handling of his subjects has been brought to perfection by long years of practice as Governor of Buraimi.

Both foreign and domestic policy in the UAE have been heavily influenced by Sheikh Zayed even before the establishment of the federation in 1971, and his approach has been followed since his death in November 2004. In foreign relations in particular, policy is effectively formulated and executed directly by the president. These characteristics of UAE policy have been well-summarised by Peter Hellyer: ‘the UAE seeks to avoid rushed or impulsive decisions…. Action for the sake of being seen to act, or statements for the sake of mere public effect, is disdained … the basic elements of this approach, which are also visible in domestic policy, can be traced back to the nature of the country itself…. Tribal society in the Arabian Peninsula, heavily influenced by Islam, is essentially communal, requiring consultation and consensus in order to be able to survive.’
There have been other instances where the UAE has chosen silence over action, including the case of the border dispute with Saudi Arabia concerning the land to the east of Qatar and spilling into the water boundaries offshore. Although the 1974 Treaty of Jeddah nominally resolved the matter and settled the lines of demarcation, the UAE in fact took no action to validate the treaty. It was ratified by Saudi Arabia in 1993 and lodged with the UN in 1995 but, to date, the UAE has still refrained from ratifying the treaty. This case is another example of the UAE’s ability, despite its size, to continue to maintain its national interests despite being faced with powerful neighbours. A naval clash in 2010, however, suggested that not only was the dispute being revitalised, but that it was taking on a more militaristic character, something unusual in the history of the UAE. No further military action was taken though, and the dispute, like that with Iran, settled back into an unresolved inertia.

Despite the widespread fears about the likely stability and success of the newly federated United Arab Emirates in 1971, this careful approach to foreign and domestic policy both before and after Sheikh Zayed’s death has led to the UAE not only surviving, but prospering. It is perhaps one of the most stable and successful states in a turbulent Middle East.

Not surprisingly, given the historical disparity in size and power between Iran and the UAE, this peaceful approach to foreign policy has also extended to the UAE’s response to
IV. The UAE Position

Iran’s occupation of the three islands, Abu Musa and Greater and Lesser Tunb. Iran’s population far exceeds that of the UAE, whose figure also includes approximately 7 million non-Emiratis. The picture today is less clear-cut when comparing the two economies: the UAE is richer by some margin in both absolute and per-capita terms; however, in terms of purchasing power, which accounts for the domestic price of goods and services, Iran has a larger GDP in absolute terms. Furthermore, while the UAE’s defence budget has recently begun to outstrip that of Iran – giving the emirates a qualitative edge – the numbers show that Iran has a far larger army, navy and air force. The disparity in internal price levels partly explains Iran’s numerical (if not qualitative) advantage in military personnel (still based on conscription) and in armaments (many of which are manufactured domestically).

However, this disparity (albeit a recently narrowed one) does not mean that the UAE has given in to Iran’s assertive policies over the islands. Neither does a consensus-based policy mean one that is not proactive. The UAE has pursued its case frequently and vigorously through all available international avenues since it first protested to the United Nations in December 1971. The Council of the Arab League had discussed the dispute since the Iranian announcement of its threats to occupy the three islands. The threats had been brought before Arab foreign ministers on 20 November 1971, then before the council during its 56th session on 6 December. Apart from
Table 1: Comparative Iranian and UAE Indicators.

<table>
<thead>
<tr>
<th>Country</th>
<th>Iran</th>
<th>UAE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Population, July 2012 estimate</td>
<td>78,800,000</td>
<td>8,200,000</td>
</tr>
<tr>
<td>2 Land area (km²)</td>
<td>1,648,195</td>
<td>83,600</td>
</tr>
<tr>
<td>3 Nominal GDP</td>
<td>$331 bn</td>
<td>$360 bn</td>
</tr>
<tr>
<td>4 Per-capita nominal GDP</td>
<td>$6,360</td>
<td>$67,008</td>
</tr>
<tr>
<td>5 GDP at PPP</td>
<td>$846 bn</td>
<td>$380 bn</td>
</tr>
<tr>
<td>6 Per-capita GDP at PPP</td>
<td>$11,479</td>
<td>$48,222</td>
</tr>
<tr>
<td>7 Military expenditure as percentage of nominal GDP</td>
<td>1.8</td>
<td>7.3</td>
</tr>
<tr>
<td>8 Military expenditure, absolute figure</td>
<td>$7.4 bn</td>
<td>$15 bn</td>
</tr>
<tr>
<td>9 Army manpower</td>
<td>350,000</td>
<td>44,000</td>
</tr>
<tr>
<td>10 Main battle tanks</td>
<td>1,663+</td>
<td>471</td>
</tr>
<tr>
<td>11 Artillery pieces</td>
<td>8,798+</td>
<td>561+</td>
</tr>
<tr>
<td>12 Air force manpower</td>
<td>30,000</td>
<td>4,500</td>
</tr>
<tr>
<td>13 Naval manpower</td>
<td>38,000</td>
<td>2,500</td>
</tr>
</tbody>
</table>

Sources: CIA, items 1–2; World Bank, items 3–6; IMF, item 6; SIPRI, items 7–8; IISS, items 9–13. All currency figures USD, and all data correct as of 2011 unless otherwise specified.
periods of intense turbulence in Middle Eastern politics, such as the Iran-Iraq War of 1980–88, and the invasion of Kuwait by Iraq in 1990 (when the dispute would clearly have been regarded as being of only minor importance), the UAE has consistently pursued its case for sovereignty over the islands. Public claims of sovereignty, and appeals for support, have been issued at roughly the rate of once a month since Iran’s occupation in 1971. Starting from its 99th session, the council of the Arab League decided that the topic of ‘Iran’s occupation of the Arab islands belonging to the United Arab Emirates in the Arabian Gulf’ was to be a permanent item on its agenda.

There has been relatively little change since December 1971 when Iran occupied the Tunbs, though it has consolidated its control over all three of the islands in various ways, as outlined in the previous chapters: first, by constructing civilian and military installations on the islands; second, by using those military installations to attack commercial shipping during the Tanker War of 1984–88; and third, by occupying the southern half of Abu Musa, going against the 1971 MoU. Most recently, in April 2012, President Ahmadinejad paid the first visit by an Iranian head of state to the islands, tactically in advance of the Istanbul P5+1 talks on Iran’s nuclear programme. The UAE condemned the actions as a ‘flagrant violation’ and emphasised its own rights, as Foreign Minister Sheikh Abdullah bin Zayed Al-Nahyan asserted that: ‘This visit will not change the legal status of these islands which are part and parcel of the UAE
national soil’. Despite the visit, the UAE did not change its longstanding policy of peaceful, negotiated means towards ending the dispute, though it did withdraw its ambassador from Tehran.

Despite the continuing frustration on the issue of the three islands, Sheikh Zayed’s pragmatic approach to foreign policy, recognising the position of the UAE, has also applied to the country’s wider relations with Iran:

[P]olicy towards Iran has always sought the promotion of cordial ties, the impetus for this not only being a matter of wishing to establish good relations with a powerful neighbour but also being motivated by extensive commercial ties and links between the populations on each coast.

One illustration of the UAE’s careful response to Iranian actions over the islands came in the wake of Ahmadinejad’s April 2012 visit to Abu Musa, when the UAE’s minister of state noted that the country was ‘following a long-patience policy.’ The measured response of the UAE to Iran’s provocation was heralded elsewhere; the Bahraini minister of state for foreign affairs ‘lauded the UAE for its policy of self-restraint and keenness on relations of good neighbourliness’, calling for the dispute to be settled peacefully so as to maintain peace and security in the Gulf region.
Maintaining good links with Iran is certainly important for the UAE. Apart from the assertion by Iranian authors that 70 to 80 per cent of the indigenous population of the UAE can claim Iranian ancestry, it is estimated that about 400,000 Iranian migrants are resident in the UAE, of which the majority are in Dubai. Moreover, despite the United States’s efforts to encourage, and even put pressure on, other countries to support its sanctions against Iran, the UAE is one of Iran’s top trade partners. In the first nine months of 2011, the value of Iranian goods shipped onwards from the UAE, as well as goods shipped to Iran from the UAE, totalled $8.7 billion – even though strengthened sanctions have hurt the trade in consumer and food goods. Around 8,000 Iranian companies have also been established in Dubai alone, and it is estimated that Iranian investors hold capital worth around $300 billion in the UAE. Though the latest round of sanctions against the Iranian nuclear programme have been in effect since June 2010, and the UAE has complied with them, an IMF report in 2012 noted that these had not caused a significant reduction of trade between Dubai and Iran. Moreover, further sanctions were projected to have only a ‘moderate’ impact on the economic growth of the UAE.

These economic links embody the UAE’s awareness of the power imbalance in its relationship with Iran. They are the result of the UAE’s perception of the absence of deterrence against Iranian action. By keeping a low-profile, diplomatic
approach towards the dispute, Al-Alkim suggests that the UAE has ‘pursued a policy of peaceful coexistence with Iran, hoping that the development of good relations will inevitably lead to the settlement of the contentious problems.’

So why has Iran remained immune to appeals from such a friendly neighbour to at least negotiate on the issue? One obvious answer is that there is no need to compromise on its control of the islands if it does not suffer any ill consequences – and in this regard, UAE policy can do little. Although the UAE has tried to maximise regional and international support for its case, Iran can take an uncompromising stance on the islands, knowing that this will not hurt its good relations with the UAE.

A more aggressive policy by the UAE, for example a greater restriction of trade and investment relations with Iran, might force a more co-operative attitude. However, there are several problems with such a strategy: first, it could cause social tension by angering the large Iranian population in the UAE. Second, the UAE would suffer significant economic losses through the curtailing of Iranian trade. Third, there is a danger that Iran could become more aggressive in response, making the dispute more difficult to solve, especially if it can easily divert its trade and investments to a third country, such as China or Russia. Finally, the loss of trade with the UAE alone would be unlikely to inflict enough damage on Iran to have the desired effect. Even if the UAE were able to
persuade the other GCC members, or even all of the Arab League states, to impose similar sanctions on Iran, it would seem unlikely to make Iran more amenable to discussing the issue (and, indeed, might instead engender a ‘siege mentality’ in Tehran). In any case, there is serious doubt as to whether these other Arab nations would regard the problem as being sufficiently important to justify such a strategy. It has been difficult enough to apply sanctions against Iran because of its controversial nuclear programme; it is much less likely that the international community would do so in support of the UAE in what is commonly seen as a local dispute.17

A further point to be made is that the more widely and vigorously that pressure is exerted, the more likely Iran is to be influenced by political and diplomatic pressure to compromise. The UAE has succeeded in generating widespread support for its case, but that support has not always been whole-hearted. In the 1970s, potential allies in the dispute had many issues simultaneously competing for their attention: some involving Iran, whom they did not want to offend; some concerning border disputes with the UAE; and some involving wider international concerns.

In terms of political and diplomatic pressures, scholars suggest that the UK, though it strongly upheld the sovereignty claims of Sharjah and Ras Al-Khaimah over the islands for the majority of the period of British management of the foreign affairs of the Trucial States, was not greatly concerned that
Iran would take control of the islands after UK withdrawal from the Gulf in 1971. Iran under the Shah was seen as a dominant, friendly power in the area, and was deemed to be the most capable of ensuring political stability at a time when the Soviet Union was seeking to extend its influence. As Chapter VI describes, the policy of the Nixon administration in Washington was also to use Iran as one of its bulwarks of influence in its competition with the Soviet Union in the region.

Amongst the neighbouring Arab states, there was a range of opinions expressed at the Arab League summit on 6 December 1971 (when the UAE became a member) on the degree of censure appropriate to Iran’s actions. Whilst Ras Al-Khaimah and Iraq proposed breaking diplomatic, economic and cultural relations with Iran and Britain, the key states of Egypt, Jordan and Saudi Arabia were more muted because Iran was seen as a balance to the ambitions of Iraq and South Yemen. Furthermore, Iran also supported the league’s position on the Arab-Israeli conflict. As a result, the only action the league took was to authorise its secretary-general to pursue the matter, but Iran refused to accept mediation by the Arab League. Even within the UAE, there were issues that limited individual emirate reactions to Iran’s occupation of the islands. Abu Dhabi, for instance, had a more urgent priority: it viewed Iran as a counterweight to Saudi Arabia, which was engaged in border disputes with Abu Dhabi and
refusing to recognise the new federation until those issues were resolved.\textsuperscript{20} Since there were important differences and rivalries even amongst the emirates in the federation, it was thought necessary to have the recognition and support of both Iran and Saudi Arabia for the federation in order to encourage the continued membership of all constituent emirates.\textsuperscript{21} As a result of these political realities, the UAE was forced to avoid taking an aggressive stance against either of the two states.

For reasons stemming from its comparative weakness in relation to Iran, the UAE was limited in its reaction to Iran’s occupation of the three islands, and received only muted (though widespread) support for its case. Had the UAE and its supporters taken a stronger and more unified attitude towards the dispute, perhaps Iran could have been forced to make a compromise. However, given Iran’s resistance to other forms of international opprobrium, this seems unlikely.
LIKE the UAE, Iran cites both historical as well as legal points to support their claims to the three islands, Abu Musa and Greater and Lesser Tunb, but unlike the emirates, it has acted upon its arguments with force and, for the moment, defends its gains from a position of strength. Furthermore, although Iran faces serious conflicts with many other nations over various other issues, it has persisted in its standpoint on the islands, expending time and energy on what otherwise seems a minor disagreement with a much weaker state. Iran has repeatedly refused any form of negotiation on the question of the sovereignty of the islands, instead framing the discourse of the dispute in such a way as to perpetuate the situation.

Aside from Iran’s legal and historic claims, it is crucial to understand that Iranian policy is formulated around how it perceives itself as a nation, and its relationships not only with its immediate neighbours in the Gulf region, but also with states of the wider, global political community. Although the dispute is principally between the UAE and Iran, it cannot be

V. THE IRANIAN POSITION
considered simply as an isolated bilateral dispute: it has both regional and international ramifications. The tension between Iran’s regional ambitions and American and Arab policies is an important influence on Iranian policy towards the islands. A proper understanding of the dispute has to be located in the overall context of Gulf politics and, in particular, in the wider foreign policies of both Iran and the UAE. The questions at the heart of this chapter on Iran are what is the Iranian foreign policy context; and how, over the years, has Iran reacted to the various phases of the dispute? The word ‘reacted’ is important, because Iran has not tried to find any resolution to the dispute: the status quo is satisfactory for Tehran.

There is no denying that the Islamic Republic of Iran is a significant power in the Gulf region, if not the whole of the Middle East. With a population of almost 79 million, it is by far the most populous state in the region. With 151.2 billion barrels of proven oil reserves as of the end of 2011, it has the fourth-largest reserves in the world. Iran also has a long history of a strong, centralised government, from the Achaemenids through to the Safavids to the present Islamic Republic. This has helped to create a strong sense of national identity, which in turn has created a current of Iranian nationalism that shapes its foreign policy. This policy in its regional purview has in no small measure been influenced by Iran’s self-constructed perception of itself as a regional hegemon perpetually threatened by the neighbouring Sunni
Arab nations. However, the Iranian revolution in 1979 – what has been termed ‘a pivot of modern Middle Eastern history’ – has shaped conflicting perceptions of Iran in the years since, and there has been much speculation about the real nature of Iranian foreign policy. Some have regarded it as dangerous and aggressive since it stems from the revolution. Others have seen Iran a surprisingly pluralistic Islamic society that has not pursued a revolutionary foreign policy in the most significant areas, instead citing the influence of ‘balance-of-power considerations’, such that Iranian foreign and security policy has been essentially pragmatic.

The roots of Iran’s tension with foreign powers date from the nineteenth century, and are well documented. The Anglo-Russian Convention of 1907 divided Persia into spheres of influence, which continued throughout the First World War despite Persia’s nominal neutrality. Post war, there was a failed attempt to turn the country into a British protectorate. Foreign interference continued throughout the twentieth century, including the CIA-backed 1953 coup against then-Prime Minister Mossadeq after the nationalisation of Iran’s foreign-owned oil industry. This event is particularly important in the Iranian national consciousness as Mossadeq is a symbol – a ‘messianic leader’ – of the stand against foreign domination. Abrahamian writes that the ‘ghosts of 1953’ compelled the radical Iranian students to storm the US embassy in Tehran,
beginning the 444-day hostage crisis in 1979 and souring US-Iranian relations ever since.\textsuperscript{5}

Other legacies add complexity to Iran’s foreign policy. The desire to achieve an Islamic revival was the essence of the Iranian Revolution at its inception. As the only Shia power in the world, and with a history of Shia weakness against foreign intervention, Iran has found a role as a protector of Shia communities in the region. Given the proximity of the Arab countries of the Gulf to Iran, they were the first states where the Iranian Revolution flexed its ideological muscles, and the possibility that the revolution could be exported outside of Iran raised justified fears amongst Arab nations. In security terms, Iran’s role as Shia protector awakened ‘a new militancy’ and laid the foundations of movements such as Hizbullah in Lebanon.\textsuperscript{6} Such regional radicalism is argued to be sponsored by Iran in order to strengthen itself, and to ‘negotiate from a power position’ in the international community.\textsuperscript{7} However, Arab unease was focused less on Iran as a military threat, but instead gave primacy to the potential spread of Iranian revolutionary ideology, its ‘political and ideational leverage’,\textsuperscript{8} and these concerns were only intensified yet further when Ayatollah Khomeini announced that Islam was not compatible with monarchy, the prevailing system of government in the region. The pronouncement was accompanied by fiery speeches by Iranian officials denouncing all political systems in the Gulf, and accusing them of being
tools of American colonisation. Such aggressive rhetoric masked the Iranian defensive belief that it required greater power in order to survive. The pursuit of power also stemmed from the trauma of the Iran-Iraq War, as many current Iranian politicians served on those front lines. It was there, too, that Iran came to blows with the US, as in 1988 the Iranian navy was incapacitated by US forces. Due to of these events, Iran was forced to seek peace more quickly, a blow to national pride if nothing else.

However, in this combination of Iranian pride and resentment, there is interesting continuity between the foreign policy of the Shah and that of the revolutionary regime. The Shah sought to make Iran a regional power; Iran’s major resources, including oil reserves, were harnessed towards foreign policy ends – the ‘Great Iranian Civilisation’ would be revived. Though the means have been different since the revolution, the basic aim of guaranteeing Iranian security and power has been the same. Nevertheless, there are some important differences that distinguish post-revolution Iranian foreign policy from that of the Shah.

One major difference is the role of religion – important in any analysis of Iran’s foreign policy. In the words of Sabet, ‘Despite the participation of secular elements in it, [the revolution] was a phenomenon of religious consumption that took place as a result of the convergence of an unsatisfied religious demand with a satisfactory supply of religious
According to Saidabadi, there are specific political goals in the pursuit of which Islam guides Iran’s international relations: first, the preservation of the Islamic state; second, the rejection of foreign domination (whether political, economic or cultural) of any Islamic society; third, peaceful coexistence with states that ‘do not foster hostility’; fourth, the dissemination of Islamic values to the world; and fifth, support of the rights of Muslims globally and of all the ‘downtrodden’. This last point in particular – seen as the ‘export of the revolution’ by many within the regime as a means to safeguard these rights – has brought Iran into conflict with the US and other regional powers. Using both Persian and Arabic sources, Irani argues that the ‘linchpin of Iran’s policy is to preserve its security and project its presence and influence in countries with major Shia populations ... [and] take the leadership of the Muslim world away from the hands of Sunni-dominated states.’ While there is general agreement on these goals, there are also varied interpretations of them within Iranian society.

Though the so-called Arab Spring and unresolved Syrian conflict were discussed earlier, it is worth reinforcing the understanding that Iran’s policies reflect its self-perception as the regional hegemon, and that this image has been constantly understood in opposition to Saudi power and influence in the region, and to American intrusion into what Iran considers to be its sphere of influence. Initial Iranian relations with
Syria can be understood to have been developed in part as a presentation of a pro-Arab face, its anti-Israel stance a demonstration that Iran was in agreement with Arab interests, and its support of Hizbullah and Hamas a demonstration that Iran could act in Arab interests. Yet coupled with the religious goals, Iran’s policy has failed to cement its place in the Arab Gulf region.

The three islands dispute, in this interpretation, demonstrates the internal battles over foreign policy. They represent both a strategic and a symbolic issue that no element in the Iranian leadership can compromise on. Domestic political battles are reflected in Iran’s hostile foreign-policy messages as the regime tries to define an Iranian identity, and competing factions seek to harness it. The foreign policy of the Islamic Republic is also, ‘in large measure, dependent on politics within that country, and on the slow and often interrupted process of post-revolutionary change’. Most importantly, there is no single foreign-policy-making centre within Iran. The main decision-making body for external relations is the National Security Council, attended by the president and Ayatollah, but the Revolutionary Guard and Majlis (parliament) have their own priorities. There are also differences within the ‘reformist’ and ‘conservative’ camps on foreign policy. This means that it is sometimes difficult to be sure of what precisely Iranian foreign policy is, and, equally important, who is responsible for it. At the time of
writing, for instance, the position of (now former) President Ahmadinejad was in flux, with some observers claiming that he was being set up to take the blame for the Iranian economic crisis caused by international sanctions – a far cry from his strong backing by the Ayatollah in the aftermath of the contested 2009 election.\(^1\) (Since the election of Hassan Rouhani, Iranian policy may undergo further evolution, but it is too early to tell how meaningful the early signs of change really are.)

**US-Iranian Relations**

The relationship with the US is critical to understanding Iranian policy, and this relationship has evolved over time. It is difficult to argue that Iran has been an aggressive state, as often enshrined in US policy, in a conventional sense. In fact, Iranian foreign policy has gone through several phases.\(^2\) In the immediate aftermath of the revolution, there was a nationalist foreign policy. It aimed to foster a regional balance of power and protect Iranian national interests. The second phase took on a more Islamic character. The political ascendance of Ayatollah Khomeini led to the ‘export of revolution’ and the famous slogan ‘neither East nor West but the Islamic Republic’. The third phase then came – dominance by Islamists of Iran’s political system. ‘The export of revolution’ and the questioning of the legitimacy of the international system became guiding principles of Iran’s foreign relations. Iran began to be viewed
as a rogue state and then as a state of concern, at odds with the international system itself.

The first sign of a thaw in US-Iranian relations appeared at the end of the Cold War and was reinforced by the death of Ayatollah Khomeini. Iran was tired of war, reconstruction burdened the economy, and the clergy admitted the inability to revolutionise the international system in the Middle East. Failing to export the revolution, the regime became cautious in its diplomacy. Elected in 1989, President Rafsanjani declared that Iran would respect the norms of international society. The Iranian Revolution turned inward, to a great part because of the costs of the Iran-Iraq War. Rafsanjani’s new policy on the Gulf was significantly more pragmatic and with a moderate leaning. It was based on two factors: first, Iran was not able to change the political map of the region. Second, Iran had to adapt to the new balance of power in the region, which the United States had played a major role in establishing. The US goals during and after the Iraq-Iran War had focused on keeping the Soviet Union away from the region, containing Iran, and protecting the huge American oil investments. Thus in the 1990s under Khatami, Iran actually began a pragmatic thaw with the US. In response, Britain reopened full diplomatic relations, the US loosened economic sanctions, and the World Bank gave lines of credit to Iran for development.

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In 2002, however, President George W Bush designated Iran as part of the ‘axis of evil’ due to the elements of its foreign policy that remained unchanged, including a nuclear-weapons programme and terrorist support. This new policy may have undermined Iran’s reformist programme – afterwards, Khatami failed to overcome the conservative challenges to his more liberal programme and the conservatives swept into government. Relations deteriorated further as a result of the US invasions of Afghanistan and Iraq. The Iranian government further became alarmed by US military support for Gulf States, including the basing of the powerful US 5th Fleet in Bahrain. Iran felt threatened, and the symbolism of a tough line on the three islands was reinforced by renewed attention to the potential for hostilities in the Gulf. Iran’s nuclear programme reflected the Iranian quest for power and prestige, and the cooling of its relations with the US and its allies. Yet despite President Ahmadinejad’s nuclear rhetoric and his hostility towards Israel, other spokesmen for the regime have been much less bellicose and claim the programme is peaceful; the Rouhani presidency may also mark a watershed, though it is too early to tell. Ayatollah Khamenei also attempted to soothe relations with Arab states concerned about a ‘Shia crescent’ developing in the aftermath of the 2003 Iraq War. However, though the Ayatollah offered a brotherly stance as opposed to a confrontational one, President Ahmadinejad’s April 2012 visit to Abu Musa, followed in May by the head of
the Iranian Revolutionary Guard Corps (IRGC), Mohammad Ali Jafari, was inflammatory not only in terms of the dispute, but also as a confrontational statement of Iranian policy. It has already been noted that the visit was a tactic designed to have impact on domestic politics, raising public sentiment and overshadowing the dissent between president and the Ayatollah. However, it also gave Iran the opportunity to project its regional power, reminding the US and the wider world of its asymmetric naval warfare capabilities that allow it to influence activity within the Strait of Hormuz, and to highlight that it is not unprepared for a military confrontation with America, should it arise.

Given its history and security concerns, a more appropriate way of describing Iran may be as a revisionist power with hegemonic ambitions, seeking to mould a better security environment for the pursuit of its national interests. It is hard to argue that its behaviour has been completely unreasonable given the internal political dynamics and the difficult international environment in which it has had to operate. This revisionism has included challenging the US’s Middle East policy, in particular its efforts in counter-terrorism, support for Israel and nuclear non-proliferation.

However, the overall picture suggests that Iran may be a more normal state than its image in Western press suggests, and its foreign policy more reasonable than its critics admit. Though the press has enjoyed the debate of painting Iran
as an irrational versus rational actor, the statement by the head of the US military, General Martin Dempsey, in March 2012 concluded that ‘the Iranian regime is a rational actor’, rather than the lazy stereotype of an irrational regime veering towards millennial destruction. Moreover, when it comes to the three islands dispute, Iranian policy can be interpreted as the rational result of Iran’s perception of its own national interests.

**Iran and the Three Islands**

It is not surprising that successive Iranian governments have insisted so intractably that Iran has sovereign rights over the islands, and have argued that the islands are so strategically important to Iranian security that their status is not a matter for negotiation. This stance is located in Iran’s overall policy towards the Gulf region.

For historic and geopolitical reasons, Iran regards the Gulf and the states which surround it as a natural sphere of Iranian influence. As the major power in the region – particularly in the wake of Iraqi incapacitation – Iran seeks dominant influence, not through threats or aggressive military expansion, but more subtly through the exercise of its unmatched influence. It is in this context, for example, that the acquisition of nuclear weapons can be understood as the means that would assure Iranian prestige and power in the region. Its claims
to sovereignty over the three islands can be seen as a smaller element of this same line of regional thinking.

Given the seeming incompatibility of US and Iranian policies, one of the few levers which Iran has at its disposal is provided by its commanding position over the Strait of Hormuz. In this context, the three islands become particularly significant. For Iran, they cannot fall into hostile hands, and though the UAE is not regarded as an enemy, it is nevertheless an ally of the United States. The strategic importance of the Strait of Hormuz to Iran underlines its intransigence in the islands dispute.

Iranian policy towards the islands has been consistent with the idea of Iran as a security-seeking state responding to external security threats. Two sets of Iranian actions illustrate this: first, the taking control and stationing of military forces on the islands; and secondly, the diplomatic policy – to the extent that it can be called such – which has mainly involved rejecting Arab initiatives to solve the dispute and restating its own position.

**Occupation and Consolidation**

The steady extension of control by Iran has taken place across a variety of Iranian leaderships. The Shah declared in July 1971 that the islands were as ‘of strategic important to us as to the Gulf states and to the peace and security of our region. The geographic position can make them issues of tremendous
military value." Yet Iranian policy towards Abu Musa and the Tunbs can best be seen as opportunistic, each action by Iran on the islands exploiting some kind of strategic vacuum. This happened on three occasions.

The first came in 1971 when Iran seized the northern half of Abu Musa. It concluded a war of words between Iran and the Trucial States. At first, there seemed to be a compromise. In November 1971, the MoU was reached and Iran and the emir of Sharjah agreed for the latter to retain sovereignty over the island, but for Iran to station forces upon half of Abu Musa. Oil revenue would be shared. However, the Iranians also took control of Greater and Lesser Tunbs, which was not specified in the agreement. Later, the Iran-Iraq War would demonstrate the strategic value of the islands, Abu Musa in particular serving as a base for regular and Revolutionary Guard naval forces. During the 1984–88 Tanker War, Iran attacked shipping with boats and aircraft based on Abu Musa in an attempt to halt Iraqi oil exports.

The second opportunistic grab occurred in 1992 when, with Iraq smarting from both the cost of war with Iran and defeat at the hands of Western militaries during the 1991 Gulf War, Iran seized control over the whole of Abu Musa. Since then, Iran has not rebuilt conventional military capabilities, but instead – it is suspected – worked towards nuclear weapons and developed a system of asymmetric capability. Despite the end of the Cold War and the liberation of Kuwait in an act
that (at least nominally) reaffirmed the sanctity of international borders, Iran has been in effective control and occupation of all three islands. It is difficult to prove that this was linked to the decline of Iraq after the liberation of Kuwait but there is a coincidence between the new power vacuum (which the US would steadily fill by stationing more troops in the region) and the next stage of Iranian control. Foreign workers were expelled and entry restrictions imposed.\textsuperscript{38} In October 1994, Iraq threatened Kuwait once again by staging manoeuvres near the mutual border, actions ‘very similar to that [which] preceded the 1990 invasion’.\textsuperscript{39} Iran responded to Iraq’s manoeuvres by further increasing its military presence on the islands, with a further increase in 1995.\textsuperscript{40}

The Iranian government took the opportunity to consolidate its de facto rule of the islands by setting up administrative offices on Abu Musa in August 2008.\textsuperscript{41} It might seem that the extensive US military resources on the borders of Iran (in Iraq and Afghanistan) would have kept Iran from taking any risks such as tightening its grip on Abu Musa; but in reality, American forces were so tied down with two separate reconstruction and counter-insurgency efforts that the US had little enthusiasm for taking measures (beyond sanctions) over Iran’s actions. Iran judged it to be a risk worth taking and events have shown that it was right in its judgement; and, indeed, rather prudent, from the perspective of the Iranian regime, given the increasing risk it faces of military action as
its nuclear programme comes under a new level of scrutiny. In Iran’s asymmetric strategy to respond to any military strikes, the three islands will likely be a major element.

**Iran’s Diplomatic Policy of ‘Refusal’**

The Islamic Republic’s diplomatic line has been based on its power relative to the UAE, both in terms of size, capacity and the fact that it holds the islands. Iran has declared that the issue is non-negotiable, and instead called for bilateral talks to clear up ‘misunderstandings’. This has been a consistent policy line, as noted in Chapter I. In April 1980, soon after the revolution, the Iranian Foreign Minister Sadegh Qotbzadeh declared: ‘Iran will not cede a single inch of its territory’ and that the islands had historically been a part of Iran. In 1995, the foreign minister again claimed the islands to be an ‘inseparable part of Iran’ when it had increased levels of its military presence on Abu Musa. Today the stance is little changed, even after the first visit of an Iranian head of government to the emirates in 2007. Foreign Ministry spokesman Hassan Qashqavi in 2009 rejected UAE statements regarding ownership of the islands – there would be no ‘outside help’ in resolving the ‘misunderstanding’. Such statements reflect the policy of refusing to negotiate throughout the revolutionary period and into the pragmatic era of President Rafsanjani, the moderate period of Khatami and the Ahmadinejad presidency, both pre and post 2009.
In 1992, the Iranian escalation of the dispute did lead to some bilateral talks, but the Iranians refused to discuss the status of the Tunbs or admit international arbitrators. One UAE delegation member believes that Iran had no intention of discussing the issue, but was instead tactically expressing willingness to negotiate in order to mend relations with Saudi Arabia.\textsuperscript{46} This ‘stonewalling’ – dismissing even the agenda – was not a rare move.

1994 saw another referral to the United Nations, and a reciprocal UN offer to mediate – though it could only do so if both parties were to agree to UN participation. Sheikh Zayed and the UAE’s foreign minister suggested that the dispute should go to the ICJ.\textsuperscript{47} In 1995, the UAE reiterated its demands at the Doha round of bilateral talks; and, as noted earlier, 1997 saw the beginning of a ‘reformist’ era as President Khatami was elected in Iran. Little change would appear as days into his administration he stated that ‘the islands belong to Iran’,\textsuperscript{48} and military exercises continued around the islands in the coming years.\textsuperscript{49} In a subsequent ministerial visit, however, the topic of the islands was not discussed in any detail and no progress was made with the Iranian delegation, as Iran has no interest in conceding ground on the issue.\textsuperscript{50}

The GCC Ministerial Body believed that resolution of the dispute would contribute to improved relations between the Gulf States (as a whole) and Iran, demonstrating a more united stance towards the issue by the UAE’s Gulf neighbours.
Subsequent talks, which agreed to remove the issue from the ‘international spotlight’, also came to nothing. Well into the twenty-first century, there is still little indication of the Iranian stance changing. Following the criticism of Iran at the GCC emergency meeting, called in the wake of the April 2012 presidential visit to Abu Musa, an Iranian Foreign Ministry spokesman simply affirmed that ‘Iranian possession of the islands “cannot be changed and is not at all open to negotiation’.52

Despite Iran ostensibly holding the upper hand in the dispute, UAE officials believe Iran might not perceive itself to be as strong as thought. The UAE’s Foreign Minister, Dr Anwar Gargash, has noted that Iran has continued to take a defensive attitude, spurred by its siege mentality towards the rest of the world. The UAE’s diplomatic endeavours have only fed this belief, causing ‘panic in Iran’ according to Dr Gargash.

First, Iran feels that it is being targeted by the United States; any escalation of the Three Islands issue has been considered part of a plan to contain Iran’s influence. Indeed, its perceptions and historical experiences support this belief; an Kayhan International newspaper editorial is fairly typical in this regard, stating that the dispute is ‘the old story about foreign hands trying to destabilise peace in the region.’ Meanwhile, Ayatollah Khamenei has declared that ‘the propaganda surrounding the issue of the Iranian island of
Abu Musa, is part of a conspiracy from the nation’s enemies to sow discord between Iran and its neighbours.’ He added that the West was behind the conflict, especially the United States and Britain.

Second, Iran fears that the continuation of the diplomatic dispute for a lengthy period of time could increase the influence of other Arab countries in the Gulf, especially Egypt. Iranian foreign policy continually seeks to reduce such influence. This has been evident in Iran’s denouncement of Arab League’s statements in favour of the UAE over the years, accusing the League of taking ‘an irresponsible position’ and undermining the security of the Gulf. Iranian newspapers, for instance, attacked former Egyptian President Mubarak’s visit to the Gulf in May 1993, claiming it was an attempt to divert attention from the internal problems of his own country.

Third, the dispute has the potential to distort Iran’s revolutionary image within many circles in the Islamic world and developing countries. The Iranian regime tried to build a careful portrayal of itself as a just state, and the UAE’s insistence on referring the dispute to the International Court of Justice, an effective move on their part, negates this self-depiction. Iran’s concern over the referral is long running, and was evidenced by the denials that it issued in response to accusations of it violating the Abu Musa agreement.

In light of these points, it is perhaps easier to understand why Iran refuses to even acknowledge the islands dispute
in the same linguistic framework as the UAE and the wider world. It may be that the regime is not as confident of its position as it projects.

The Iranians have been consistent in their refusal to approach the question of the sovereignty of the islands. While there may be other reasons for this, it is difficult to ignore the strategic value of the islands as a key, if not the only, reason, given the security threats Iran perceives itself to be facing. If Iran were to make a concession, it would not be when it is in a revisionist phase and continues to perceive itself as under threat. For now, this perception will continue – with the regime under increasingly heavy sanctions, facing the possibility of military strikes against it, and not only having failed to harness the political upheaval in the region for its own ends, but also staring at the prospect of losing its remaining major Middle Eastern ally, Syria.
VI. WORLD POLICY

THE Gulf is likely to remain an unstable political environment. Historic rivalries exist beneath the surface of inter-state relations in this heavily armed region. The area has recently experienced three major military conflicts and in terms of its governments, there are serious tensions both within Islam, between Islamic and secular values, and also a clash between democratic ideals and traditional monarchical systems of rule. Little of the international interest in the region spills over into concern over the three islands dispute. What is of greater interest is the manner in which the dispute is handled, and thus far, the UAE’s diplomatic, negotiated attempts have won it international support from those outside of the Gulf region.

US Policy
Both the Iranian and UAE attitudes towards the dispute have been shaped and constrained by the role of other powers operating in the Gulf, particularly the United States and its
influence over other Gulf nations. With the withdrawal of the British and French from the Middle East in the mid-twentieth century, the US has filled the vacuum most consistently ever since. American policy has aligned with that of the UAE in that it has encouraged a peaceful, negotiated settlement on a bilateral basis. Unlike the UAE, however, the US stance is not argued from a position of weakness and vulnerability; for many years the US has maintained ‘a strong enough military presence in the Persian Gulf to drive Iran off the islands.’ Despite this strength, the US has played a careful role that acknowledges its particular vulnerabilities in the region. Though it has strong military forces in the Gulf, the potential gains of settling the issue by force on behalf of the UAE are not obvious. Therefore it is most likely a counterproductive move to alter its current stance and forcefully settle the dispute: moreover, the UAE does not wish it, and the US has enough issues of confrontation with Iran as it stands.

The withdrawal of the British in the late 1960s – an ingredient of the current dispute over the islands – created a security vacuum as it had been a guarantor of security in the Gulf. The US succession to this role was for the most part due to the Gulf monarchies’ important oil reserves, the security of which was crucial to America. For Freedman, the main objectives for twentieth-century American policy in the region were to ‘keep the oil producers sweet, reduce Soviet influence, and sort out the Arab-Israeli conflict’.
President Nixon’s administration viewed Iran as a key part of the security policy for the region. As a result, the US did not take action in the initial stages of the dispute in 1971. In fact, the US reaction was subdued – it regretted the unfortunate loss of life ‘which resulted from an apparent misunderstanding when the Iranian forces landed on the Greater Tunb’. The US would not make any remarks on the issue at the subsequent UN Security Council meeting, though elsewhere they called for bilateral resolution.

Unfortunately for the UAE, it seemed that the US and UK had other interests in the region. Rather than intervene on behalf of the young federation in the dispute, they were keen to maintain good relations with the Shah. Nixon had talked about the volatility of Middle Eastern politics in his election campaign and his was the presidency that marked ‘America’s full entry into the Middle East’. The ‘twin pillars’ of his policy were to use Iran (and Israel) as regional allies, ensuring regional stability by keeping Soviet influence out and the oil flowing. In other words, ‘commercial and strategic thinking took precedence over the historical and legal records on the islands.’ This was compounded by the American policy towards the Gulf as a whole being one based on non-intervention. It boded badly for the dispute, from the UAE’s perspective, that not only were US interests dependent on the UAE’s adversary in the dispute, but the American policy for the region was not one of action.
The 1973 war between Israel and its neighbours demonstrated the critical vulnerability of the US and other Western economies to the smooth flow of oil. Middle Eastern and Gulf security had shown the clearest link yet to the well-being of Americans; but even in the aftermath of the serious economic shock of the halting of Arab oil exports, the revised US policy towards the region did not offer anything new for the UAE in terms of the dispute. The Assistant Secretary for Near Eastern and South Asian Affairs Alfred Atherton declared that the administration’s basic objectives in the Gulf included ‘encouragement of peaceful resolution of territorial and other disputes’. Yet the commitment the Shah made to retaining the islands, and his importance as a ‘pillar of stability and a bulwark against Communism at a tumultuous time in a turbulent region’, meant the US had no reason to make a diplomatic push against Iran.

The revolution in 1979 and the following hostage crisis permanently reversed the perception of Iran in US eyes; and just as that pillar of security vanished, the Soviet Union invaded Afghanistan, further threatening what the US perceived to be key security assets in the region. Consequently, President Carter bolstered the US approach towards the Gulf. In his 1980 State of the Union address he declared any ‘attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the
United States of America, and such an assault will be repelled by any means necessary’.

This new feature of the Carter doctrine – the use of force to defend interests in the Gulf – became a key tenet of US security policy. CENTCOM, established in 1983, was evidence of a big shift in US strategic priorities: ‘because of its oil reserves [the Gulf] was identified as a strongpoint of vital interest.’ Although these marked a deeper and more forceful engagement in the Gulf, it did not change the American stance towards the islands dispute. That was a dispute between two different Gulf States and not an outside power. As it had been ongoing for several years, there was no sudden need to address it.

On the other hand, the US was seeking new friends in the region. Iraq was now used as a bulwark against revolutionary Iran, with the US providing some support during the Iran-Iraq War. However, the shift in emphasis to Iraq backfired for the US in 1990 when, struggling to pay the costs of the war, Iraq invaded Kuwait. The US then found itself embarking on a more comprehensive security architecture for the Gulf. Saudi Arabia allowed the US access to air bases; Kuwait hosted land forces, equipment and air power; Bahrain formalised defence co-operation and hosted the US 5th Fleet; Qatar allowed use of airbases and hosted a command; and the UAE signed the defence pact and allowed access to ports and stores of equipment. The US was no longer relying on just
one state for Gulf security. This could not have failed to give rise to hopes in the UAE that as a now more important ally, it could strengthen its arguments against Iran.

The invasion of Kuwait was indeed a watershed in US policy vis-à-vis the UAE, and vice versa. On 25 July 1994, the UAE and US signed a defence pact and during the Western policy of containment of Iraq, the UAE hosted American military assets on its soil. Until 2003, the UAE would also provide contributions worth $15 million a year to related American operations. The US had many more forces stationed in the Gulf and the Clinton administration took a more proactive policy of ‘dual containment’, attempting to isolate both Iran and Iraq from the international community.

However, by the mid-1990s, the general change of US interaction with the Gulf had produced only minor change with regards to the dispute. As before, the US still accepted the UAE’s desire for a peaceful resolution, wanting a bilateral negotiated settlement with Iran and thus supporting the UAE raising the issue in international forums. Yet it still said nothing on the matter of ownership (that is, it did not take a position on the contending legal claims). In the 1992–93 negotiations, the US did not take up the issue in the UN Security Council, not wanting ‘to cause a further hardening of the Iranian position’.

A more forceful stance (at least, by the standards of the dispute) was taken in 1995. Then-Secretary of State Warren
Christopher put his name alongside a GCC communiqué expressing ‘deep appreciation’ for the UAE’s efforts in attempting to resolve the dispute peacefully. Furthermore, the statement urged Iran to ‘respond positively’ to UAE initiatives; and though the US would still not make a definitive statement on the issue of ownership, it did say that the UAE had ‘strong claims’ to the islands.\textsuperscript{19} By doing so, it shifted its position of complete neutrality regarding territorial disputes in the region.\textsuperscript{20} In 1997, a further statement was issued by the State Department:\textsuperscript{21}

The United States supports the UAE’s efforts to achieve a peaceful resolution of its dispute with Iran over three islands in the Gulf, Abu Musa and Greater and Lesser Tunb.

We have watched with concern as Iran has built up a military presence on all three islands, regrettably, Iran continues to heat up the dispute by taking more and more provocative actions, such as increasing its military presence and creating facts on the ground. Tehran should refrain from any further provocative or destabilizing action.

The United States believes the UAE has a strong claim to the islands. We encourage the parties to find a peaceful solution, whether by direct negotiation, by referring the matter to the International Court of Justice in The Hague, or by some other
mutually agreeable mechanism.

There was some worry in UAE quarters, however, that the reforming presidency of Khatami could have split the US’s support for the UAE over the islands, and the US might sidestep the issue.\textsuperscript{22} One editorial said that Iran had ‘taken steps … to have the question of the islands forgotten’ and that ‘Iran could raise new obstacles’.\textsuperscript{23} However, these fears proved to be incorrect, even before 9/11 and President George W Bush’s ‘axis of evil’ speech. Statements of diplomatic support for the UAE’s attempts to resolve the issue continued to come from the US (though, as previously, avoiding a specific mention of sovereignty), such as that from General Zinni, commander-in-chief of CENTCOM in 1999, and also from Assistant Secretary of State Ned Walker in 2000.\textsuperscript{24}

US policy since has not changed, although the issue lay dormant for some time, despite the George W Bush administration finding itself in conflict with Iran. In 2008, after Iran further expanded its control over the islands, Deputy Assistant Secretary of Defense Chris Straub spoke out for the UAE’s position in the dispute.\textsuperscript{25} The American position essentially remained the same, though: continued diplomatic support for peaceful, legal moves by the UAE to resolve the dispute. Crucially, although the previous twenty years were the era of most active US involvement, it is important to state that the UAE never requested specific action from the
US regarding the islands.²⁶ The US consistently chose not to forcefully intervene in the long-running territorial dispute on behalf of an important (and friendly) oil producer, or to seize the islands, even when they were used as bases for Iranian attacks on Gulf shipping.

This at first looks like a paradox – as described in previous chapters, the US had come to blows with Iran in the past (such as during the Tanker War). However, though America has taken strong action on Iran’s nuclear programme and its support for groups such as Hamas and Hizbullah, often resulting in public criticism of Iran, referral of the issues to the UN Security Council or unilateral US sanctions, the US has shied away from intervening directly in the three islands dispute.

It is not possible to reflect upon either US involvement, or Middle Eastern security, without touching on Iran’s nuclear programme, which has been a longstanding point of contention. Concern centres on the lack of clarity as to its status and intentions – at the heart of international apprehension is Iran’s unverifiable proximity to achieving a viable nuclear weapon. The US has consistently maintained its position that ‘a nuclear-armed Iran is not acceptable to the United States’,²⁷ whilst, until 2010, the UAE had followed its general political line of non-interference in other states’ domestic affairs. On 6 July 2010, however, the UAE ambassador to the US not only declared that military action
was not ruled out, but made the most explicitly aggressive
pronouncement on the situation when he stated ‘we cannot
live with a nuclear Iran’. The public revelations in 2002 of
the existence of additional nuclear facilities initiated a new
phase of the nuclear debate, including the culmination in
December 2006 of the unanimous passing of UN Security
Council Resolution 1737. It imposed sanctions on technology
and assets of individuals and groups related to the nuclear-
enrichment programme. From 2011, the International Atomic
Energy Agency’s concerns as to the potential military aspects
of the programme grew significantly stronger, mirrored by a
steady increase in international sanctions against the state.
The latest multi- and bilateral sanctions in 2012 included
an oil embargo by the EU and the disconnection from the
global financial SWIFT banking system, but even at the end
of 2011, there were signs that the sanctions had begun to
bite against the Iranian regime. Not least amongst the signs
was the plummeting of the value of the rial and the raising
of the interest rate on bank deposits in an attempt to halt the
depreciation, coupled with the censure of the Iranian press
on reporting any negative economic impacts as the regime
sought to maintain order at home.

Traditional ambiguity over the effectiveness of Western-
led sanctions in part resulted from the lack of cohesive
implementation, with Russia and China the more reticent.
Iran’s oil ministry had announced that China had agreed to
invest $40 billion in refining Iranian petrol, the Chinese oil company Sinopec signed a $70 billion deal in December 2007 to drill in the Yadavaran field, and Chinese exports to Iran increased by 70 per cent from 2006 to 2007.

Such positive circumstances did not last for Iran, and the International Atomic Energy Agency noted in February 2012 that China, previously Iran’s largest single customer of crude oil, had already reduced its imports to 275,000 barrels per day, half of its 2011 volume. Even the UAE, as noted earlier with regard to its significant economic relationship with Iran, has taken steps to comply with Security Council sanctions. Not only are certain Iranian ships now barred from Emirati ports, but cargo on ships in and out of Iran are no longer off-limits to official inspection for contraband material. The perception of Iran’s pursued nuclear programme has slowly cost it its friends and partners on the international stage. The corollary is that increased international isolation could well increase the domestic power of conservative hardliners in Iran. With the national self-image built on a perception of persecution, an isolated Iran with nothing left to lose could fan the flames of nationalistic recklessness.

It is also worth bearing in mind that, more widely, history shows that much more stringent economic sanctions have usually turned out to be an ineffective instrument of policy. US-led sanctions as an attempt to influence Iranian behaviour cannot guarantee either a rational, or a predictable, Iranian
response. In consequence, the security situation remains uncertain.

Ultimately, Iranian control of the islands gives a great advantage to the Islamic Republic. However, if the US were for some reason to try and force the issue, it would have to dislodge the Iranians from the islands – a costly proposition as it would entail open conflict with Iran. Thus for the US, the advantage of confronting Iran over what America perceives to be such a small issue is most likely very slight. Forcing the issue of the islands would risk a needless regional conflict when there are more important issues at stake such as Iran’s nuclear programme, the political evolution of Iraq, and the spread and consequences of the Arab political upheavals. The UAE has friendly relations with both the US and Iran regardless of the dispute, and perhaps most importantly, as previously noted, has not requested forceful assistance from the US, sparing diplomatic friction as the request would likely be denied. Instead, the US appears happy to continue the UAE pursuit of a peacefully negotiated outcome.

**Russian Policy**

The key factor of Russian (and before it, Soviet) policy toward the Gulf in the post-1945 era is based on the region’s geographical proximity to its border, making it sensitive to the events taking place in the Gulf and their consequences for Soviet interests and national security. However, the Russian
role in the Gulf region dates back to the Russian Revolution in 1917, when Western researchers suggest that Russia changed its traditional goals regarding access to warm waters. The USSR sought permanent access to warm ports to compensate for the lack of them in the Russian Empire itself. However, Cold War Soviet policies had focused on averting the risk of clash or military confrontation with the West in the region, as the Soviets were mindful of the vital importance of the Gulf to American and Western interests.

Within this context, it is possible to understand the motives behind the Soviet demand to keep the region neutral and isolated from international and foreign power struggles. This stance was subsequently explicitly expressed by President Brezhnev and Soviet officials. Some scholars suggest in this regard that ‘the Soviet strategy’s primary and urgent goal in the Gulf [was] not to ensure the security and political stability of the countries located in this region, but to try to remove the Western power threats that lie on the borders of the Soviet Union, or at least reduce and contain them’.

The USSR therefore tried to establish communication channels with Gulf States and sought to strengthen its relations with some countries such as North Yemen in 1938 and 1959, South Yemen in 1968, Iraq in 1944 and 1958, and Kuwait in the 1970s. Part of Moscow’s agreements with South Yemen granted the former free use of marine and air facilities in Aden, giving the Soviets unprecedented potential to exercise political
influence.\textsuperscript{35} However, Soviet influence in the Arabian Peninsula remained limited during the years preceding the establishment of the GCC, despite the aforementioned ties with South Yemen. The Iran-Iraq War resulted in the formations of new alignments through which the Soviets hoped to gain access to the Gulf, this time through arms sales to Iraq.\textsuperscript{36}

After the USSR’s collapse, Russia showed great interest in strengthening relations with the Gulf Arab states. Accordingly, it intensified and strengthened its contacts with them, though its plans remained modest as Russian officials were aware that Russia was unable to get reach the same level of involvement as Western nations who had a long history of economic, political and security relations with GCC member states. At the same time, Russia may feel that its participation in maintaining the political and military stability of the region could be greater.\textsuperscript{37} Some analysts hold that Russia desires the removal of America from the Gulf region because it is a politically and militarily vital area. The geopolitical gains derived from weakening US influence in the region outweigh any fears related to the emergence of a nuclear Iran.

Traditionally, the Kremlin has not seen Iran as a threat, but rather as a partner and ally to challenge American power through the expansion of Russian influence regionally and internationally.\textsuperscript{38} After the collapse of the USSR, Iran found itself amid major geopolitical and strategic developments as a result of the emergence of five Islamic republics along
its borders. At this stage, Russia found in the quiet Iranian policy towards the Balkan crises some assurances that calmed its fears of the potential export of Iranian fundamentalism. This was the background in which trade and military relations between the two countries grew closer, leading both to resist American pressure to stop the building of the Bushehr nuclear reactor. However, Russia has supported UN Security Council resolutions demanding Iran suspend its uranium-enrichment programme – but in all cases it has insisted on less stringent penalties than the US.

Both nations also had a common ground for co-operation in energy. From the economic perspective, Iran, throughout the 1990s, played an important role in ensuring the survival of the Russian nuclear-power industry, as the Bushehr project was among four deals that Russia concluded internationally in the civil nuclear field. It was also hoped that Iran would become one of the largest importers of Russian-produced weaponry. Moreover, both countries owned the two largest natural gas reserves globally, and developing Iran’s energy reserves was amongst Moscow’s top priorities. Generally speaking, Russia’s political agenda towards the Gulf region is primarily driven by economic interests, ranging from expansion of oil-related activities – such as construction and engineering – to weapons deals and other trade ties.

The Russian position on the issue of the three islands has thus been characterised by moderation, with little concern
regarding the dispute. During his visit to Russia in 2008, the UAE Speaker of the Federal National Council Abdul Aziz Al-Ghurair raised the issue of the islands and stated that he had received a positive response from the Russian side. According to Al-Ghurair, the Speaker of the Russian Federal Council Sergei Marinov suggested ‘the formation of a team that includes Russian-Iranian friendship and Russian-Arab friendship committees in the Senate, representing the Russian National Council to discuss the issue with Iran’. More recently, a spokesperson for the Russian Foreign Ministry declared in 2011 that Moscow supported the need to stabilise relations between Iran and its Arab neighbours, called for a resolution of the dispute over Abu Musa through dialogue, and avoiding irresponsible acts that harm the interests of the countries in the region – standard diplomatic fare. Given Iran’s control of the islands, Russia’s interests in keeping some level of alignment with the Iranian regime means it is no surprise that Russia has not taken an active stance on the issue.

**Chinese Policy**

Relations between the Gulf and China have been determined mainly by economic interests. China has risen to become the second-largest oil consumer in the world after the US. Moreover, the Chinese market is – potentially – the largest consumer market in the world, implying huge opportunities
for Gulf exports in petrochemicals, fertilizers and aluminium. Both sides are mindful of their need of the other. There is also the important factor of a positive legacy of Chinese-Gulf and Chinese-Arab relations in general, with there being no legacy of colonial ambitions, and no direct or indirect disagreements have emerged between the two sides over common issues.

Where there is mutual interest, the Gulf States support the issue of the Chinese unity, while China supports Arab concerns in the region, including support for the Palestinian cause. Moreover, China’s policy in general is of non-interference in the internal affairs of other nations. Gulf-Chinese relations have grown steadily since the early 1990s. Since then, the Gulf States have taken a direction towards more balanced relations with both West and East, and indeed becoming a dynamic hub between the two poles. China’s current interest in and push towards the Gulf region may therefore been seen through its general policy of ever-further integration into world markets and global politics on the one hand, and its need to support its domestic growth with Gulf oil and consolidating its strategic investment and trade on the other.45

Sino-Iranian relations are old, deep, varied and complex, dating back to the Sassanid era between the third and seventh centuries. In modern times, Chinese-Iranian relations have rested on strong pillars.
Chinese imports of Iranian oil account for 14 per cent of Beijing’s energy imports. China has also developed oil fields in Iran, among which are the Azadegan and South Pars fields. China operates in Iran, either through Chinese oil companies or through joint venture businesses set up with other countries, such as Sonangol, a Sino-Angolan holding that signed a $7.5 billion-contract with Iran to develop the Azadegan and South Pars fields. In early 2004, China signed a $20 billion-contract to purchase liquefied gas from Iran for twenty-five years. That October, China and Iran then signed two contracts to export oil and gas from Iran to China, worth $70 billion and $100 billion respectively. The contracts included the purchase of oil and gas and the development of the Yadavaran oil field.

For Iran, China has become a major source of manufactured goods, machinery, electronic equipment, cars and home appliances. China has played a major role in supplying Iran with weapons, advanced military kit and equipment such as missile technology. Further, while it opposes Iran’s nuclear-weapons capability, China does support a peaceful nuclear programme in accordance with China’s basic position on nuclear proliferation. So far, China has not been amenable to imposing sanctions on Iran, convinced that they would not stop Iran if it chose to pursue nuclear weapons.

Some regard that Iran represents a potential ally to China in exerting pressure on the United States in the Middle East. Some Iranians, including Ali Shariati Madari, the Kayhan
newspaper’s editor-in-chief, have suggested that it is in Iran’s and China’s interests to reduce US influence in Central Asia and Afghanistan, and adjust the NATO presence in Afghanistan, as they represent a strategic threat to the two countries. However, by 2012, even China has re-evaluated its relationship with Iran *vis-à-vis* the international community, and itself followed through with imposing sanctions drawn up against Iran’s nuclear programme.

China’s stance on the three islands dispute stems from an interest in establishing some sort of balance between the countries with which it has relations and economic interests. Li Peiyao, vice chairman of the National People’s Congress, expressed China’s position on the islands during his meeting on 11 May 1994 with a UAE delegation when he said: ‘We very much appreciate the position of the UAE of not resorting to force to resolve these disputes, as well as the efforts it makes to maintain stability in the Gulf region.’ It was a circumspect statement, with no mention of sovereignty, the legal ownership of the islands, or additional Chinese diplomatic or material support to the UAE on the matter. China is facing its own set of territorial disputes with several Southeast and East Asian nations over the contested sovereignty of islands and waters in and around the South China Sea, and so it may be reasonable to assume that it would not want to take action in one area that would set a precedent and affect its own position elsewhere.
Yet, by 2010, there seemed to have been some progress towards a more active Chinese stance on the dispute. Not only had the UAE asked China to attempt to mediate in the conflict with Iran, but China responded positively by inviting members of the Federal National Council to attend Beijing, and make the UAE case for reclaiming the islands. However, China refrained from outright acknowledgement that the islands are under the sovereignty of the UAE; and as in all previous cases, any efforts were for naught, as Iran simply refused to discuss any facet of the islands that did not incorporate acknowledgement of Iranian sovereignty.
In the overall context of Middle Eastern politics and regional tensions, the three islands dispute, over the islands of Abu Musa and Greater and Lesser Tunb, is of lesser significance, dwarfed as it is by the Arab-Israeli conflict, the antagonism of Iranian foreign policy, the concerns over nuclear proliferation and the threat of terrorism. All have implications for states outside of the region, as they all recognise that they have a stake in the future of the Gulf.

Though many states have expressed a view on the dispute, it does not figure prominently in the foreign policies of any states outside of the UAE and Iran. For Iran, the dispute swings in its level of importance. As it has control of the islands and is thus able to frame the dispute as it sees fit – a misunderstanding on the part of the UAE – the dispute could very well roll on without variation from this status. However, as the changing events of the region’s political upheavals and increase in economic sanctions have shown, the islands have a role to play, both as a rallying point of domestic opinion, and

VII. CONCLUSION
more importantly as a lever with which to exert maximum control over the Strait of Hormuz.

For the UAE, things are markedly different. Over the years, they have collected significant regional and outside support for their claims to the sovereignty of the islands, and worked tirelessly to keep the dispute on the international agenda. However, no state has been willing to provide anything more than basic diplomatic support and neither the GCC nor the UN has managed to bring about any significant change. For the moment, the status quo is tenuously stable, and though they may not like it, both regional and external powers perceive the dispute not to be a direct threat to peace and security. Iran has presented them with a *fait accompli*. For the international community, the islands’ sovereignty issue is simply not important enough to risk further alienating Iran and raising tensions in the Gulf. This is particularly true at a time when, in the wake of the Middle East’s political transitions, the internal security of individual states is increasingly uncertain and unpredictable.

The UAE, however, has a different perception of the status quo. From the moment of its creation in 1971, the UAE has consistently claimed sovereignty over Abu Musa and the Tunbs and, as indicated in Chapter III, has put this issue at the forefront of its foreign policy. It is difficult to overestimate the strength of feeling within the UAE that this dispute generates. National prestige and status are at
stake and thus there are no indications that as the years pass without any visible signs of progress, the UAE is willing to soften its opposition to Iran’s de facto control over the islands.

Despite its unceasing opposition to the Iranian occupation of the islands, the UAE has not allowed the issue to affect its overall relationship with Iran. The policy of decoupling has enabled the UAE to develop an economic relationship with Iran, one which involves a certain amount of economic and financial co-operation – co-operation that is vitally important to Iran. This twin-track policy has enabled both countries to enjoy considerable benefits without surrendering on the sovereignty issue, though objective analysis might suggest that Iran, with its physical possession and control of the islands, is the real winner for the time being. Iranian policy has shown the determination of successive governments to retain control of the islands at all costs. Such consistency of Iranian policy on the issue over so many years has been maintained irrespective of all of the changes in world politics that have taken place in that time, as well as the three major conventional wars fought in the Gulf since 1980. Thus, despite the 1979 revolution, there has been continuity from the days of the Shah to the present. From Iran’s perspective, the islands are not negotiable, neither now or in the foreseeable future.

Is the current stalemate a permanent feature of Gulf politics, an ongoing source of friction and suspicion which
complicates contemporary relations and signals a bleak future? As Chapter VI indicates, US policy in the Gulf has several strands, and the actions of Iran are of major concern to Washington. More than any other state, the US establishes the international context of what might be politically possible in the Gulf. The US is unlikely to back any UAE strategy that pushes the three islands dispute towards some final resolution. Instead of thinking about solving the dispute, it may be more profitable to think about managing it in a way tolerable to both the UAE and Iran.

Unfortunately, from the UAE’s perspective, this would be politically offensive and almost certainly mean accepting what it regards as an unjust status quo in which Iran keeps illegally obtained gains and, worse, is rewarded for its behaviour. Though understandable, the reality is that the UAE is, for now, diplomatically weak on this issue. There is merit in recognising the limits of what is possible, and working within them in order to guarantee US support for continued management of an irreconcilable source of regional conflict. With careful diplomacy, a new realism such as this might be viewed as progress. Neither side would be making any concession over its sovereignty claims, but the resulting improvement in bilateral relations could facilitate further co-operation, which is in the national interests of both.

Yet even the most intractable disputes do not last forever. Events bring about change; new generations of politicians
and citizens bring new perspectives and greater flexibility to old issues. Policies which once seemed unthinkable become possible. The end of the Cold War provides a spectacular example of how a seemingly permanent feature of international relations (the division of Europe into two armed camps) could suddenly disappear and transform the European security scene. The British experience of dealing with the terrorist threat in Northern Ireland provides another example of how a seemingly intractable problem that has simmered away for most of the twentieth century could be managed to the point where it may now have disappeared.

This is not to suggest that with the passage of time, the three islands dispute will inevitably fade away. Moreover, the latest events in the Middle East have shown that the key feature of the region is its inherent uncertainty. The emergence of mass public protests against longstanding regimes have surprised and challenged the conceptions of policy-makers inside and outside of the region. So, in one sense, the status quo over the islands no longer seems as inviolable as it did at the start of the decade. The question may be what further political changes may occur – particularly in Iran – and how the UAE’s diplomacy and foreign policy may harness them.

Four scenarios for the future of the dispute could be considered. First there is, of course, the most likely scenario, wherein the situation continues on as is, with no change. The
UAE refrains from pressing a stronger suit, and Iran does not alter its rhetoric or conception of the dispute.

A second scenario might be, with the continuation of international pressure against Iran, its isolation and the concern it faces, a pendulum of popular uprising leading to a new leadership that takes an altered stance on the issue. Iran could relinquish its absolute claims to the islands, and perhaps move back towards the set-up as under the 1971 MoU, provided some sort of face-saving deal could be crafted. There is little likelihood that Iran would relinquish all claims and give up the islands completely. However, it might, in a bold effort to win esteem in the eyes of the international community or the Gulf States, work towards some compromise on the issue. This prospect could become its very own carrot that it dangles, as opposed to the threatening stick of military action. Again, this is a highly unlikely scenario; but, were it to occur, it would be a triumph for UAE diplomatic pressure, to have achieved its ends without resorting to a show of military strength.

A third scenario would achieve a successful result for the UAE, but in undesirable circumstances; if, in some future crisis, military action against the Iranian regime is undertaken, then international action could restore the dispute islands to the UAE by force, or hold them under some sort of trusteeship until a separate deal was reached on the three islands. However, to win back the islands thanks to a regional conflagration would go against the the UAE’s overriding
desire for a peaceful and stable Gulf, and the exploitation of other states’ force would surely poison relations with Iran beyond repair.

The fourth scenario, a very much purely hypothetical one, would be for the UAE to drop its pursuit, acknowledging that without a willingness to consider force to support their claims, diplomatic talks will lead nowhere, as they do not hold significant bargaining chips with which to pressurise Iran in return. Such a conclusion would vindicate policy-makers who base their nation’s abilities solely on military power and the ability to take what it wants with impunity.

The three islands dispute may hold its greatest significance only for the two parties directly involved, but it cannot be understood or pursued in isolation of the broader political and security aspects of the Middle East region. Thus far, what makes the dispute remarkable is the tenacious pursuit by both sides of their claims without impacting in any significant manner on the wider relationship they enjoy. Even by 2010, the changing attitude of the UAE to Iran was prompted more by concerns over Iran’s nuclear intentions than friction caused by the question of the islands’ sovereignty. The asymmetric nature of the dispute, pitting a small, militarily constrained state against a much larger one with battle-hardened capabilities – even if the economic gap is closing – has not deterred the UAE from acting as an appropriate member of the international community. Pursuit of its ends by diplomatic
means may have been a slow process, but it has prevented the minor dispute from escalating wildly in a region that is already a tinderbox of uncertainty and insecurity.

In this vein, the Gulf is a turbulent region of the world and thus continuing political change is to be anticipated. The basic conclusion may be that, for an outcome favourable to the UAE to transpire, a critical change for the better in Iran’s threat perceptions is necessary; and then, even if the Iranian state no longer sees the three islands as a critical element in its security strategy, questions of national pride and emotion may still militate against a solution. Nevertheless, even accepting the latter, a stable Gulf with a less isolated Iran would surely offer a more fruitful context for negotiations. A policy of conflict management in relation to the islands, backed by the US and endorsed by the international community, might be the best way for the UAE, in some future time, to take maximum advantage of any favourable changes that do occur in the region.
I. Introduction

1. These are the conventional English-language names of the islands. Abu Musa is also known as Gap-Sabzu in Persian, Greater Tunb as Tonb-e-Bozorg in Arabic or Tonb Al-Kubra in Persian, and Lesser Tunb as Tonb-e-Kuchak in Arabic or Tonb al-Sughra in Persian.


The Three Islands


II. Historical and Legal Context of the Dispute


5. Husain M Al-Baharna, *The Arabian Gulf States: Their Legal


7. Lorimer, Gazetteer of the Persian Gulf, p. 2066.


13. Schofield makes the point that while some claims of Iranian

14. The implications of these events are discussed in greater detail below.


24. Samar Abu Rekba, ‘The UAE-Iranian Dispute over the Three Islands’, *Al-Watan Voice*, 25 June 2011. See also Al-Tadmuri,
The Three Arabian Islands, p. 354.

26. Ibid., pp. 184–85; Mattair, The Three Occupied Islands, p. 194.


30. Afshin Molavi, ‘Invoking the Arab Spring, Iran rewrites its own history’, The National, 6 April 2011.


### III. Escalation and Management of the Dispute


23. Rugh, Defence and Diplomacy, p. 80.


IV. The UAE Position


6. Author’s estimate based on the detailed information in Mattair, *The Three Occupied Islands*.


17. For a greater discussion on sanctions, see Chapter VI.

18. Mattair is one of several authors who take this view.


V. The Iranian Position


Payvand Iran News, 20 February 2009.


24. David Menashri, Post-Revolutionary Politics in Iran: Religion,


42. *Al-Ittihad*, 7 April 1980.

50. Mattair, *The Three Occupied Islands*, p. 139.

VI. World Policy


41. CIA World Fact Book.


44. Rekba, ‘The UAE-Iranian Dispute over the Three Islands’.


46. Rekba, ‘The UAE-Iranian Dispute over the Three Islands’.

APPENDIX

Memorandum of Understanding between Iran and Sharjah, November 1971.

Neither Iran nor Sharjah will give up its claim to Abu Musa nor recognize the other’s claim. Against this background the following arrangements will be made:

1. Iranian troops will arrive in Abu Musa. They will occupy areas the extent of which have been agreed on the map attached to this memorandum.

2. (a) Within the agreed areas occupied by Iranian troops, Iran will have full jurisdiction and the Iranian flag will fly.

(b) Sharjah will retain full jurisdiction over the remainder of the island. The Sharjah flag will continue to fly over the Sharjah police post on the same basis as the Iranian flag will fly over the Iranian military quarters.

3. Iran and Sharjah recognize the breadth of the island’s territorial sea as twelve nautical miles.
4. Exploitation of the petroleum resources of Abu Musa and the sea bed and subsoil beneath its territorial sea will be conducted by Buttes Gas & Oil Company under the existing agreement, which must be acceptable to Iran. Half the governmental oil resources hereafter attributable to the said exploitation shall be paid direct by the Company to Iran and half to Sharjah.

5. The nationals of Iran and Sharjah shall have equal rights to fish in the territorial sea of Abu Musa.

6. A financial assistance agreement will be signed between Iran and Sharjah.
Map of Abu Musa attached to the Memorandum of Understanding between Iran and Sharjah.

Source: Wikimedia Commons