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Relations between the Islamic Republic of Iran and the United Arab Emirates: From Cooperation to Competition

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Extended Abstract

The relations between the Islamic Republic of Iran and the United Arab Emirates (UAE) have been among the most complex bilateral relationships in the Persian Gulf region over the past five decades. These relations have continuously been influenced by a combination of domestic, regional, and international factors and have fluctuated between economic cooperation, geopolitical competition, and security tensions. Although relations between the two countries reached one of their most confrontational periods between 2016 and 2020, signs of de-escalation and a return to diplomacy have emerged since 2021, coinciding with political changes in both the United States and Iran. Utilizing a descriptive-explanatory method, drawing upon library and electronic sources, and employing the Constructivist framework, this study examines

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three possible patterns for the future of Iran-UAE relations: the Hobbesian model (confrontation and hostility), the Lockean model (managed competition), and the Kantian model (cooperation and friendship). The findings indicate that the most probable scenario for the future of bilateral relations is the model of managed competition.

In the first model, namely the dominance of Hobbesian culture, relations between Iran and the UAE move toward increased tension, mistrust, and the possibility of military confrontation. The most significant domestic factor underlying this situation is the dispute over the three islands of Abu Musa, Greater Tunb, and Lesser Tunb. Iran considers these islands an inseparable part of its territory, whereas the UAE claims sovereignty over them and has consistently sought to raise the issue in international forums. This historical dispute has persisted since the establishment of the UAE in 1971 and has become a significant symbol of political and identity-based competition between the two countries. From Tehran's perspective, sovereignty over these islands is non-negotiable, whereas Abu Dhabi insists on resolving the issue through negotiations or international arbitration.

At the regional level, geopolitical competition has also played a major role in the formation of Hobbesian culture. Following the Islamic Revolution of 1979, the UAE's concerns regarding Iran's regional influence increased substantially. Developments in Iraq after the fall of Saddam Hussein, the Syrian crisis, the Yemen war, and the expansion of Iranian influence in Lebanon and across the region were viewed by the UAE as threats to the regional balance of power. The Yemen war became the most important arena of indirect competition between the two countries. The UAE supported forces opposed to Ansar Allah, while Iran provided political and strategic support to the movement. Drone attacks on Abu Dhabi and reciprocal confrontations in Yemen further intensified mistrust between the two states.

The normalization of relations between the UAE and Israel through the Abraham Accords in 2020 constituted another factor contributing to heightened tensions. Iran viewed this development as a threat to its national security and warned against the security and intelligence presence of Israel near its borders. From Tehran's perspective, the expansion of military and security cooperation

between the UAE and Israel could alter the regional security balance to Iran's detriment. Consequently, the growing ties between Abu Dhabi and Tel Aviv are regarded as one of the most significant obstacles to improving Iran-UAE relations.

At the international level, the UAE's security dependence on the United States has also been a major factor in generating tensions. The UAE views the American military presence as a guarantee of its security, while Iran considers the presence of U.S. forces in the region a direct threat to its national security. American military bases in the UAE and Abu Dhabi's support for the Trump administration's maximum pressure policy against Iran significantly exacerbated bilateral tensions in recent years. Furthermore, Iran's nuclear program is perceived by the UAE as a threat to regional stability, leading Abu Dhabi to consistently support international pressure against Tehran.

In contrast, the second model, namely Lockean culture or managed competition, emphasizes the control of tensions and the preservation of limited interactions. This model is based on the assumption that both countries recognize the extremely high costs of direct confrontation and therefore seek to manage their differences. At the domestic level, the federal structure of the UAE plays an important role in this process. Unlike Abu Dhabi, which adopts a security-oriented and hardline approach toward Iran, Dubai and Sharjah favor maintaining economic relations with Tehran due to their strong dependence on trade and a non-oil economy. This divergence in perspectives has ensured that even during periods of political tension, bilateral trade relations have never been completely severed.

At the regional level, several developments have contributed to reducing tensions. The reduction of the UAE's military presence in Yemen, the initiation of security dialogues between Tehran and Abu Dhabi, and efforts to manage disputes through diplomatic channels are among the notable examples. The exchange of security and political delegations between the two capitals in recent years and the signing of border cooperation agreements demonstrated the determination of both sides to prevent further escalation. In addition, the restoration of diplomatic relations between Iran and Saudi Arabia in 2023 fostered a regional atmosphere conducive to de-escalation, encouraging the UAE to adopt a more balanced foreign policy.

At the international level, the shift in U.S. policy following the inauguration

of President Joe Biden also influenced this trend. Washington's reduced support for the maximum pressure policy against Iran and efforts to revive nuclear negotiations prompted the UAE to reconsider its regional policies. Within this framework, Abu Dhabi also improved its relations with Qatar, Türkiye, and Syria and sought to establish itself as a more balanced regional actor.

The third model, namely Kantian culture, represents the most optimistic scenario for the future of Iran-UAE relations. Under this model, the two countries move toward stable and friendly relations through economic cooperation, interdependence, and the reduction of security tensions. The most important driving force behind this process is the extensive economic interdependence between the two states. Over the past decades, the UAE, particularly Dubai, has played a crucial role in Iran's foreign trade and has become one of Tehran's most important economic partners. Thousands of Iranian companies operate in the UAE, and bilateral trade has experienced substantial growth in recent years.

Economic interdependence has ensured that economic relations have never been completely interrupted, even during periods of peak political tension. As a regional commercial hub, Dubai possesses significant economic interests in maintaining relations with Iran. Furthermore, extensive Iranian investments in the UAE and the country's role in Iran's financial and commercial exchanges have created strong incentives for continued cooperation.

At the regional level, a reduction in geopolitical tensions could facilitate the realization of this model. The end or de-escalation of the Yemen conflict, the improvement of Iran-Saudi relations, the growing role of regional mediators, and the expansion of regional economic cooperation are among the factors that could strengthen ties between Tehran and Abu Dhabi. Moreover, if the UAE limits its security cooperation with Israel and focuses more on economic cooperation, some of Iran's security concerns may be alleviated.

At the international level, the success of nuclear negotiations and the easing of sanctions against Iran could provide a foundation for expanding economic and political cooperation between the two countries. The experience following the 2015 nuclear agreement demonstrated that whenever tensions between Iran and the United States decreased, trade and investment between Iran and the UAE increased correspondingly. Under such circumstances, joint economic

projects, the development of regional transportation corridors, and cooperation in the fields of energy and infrastructure could elevate bilateral relations to a new level.

In conclusion, the study emphasizes that Iran-UAE relations possess a dual and multilayered nature in which economic cooperation and political competition coexist simultaneously. Although territorial disputes, security rivalries, and the UAE's relations with the United States and Israel hinder the development of full strategic trust between the two countries, economic interdependence and the high costs of direct confrontation also prevent relations from evolving into comprehensive hostility. Therefore, the most probable scenario for the future of relations between Tehran and Abu Dhabi is the continuation of a pattern of "managed competition accompanied by limited cooperation." Within this framework, while maintaining their political and security differences, both countries are likely to utilize economic and diplomatic interactions to prevent the escalation of tensions and avoid direct confrontation. Such a situation could preserve relative stability in the Persian Gulf and provide the basis for limited yet sustained cooperation between two important regional actors.

Key words: Iran; United Arab Emirates; Interdependence; Geopolitical Competition; Constructivism.

Conflict of Interest

The authors declare that there is no conflict of interest in conducting this research study.