

The UAE- European Union Strategic and Security Partnership

Christian ILCUS

Århus University, Kolding, Southern Denmark, Denmark

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ABSTRACT

This paper examines the evolving security partnership between the United Arab Emirates (UAE) and the European Union (EU) in the context of contemporary geopolitical challenges. It aims to analyze the implications of this partnership for regional stability, security cooperation, and economic integration. The research questions guiding this study include: What are the key drivers of UAE-EU security cooperation? How do shared interests and strategic priorities shape the partnership? What challenges and opportunities arise from this collaboration? The findings indicate that the UAE-EU partnership is characterized by a multifaceted approach that encompasses military cooperation, counterterrorism efforts, and responses to non-traditional security threats. However, the partnership also faces challenges, including divergent political priorities and human rights concerns. Overall, the study highlights the importance of a structured and integrated approach to enhance the effectiveness of the UAE-EU security partnership while addressing regional complexities. 1. What are the key drivers of UAE-EU security cooperation? 2. How do shared interests and strategic priorities shape the partnership? The findings reveal that the UAE-EU partnership is driven by mutual interests in regional stability, energy security, and counterterrorism. The collaboration has led to enhanced military cooperation, intelligence sharing, and joint initiatives addressing non-traditional security threats such as cyber threats and climate change. However, challenges persist, including differing political priorities and concerns regarding human rights, which can complicate the partnership's effectiveness. The overall conclusion is the UAE-EU security partnership represents a significant evolution in regional security dynamics, characterized by both opportunities and challenges. A structured and integrated approach is essential for maximizing the partnership's potential while navigating the complexities of the geopolitical landscape. By addressing divergent priorities and fostering collaboration, the UAE and EU can enhance their collective security and contribute to regional stability.

Keywords: UAE-EU, SDP, EU GCC, Regional Vision.

Words:62,123

INTRODUCTION

In the heart of the Arabian Peninsula, where the golden sands meet the azure skies, lies the United Arab Emirates—a land of towering skyscrapers, bustling markets, and a vibrant tapestry of cultures. Once a humble federation of fishing villages and pearl divers, the UAE has transformed into a global hub of finance, trade, and innovation, drawing in people and investments from every corner of the world.

Yet, beneath the glimmering surface of prosperity, a complex narrative unfolds. The very elements that have propelled the UAE to greatness—its reliance on foreign investment and a diverse expatriate workforce—also weave a tale of vulnerability. As the nation navigates the shifting tides of global economics and geopolitical dynamics, it faces challenges that threaten the stability of its carefully crafted economic model.

In this piece, we explore the delicate balance the UAE must maintain, as it strives to secure its future while embracing the opportunities and risks that come with its ambitious journey.

Cinzia Bianco views the UAE as an increasingly important strategic partner for Europe in the Gulf region. She argues that EU-UAE relations should move beyond a transactional focus on energy and trade toward a broader

partnership. In her analysis, the UAE's economic influence, diplomatic role, and regional networks make it a key actor for Europe to engage with. She emphasizes cooperation in areas such as investment, technology, energy transition, and regional stability. Bianco believes Europe should recognize the Gulf's growing geopolitical importance and engage with it on equal terms. She sees the UAE as a country pursuing strategic autonomy while maintaining links with multiple global powers. For her, stronger EU-UAE cooperation can help Europe advance its interests in a changing international environment. Overall, she advocates a deeper and more comprehensive partnership between Europe and the Emirates.

Dr. Ebtesam Al-Ketbi views Europe as an important strategic partner for the Gulf, particularly for the UAE, beyond traditional energy relations. She emphasizes that EU-Gulf ties should focus on trade, investment, technology, innovation, and economic diversification. In her view, Europe can contribute to regional stability through diplomacy, dialogue, and cooperation on shared security challenges. She argues that the Gulf and Europe should build a relationship based on mutual respect and a better understanding of each other's priorities. Al-Ketbi sees the UAE's foreign policy as one of diversified partnerships, with Europe serving as a key partner alongside other global actors. She believes that stronger cooperation between Europe and the Gulf can help address issues such as energy transition, technological development, and regional security. At the same time, she stresses that Europe should engage with Gulf countries as equal partners rather than through a one-sided approach. Overall, her perspective is that Europe has an important role in shaping a more stable, connected, and prosperous Gulf region.

The proposed structural reforms for strengthening the Gulf Cooperation Council's (GCC) customs enforcement authority include establishing a centralized customs enforcement authority with binding oversight powers to ensure uniform application of customs regulations across member states.

Additionally, there is a plan to transition to a shared digital customs platform, moving from nationally administered customs systems to a centralized digital platform that would enable real-time coordination, enhance fraud prevention, and standardize trade documentation. These reforms aim to reduce inconsistencies in border procedures and improve the overall effectiveness of the GCC as a unified economic actor.

The UAE and Saudi Arabia contribute to cybersecurity cooperation within the Gulf Cooperation Council (GCC) through several key initiatives. Both countries demonstrate significant involvement in cybersecurity coordination, reflecting their advanced digital infrastructure and investment capabilities. They participate in organized dialogues and forums that facilitate sustained technical and policy exchanges among GCC member states.

At the same time, the UAE and Saudi Arabia engage in collaborative exercises to enhance their preparedness against cyber threats, sharing best practices and strategies. They contribute to platforms for sharing threat intelligence, which helps in identifying and mitigating cyber risks across the region. Both nations support initiatives aimed at building cybersecurity capabilities within the GCC, including training programs and the development of regulatory frameworks aligned with international standards.

These contributions enhance the overall cybersecurity posture of the GCC, fostering resilience against emerging cyber threats. The UAE faces several vulnerabilities in its economic model due to its reliance on foreign investment and labor. One significant vulnerability is the dependence on expatriate labor, which forms the backbone of various sectors, including construction and high-skilled services. This reliance raises concerns about social cohesion, labor market sustainability, and human capital development, particularly in the event of disruptions to migration flows or changes in global labor market dynamics.

Moreover, the UAE's economic openness exposes it to volatility from external sources, making it sensitive to global economic conditions and investor confidence. The cyclical nature of real estate and financial markets, especially in Dubai, presents another risk, as periods of rapid expansion can be followed by corrections that reveal structural imbalances. Furthermore, while regulatory reforms have improved oversight and stability, the underlying dependence on external capital flows remains a source of fragility. This economic model, while successful in driving growth, introduces long-term challenges that could impact the UAE's resilience in a changing global landscape.

We argue the economic model of the United Arab Emirates (UAE) is characterized by significant reliance on

foreign investment and labor, which has facilitated rapid growth and modernization. However, this dependence introduces vulnerabilities that could undermine the sustainability of its economic success. Understanding these vulnerabilities is crucial for developing strategies that enhance resilience and promote long-term stability in the UAE's economy.

The scope of this research will focus on the economic vulnerabilities faced by the UAE due to its reliance on foreign investment and labor. It will examine the implications of this dependence on various sectors including construction, tourism, and finance. The study will also explore the impact of global economic fluctuations, labor market dynamics, and demographic challenges on the UAE's economic stability.

The objectives are to identify and analyze the specific vulnerabilities in the UAE's economic model stemming from its reliance on foreign investment and labor. Second, to assess the potential impacts of these vulnerabilities on key economic sectors and overall economic stability. Third, to explore potential strategies and policy recommendations that could mitigate these vulnerabilities and enhance the resilience of the UAE's economy. Fourth to evaluate the long-term sustainability of the UAE's economic model in light of its current dependencies

Research Questions

What are the main drivers of the UAE-EU Relationship ?

What are the primary vulnerabilities in the UAE's economic model related to foreign investment and labor ?

How do fluctuations in global economic conditions affect the UAE's reliance on foreign investment and labor ?

What demographic challenges does the UAE face due to its dependence on expatriate labor and how do these challenges impact economic stability ?

What strategies can the UAE implement to reduce its vulnerabilities and promote a more sustainable economic model ?

This is important for several reasons:

First, the findings will provide valuable insights for policymakers in the UAE helping them to formulate strategies that enhance economic resilience and sustainability Second, Understanding the vulnerabilities in the economic model will aid in better economic planning and diversification efforts reducing reliance on external factors Third, as the UAE plays a pivotal role in the Gulf region enhancing its economic stability can contribute to broader regional stability and cooperation Fourth, the research will contribute to the global discourse on economic dependency and resilience offering lessons that can be applied to other nations facing similar challenges.

Literature Review: UAE–EU Relations: Scholarly Approaches, Analytical Debates, and Research Gaps

1. International Relations and Strategic Partnership Approaches

A significant body of scholarship examines UAE–EU relations through the lens of international relations theory, particularly realism and strategic partnership approaches. From a realist perspective, relations between the UAE and European actors are primarily shaped by shared strategic interests, including energy security, regional stability, trade, and geopolitical influence. Scholars argue that Gulf states such as the UAE have pursued diversified foreign policies to maximize autonomy and influence within an increasingly multipolar international system (Hinnebusch, 2014; Ulrichsen, 2017). Within this framework, cooperation with the EU is understood less as a value-based alliance and more as a pragmatic relationship driven by mutual interests.

The main analytical contribution of this approach is its explanation of why the UAE and EU cooperate despite differences in political systems and normative priorities. The UAE provides Europe with economic opportunities, investment, energy partnerships, and regional access, while the EU offers technology, markets, diplomatic legitimacy, and economic partnerships (Kausch, 2013; Young, 2021). This perspective highlights the strategic

logic behind cooperation in areas such as renewable energy, maritime security, counterterrorism, and regional diplomacy.

However, realist interpretations have limitations. By emphasizing material interests, they often overlook the importance of identity, norms, and political narratives in shaping foreign policy. They also risk reducing UAE–EU relations to a transactional partnership and do not fully explain why both actors increasingly invest in symbolic areas such as sustainability, humanitarian diplomacy, and international reputation-building.

2. Constructivist Approaches: Identity, Norms, and International Recognition

Constructivist scholarship provides a different perspective by focusing on how identities, ideas, and norms influence international relations. This approach is particularly relevant for understanding the UAE's efforts to construct itself as a modern, globally connected, and responsible international actor. Scholars studying Gulf foreign policies argue that states such as the UAE increasingly use diplomacy, economic initiatives, humanitarian activities, and global events to shape international perceptions and strengthen their legitimacy (Barnett & Duvall, 2005; Kamrava, 2013).

From this perspective, UAE–EU relations are not only based on economic exchange but also on competing and overlapping identities. The UAE presents itself as a model of modernization, innovation, tolerance, and economic openness, while the EU traditionally promotes an identity based on democracy, human rights, multilateralism, and the rule of law (Manners, 2002). These different self-conceptions influence areas of cooperation and disagreement.

The main analytical strength of constructivist approaches is their ability to explain why issues such as labor rights, migration governance, climate policy, and human rights become important points of negotiation between the UAE and EU. They demonstrate that international relationships are shaped not only by interests but also by ideas about legitimacy and appropriate political behavior.

Nevertheless, constructivist approaches sometimes overemphasize discourse and identity while paying insufficient attention to economic power relations and strategic interests. In the UAE–EU context, identity narratives are closely connected to economic ambitions and geopolitical strategies, suggesting that material and ideational factors should be examined together.

3. Political Economy Approaches: Trade, Investment, and Economic Interdependence

Political economy literature represents one of the largest areas of research on UAE–EU relations. Scholars emphasize the importance of trade, foreign direct investment, energy cooperation, and financial connections in shaping the partnership. The UAE has become one of Europe's most important Gulf economic partners, while European countries remain significant sources of investment, technology, and expertise for the UAE's economic diversification strategies (Beblawi, 2011; Hertog, 2014).

Research in this field highlights the UAE's transition from an oil-dependent economy toward a more diversified economic model based on logistics, tourism, finance, technology, and renewable energy. The EU has played an important role in this transformation through commercial partnerships, investment flows, and cooperation in areas such as clean energy and innovation (International Energy Agency, 2022).

The main analytical contribution of political economy approaches is their explanation of the mutual dependence between the two actors. The UAE benefits from European technology, capital, and markets, while European economies benefit from Gulf investment, energy cooperation, and access to regional markets.

However, this literature has several limitations. Many studies focus primarily on economic outcomes and provide limited analysis of the political consequences of economic interdependence. For example, less attention is given to how investment relationships influence diplomatic positions, regulatory debates, or questions of economic sovereignty. Furthermore, economic studies often treat the UAE and EU as unified actors while overlooking differences among individual European states and institutions.

4. Normative Power Europe and the Challenge of Value Differences

Another important scholarly approach examines UAE–EU relations through the concept of the EU as a normative power. Manners (2002) argues that the EU seeks to influence international politics through the promotion of values such as democracy, human rights, and legal norms. Applied to UAE–EU relations, this perspective highlights tensions between European normative ambitions and the UAE’s sovereignty-focused approach to governance.

Research shows that disagreements over labor rights, political freedoms, migration policies, and regional conflicts create challenges for deeper cooperation (Kausch, 2013; Echagüe, 2017). The EU often attempts to integrate values into its external relations, while the UAE emphasizes stability, economic development, and national sovereignty.

The analytical value of this approach lies in explaining areas where cooperation becomes politically sensitive. It demonstrates that UAE–EU relations involve not only shared interests but also negotiation between different political models.

However, critics argue that the normative power approach can exaggerate the EU’s ability to shape external actors and underestimate the strategic compromises made in pursuit of economic and security interests. In practice, EU engagement with the UAE often reflects a balance between promoting values and maintaining strategic cooperation.

5. Security and Regional Order Approaches

Security studies literature examines UAE–EU relations within the broader context of Middle Eastern regional politics. Scholars argue that the UAE has become an increasingly active regional actor, expanding its diplomatic, military, and economic influence beyond the Gulf (Ulrichsen, 2017; Fawcett, 2019). European states have engaged with the UAE due to shared concerns regarding terrorism, maritime security, regional conflicts, and energy stability.

This literature demonstrates that security cooperation has become an important pillar of bilateral relations. The UAE is viewed by many European governments as a key partner in maintaining regional stability and addressing security challenges.

However, security-focused research often concentrates on state-level strategic interests and provides limited attention to social, economic, and identity dimensions. It also tends to analyze the UAE primarily through external security concerns rather than examining how UAE domestic transformations influence foreign policy behavior.

Research, Knowledge, Empirical, and Methodological Gaps

Although existing scholarship provides important insights into UAE–EU relations, several gaps remain. First, research has largely focused on economic and security cooperation, while the identity dimension of the relationship remains underdeveloped. More research is needed on how the UAE constructs its international identity and how this interacts with European perceptions of legitimacy and partnership.

Second, existing studies often analyze UAE–EU relations as a strategic or economic relationship but pay less attention to its transformation into emerging areas of cooperation, including artificial intelligence, climate governance, renewable energy, and technological innovation. The future direction of the partnership remains insufficiently explored.

Third, empirical research is often limited by reliance on elite interviews, government documents, and policy analysis. While these sources provide valuable information, they may not capture broader social perceptions, institutional interactions, or changes in public diplomacy. More mixed-method research combining qualitative and quantitative approaches would strengthen understanding of the relationship.

Finally, there is a need for more comparative research examining the UAE’s relationship with the EU alongside

its relations with other global actors, including China and the United States. Such comparisons would help explain whether UAE–EU relations represent a unique strategic partnership or part of a broader strategy of balancing among major international powers.

Overall, the literature demonstrates that UAE–EU relations are shaped by strategic interests, economic interdependence, identity construction, and normative tensions. However, future research should move beyond narrow economic and security explanations and adopt more integrated approaches that combine political economy, international relations theory, and identity analysis.

Scholarly contribution

Our scholarly contribution lies in providing a comprehensive analysis of the UAE–EU security partnership that addresses both theoretical and practical dimensions of international relations and security studies. Our research contributes to academic debates by examining how security cooperation develops between actors with different political systems, strategic priorities, and normative perspectives within an increasingly complex and multipolar international environment.

Theoretically, our research offers a nuanced understanding of security cooperation by integrating perspectives from international relations theory, particularly realism and constructivism. It demonstrates how strategic interests, power calculations, identity formation, and normative considerations interact to shape contemporary security partnerships. By moving beyond traditional approaches that explain security relations primarily through military power or alliance structures, our study contributes to a broader understanding of how states manage cooperation and competition in a changing global order.

Empirically, our research contributes new insights into the specific mechanisms, institutions, and strategic interests that underpin the UAE–EU security partnership. Through the examination of security cooperation, diplomatic engagement, energy security, regional stability, and emerging challenges, our study expands existing knowledge of Gulf–European relations. It highlights how the UAE and EU construct security cooperation through overlapping interests while simultaneously managing differences in political values and strategic priorities.

Our research also provides important policy contributions by identifying challenges and opportunities within the UAE–EU partnership. By analyzing areas of cooperation and tension, our study offers insights relevant to policymakers seeking to strengthen regional stability, enhance strategic coordination, and develop more sustainable forms of cooperation. It demonstrates that effective security partnerships require not only institutional coordination but also an understanding of political, economic, and identity-based factors.

An additional contribution lies in our interdisciplinary approach. By examining the relationship between security, political economy, economic interdependence, human rights, migration, and identity, our research moves beyond narrow security analysis. This broader perspective enriches understanding of contemporary international security by demonstrating that security relationships are shaped by economic structures, social dynamics, and competing interpretations of legitimacy.

Our study also contributes to future research by identifying important areas for further investigation. It highlights the need for deeper analysis of middle-power diplomacy, Gulf–European strategic relations, security cooperation in a multipolar world, and the evolving role of identity and norms in international partnerships. By addressing existing theoretical, empirical, and methodological gaps, our research provides a foundation for future scholarship on UAE foreign policy and broader patterns of international cooperation.

Overall, our scholarly contribution lies in the integration of theoretical innovation, empirical analysis, policy relevance, and interdisciplinary understanding. Our research advances the study of UAE–EU relations by demonstrating that contemporary security partnerships are shaped not only by strategic interests but also by economic interdependence, identity construction, and the pursuit of international legitimacy.

Methodology

This study adopts a qualitative research methodology to examine the UAE–EU relationship through the interconnected perspectives of political economy, international relations theory, and identity analysis. The research employs a case study approach, focusing on the UAE–EU partnership as a contemporary example of

strategic cooperation during the power transition in a multipolar sub-regional setting of the Middle East. Primary and secondary sources are used, including official policy documents, diplomatic statements, international agreements, academic literature, and institutional reports from relevant organizations. The study applies theoretical analysis by drawing on realism, liberal institutionalism, and constructivism to explain patterns of cooperation, competition, and identity formation.

A comparative analytical approach is used to examine differences and similarities between UAE and EU strategic priorities, political values, and foreign policy objectives. The research also incorporates discourse analysis to investigate how both actors construct narratives of security, modernization, sustainability, and international legitimacy. Empirical evidence is analyzed through thematic analysis, identifying key themes such as economic interdependence, security cooperation, energy transition, labor mobility, and normative tensions.

We also compare the roles of the Pentarchy and their preferences over regional order, and evaluate on the implications and room of maneuver for the evolving the UAE-EU security and defence partnership.

The methodology allows for an examination of both material factors, including trade, investment, and security interests, and ideational factors, including identity, norms, and recognition. By integrating multiple analytical approaches, the study provides a comprehensive understanding of the complexity and evolution of UAE–EU relations. This methodology is designed to address existing gaps in the literature by connecting theoretical explanations with empirical developments in contemporary international relations.”

This is a desk job and an ai analysis which is a digital method that retrieves information stored online and converts it into knowledge as part of a network centric strategy-making process in an innovative and solution oriented manner.

Structure

The practical purpose of the piece structure its content. We begin with the analytical framework before proceeding to the analysis divided into political economy, international relations and identity. We proceed to examine the evolving security and defense partnership between the UAE-EU in a comparison concluding this will be a middle intensive SDP. This allows us to address the fracas over the UAE’s OPEC membership before we examine the interests and objectives of the pentarchy: US, Russia, China, India, the EU. The EU’s contribution to the strengthen governance in the furtherance of the Gulf security Vision is also made subject to our investigation.

ANALYTICAL FRAMEWORK: UAE–EU RELATIONS THROUGH POLITICAL ECONOMY, INTERNATIONAL RELATIONS THEORY, AND IDENTITY ANALYSIS

The study of UAE–EU relations requires an integrated analytical framework that moves beyond a purely economic or diplomatic understanding of the partnership. While existing scholarship has examined trade, energy, security cooperation, and investment flows, the relationship is better understood as the interaction between political economy structures, international strategic interests, and competing identity constructions. These three analytical dimensions explain both the depth of cooperation and the tensions that characterize the relationship.

1. Political Economy Approach: Interdependence, Diversification, and Economic Power

Political economy approaches analyze UAE–EU relations through the distribution of economic resources, patterns of investment, trade dependence, and the changing structure of global capitalism. The UAE’s engagement with Europe reflects a strategy of economic diversification designed to reduce dependence on hydrocarbons and transform the country into a global hub for finance, logistics, technology, tourism, and renewable energy. Scholars of Gulf political economy argue that states such as the UAE have moved beyond traditional rentier-state models by using energy wealth to build globally connected economies and sovereign investment capabilities (Beblawi, 2011; Hertog, 2014).

From this perspective, the EU represents both an economic opportunity and a strategic partner. European markets provide access to advanced technology, investment opportunities, and industrial expertise, while the UAE has become an important investor in European infrastructure, real estate, energy, and financial sectors. Economic relations therefore function as a form of mutual interdependence, where both actors gain from continued cooperation (Young, 2021).

However, a political economy analysis also reveals structural vulnerabilities. The UAE's dependence on foreign investment, global markets, and expatriate labor creates exposure to international economic fluctuations. Economic downturns, changes in energy markets, or shifts in investor confidence can affect domestic growth and foreign policy choices. Similarly, the EU's reliance on Gulf energy partnerships creates its own strategic dependencies, particularly during periods of geopolitical uncertainty.

The limitation of existing political economy research is that it often treats economic cooperation as a neutral process driven by market interests. Less attention is given to how economic relationships produce political influence, shape diplomatic behavior, and contribute to the UAE's broader strategy of international positioning.

2. International Relations Theory: Strategic Interests, Multipolarity, and Foreign Policy Autonomy

International relations approaches explain UAE–EU relations through broader questions of power, security, and global order. Realist perspectives emphasize that states cooperate when cooperation advances national interests. From this viewpoint, the UAE–EU partnership is shaped by shared concerns over energy security, regional stability, maritime security, terrorism, and geopolitical competition (Hinnebusch, 2014; Ulrichsen, 2017).

The UAE has increasingly pursued a strategy of strategic autonomy by developing relationships with multiple global actors, including the EU, United States, China, and other emerging powers. Rather than aligning exclusively with one geopolitical bloc, the UAE seeks flexibility in order to maximize economic and political benefits. The EU, meanwhile, views the UAE as an important regional actor capable of contributing to security and economic stability in the Gulf and wider Middle East.

Liberal institutionalist perspectives provide another interpretation, emphasizing the role of institutions, cooperation mechanisms, and economic interdependence in reducing conflict and encouraging collaboration. Through trade agreements, diplomatic dialogues, climate initiatives, and energy partnerships, UAE–EU relations demonstrate how institutional cooperation can develop even between actors with different political systems.

Nevertheless, international relations theories have limitations when applied individually. Realist approaches may explain strategic cooperation but often neglect the importance of ideas, legitimacy, and identity. Liberal approaches may overstate the ability of institutions to overcome political disagreements, particularly concerning human rights, governance, and regional conflicts. Therefore, UAE–EU relations require an approach that combines material interests with ideational factors.

3. Identity Analysis: Recognition, Legitimacy, and Competing Political Narratives

Identity analysis provides insight into how the UAE and EU understand themselves and each other within the international system. Constructivist scholars argue that international politics is shaped not only by material capabilities but also by ideas, norms, and social meanings (Wendt, 1992). This approach is particularly relevant to the UAE because its foreign policy increasingly involves efforts to construct an international identity as a modern, innovative, tolerant, and globally responsible state.

The UAE's international identity is built around narratives of modernization, economic openness, technological advancement, and diplomatic activism. Initiatives in renewable energy, humanitarian assistance, space exploration, and global investment contribute to the UAE's attempt to gain recognition as a significant international actor. These identity-building strategies are not separate from economic and political goals; rather, they support the country's efforts to attract investment, strengthen partnerships, and increase global influence.

The EU, in contrast, has historically constructed its international identity around normative principles such as democracy, human rights, multilateralism, and legal governance. Manners' (2002) concept of "Normative Power

Europe” highlights how the EU seeks influence through the promotion of values rather than traditional military power. The interaction between these two identities creates both cooperation and tension.

Cooperation emerges where identities overlap, such as in climate change, technological innovation, and sustainable development. However, tensions appear where European normative expectations conflict with UAE governance practices, particularly regarding labor rights, political participation, and migration management. The relationship therefore involves continuous negotiation between the UAE’s emphasis on sovereignty and development and the EU’s emphasis on universal norms.

A limitation of identity-based approaches is that they sometimes separate discourse from material interests. In the UAE–EU relationship, identity construction is closely connected to economic strategies, geopolitical ambitions, and international competition. Identity should therefore be analyzed as part of a broader political and economic strategy rather than as an independent factor.

Integrating the Three Approaches: Towards a Comprehensive Analytical Model

A comprehensive understanding of UAE–EU relations requires combining political economy, international relations theory, and identity analysis. Political economy explains the material foundations of cooperation, including trade, investment, energy, and labor mobility. International relations theory explains strategic calculations, security interests, and the UAE’s pursuit of autonomy within a changing global order. Identity analysis explains how both actors construct legitimacy, negotiate differences, and seek recognition internationally.

Together, these perspectives demonstrate that UAE–EU relations are neither purely transactional nor purely value-based. They represent a complex partnership shaped by economic interdependence, strategic interests, and competing political identities. The main research gap lies in the limited integration of these approaches. Existing studies often examine economic, security, or normative dimensions separately, leaving insufficient understanding of how these factors interact to shape the evolution of the partnership.

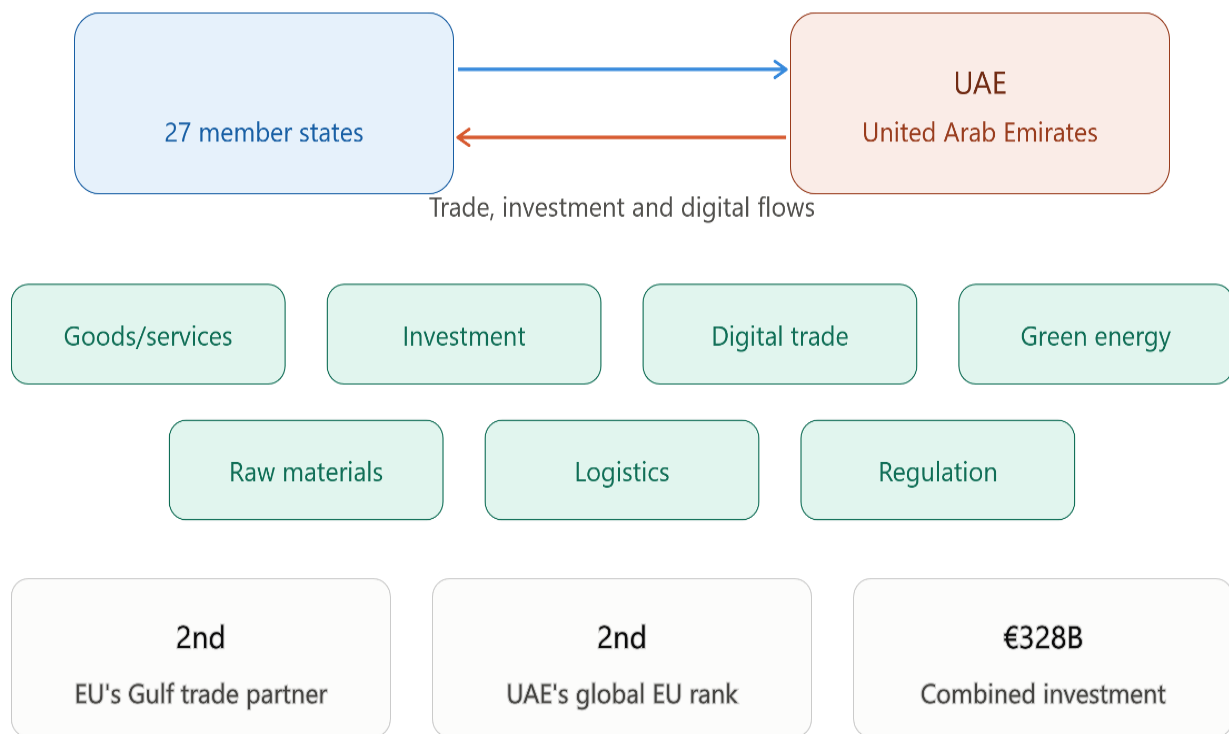
The lens of Political Economy (PE), International Relations (IR), and Constructivism explains EU foreign policy as the result of the interaction between material interests, power relations, institutions, identity, and norms. From a Political Economy perspective, EU foreign policy is shaped by economic interests, including trade, investment, energy security, markets, and the use of economic instruments such as sanctions and aid to achieve external goals. From an International Relations perspective, the EU’s external actions are influenced by power, security concerns, strategic competition, and cooperation among member states within international institutions. From a Constructivist perspective, EU foreign policy is shaped by identity, values, and norms, particularly the EU’s self-image as a promoter of democracy, human rights, multilateralism, and the rule of law.

Combining these approaches shows that EU foreign policy is neither purely interest-driven nor purely value-based; it emerges from the interaction between economic capabilities, geopolitical interests, institutional arrangements, and socially constructed ideas about what the EU represents and how it should act internationally. Future research should therefore adopt a multidimensional framework that examines how economic transformation, geopolitical competition, and identity construction jointly influence the UAE–EU relationship in areas such as energy transition, technology governance, migration, and global diplomacy.

ECONOMIC DIMENSION OF THE UAE-EU RELATIONSHIP

The economic foundations of UAE–EU relations are rooted in a combination of energy interdependence, trade connectivity, investment flows, and the UAE’s broader strategy of economic globalization. The relationship has evolved from a traditional energy-based partnership into a multidimensional economic relationship encompassing finance, logistics, technology, renewable energy, tourism, infrastructure, and advanced industries. From a political economy perspective, the partnership reflects the interaction between the UAE’s ambition to become a globally integrated economic hub and the EU’s interest in securing reliable economic partnerships in a changing international environment.

Figure



Historically, energy has been the central foundation of UAE–European relations. As a major hydrocarbon producer, the UAE has played an important role in global energy markets, while European economies have relied on Gulf energy supplies to support industrial development and economic stability. However, the relationship has gradually moved beyond hydrocarbons as both actors respond to global economic transformations, particularly energy transition, climate change, and technological competition.

The UAE’s economic model has been based on leveraging oil revenues to create a diversified and globally connected economy. Unlike traditional rentier economies that rely primarily on redistribution of hydrocarbon income, the UAE has invested in infrastructure, financial institutions, logistics networks, free economic zones, and strategic industries to attract international capital and strengthen its position within global markets (Beblawi, 2011; Hertog, 2014). European actors have been central to this process through investment, technological cooperation, and commercial partnerships.

The EU, meanwhile, views the UAE as a key economic partner in the Gulf region due to its political stability, infrastructure capacity, investment capabilities, and role as a gateway to Middle Eastern and Asian markets. European companies have benefited from access to UAE markets, while the UAE has benefited from European expertise in engineering, manufacturing, renewable energy, and financial services.

However, the economic foundations of the partnership also reveal asymmetries. The UAE’s economic success remains closely connected to global capital flows, international demand, and foreign expertise. The EU’s economic engagement with the UAE is also shaped by strategic considerations, including energy security and maintaining influence in a region increasingly shaped by competition between the United States, China, and other emerging powers.

Therefore, the UAE–EU economic relationship should be understood not simply as commercial exchange but as a strategic economic partnership shaped by globalization, resource interdependence, and changing patterns of global economic power.

Trade, Investment, and Financial Relations

Since 2000, EU–UAE economic relations have expanded significantly, evolving from a relationship focused mainly on hydrocarbons and commodity trade into a broad economic partnership covering aviation, logistics, tourism, finance, real estate, renewable energy, technology, infrastructure and services. The UAE has become the European Union’s largest economic partner in the Gulf region, while the EU has become one of the UAE’s most important sources of imports, investment and technology.

In the early 2000s, bilateral trade was relatively limited compared with current levels and was largely centred on UAE exports of hydrocarbons, aluminium, petrochemicals and other commodities, while EU exports consisted mainly of machinery, transport equipment, pharmaceuticals, luxury goods and industrial products. Dubai’s emergence as a global logistics and re-export hub accelerated commercial links with European companies, which expanded their presence in aviation, construction, engineering, banking and retail.

During the 2010–2020 period, trade relations became increasingly diversified. The UAE’s investments in ports, logistics, aviation, tourism infrastructure, financial services and renewable energy created new opportunities for European firms. EU exports to the UAE grew strongly in sectors such as aircraft and aerospace equipment, automobiles, machinery, chemicals and medical products. Although the COVID-19 pandemic temporarily reduced trade flows, economic activity recovered rapidly.

By the mid-2020s, EU–UAE goods trade had reached around €55 billion annually. Services trade had become increasingly important, driven by aviation, tourism, financial services and professional services. The EU and UAE have also moved toward deeper economic cooperation, including discussions on a bilateral trade agreement framework.

The UAE became one of the largest destinations for foreign direct investment in the Middle East due to its political stability, strategic location, free zones, modern infrastructure and business-friendly environment. Inward FDI stock increased dramatically from the early 2000s, reaching more than 50% of GDP by the mid-2020s.

European investors have played a major role in the UAE economy, particularly in energy, infrastructure, aviation, banking, manufacturing, logistics and renewable energy. European companies have established significant operations in Dubai and Abu Dhabi, benefiting from the UAE’s role as a regional hub connecting Europe, Asia and Africa.

At the same time, UAE investment into Europe has expanded substantially. UAE sovereign wealth funds and companies have invested in European infrastructure, ports, real estate, renewable energy, technology and financial assets. By 2024, EU foreign direct investment stock in the GCC was around €163 billion, while GCC investment stock in the EU was around €190 billion. The UAE represented the largest GCC investor partner, accounting for roughly two-thirds of GCC investment links with the EU.

The UAE has become one of the most important economic partners for the EU within the Gulf Cooperation Council (GCC), alongside Saudi Arabia. The GCC consists of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the UAE.

Total EU–GCC goods trade has reached approximately €165–166 billion in recent years. The UAE and Saudi Arabia together account for more than three-quarters of EU–GCC trade. The UAE alone represents approximately 35–40% of EU–GCC goods trade, making it one of the largest contributors to EU–Gulf commercial exchange.

The UAE’s role is even stronger in services trade, where it accounts for more than half of EU–GCC services trade. Its position as a global aviation, logistics, tourism and financial centre has made it the dominant services partner between the EU and the Gulf.

Since 2000, the UAE has transformed from a primarily energy-focused trading partner into the EU’s leading Gulf economic partner. The growth of bilateral trade, investment flows and services links reflects the UAE’s diversification strategy and its emergence as a global business hub. Today, the UAE accounts for roughly one-third to two-fifths of EU–GCC goods trade, more than half of EU–GCC services trade, and the majority of GCC

investment connections with Europe.

From the EU perspective, UAE investment provides access to capital at a time when European economies face challenges related to infrastructure modernization, energy transition, and technological competition. For the UAE, European investment provides access to advanced technologies, managerial expertise, and global markets.

However, political economy analysis highlights potential tensions within this relationship. The increasing role of sovereign wealth investment raises questions regarding economic influence, strategic dependence, and regulatory concerns. European states have occasionally debated the balance between welcoming foreign investment and protecting strategic sectors. Similarly, the UAE's reliance on international investment exposes it to fluctuations in global financial conditions.

Figure



Between 2021 and 2025, the UAE's trade sector experienced significant growth and transformation, driven by economic diversification, stronger international partnerships, and the expansion of its position as a global trading and logistics hub. In 2021, UAE trade patterns showed a strong concentration in Asian markets, with Non-Arab Asia representing the largest share of non-oil exports (41.7%) and imports (45.0%). At the same time, the UAE's re-export sector demonstrated its importance as a key component of trade activity, with major destinations including Non-Arab Asia (32.2%), the GCC (26.0%), and Other Arab markets (19.3%).

From 2021 onwards, re-exports became one of the most notable drivers of UAE trade growth. Through continued investment in world-class ports, airports, free zones, and logistics infrastructure, the UAE strengthened its role as a global distribution centre connecting producers and consumers across Asia, Europe, Africa, and the Middle East. Dubai and Abu Dhabi developed further as strategic gateways, enabling goods imported from major manufacturing economies to be efficiently redistributed to regional and international markets. This growth supported increased trade in products such as electronics, machinery, vehicles, precious metals, consumer goods, and industrial materials.

Alongside the expansion of re-exports, the UAE accelerated the development of its non-oil export sector as part of its long-term economic diversification strategy. Growth in industries such as gold and jewellery, aluminium, chemicals, manufactured products, technology, and food industries helped reduce reliance on oil revenues and strengthened the country's international competitiveness. By 2025, non-oil trade had reached record levels,

reflecting the success of policies focused on export growth, foreign investment, and global market integration.

The UAE also expanded its network of international trade relationships through new economic partnerships and Comprehensive Economic Partnership Agreements (CEPAs), improving access to emerging markets and strengthening supply-chain connections. Although Asia remained a dominant trading partner, the UAE increased its engagement with Europe, Africa, and other global regions, creating a more diversified and resilient trade network. The strongest tides of growth swept through the realms of services, investment, aviation, logistics, and energy, where ambition and enterprise forged lasting bonds between Europe and the Emirates. The weaker currents flowed through manufacturing, agriculture, small enterprises, regulation, and integration, where progress advanced more slowly against the winds of circumstance.

Overall, the period between 2021 and 2025 represents a defining phase in the evolution of UAE trade, marking the country's transition from a predominantly regional commercial centre into a globally integrated trade and logistics hub. This transformation has been shaped not only by the expansion of non-oil exports but, more notably, by the growing significance of **re-export activities**, which have become a central pillar of the UAE's international trade model. By leveraging its strategic geographic position, advanced infrastructure, world-class ports, and extensive free-zone network, the UAE has strengthened its role as an intermediary between major production centres in Asia and consumer markets across the Middle East, Africa, and Europe. Re-exports have therefore contributed not only to trade expansion but also to the development of logistics, financial services, and supply-chain capabilities, reinforcing the UAE's position as a critical gateway for global commerce.

This development reflects a broader pattern of economic interdependence, where increasing connectivity generates both mutual benefits and new forms of strategic vulnerability. Expanding trade and investment relations create stronger economic links between markets, encouraging cooperation and shared growth, while simultaneously introducing areas of competition, policy coordination, and geopolitical negotiation. The UAE's growing integration into global trade networks demonstrates how economic openness can enhance national influence while requiring careful management of external dependencies.

Within this broader transformation, the UAE has also positioned itself as an increasingly important regional centre for international bond markets, with Dubai and Abu Dhabi developing complementary roles in strengthening the country's financial ecosystem. The expansion of sovereign, government-related entity, and corporate bond issuance reflects the UAE's ambition to deepen its capital markets, attract international investors, and support the transition towards sustainable and diversified sources of finance.

Figure Abu Dhabi Stock Exchange



Dubai, in particular, has emerged as an active participant in international debt capital markets through the issuance of euro-denominated bonds, including green and sustainability-focused instruments designed to finance infrastructure development, environmental projects, and climate-related initiatives. These issuances have enhanced the visibility of UAE-linked entities among European and global investors, providing access to high-

quality sustainable assets while strengthening Dubai's reputation as a growing centre for green finance. Over time, continued participation in euro-denominated markets can improve investor familiarity, enhance pricing efficiency, and encourage broader engagement from institutional investors, including asset managers, pension funds, and sustainability-oriented investment institutions.

Since the expansion of its international bond market activities, the UAE has progressively developed its role as a bridge between Middle Eastern financial markets and global sources of capital. Its experience in sustainable finance, Islamic finance, infrastructure investment, and international capital markets provides a strong foundation for the continued development of a broader euro-denominated financing ecosystem. Through the combined growth of trade, re-export activities, and financial integration, the UAE continues to reinforce its position as a trusted destination for international capital and a strategic hub linking regional economic ambitions with global financial networks.

The architectural concept of Goettsh Partners ADX reflects a combination of financial transparency, institutional strength, climate responsiveness, and Abu Dhabi's ambition to establish itself as a leading regional financial centre. The extensive glass façade symbolises openness, international investment flows, and the transparency expected of a modern capital market institution, while the building's strong vertical forms and carefully controlled geometry convey stability, confidence, and the importance of the securities exchange as a pillar of financial infrastructure.

The design also incorporates climate-responsive elements, including shading strategies, glazing solutions, and orientation considerations that balance Abu Dhabi's intense sunlight with the aspiration for a transparent and contemporary architectural expression. Positioned within Al Maryah Island's financial district, the building serves as a gateway structure, reflecting Abu Dhabi's ambition to become a regional hub for capital markets, asset management, and international finance.

The building forms part of a wider financial ecosystem that includes Abu Dhabi Global Market (ADGM), international banks, investment firms, sovereign wealth-related institutions, and financial service providers. Its design supports Abu Dhabi's broader strategy of combining institutional capital, global investment connectivity, and advanced financial infrastructure.

In the context of euro-denominated bonds and the UAE's evolving capital markets landscape, the building represents more than an architectural landmark. It embodies the physical infrastructure supporting Abu Dhabi's ambition to become a regional financial centre linking Gulf capital with global investors, including European institutional markets, while strengthening the UAE's role as a bridge between international savings, sustainable finance, and strategic investment opportunities.

Indeed, Abu Dhabi has significant potential to complement Dubai's role by developing further as a regional hub for euro-denominated bond activity. Supported by its substantial sovereign wealth base, strong institutional investors, energy transition ambitions, and global investment relationships, Abu Dhabi can play a central role in attracting European investors and facilitating euro financing for strategic sectors. The combination of Abu Dhabi's financial strength and Dubai's capital market infrastructure creates an opportunity for the UAE to become a leading regional platform for euro-denominated debt issuance, investment, and sustainable finance.

The development of a stronger euro bond market in the UAE also aligns with the broader evolution of UAE–EU economic relations. As trade, investment, energy cooperation, and financial connectivity deepen between the two regions, euro-denominated instruments can provide an important channel for mobilising European capital into UAE projects and enabling UAE issuers to diversify their investor base. This is particularly relevant in sectors such as renewable energy, hydrogen, infrastructure, logistics, technology, and sustainable urban development.

Central banks and financial regulators have an important enabling role in supporting this development. The UAE Central Bank contributes to financial market stability, regulatory confidence, and the development of a resilient financial infrastructure that supports international capital flows. Cooperation between the UAE Central Bank, European financial authorities, international investors, and market institutions can help strengthen transparency, risk management standards, settlement mechanisms, and regulatory alignment required for deeper euro market participation.

European central banks, financial institutions, and institutional investors also influence the growth of this market through their increasing focus on sustainable assets, portfolio diversification, and high-quality emerging market exposure. As demand grows for credible green and transition finance instruments, UAE-issued euro bonds could become an attractive asset class linking European savings with Middle Eastern investment opportunities.

Looking ahead, the UAE's opportunity is not only to issue euro-denominated bonds but also to develop a complete ecosystem around them. This includes stronger secondary market liquidity, expanded investor participation, improved disclosure standards, sustainable finance frameworks, and greater integration with European capital markets. Dubai's established financial infrastructure, Abu Dhabi's institutional depth, and the UAE's broader economic strategy provide the foundations for the country to emerge as a regional centre for euro bonds and sustainable finance.

The evolution of the UAE's euro bond market therefore represents a strategic extension of its role as a global financial hub. By combining capital market innovation, sustainability objectives, regulatory credibility, and stronger UAE–EU financial links, the country has the potential to become a key intermediary between European investors seeking sustainable opportunities and regional issuers seeking diversified international funding.

Intra -Gulfi and Gulf trading

The share of intra-regional trade among the members of the Gulf Cooperation Council (GCC) has increased from approximately **9% of total GCC trade in 2000 to around 19% by 2025**, reflecting a gradual deepening of economic interdependence within the Gulf. While the GCC economies remain heavily connected to global markets—particularly through energy exports and imports from Asia, Europe, and North America—the rise in internal trade indicates that the region has developed stronger commercial linkages, supply chains, and investment networks.

This growth has been driven in large part by the emergence of **Saudi Arabia and the United Arab Emirates as regional economic hubs**. Saudi Arabia's large domestic market, industrial expansion, and infrastructure investments have strengthened demand for regional goods and services, while the UAE has developed one of the world's most advanced logistics and re-export platforms through its ports, airports, free zones, and trading networks. Together, these two economies have become central engines of Gulf commercial integration, connecting producers, consumers, and investors across the region.

A major contributor has been the expansion of trade in **non-hydrocarbon sectors**, including food products, construction materials, manufactured goods, chemicals, and industrial inputs. As Gulf states have pursued economic diversification, companies have increasingly relied on regional suppliers and markets rather than sourcing exclusively from outside the region. The construction boom, urban expansion, infrastructure projects, and growing populations created demand for materials and services that could be supplied more efficiently within the GCC.

Figure



Another important factor has been the rise of **cross-border investment and corporate integration**. Gulf companies have expanded operations across neighboring states in sectors such as banking, real estate, telecommunications, logistics, retail, energy services, and manufacturing. Sovereign wealth funds and private investors have also increased regional investments, creating stronger financial connections between GCC

economies.

Improved **transport and logistics connectivity** has further supported this trend. The development of ports, highways, aviation networks, customs coordination, and digital trade systems has reduced the cost and complexity of moving goods across borders. The UAE's role as a maritime and aviation gateway, combined with Saudi Arabia's geographic scale and infrastructure development, has helped create a more connected Gulf economic space.

Finally, national **economic diversification strategies**—including Saudi Arabia's Vision 2030, the UAE's industrial and trade strategies, and similar programs across other GCC states—have encouraged countries to build sectors that complement one another rather than compete solely through hydrocarbons. The result has been a gradual shift from a region linked mainly by oil exports into one increasingly connected through logistics, services, manufacturing, investment, and consumer markets.

However, despite this progress, intra-GCC trade remains below the levels seen in highly integrated economic blocs such as the European Union. The Gulf's next challenge is moving from greater trade connectivity toward deeper economic integration through harmonized regulations, easier movement of goods and capital, stronger supply chains, and more coordinated industrial policies.

When Iraq and Iran are included, the scale of intra-regional trade in the Persian Gulf becomes far less significant. The GCC has succeeded in increasing the share of trade conducted among its members from approximately 9% in 2000 to around 19% in recent years, but this progress reflects integration within a relatively cohesive political and institutional bloc rather than a truly integrated Gulf economy. Once the wider Persian Gulf region is considered—including Iran and Iraq—the share of regional trade remains comparatively limited.

This reflects several structural and political barriers. Unlike the European Union or other deeply integrated economic regions, the Persian Gulf has historically been characterized by fragmented markets, political rivalries, sanctions, security competition, and differing economic systems. Despite geographic proximity and shared maritime space, the Gulf economies have often traded more extensively with external partners in Asia, Europe, and North America than with each other.

Iran, Iraq, and the GCC states together represent a market of more than 200 million people with enormous energy resources, industrial capacity, and strategic geography. Yet political tensions, sanctions regimes, weak infrastructure links, banking restrictions, and limited institutional coordination have prevented this potential from being fully realized. Iran's economic isolation from international financial networks and Iraq's decades of conflict and institutional challenges have particularly constrained regional commercial integration.

The contrast is striking: the Gulf possesses some of the world's largest energy reserves, major ports, expanding logistics networks, and significant investment capacity, but economic links across the wider region remain shallow. Trade between the GCC and Iran, for example, has historically been affected by diplomatic tensions and sanctions, while Iraq's trade relationships have been shaped more by reconstruction needs and dependence on imports than by integrated regional supply chains.

A genuinely connected Persian Gulf economy would require more than infrastructure. It would depend on political confidence-building, harmonized customs systems, reliable financial channels, investment protections, and a gradual reduction of geopolitical barriers. The challenge is therefore not a lack of economic complementarity—the region has abundant opportunities—but the absence of a durable framework capable of transforming geographic proximity into economic interdependence.

The current pattern shows that the Gulf is increasingly connected internally within the GCC, but the broader Persian Gulf remains divided. The next stage of regional development would require moving from GCC economic cooperation toward a wider Gulf economic ecosystem that includes Iran and Iraq, provided that political and security conditions allow such integration.

The European Union and the United Arab Emirates could play a constructive role in transforming the Persian Gulf from a region of fragmented economic relationships into one of greater connectivity and interdependence. Rather than focusing only on political disputes, both actors could encourage practical forms of cooperation that

create shared economic interests and reduce the incentives for confrontation.

The UAE's role would be that of a regional economic bridge. Through its ports, logistics networks, financial institutions, free zones, and global trading relationships, the UAE has developed the capacity to connect markets across Asia, Europe, and the Middle East. This infrastructure could support wider Gulf economic integration by facilitating trade, investment, technology transfer, and supply-chain development among Gulf countries, including Iraq and, under appropriate conditions, Iran.

The European Union could contribute through its experience in building economic integration across historically divided states. The EU model demonstrates that trade, regulatory cooperation, infrastructure links, and institutional dialogue can create long-term stability even among countries with difficult political histories. While the Persian Gulf is not likely to replicate the European model, lessons can be drawn from Europe's emphasis on economic interdependence, common standards, and confidence-building mechanisms.

Together, the EU and UAE could promote practical initiatives such as regional logistics corridors, renewable energy cooperation, food security partnerships, maritime safety arrangements, digital trade systems, and investment frameworks. These areas are less politically sensitive than security questions but can gradually build trust and create mutual dependence.

A further contribution could be supporting the development of transparent commercial rules, improved customs cooperation, financial compliance mechanisms, and private-sector partnerships. Stronger institutions would allow legitimate trade and investment to expand while reducing opportunities for illicit financial networks and political manipulation.

The broader objective would not be to erase political differences among Gulf states, but to create enough economic interdependence that cooperation becomes more valuable than confrontation. A more connected Persian Gulf would benefit not only regional societies but also European and global markets by improving energy security, trade routes, investment opportunities, and regional stability.

In this context, the EU and UAE could serve as complementary partners: the EU providing regulatory experience, market access, and diplomatic engagement; and the UAE providing regional connectivity, commercial expertise, and logistical capacity. Their combined role could help transform the Gulf from a collection of competing economies into a more integrated economic space.

The Rise of Arab Contemporary Art in the Gulf: Qatar, UAE, Saudi Arabia and Iraq as the New Cultural Markets

The contemporary Arab art market has entered a decisive new phase. What was once considered a fragmented regional scene — dependent on Beirut, Cairo, Baghdad and diaspora networks in London and Paris — has increasingly shifted toward the Gulf, where financial power, institutional ambition and a new generation of collectors are reshaping the global perception of Arab art.

The transformation is most visible in the United Arab Emirates, Qatar and Saudi Arabia, where governments, sovereign institutions, private collectors and international galleries are building a new infrastructure for artists from the Arab world, Iran, Turkey and the wider Global South. Dubai has become the commercial engine, Doha the institutional collector, Abu Dhabi the museum capital, and Riyadh the fastest-growing new market. Iraq, meanwhile, remains the historical and intellectual foundation of modern Arab art, with artists gaining renewed recognition internationally.

The Gulf is no longer simply importing Western masterpieces. It is now creating a market around Arab modernists and contemporary voices.

The United Arab Emirates: the commercial capital of Arab art

Among Gulf countries, the UAE has developed the most sophisticated art ecosystem. Dubai has become the

region's auction centre, gallery hub and collector marketplace, supported by institutions such as Art Dubai, Alserkal Avenue, Dubai Collection and major private collections.

The city's importance comes from its ability to connect three worlds: established Western collectors, wealthy Gulf buyers and emerging artists from the Middle East.

The strongest commercial galleries operating in the UAE include:

The Third Line¹, which has become one of the most influential galleries for contemporary Middle Eastern artists;

Lawrie Shabibi², known for conceptual and politically engaged practices;

Green Art Gallery³, representing important regional and international artists;

Figure



In reference to Fatma Al Ali's sculpture, a cautious lady, the compression of space and movement in the digital age can be understood through the relationship between the physical object and the invisible systems of technology that shape contemporary life. The sculpture's layered, textured surface suggests the accumulation of memories, information, and experiences, similar to how digital technology compresses vast amounts of data, places, and moments into a single virtual space. The flowing patterns across the form create a sense of movement that appears frozen in time, reflecting how digital media allows journeys, emotions, and events to be captured, stored, and experienced without physical travel.

This compression of space creates opportunities for greater connection and accessibility, allowing people to communicate across distances and experience cultures, artworks, and environments beyond their immediate surroundings. The sculpture can be viewed as a representation of how technology expands human experiences by allowing multiple locations, histories, and movements to exist together within one space.

However, the compression of space and movement also creates tensions. As experiences become increasingly digital, there is a risk of losing the physical and sensory qualities of being present in a place. The solid ceramic structure of the sculpture contrasts with the speed and immaterial nature of digital movement, emphasizing the importance of touch, materiality, and physical connection. The dense surface patterns may also reflect the overwhelming amount of information created by digital environments, where countless experiences are compressed together and can become difficult to fully process.

Ultimately, Fatma Al Ali's sculpture highlights the contrast between connection and disconnection in the digital age. It explores how technology can collapse distances and preserve movement, while also questioning what may be lost when physical experiences are transformed into compressed digital forms. The artwork suggests that although the digital age allows us to exist across multiple spaces simultaneously, there remains a need to value the depth, presence, and material experience of the physical world.

¹ <https://www.thethirdline.com/>

² <https://www.lawrieshabibi.com/>

³ <https://www.gagallery.com/>

Ayyam Gallery⁴, historically important for Syrian, Iraqi and Arab contemporary art;

and Carbon 12, which has promoted experimental contemporary practices.

The UAE market has produced several major Arab and regional names working from within or from outside in on installation and concept are, derived from a bygone era of European art, after the break down of the European state system at the behest of France's hegemonial design on Europe through appeal to the national elites of central Europe, something that opened up Eastern Europe up to the conquest by Germany and the Sovietunion that we have only started to repairing on with the fall of the Wall.

Mohammed Kazem: the Emirati conceptual pioneer

Mohammed Kazem is one of the most important Emirati contemporary artists and a member of the influential UAE modernist generation associated with Hassan Sharif.

Kazem's works, particularly his "Scratches" and "Directions" series, have become highly sought after internationally. His auction prices have moved from tens of thousands of dollars into the six-figure range for important works.

He represents a key shift: Emirati collectors are increasingly buying their own national artistic history rather than only international names.

Abdulqader Al Rais: the blue-chip Emirati painter

Abdulqader Al Rais remains one of the strongest commercial names in UAE art.

Known for abstract landscapes, calligraphy-inspired compositions and architectural imagery, Al Rais has become the closest equivalent to a "blue-chip" Emirati painter.

A major work by Al Rais achieved approximately **\$160,000 at Christie's**, setting an auction record at the time.

His market is supported by collectors in the UAE who view him as part of the country's cultural heritage.

Farhad Moshiri: the Gulf's international contemporary star

Although Iranian rather than Arab, Farhad Moshiri has become one of the most commercially successful artists connected to the Gulf market.

Represented internationally by galleries including The Third Line, Moshiri's famous "jar paintings" combining Persian calligraphy and pop aesthetics have achieved prices reaching into the millions internationally.

His works have become particularly attractive to Gulf collectors because they combine:

Persian heritage,

luxury aesthetics,

global contemporary language,

and regional identity.

Dubai auctions: where prices are tested

Dubai has become the benchmark for regional auction pricing.

Christie's Dubai sales of Modern and Contemporary Arab, Iranian and Turkish Art have regularly generated

⁴ <https://www.ayyamgallery.com/artists/>

multi-million-dollar totals. A major sale reached approximately **\$12.5 million**, with numerous artist records established.



Important names achieving strong auction performance include:

Dia Al-Azzawi — often considered one of Iraq’s greatest living artists.

Ayman Baalbaki — whose painting *Babel* reached about **\$485,000**, setting an auction record.

Shafic Abboud — a modernist whose prices continue rising.

Samia Halaby — increasingly collected internationally.

The important change is that Arab artists are no longer only bought because they represent identity or politics. They are increasingly treated as serious global contemporary investments.

Saadiyat Cultural District's Ambition and Vision

The ambition of **Saadiyat Cultural District** is to position Abu Dhabi as one of the world's leading cultural capitals and a global crossroads for art, knowledge, creativity, and dialogue between civilizations. The district is designed not merely as a collection of museums, but as a place where culture becomes part of everyday life. It seeks to connect local identity with global cultural narratives, creating meaningful opportunities for people to engage with diverse histories, ideas, and artistic traditions. Through exhibitions, workshops, performances, research initiatives, and public cultural programming, the district aims to make culture accessible, relevant, and inspiring for residents and visitors alike.⁵

The vision extends beyond tourism and cultural prestige. Saadiyat Cultural District is intended to serve as a long-term pillar of Abu Dhabi's economic and social development, contributing to a knowledge-based economy while strengthening the emirate's cultural infrastructure. By bringing together world-class museums, educational institutions, performance venues, and public spaces, it creates a comprehensive cultural ecosystem rather than a single attraction. The district encourages dialogue, creativity, and shared understanding across cultures, fostering connections between people from different backgrounds and generations.

Mohamed Khalifa Al Mubarak, Chairman of the Department of Culture and Tourism – Abu Dhabi, has emphasized that culture is a fundamental building block of forward-looking societies and a catalyst for human development. His vision for the district is rooted in the belief that cultural institutions can empower future

⁵<https://www.saadiyatland.ae/>

generations, foster creativity, and contribute to a more inclusive and globally connected society. This perspective positions culture not only as a source of enrichment but also as a strategic investment in education, innovation, and economic resilience.⁶

International artists, architects, curators, and cultural leaders have similarly highlighted the district's significance as a place where ideas, traditions, and creative practices from different parts of the world can intersect. The district aspires to strengthen Abu Dhabi's role as a meeting point between East and West, North and South, creating opportunities for meaningful cultural exchange and collaboration. Rather than presenting isolated national narratives, its institutions aim to explore humanity's shared experiences through art, history, science, and culture.

The architecture of the district reinforces these ambitions. Landmark buildings designed by internationally renowned architects provide spaces where heritage and innovation coexist. These institutions are conceived not only as repositories of collections but also as active civic spaces that encourage learning, participation, and public engagement. Their designs reflect Abu Dhabi's aspiration to create cultural landmarks that are globally significant while remaining deeply connected to the history, values, and identity of the United Arab Emirates.

The district also recognizes the growing importance of the creative and cultural industries as drivers of sustainable economic development. By supporting artists, researchers, educators, and cultural practitioners, it contributes to the diversification of Abu Dhabi's economy and strengthens the emirate's position within the global cultural landscape. This approach aligns cultural investment with broader social and economic objectives, demonstrating how creativity and knowledge can contribute to long-term prosperity.

Figure



A defining characteristic of Saadiyat Cultural District is its commitment to cultural inclusivity. Its museums and institutions seek to amplify voices from the Middle East, Africa, Asia, and the wider Global South, contributing to a more diverse and balanced representation of world cultures. This ambition reflects contemporary discussions among museum leaders and art critics regarding the importance of expanding cultural narratives beyond traditional Western frameworks and creating more representative global conversations.

The district promotes lifelong engagement with culture through exhibitions, performances, educational programs, public events, and community initiatives. It encourages visitors to see culture as a living and evolving process rather than a static collection of objects. By bringing together art, science, history, architecture, technology, and education, it supports interdisciplinary learning and fosters curiosity, creativity, and critical thinking among diverse audiences.

The philosophy behind Saadiyat Island reflects the broader vision of the UAE leadership: that the development

⁶ <https://www.saadiyat.ae/>

of a nation is measured not only by economic growth, but by its ability to invest in people, knowledge, culture, and the future. Inspired by the values of Sheikh Mohamed bin Zayed Al Nahyan, the island represents the belief that cultural understanding is essential to building a confident, open, and globally connected society. Its purpose is not simply to create a destination of iconic buildings and museums, but to establish a living environment where heritage, creativity, education, and innovation come together.

The intention behind Saadiyat is to create a place where the UAE's own history and identity can engage with the wider story of humanity. The island reflects the idea that a nation can preserve its traditions while remaining outward-looking and connected to the world. Through institutions such as Louvre Abu Dhabi, Guggenheim Abu Dhabi, Zayed National Museum, and other cultural platforms, Saadiyat seeks to create spaces where different civilizations, ideas, and generations can meet.

The concept is based on the belief that culture is a form of dialogue and a bridge between societies. Rather than presenting culture as a symbol of prestige alone, Saadiyat positions museums and public spaces as places of learning, reflection, and human connection. As Mohamed Khalifa Al Mubarak has expressed, the ambition is to create a legacy for future generations, where cultural institutions become places that inspire young people, encourage curiosity, and foster global understanding.

In this sense, Saadiyat Island represents a long-term national vision: transforming Abu Dhabi into a place where knowledge and creativity become foundations of progress. It embodies the belief that architecture, art, and cultural exchange can contribute to peace, tolerance, and mutual respect. The island is therefore conceived not only as a cultural district, but as a statement of intent — a commitment that the future of the UAE will be shaped by education, imagination, heritage, and its contribution to the wider human story.

Ultimately, Saadiyat Cultural District represents one of the most ambitious cultural development projects of the twenty-first century. It seeks to demonstrate how cultural institutions can contribute to dialogue, coexistence, and mutual understanding in an increasingly interconnected world. Through its combination of world-class museums, educational initiatives, public spaces, and cultural programming, the district aims to establish Abu Dhabi as a globally recognized center for creativity, scholarship, cultural diplomacy, and human understanding, where heritage, innovation, education, and community life converge in a shared vision for the future.

The naming of Saadiyat Island after Saadi Shirazi evokes the poet's belief that knowledge, justice and compassion are foundations of civilization. His words remind us that humanity is interconnected, an idea reflected in the island's ambition to bring together cultures, histories, and creative expressions from across the world.

Qatar: the institutional collector model

Qatar has followed a different strategy from Dubai. Instead of primarily building a commercial market, it has created a museum and collection ecosystem.

The country's cultural expansion has been driven by Qatar Museums and major acquisitions, positioning Doha as a global cultural capital.

The Qatari model is based on:

large institutional collections,

major exhibitions,

international partnerships,

and cultural diplomacy.

Artists benefiting from this environment include:

Wael Shawky,

Yto Barrada,

Shirin Aliabadi,

and major Arab modernists whose historical importance is being reassessed.

Qatar's influence is less about auction prices and more about determining which artists enter museum history.

Saudi Arabia: the next major market

Saudi Arabia is currently the most aggressive growth market.

Driven by Vision 2030, Saudi Arabia is developing a domestic collector class and cultural infrastructure around Riyadh, Jeddah and AlUla.

The first Sotheby's auction in Saudi Arabia generated more than **\$17 million**, with several works exceeding \$1 million and strong participation from Saudi collectors.

Saudi artists benefiting from this rise include:

Ahmed Mater,

Manal AlDowayan,

Mohammed Al Saleem,

and younger artists working in installation, photography and digital media.

Saudi Arabia's advantage is scale: it has the largest population in the Gulf and a rapidly expanding collector base.

The challenge will be whether it develops independent galleries and critical institutions rather than relying primarily on government-led cultural projects.

Iraq: historical importance and renewed global interest

Iraq occupies a special position because modern Iraqi art was among the most sophisticated movements in the Arab world.

The Baghdad art scene of the twentieth century produced major figures such as:

Shakir Hassan Al Said,

Ismail Fattah,

and Dia Al-Azzawi.

Today Iraqi contemporary art is driven largely by diaspora networks in London, Berlin, Dubai and Beirut.

The market is strongest for artists dealing with:

memory,

war,

archaeology,

migration,

and cultural survival.

Dia Al-Azzawi's importance has increased significantly, with collectors viewing him as one of the central figures connecting Arab modernism and contemporary practice. His works have achieved strong auction results, including record-setting sales.

The future: from oil wealth to cultural power

The Gulf art market is moving toward a three-tier structure.

Dubai will likely remain the marketplace where works are bought and sold.

Abu Dhabi will become the museum and institutional centre, especially with the continued expansion of Saadiyat Island's cultural district.

Doha will remain a major collector and exhibition centre.

Riyadh will become the largest emerging domestic market.

Iraq, Lebanon, Egypt and Palestine will continue supplying some of the region's most intellectually significant artists.

The most important long-term change is that Arab contemporary art is moving away from being viewed as a regional category and toward becoming part of the global contemporary canon. The Gulf is not simply financing this transformation — it is increasingly controlling the platforms through which Arab artists are discovered, valued and collected.

Energy Security and the Transition to Renewable Cooperation

Energy has historically been the foundation of UAE–EU economic relations, but the nature of energy cooperation is undergoing significant transformation. Traditionally, the relationship was based on hydrocarbon exports and European demand for Gulf energy supplies. However, climate change commitments and the global energy transition have reshaped the economic priorities of both actors.

For the UAE, energy remains a central source of economic power, but the country has increasingly sought to present itself as a leader in renewable energy and climate diplomacy. Investments in solar energy, clean technologies, and low-carbon development reflect an attempt to maintain economic relevance in a world gradually reducing dependence on fossil fuels. The UAE's hosting of major climate initiatives and investment in renewable infrastructure demonstrate its strategy of combining energy security with environmental leadership.

For the EU, cooperation with the UAE has become increasingly important as European states seek diversified energy partnerships and reduced vulnerability in global energy markets. The energy disruptions caused by geopolitical tensions have encouraged European policymakers to strengthen relationships with reliable external suppliers while accelerating renewable energy development.

The transition from traditional energy cooperation toward renewable energy creates new areas of partnership, including hydrogen development, clean technology, carbon reduction, and sustainable infrastructure. European companies provide technological expertise, while the UAE provides investment capacity and large-scale renewable energy opportunities.

Nevertheless, tensions remain. The EU's climate agenda often emphasizes reducing fossil fuel dependence, while the UAE continues to view hydrocarbons as an important component of its economic strategy. This creates a balance between cooperation and disagreement, as both actors seek to manage the transition without undermining economic interests.

Economic Diversification and Strategic Development

Economic diversification is central to the UAE's long-term development strategy and represents a major area of

engagement with European economies. The UAE has sought to reduce its dependence on oil revenues by developing sectors such as finance, tourism, logistics, technology, manufacturing, artificial intelligence, healthcare, and renewable energy.

This strategy reflects broader transformations in Gulf political economy. Scholars argue that Gulf states have increasingly moved toward post-rentier strategies by investing energy wealth into global economic sectors rather than relying exclusively on resource revenues (Hertog, 2014). The UAE represents one of the strongest examples of this transformation due to its emphasis on innovation, international investment, and knowledge-based industries.

European cooperation has supported this diversification process. European companies contribute expertise in engineering, transportation, technology, education, and renewable energy. Partnerships with European institutions also support the UAE's ambition to become a regional center for innovation and advanced industries.

However, diversification remains incomplete. Despite significant progress, hydrocarbons continue to influence government revenues, investment capacity, and economic confidence. Certain sectors, particularly construction, tourism, and real estate, remain highly dependent on global demand and foreign participation.

A key challenge for the UAE is therefore moving from diversification based on attracting foreign companies toward developing indigenous innovation capacity. Long-term economic sustainability depends not only on attracting global knowledge but also on producing domestic capabilities.

Foreign Investment Dependence and Economic Vulnerabilities

Foreign investment has been essential to the UAE's economic success. The country's infrastructure development, real estate expansion, financial sector growth, and technological transformation have all benefited from international capital. However, dependence on foreign investment also creates vulnerabilities.

The first vulnerability is exposure to global economic cycles. During periods of economic expansion, international investors increase their engagement with the UAE, supporting growth and employment. However, during global financial crises or periods of uncertainty, investment flows can decline rapidly. Real estate markets, construction projects, and financial activities are particularly sensitive to changes in investor confidence.

The second vulnerability concerns strategic dependence. While foreign investment provides capital and expertise, excessive reliance on external actors may limit domestic economic autonomy. The UAE must balance openness to international capital with the development of local industries and national capabilities.

The third vulnerability relates to geopolitical uncertainty. International investment decisions are influenced not only by economic conditions but also by perceptions of political stability, regional tensions, and global competition.

From a political economy perspective, foreign investment is therefore both a source of strength and a potential weakness. It has enabled rapid development but also created dependence on external economic conditions.

Labor Mobility and Demographic Challenges

Labor mobility is a central component of the UAE economic model. The country's rapid development has depended heavily on expatriate workers who provide skills and labor across construction, services, technology, finance, and domestic sectors. This international workforce has enabled economic expansion and supported the UAE's global competitiveness.

From an economic perspective, expatriate labor provides flexibility and allows businesses to access specialized skills without significant domestic labor shortages. European companies operating in the UAE also benefit from this internationally connected labor environment.

However, dependence on foreign labor creates demographic and economic challenges. Expatriates represent the majority of the UAE workforce, creating a demographic structure in which economic activity depends heavily on temporary migration. During economic downturns, changes in labor demand can lead to population movements that affect consumption, housing markets, and business activity.

Another challenge concerns labor market segmentation. Many citizens remain concentrated in public-sector employment, while expatriates dominate private-sector positions. This creates questions regarding long-term workforce sustainability and citizen participation in economic development.

The UAE has attempted to address these issues through education reforms, Emiratization policies, and efforts to attract highly skilled migrants. However, balancing openness to global talent with the development of a sustainable national workforce remains a central challenge.

Critical Analysis of Economic Interdependence

The UAE–EU economic relationship demonstrates the complexity of contemporary economic interdependence. Economic ties have created significant benefits for both actors, including investment opportunities, energy cooperation, technological exchange, and market access. However, interdependence also produces vulnerabilities and political challenges.

From a political economy perspective, the relationship reflects unequal but mutually beneficial integration into global capitalism. The UAE provides capital, energy resources, and strategic geographic access, while Europe provides technology, investment expertise, and institutional connections. Neither actor is fully dependent on the other, but both benefit from continued cooperation.

However, economic interdependence should not be viewed as automatically producing political alignment. Differences remain regarding governance models, human rights, labor standards, and regional security issues. Economic cooperation has often continued despite these disagreements because strategic and commercial interests remain significant.

The main analytical challenge is understanding whether UAE–EU relations represent genuine strategic interdependence or primarily a pragmatic partnership based on mutual economic advantage. Future developments will depend on whether cooperation expands into areas such as renewable energy, digital transformation, and innovation, or whether structural differences limit deeper integration.

Ultimately, the political economy of UAE–EU relations reveals a partnership shaped by both opportunity and vulnerability. Economic connections have strengthened bilateral relations, but long-term sustainability requires reducing dependency risks, strengthening domestic capabilities, and creating a more balanced form of interdependence.

UAE–EU RELATIONS THROUGH INTERNATIONAL RELATIONS THEORY

The UAE–EU relationship can be understood as a complex interaction between strategic interests, institutional cooperation, security concerns, and changing global power dynamics. While political economy analysis explains the material foundations of the relationship, international relations theory provides insight into why the UAE and EU cooperate, how they manage differences, and how their partnership is shaped by the broader international system.

Traditional international relations theories, particularly realism and liberal institutionalism, offer important explanations of UAE–EU relations. Realist approaches emphasize power, strategic interests, sovereignty, and security calculations, highlighting the UAE's efforts to maximize autonomy in a competitive regional and global environment. Liberal approaches emphasize interdependence, institutions, economic cooperation, and shared interests as mechanisms that facilitate collaboration despite political differences. However, neither approach alone fully explains the complexity of the relationship. The UAE–EU partnership is also influenced by identity, legitimacy, and changing global norms, requiring a broader analytical framework.

UAE Foreign Policy and Strategic Autonomy

The UAE's foreign policy has undergone significant transformation as the country has moved from a relatively cautious regional actor to an increasingly active participant in international affairs. Contemporary UAE foreign policy is characterized by a pursuit of strategic autonomy, economic diversification, and global influence. Rather than relying exclusively on traditional alliances, the UAE has sought to develop multiple partnerships that provide economic opportunities, security advantages, and diplomatic flexibility.

From a realist perspective, the UAE's foreign policy reflects the behavior of a small state seeking to maximize influence within an uncertain international environment. Realist scholars argue that states operate within an anarchic international system where survival and security depend on accumulating power and developing strategic partnerships (Waltz, 1979). Although the UAE is a relatively small state in demographic terms, it has attempted to overcome structural limitations through economic power, military modernization, diplomatic activism, and international investment.

The pursuit of strategic autonomy does not mean complete independence from external actors. Instead, it reflects the UAE's attempt to avoid excessive dependence on any single power. Historically, Gulf security structures have been closely connected to the United States, but the UAE has increasingly expanded relations with Europe, China, India, and other emerging powers. This diversification allows the UAE to maintain flexibility and negotiate from a stronger position within international affairs.

The UAE's relationship with the EU fits within this broader strategy. Europe represents an important partner in trade, investment, technology, and energy cooperation, but the UAE does not view the EU as its only strategic option. Instead, cooperation with Europe forms part of a wider network of relationships designed to increase economic resilience and political autonomy.

From a critical perspective, however, strategic autonomy remains constrained by structural realities. The UAE continues to rely on global markets, foreign expertise, security partnerships, and international investment. Therefore, autonomy should be understood as the ability to manage dependencies rather than eliminate them.

The EU as a Strategic and Economic Partner

The European Union occupies an important position in UAE foreign policy because of its economic influence, technological capabilities, diplomatic weight, and global regulatory power. While the EU is not traditionally viewed as a military actor comparable to major powers, it possesses significant economic and normative influence that makes it an important partner for the UAE.

From a liberal institutionalist perspective, UAE–EU relations demonstrate how cooperation can emerge through shared interests and institutional frameworks. Liberal theorists argue that economic interdependence, international institutions, and repeated cooperation reduce uncertainty and create incentives for peaceful relations (Keohane & Nye, 1977). The UAE–EU relationship reflects these dynamics through cooperation in trade, investment, climate policy, research, education, and technology.

The EU provides access to advanced markets, scientific expertise, and regulatory knowledge. European companies contribute significantly to sectors important to the UAE's development strategy, including transportation, renewable energy, healthcare, engineering, and financial services. At the same time, the UAE provides European actors with investment opportunities, energy partnerships, and access to Gulf and Asian markets.

Beyond economics, the EU is also significant as a diplomatic actor. European engagement provides international recognition and legitimacy for the UAE's role as a regional and global actor. Cooperation with European institutions supports the UAE's efforts to present itself as a responsible participant in global governance.

However, the relationship is not without tensions. The EU's emphasis on human rights, governance standards, and regulatory norms sometimes conflicts with the UAE's emphasis on sovereignty, stability, and domestic political models. These differences demonstrate the limits of purely liberal explanations, as economic

interdependence does not automatically eliminate political disagreements.

Security Cooperation and Regional Stability

Security cooperation represents a central dimension of UAE–EU relations, particularly given the strategic importance of the Gulf region. Both actors share concerns regarding energy security, maritime stability, terrorism, regional conflicts, and the security of international trade routes.

From a realist perspective, security cooperation reflects common strategic interests rather than shared political values. The UAE occupies a strategically important position due to its location near major maritime routes, including the Strait of Hormuz, which is essential for global energy transportation. European states have an interest in maintaining stability in the Gulf because disruptions could affect energy markets and global economic security.

The UAE has positioned itself as a key regional security actor through military modernization, diplomatic engagement, and participation in regional security initiatives. European states have increasingly recognized the UAE's influence and have engaged with it on issues such as counterterrorism, maritime security, and regional diplomacy.

However, security cooperation also creates tensions. European states may prioritize diplomatic solutions and multilateral approaches, while the UAE has sometimes adopted more assertive regional policies. Differences have emerged regarding approaches to conflicts in Yemen, Libya, Syria, and wider Middle Eastern security issues.

This demonstrates a broader tension between strategic cooperation and political disagreement. The UAE and EU may share security interests while maintaining different approaches to achieving regional stability.

Multipolarity and UAE Relations with Global Powers

The emergence of a more multipolar international system has significantly influenced UAE foreign policy. The decline of exclusive Western dominance and the rise of China, India, and other emerging powers have created new opportunities for middle and small states to diversify partnerships.

The UAE has actively engaged with multiple global actors, including the United States, China, Russia, India, and European states. This strategy reflects a desire to avoid dependence on a single international partner and to maximize economic and diplomatic opportunities.

From a realist perspective, this behavior represents balancing and hedging strategies. Instead of choosing one dominant alliance, the UAE seeks flexibility by maintaining relationships with competing powers. Cooperation with China focuses heavily on trade, infrastructure, technology, and investment, while cooperation with the United States remains important for security. Relations with Europe occupy a middle position, combining economic, technological, and diplomatic dimensions.

The UAE's engagement with multiple powers also reflects changing global economic realities. As global supply chains, technology networks, and investment flows become increasingly diversified, the UAE seeks to position itself as a connector between different regions.

For the EU, UAE engagement with other powers creates both opportunities and concerns. Cooperation with the UAE can support European economic interests, but closer UAE relations with China and other actors raise questions about geopolitical competition, technology security, and strategic alignment.

Therefore, UAE–EU relations must be understood within the broader context of global power transition rather than as an isolated bilateral relationship.

Effect on the EU's ties with other GCC members

The EU–UAE bilateral track is reshaping, rather than replacing, its wider Gulf strategy — but it's also causing

some friction within the GCC itself.

The EU has been careful to frame the UAE deal as complementary rather than exclusive. The EU has stated the bilateral agreement with the UAE can act as a catalyst for stronger ties between the EU and the Gulf Cooperation Council, and the EU's special representative for the Gulf has described the deal as a building block toward a regional FTA. In parallel, the EU has moved to negotiate bilateral Strategic Partnership Agreements with all six Gulf states, covering economic diversification, security, digitalisation and connectivity — a way of keeping the other five states engaged even while the FTA track runs bilaterally with Abu Dhabi first.

That said, analysts flag real tension. The UAE's push for bilateral trade talks has raised concerns that it could erode the GCC's collective bargaining leverage or generate internal friction, and because larger economies like Saudi Arabia and the UAE are better placed to negotiate favorable terms and attract European investment, smaller states such as Bahrain and Oman may see comparatively little benefit, which could widen existing economic disparities inside the bloc. There's also a technical sticking point worth noting: the rules-of-origin text the EU has tabled with the UAE only allows bilateral cumulation between the EU and UAE, with no clause for regional cumulation that would let inputs from neighboring Gulf states qualify for the deal's preferential terms. So, as drafted, the tariff benefits mostly stop at UAE borders rather than spilling over to Saudi or other GCC supply chains.

The formal track is technically alive again after being frozen since 2008. A EU-GCC leaders' summit is expected in Riyadh in October, with expectations that both sides will finalize the outlines of a revived regional deal there, and the first EU-GCC summit in October 2024 saw both parties commit to restarting FTA talks, with a repeat summit planned for 2026 in Saudi Arabia. The European Commission also issued new negotiating guidelines in 2025 updating the original 1989 mandate.

But the structural obstacles that killed the talks in 2008 haven't gone away. Institutionally, the EU is a supranational body where the Commission negotiates with real authority, while the GCC is an intergovernmental body where member states retain significant autonomy, and smaller Gulf states worry that deeper integration means ceding ground to Saudi Arabia. Some of the exact sticking points from the original talks remain unresolved too, since the EU's push for a customs union and a human rights clause were particularly contentious for the GCC side back then. Energy and industrial rivalry adds another layer, since Saudi Arabia has resisted ending energy subsidies and Gulf states have kept differentiated gas export pricing, which EU petrochemical firms argue amounts to an implicit subsidy enabling dumping, while Saudi Arabia and the Gulf's shared reliance on mineral fuel exports as their dominant export good complicates finding mutual tariff concessions. And there's a coordination lag built into the format itself, since the GCC negotiates as one bloc, which historically has meant slower internal alignment before it can even table positions to outside partners — a pattern also showing up in its parallel talks with the UK and India.

Bottom line: the EU is effectively hedging — building a working bilateral deal with the UAE it can point to as proof of concept, while keeping the more ambitious bloc-wide FTA alive rhetorically and revisiting it at the Riyadh summit. Most Gulf-watchers expect the bilateral UAE deal to land first, given it's furthest along, while a genuine GCC-wide FTA remains a longer, more uncertain prospect tied to whether Saudi Arabia and the smaller states can align on energy pricing, investment rules, and how much sovereignty to pool.

UAE and EU and the comprehensive strategic partnership

The Special Representative for the Gulf Luigi Di Maio has framed the Gulf as a strategic partner for Europe, emphasizing the goal of building a stronger, more comprehensive, and more strategic partnership with Gulf countries. This vision is reflected in five interconnected areas: regional security, energy transition, trade and investment, maritime security, and dialogue on regional conflicts.

In regional security, the EU and the UAE share interests in stability, counterterrorism, cybersecurity, and the protection of critical infrastructure. In energy transition, both sides seek closer cooperation on renewable energy, green hydrogen, clean technologies, and sustainable infrastructure. Trade and investment remain central to the

relationship, with shared priorities in market access, investment flows, digital trade, artificial intelligence, and economic diversification.

Maritime security is another area of convergence, particularly in safeguarding shipping routes, protecting energy transport corridors, and ensuring freedom of navigation. At the diplomatic level, the EU and the UAE also cooperate on conflict prevention, mediation, and regional de-escalation in areas such as Gaza, Sudan, Yemen, and the Red Sea.

These priorities are increasingly interconnected. Security supports energy and trade resilience, maritime stability underpins commercial and energy flows, and diplomatic engagement creates conditions for economic cooperation. Viewed through Di Maio's framework, EU–UAE relations are evolving from a primarily economic partnership into a broader strategic relationship built around security, sustainability, connectivity, and regional stability.

Table

Domain	EU Priorities	UAE Priorities	Key Intersections	Typical Cooperation Instruments
Regional Security	Stability in Middle East, rules-based order, counterterrorism, conflict prevention	Regional stability, de-escalation, strategic autonomy, secure investment environment	Counterterrorism, cybersecurity, sanctions compliance, diplomatic mediation, crisis management	Strategic Partnership Agreement (SPA), EU-GCC security dialogue, diplomatic consultations
Energy Transition	Decarbonization, energy security, hydrogen, renewables, climate goals	Economic diversification, clean energy leadership, hydrogen exports, net-zero ambitions	Green hydrogen, solar investment, carbon management, critical minerals, energy infrastructure	FTA negotiations, green transition projects, technology partnerships
Trade & Investment	Market access, resilient supply chains, digital trade, investment protection	Access to EU market, foreign investment, logistics hub expansion, technology transfer	FTA, digital trade, AI, infrastructure investment, manufacturing cooperation	EU-UAE FTA, SPA, investment platforms.
Maritime Security	Secure sea lanes, freedom of navigation, port resilience, protection of undersea infrastructure	Security of Hormuz and Gulf shipping routes, logistics reliability, port competitiveness	Shipping security, anti-piracy, maritime surveillance, port resilience, cyber protection	Maritime security dialogue, naval coordination, information sharing
Regional Conflict Dialogue	Diplomacy, mediation, humanitarian access, multilateralism	Mediation, de-escalation, regional influence, conflict resolution	Gaza, Sudan, Yemen, Red Sea security, Horn of Africa, Iran-related diplomacy	Special Representatives, Track-II diplomacy, multilateral forums

The significance of these intersections lies in the way EU and UAE interests increasingly converge around shared strategic objectives. In the area of security and energy transition, both actors have an interest in protecting critical energy infrastructure, securing electricity networks, and ensuring reliable supply chains for hydrogen and critical minerals. For the EU, this supports energy diversification and the green transition; for the UAE, it strengthens its ambition to become a global hub for clean energy production and exports. The result is greater energy security, investment opportunities, and resilience against geopolitical disruptions.

The intersection between security and maritime security is equally important. The EU depends on uninterrupted trade and energy flows through the Gulf and the Red Sea, while the UAE's economic model relies on secure

shipping routes and global connectivity. Cooperation in maritime surveillance, freedom of navigation, and the protection of commercial shipping helps reduce the risks associated with regional tensions, piracy, and supply-chain disruptions. The impact is enhanced regional stability and greater confidence among investors, traders, and energy markets.

Trade and investment increasingly intersect with the energy transition through green industrial development, sustainable finance, and clean technology cooperation. The EU gains access to emerging markets and strategic energy partnerships, while the UAE benefits from European technology, expertise, and investment. This creates opportunities for economic diversification, innovation, and the development of future-oriented industries that support both competitiveness and climate objectives.

Trade also intersects with maritime security because the UAE's ports, logistics infrastructure, and transport corridors serve as critical links between Europe, Asia, and Africa. Efficient and secure maritime routes facilitate trade, reduce supply-chain vulnerabilities, and strengthen connectivity across regions. For both the EU and the UAE, the impact is increased economic resilience and a more reliable framework for global commerce.

Finally, dialogue on regional conflicts intersects with broader security objectives. Both the EU and the UAE have an interest in reducing regional tensions, preventing conflict escalation, and supporting diplomatic solutions to crises. Cooperation in mediation and de-escalation efforts contributes to a more predictable regional environment, which in turn supports trade, investment, energy cooperation, and maritime security. The impact extends beyond immediate conflict management by creating conditions that enable long-term economic and political stability.

Taken together, these intersections demonstrate that EU–UAE relations are increasingly characterized by mutual strategic dependence. Progress in one area—whether energy, trade, security, or diplomacy—generates benefits across the others. This reinforces the emergence of a broader strategic partnership in which the UAE serves as a key regional partner for the EU, while the EU provides the UAE with an important source of investment, technology, market access, and diplomatic engagement.

It is all very concrete before it gets strategic, you know. Oh Luigi sees right but fails to act forcefully.

Cooperation and Competition in the International System

The UAE–EU relationship demonstrates the coexistence of cooperation and competition within international politics. International relations theory suggests that states can simultaneously cooperate in certain areas while competing in others.

Cooperation occurs in areas where interests overlap, including energy security, investment, climate policy, technology, and trade. Both actors benefit from maintaining stable economic relations and expanding cooperation into emerging sectors such as artificial intelligence, renewable energy, and digital transformation.

However, competition exists regarding political influence, regulatory standards, and international norms. The EU seeks to promote governance principles and regulatory frameworks internationally, while the UAE seeks to maintain policy independence and protect its sovereignty. These different approaches create tensions regarding issues such as labor rights, political values, and foreign policy priorities.

The relationship therefore reflects what international relations scholars describe as complex interdependence, where cooperation and competition occur simultaneously (Keohane & Nye, 1977). Economic connections reduce incentives for confrontation, but they do not eliminate disagreements over political principles and strategic interests.

The future direction of UAE–EU relations will depend on whether both actors can manage these tensions while expanding cooperation in areas of mutual benefit.

Evaluating Realist and Liberal Explanations

Realist and liberal theories provide valuable but incomplete explanations of UAE–EU relations. Realism successfully explains the importance of strategic interests, security concerns, and power calculations. It helps explain why the UAE seeks diversified partnerships and why cooperation with Europe remains important despite differences in political systems.

However, realism has limitations because it often reduces international relations to competition and material power. It does not fully explain the importance of economic institutions, technological cooperation, climate partnerships, and international reputation-building.

Liberal institutionalism provides a stronger explanation for economic cooperation and institutional engagement. It highlights how trade, investment, and repeated interaction create incentives for cooperation. The UAE–EU relationship demonstrates that states with different political systems can develop strong partnerships when mutual benefits exist.

Nevertheless, liberal approaches also face limitations. They may underestimate the role of power inequalities, geopolitical competition, and ideological differences. Economic interdependence has not eliminated disagreements regarding governance, human rights, and regional security.

A more comprehensive understanding requires combining realist and liberal perspectives with identity analysis. The UAE–EU relationship is shaped by strategic interests, institutional cooperation, and competing visions of international legitimacy. The partnership is therefore neither purely strategic nor purely cooperative; it is a negotiated relationship shaped by power, interests, and identity.

Through an international relations perspective, UAE–EU relations represent a complex partnership shaped by strategic autonomy, economic interdependence, security interests, and global power transitions. The UAE uses engagement with Europe as part of a broader strategy to increase international influence and reduce dependence on any single external actor. The EU views the UAE as an important economic and strategic partner while attempting to balance cooperation with normative concerns.

Realist approaches explain the strategic and security dimensions of the relationship, while liberal approaches explain the importance of institutions and economic cooperation. However, both perspectives require expansion through identity analysis to understand how the UAE and EU construct their international roles and negotiate differences. The relationship therefore illustrates the complexity of contemporary international politics, where cooperation and competition exist simultaneously within an increasingly multipolar system.

IDENTITY, NORMS, AND INTERNATIONAL RECOGNITION

Introduction

The UAE–EU relationship cannot be fully understood through economic interests and strategic calculations alone. Although trade, investment, energy cooperation, and security partnerships provide important foundations for cooperation, the relationship is also shaped by identity, norms, legitimacy, and competing understandings of international responsibility. Constructivist approaches in international relations emphasize that states are influenced not only by material interests but also by ideas about who they are, how they wish to be recognized, and what role they seek to perform in global affairs (Wendt, 1992).

Identity analysis is particularly important for understanding the UAE's foreign policy transformation. Over recent decades, the UAE has sought to redefine itself from a small Gulf state associated primarily with hydrocarbons into a globally connected, innovative, and influential international actor. This transformation has been pursued through economic modernization, technological development, humanitarian engagement, climate diplomacy, and participation in global institutions.

The EU, meanwhile, has developed an international identity based on normative principles, multilateralism, and the promotion of values such as human rights, sustainable development, and legal governance. Through the concept of “Normative Power Europe,” scholars argue that the EU seeks influence not only through economic and political capabilities but also through the ability to shape international norms and expectations (Manners, 2002).

The interaction between UAE and EU identities creates both cooperation and tension. Shared interests in sustainability, innovation, and global governance provide areas of convergence, while differences concerning political values, labor governance, and sovereignty generate disagreement. Therefore, UAE–EU relations represent an ongoing process of negotiation between different models of legitimacy, modernization, and international engagement.

UAE Identity Construction as a Global Actor

The UAE’s emergence as a global actor has been closely connected to the construction of a new national identity centered on modernization, openness, ambition, and international influence. Rather than remaining primarily defined by its position as an oil-producing state, the UAE has actively developed a narrative of itself as a modern, innovative, and globally responsible country.

Constructivist theory argues that state identities are socially constructed through political narratives, institutions, and interactions with other actors (Wendt, 1992). The UAE’s international identity has been shaped around several key themes: economic transformation, technological advancement, global connectivity, stability, and leadership in emerging fields.

Modernization represents one of the central components of UAE identity construction. The country presents its development model as evidence that resource-based economies can successfully transition toward diversified and knowledge-oriented systems. Investments in infrastructure, financial centers, aviation, renewable energy, and advanced technology contribute to this narrative of progress.

The UAE has also sought recognition as a middle power capable of influencing international affairs beyond traditional measures of military or demographic strength. Through diplomatic activism, humanitarian initiatives, international investments, and participation in global institutions, the UAE attempts to demonstrate that smaller states can exercise meaningful influence in global politics.

This identity construction serves both symbolic and practical purposes. International recognition strengthens the UAE’s diplomatic position, enhances its attractiveness to foreign investors, and supports its ambition to become a central actor in global economic and political networks.

However, the construction of this identity also produces challenges. The UAE must balance its image as a modern and globally integrated state with its emphasis on sovereignty, domestic political stability, and a governance model different from many Western states. This creates tensions when external actors assess the UAE according to alternative standards of legitimacy.

Modernization, Innovation, and Soft Power Diplomacy

Modernization and innovation have become central instruments of UAE soft power diplomacy. Soft power, as developed by Nye (2004), refers to the ability of states to influence others through attraction, reputation, and legitimacy rather than through coercive power alone.

The UAE has invested significantly in building an international reputation associated with innovation, technology, sustainability, and economic opportunity. Initiatives in artificial intelligence, space exploration, renewable energy, and digital transformation serve not only economic objectives but also broader identity-building purposes.

Technology has become a particularly important component of UAE identity. By investing in artificial intelligence, scientific research, and advanced industries, the UAE seeks to present itself as a knowledge-based economy capable of competing internationally. Cooperation with European institutions and companies reinforces this image by connecting UAE development goals with global expertise.

The UAE has also used international events, humanitarian initiatives, and diplomatic engagement to strengthen its global image. These activities allow the country to position itself as a constructive contributor to international challenges and a supporter of global cooperation.

However, soft power strategies depend on external perceptions as much as state narratives. While the UAE promotes an image of innovation and openness, international debates concerning governance, political rights, and labor conditions influence how different audiences evaluate this identity.

The construction of some of the UAE's most iconic and glitzy skylines is often accompanied by a degree of undeserved criticism, which can obscure the complexity and ambition behind Arab modernity in an era of increasing heterogenisation among global cities and their competing development models. Rather than viewing these urban transformations merely through the lens of spectacle or excess, they can be understood as expressions of a distinct vision of modernity: one that seeks to combine economic ambition, technological advancement, cultural confidence, and global connectivity. In this sense, the UAE's urban experiment offers the European Union a potential mirror through which to reflect on its own approaches to growth, sustainability, and competitiveness.

The encounter between the UAE and the EU can be understood as a meeting between two different but potentially complementary visions: the desert mirage pursued through ambition, speed, and transformative imagination, and the European project built around sustainability, social responsibility, human-centred development, and institutional stability. The UAE's model of capitalism, rooted in state-led strategic investment, entrepreneurship, global openness, and long-term national planning, contrasts with the EU's emphasis on regulation, environmental responsibility, and social inclusion. Yet these differences also create opportunities for mutual learning.

The UAE demonstrates how ambition, investment, and visionary leadership can rapidly transform economic landscapes and create globally significant centres of innovation, culture, and commerce. The EU, in turn, offers frameworks for ensuring that technological and economic development remains aligned with principles of sustainability, human rights, resilience, and social cohesion. Their interaction therefore represents not a competition between opposing models, but a dialogue between different interpretations of modernity.

Seen in this way, the UAE's skyline is not simply a symbol of wealth or architectural spectacle; it represents a broader search for identity, recognition, and relevance within a changing global order. The European Union's engagement with the Gulf provides an opportunity to examine how ambition can be balanced with responsibility, and how different models of capitalism can exchange ideas on building cities that are both globally competitive and meaningful places for human life.

Therefore, UAE soft power represents both an effort to shape international perceptions and a continuous negotiation between self-representation and external evaluation.

EU Identity and Normative Foreign Policy

The EU's international identity has traditionally been associated with the promotion of norms, values, and multilateral cooperation. Unlike traditional powers that rely primarily on military capabilities, the EU has sought international influence through economic relations, diplomatic engagement, regulatory power, and the promotion of political principles.

Manners' (2002) concept of "Normative Power Europe" suggests that the EU seeks to shape global politics by promoting ideas such as democracy, human rights, sustainable development, and the rule of law. These principles

influence how the EU approaches external partnerships, including relations with the UAE.

Within UAE–EU relations, this normative identity creates both opportunities and challenges. The EU recognizes the UAE as an important economic and strategic partner, particularly in trade, investment, energy, and regional stability. At the same time, European institutions continue to emphasize governance standards and human rights considerations.

This creates a relationship characterized by negotiation between strategic interests and normative expectations. The EU seeks to maintain cooperation while also encouraging adherence to international standards. However, critics argue that the EU's normative approach is sometimes inconsistent because strategic interests may limit its willingness to challenge partners.

In the UAE context, this tension illustrates the difficulty of balancing economic cooperation with political values in international relations.

Areas of Identity Convergence

Despite differences in political systems and governance approaches, UAE and EU identities overlap in several important areas. These shared areas create opportunities for deeper cooperation and contribute to the development of a broader strategic partnership.

Climate Change and Sustainability

Climate change represents one of the strongest areas of identity convergence between the UAE and EU. Both actors increasingly seek recognition as responsible contributors to global sustainability efforts.

For the UAE, climate diplomacy provides an opportunity to demonstrate that a hydrocarbon-producing state can also contribute to global environmental solutions. Investments in renewable energy, clean technologies, and emissions reduction initiatives support the UAE's identity as an innovative and responsible international actor.

For the EU, climate leadership is central to its global identity. European climate policies emphasize sustainable development, renewable energy, and international cooperation on environmental challenges.

This shared focus creates opportunities for cooperation in renewable energy, hydrogen development, climate finance, and technological innovation. However, differences remain regarding the speed of energy transition, as the EU generally promotes rapid decarbonization while the UAE seeks to balance transition efforts with continued hydrocarbon production.

Technology and Innovation

Technology and innovation represent another important area where the identities and strategic ambitions of the UAE and the European Union increasingly converge. Both actors seek to position themselves as leaders in emerging technological fields and recognize that innovation, digital transformation, and scientific advancement are essential foundations of future economic resilience and global influence. Rather than viewing technology only as a tool for efficiency, both the UAE and the EU increasingly frame technological progress as a means of shaping societies, improving public services, and strengthening their position within the global knowledge economy.

The UAE's ambitious investments in artificial intelligence, digital infrastructure, smart cities, space technologies, renewable energy, and advanced industries reflect its broader vision of transitioning from a resource-based economy toward a diversified, innovation-driven model. These initiatives support the country's ambition to become a global hub for technology, entrepreneurship, and scientific excellence. The European Union, meanwhile, contributes significant strengths in scientific research, industrial expertise, regulatory frameworks, data protection standards, and ethical approaches to emerging technologies. Together, these different but

complementary approaches create opportunities for cooperation in areas such as artificial intelligence, clean technologies, cybersecurity, biotechnology, and digital governance.

This technological relationship also represents a convergence of identities. For the UAE, technological leadership reinforces its image as a forward-looking nation capable of competing at the highest levels of global innovation. It demonstrates that the country's development is not defined solely by energy resources or infrastructure, but by knowledge, creativity, and its capacity to shape future industries. For the European Union, engagement with the UAE provides opportunities for investment, research partnerships, market access, and collaboration with a rapidly developing innovation ecosystem, while strengthening Europe's role as a global actor in responsible technological development.

However, technological cooperation also reveals areas of complexity and difference. Questions surrounding data governance, privacy, cybersecurity, artificial intelligence regulation, and digital sovereignty remain important points of discussion between the UAE and the EU. The EU's emphasis on regulatory oversight, individual rights, and ethical standards sometimes differs from the UAE's more state-led and rapid innovation approach. These differences demonstrate that shared technological ambitions do not necessarily erase broader political or institutional distinctions.

Nevertheless, the pursuit of technological advancement provides a significant platform for dialogue and cooperation. By combining the UAE's ambition, investment capacity, and willingness to adopt emerging technologies with Europe's research capabilities, regulatory experience, and scientific expertise, both actors can contribute to shaping a more connected, innovative, and sustainable global future.

Global Governance Cooperation

The UAE and EU also share interests in strengthening global governance mechanisms. Both actors support cooperation in areas such as climate change, international development, humanitarian assistance, and sustainable growth.

The UAE's participation in global institutions reflects its desire for international recognition, while the EU's support for multilateralism reflects its identity as a promoter of international cooperation.

Through global governance cooperation, both actors seek to increase their influence and demonstrate international responsibility. However, differences remain concerning sovereignty, intervention, and the role of external norms in domestic affairs.

The Culture and Tradition of Falconry, the Falcon as an Animal, Its Characteristics, and Conditions for Trade

Falconry is one of the oldest traditions involving the relationship between humans and animals. For more than 4,000 years, people across the Middle East, Central Asia, Europe, and other regions have practised the art of training and flying birds of prey for hunting. Over time, falconry has developed from a practical hunting method into a symbol of cultural identity, respect for nature, patience, discipline, and human-animal cooperation.

The tradition of falconry is built on a deep connection between the falconer and the bird. Training a falcon requires extensive knowledge of the bird's behaviour, instincts, health, and environment. The falconer must develop trust with the bird through careful handling and consistent training. In many cultures, especially in the Arabian Peninsula, falconry represents honour, heritage, hospitality, and a connection to ancestral traditions. It is often passed down through generations, with knowledge and skills shared within families and communities.

Today, falconry is practised not only as a traditional hunting activity but also as a sport, cultural practice, and conservation effort. Many falconers contribute to the protection of birds of prey by supporting breeding programmes, scientific research, and the preservation of natural habitats. Because of its cultural importance, falconry has been recognised as an intangible cultural heritage of humanity by UNESCO⁷.

⁷ <https://ich.unesco.org/en/RL/falconry-a-living-human-heritage-01708>

Figure Falconry is a popular sport in Arab countries



Falconry is considered Intangible Cultural Heritage of Humanity by UNESCO because it is more than a hunting technique; it represents a living tradition passed between generations. It is recognised because falconry preserves traditional knowledge about birds, nature, animal care, and sustainable hunting practices. It connects communities across regions through shared values such as respect for wildlife, patience, skill, and cooperation. In many countries, especially in the Middle East, Europe, and Central Asia, falconry is linked to identity, social customs, festivals, craftsmanship, and cultural education. The knowledge of breeding, training, and caring for falcons is considered a heritage that communities actively maintain and transmit to younger generations.

Shall we shed light and explain this ?

Falconry as a symbol of Cultural Heritage

As a symbol of heritage and cultural pride, falconry remains an important tradition in the Emirates. It represents the relationship between people and the natural world, preserving ancient knowledge while adapting to modern conservation practices. For centuries, falconry has been closely connected to the history, identity, and values of Emirati society. The falcon is regarded as a symbol of strength, freedom, intelligence, and loyalty, reflecting qualities that are deeply respected in the culture

The practice of falconry has been passed down from one generation to another, with families sharing their knowledge of training, caring for, and understanding these remarkable birds. It continues to play an important role in cultural events, competitions, and national celebrations. Beyond its traditional role, falconry also promotes awareness of wildlife conservation and the protection of birds of prey.

Modern falconry combines traditional skills with scientific knowledge, including responsible breeding programmes, veterinary care, and environmental protection. The relationship between the falconer and the falcon is based on trust, patience, and mutual respect. Through this connection, falconry continues to preserve a unique cultural heritage while ensuring that future generations can experience and appreciate this ancient tradition.

Flight pattern and Personality of the Falcon

The falcon is a remarkable bird whose physical abilities and distinctive character make it one of the most impressive predators in the natural world. Its streamlined body, powerful wings, exceptional eyesight, and sharp talons are perfectly adapted to life in the open sky. Unlike many birds of prey, the falcon relies heavily on speed and precision rather than brute strength, allowing it to pursue and capture prey with extraordinary efficiency.

According to Franz Wenzel, the falcon embodies the highest perfection of aerial hunting, uniting grace, speed, intelligence, and independence in a single creature. Its flight is not merely swift but deliberate, economical, and purposeful, conserving strength while climbing effortlessly to great heights before committing to the decisive stoop. From the open sky it surveys the landscape with extraordinary eyesight, judging distance, wind, and the movement of prey with astonishing precision. Once the attack begins, every movement is marked by elegance, control, and overwhelming speed, making the falcon the undisputed master of the aerial chase.

Wenzel regarded the falcon's personality as inseparable from its flight. It is proud, noble, and self-possessed, never truly submissive yet capable of forming a profound partnership with a patient falconer. Intelligent and highly observant, it learns quickly while retaining its innate independence, demanding respect rather than domination. Sensitive to its surroundings and to the conduct of its trainer, it responds best to consistency, calmness, and mutual trust. *Courage, perseverance, vigilance, and unwavering concentration* define its character, while its dignity and reserve distinguish it from more impulsive birds of prey. For Wenzel, the falcon is not a servant but a free companion whose loyalty is freely given, and whose extraordinary flying abilities are the outward expression of an equally remarkable spirit.

The relationship between a falcon and its human handler is based on cooperation rather than complete control. A skilled falconer must understand the bird's natural instincts, recognize its individual temperament, and develop trust through patience and consistency. The falcon retains its independence throughout this relationship, and its willingness to return, respond, and work alongside the falconer is therefore particularly meaningful. This partnership reflects the unique balance between the bird's wild nature and the discipline required for falconry. Rather than suppressing the falcon's freedom, the best falconer learns to work with its instincts, allowing its natural intelligence, courage, and remarkable abilities to flourish.

The Falcon as an Animal

Falcons are birds of prey belonging to the family Falconidae. They are among the most remarkable hunters in the natural world, combining exceptional vision, speed, intelligence, and agility. Species such as the peregrine falcon, saker falcon, and gyrfalcon have played important roles in the history of falconry because of their strength, endurance, and ability to work with humans.

One of the most impressive characteristics of falcons is their extraordinary eyesight. Their vision allows them to detect prey from great distances while flying at high speeds. Their streamlined bodies, powerful wings, and specialised feathers enable them to perform rapid dives and precise manoeuvres during hunting. The peregrine falcon, in particular, is famous for its high-speed hunting dives and is considered one of the fastest animals on Earth.

Falcons are also highly intelligent and adaptable. Although they are naturally independent predators, they can form strong bonds with skilled handlers. Through careful training, they learn to respond to human commands while maintaining their natural hunting abilities. Their sharp talons, hooked beaks, and powerful flight make them highly effective predators, perfectly adapted to their role in the ecosystem.

Trading in Falcons

The trade of falcons is strictly regulated because many birds of prey are protected species. International trade is controlled to ensure that wild populations are not harmed and that birds are obtained and transported legally. The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) provides an international framework for regulating the movement of protected species between countries.

Legal trade generally requires official documentation, including permits confirming that the bird has been legally acquired. Many traded falcons today come from registered captive-breeding programmes rather than from the wild, helping to protect natural populations. Each bird may require identification records, such as closed leg rings, microchips, breeding certificates, and health documentation.

The welfare of the falcon is also a central requirement in legal trade. Birds must be transported safely, provided with appropriate conditions, and handled according to veterinary and animal welfare standards. Countries may

have additional national regulations concerning ownership, breeding, sale, import, export, and the use of falcons for hunting.

In the Emirates, the falcon is not merely a bird; it is a quiet symbol of lineage, patience, and belonging. A creature once used to read the desert skies has become a companion that travels through the modern world with the same dignity it carried across ancient sands.

Few details capture this intersection of tradition and contemporary luxury better than the sight of a falcon accompanying its owner into an aircraft cabin. On selected routes, airlines such as Emirates permit falcons in the cabin under specific conditions—a gesture that reflects not extravagance alone, but a cultural understanding that the relationship between falconer and bird is one of respect and heritage.

It is a distinctly Emirati form of understatement: while much of the world places animals in the background of travel, here the falcon is given a place beside its keeper. Not as a spectacle, but as a continuation of an old bond. The desert companion simply changes landscapes—from open skies to the quiet interior of a wide-bodied aircraft—without losing its status.

The modern Emirates does not abandon its traditions; it carries them forward, sometimes at 35,000 feet.

A small factual refinement: Emirates is **not the only airline in the region with falcon cabin policies**; other Gulf carriers have also offered falcon transport arrangements. Emirates' cabin allowance is limited to specific routes and conditions rather than being a universal policy.

The value of a falcon depends on several factors, including its species, age, health, training, bloodline, and hunting ability. However, the commercial value of a falcon must always be balanced with conservation responsibilities. Responsible falconry aims to preserve both the cultural heritage of the practice and the survival of wild falcon populations.

In conclusion, falconry is much more than the training of a bird for hunting. It is a centuries-old tradition based on knowledge, respect, and cooperation between humans and nature. Falcons remain admired for their beauty, intelligence, and extraordinary abilities, while strict trading regulations ensure that these magnificent birds continue to thrive for future generations.

The Trade of Falcons Between Denmark and the United Arab Emirates

Each year, a specialised shipment of falcons leaves Aalborg in Denmark and travels to the United Arab Emirates, reflecting the strong cultural and commercial connection between Danish falcon breeders and the UAE's long-standing falconry tradition. The transport of these birds represents more than a simple trade exchange; it is part of a centuries-old heritage in which falcons hold a special place as symbols of skill, pride, and respect for nature.

The falcons transported from Denmark are primarily bred in controlled environments by experienced breeders who follow strict animal welfare and conservation standards. Denmark has developed expertise in the breeding and care of birds of prey, producing falcons that are valued internationally for their health, quality, and suitability for falconry. In the UAE, these birds are used for traditional falconry, competitions, breeding programmes, and cultural events connected to the country's heritage.

The journey from Aalborg to the Emirates requires careful planning and specialised handling. Falcons are transported under controlled conditions to ensure their safety and well-being throughout the flight. Veterinary documentation, identification records, and legal certificates accompany the birds to confirm their origin, health status, and compliance with international regulations.⁸

The trade is regulated by national laws and international agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). These regulations ensure that the movement of

⁸ <https://edition.cnn.com/travel/article/falcons-planes-middle-east>

falcons takes place legally and responsibly, preventing illegal capture from the wild and protecting vulnerable species.

The annual export of falcons from Denmark to the UAE demonstrates how traditional culture and modern conservation practices can work together. Denmark contributes knowledge of breeding and animal care, while the UAE maintains and celebrates one of the world's oldest falconry traditions. This cooperation helps preserve both the cultural heritage of falconry and the future of these remarkable birds.

The value of a falcon in this trade depends on several factors, including species, breeding quality, age, training, physical condition, and performance history. Certain falcons, especially those from respected bloodlines or with proven hunting ability, can command high prices. However, the trade is closely monitored to ensure that commercial interests do not threaten wild populations or violate animal welfare standards.

The relationship between Denmark and the UAE in falcon trade reflects a combination of cultural tradition, modern conservation practices, and international cooperation. While the UAE preserves and promotes the heritage of falconry, Denmark contributes through responsible breeding practices and regulated trade. Together, these activities support the continuation of falconry while protecting these remarkable birds for future generations.

EU falconry exports are a niche but high-value market, mainly supplying Gulf countries. Export prices can range from €1,000 to €20,000+ per falcon, with exceptional birds worth much more. A small breeder may earn tens of thousands of euros, while elite operations can reach €1 million+ turnover. Value depends on breeding quality, reputation, permits, and international buyers. The business is regulated by EU wildlife and CITES export rules.

A falcon purchased from an EU breeder for around €5,000–€20,000 may sell in the UAE market for €10,000–€50,000+ depending on species, genetics, training, and reputation. The value increase comes from breeding quality, certification, training, transport, and access to Gulf buyers. Typical gross value uplift can range from 50% to 200%+, while exceptional bloodlines or competition-winning birds can achieve much higher multiples.

Areas of Identity Tension

Although cooperation exists across many areas, UAE and EU identities also produce significant tensions. These tensions are particularly visible in debates regarding human rights, labor governance, and sovereignty.

Human Rights and Political Values

Human rights represent one of the most significant areas of disagreement between the UAE and EU. The EU's external identity emphasizes political freedoms, individual rights, and democratic principles, while the UAE emphasizes stability, economic development, and national sovereignty.

European institutions and civil society organizations have raised concerns regarding political participation, freedom of expression, and governance practices in the UAE. These concerns influence European perceptions of the partnership.

From the UAE perspective, external criticism may be viewed as interference in domestic affairs and a failure to recognize alternative models of political development. The UAE emphasizes gradual reform, social stability, and economic progress rather than political transformation based on external expectations.

This tension reflects a broader debate in international relations between universal approaches to political values and state-specific interpretations of governance and legitimacy.

Labor Rights and Migration Governance

Labor rights represent another important area of tension. The UAE's economic development has relied heavily on expatriate labor, particularly in construction, services, infrastructure, and private-sector industries.

The EU places strong emphasis on labor standards and worker protections, making migration governance an important issue in bilateral relations. European actors have examined UAE labor practices within broader discussions of human rights and responsible economic cooperation.

The UAE has introduced reforms to improve labor conditions and regulate migration systems. These reforms support its effort to strengthen its international image as a modern and responsible state.

However, differences remain regarding temporary migration systems, worker protections, and labor market structures. This reflects the broader challenge of balancing economic globalization with international expectations regarding labor rights.

Sovereignty and External Norm Promotion

The deepest identity tension between the UAE and EU concerns different understandings of sovereignty and external influence. The EU often incorporates governance standards and political values into its external relations, while the UAE emphasizes independence, sovereignty, and non-interference.

From the UAE perspective, legitimacy is based on economic success, stability, modernization, and effective governance rather than conformity with external political models.

From the EU perspective, international partnerships increasingly involve expectations regarding shared values and norms. This creates challenges when economic cooperation intersects with political principles.

This tension reflects a fundamental debate within international relations regarding whether global cooperation should be based primarily on shared norms or mutual interests.

Summary

Identity and norms provide essential insights into the UAE–EU relationship by explaining dimensions that cannot be fully captured through economic and strategic analysis alone. The UAE has constructed an international identity based on modernization, innovation, and global engagement, while the EU has developed an identity centered on normative influence and multilateral values.

These identities create both cooperation and tension. Climate change, technology, and global governance represent areas where UAE and EU identities increasingly converge. However, differences regarding human rights, labor rights, and sovereignty demonstrate that partnership does not eliminate political disagreement.

The UAE–EU relationship is therefore best understood as a process of identity negotiation. Both actors seek international recognition while maintaining their own political principles and strategic priorities. Understanding these identity dynamics is essential for explaining the resilience, complexity, and future development of UAE–EU relations.

Political differences and human rights concerns play a significant role in shaping the mechanisms of cooperation between the United Arab Emirates (UAE) and the European Union (EU). Although the two actors maintain strong partnerships in areas such as trade, energy, investment, security, and climate change, their relationship is influenced by differing political values and governance models. The EU places considerable emphasis on democratic principles, the rule of law, political participation, and the protection of fundamental human rights, while the UAE's political system is based on a federal monarchy with limited avenues for political participation. These differences often create tensions in diplomatic engagement and affect the extent to which deeper political cooperation can develop.

Human rights issues, including concerns regarding freedom of expression, restrictions on political activism, and the treatment of migrant workers, have become important points of discussion within EU institutions and among European civil society groups. Such concerns can shape public perceptions of the UAE and influence debates over the expansion of bilateral relations. However, strategic and economic interests frequently encourage both sides to maintain constructive engagement despite these disagreements. The UAE's role as a major energy partner, investor, and regional security actor makes it an important partner for the EU, particularly in areas such

as renewable energy, economic development, and regional stability.

As a result, the EU often seeks to balance its commitment to human rights promotion with the practical need to preserve diplomatic and economic ties. Rather than relying solely on confrontation, the EU generally uses dialogue, cooperation frameworks, and partnership mechanisms to encourage gradual reforms and address concerns. The UAE, on the other hand, emphasizes stability, economic progress, and national sovereignty as central elements of its governance approach. Differences over regional conflicts, foreign policy priorities, and standards of governance can therefore complicate negotiations and limit deeper institutional cooperation.

The simple solution is to engage in dialogue within the confines of islamicate legitimacy: strengthening of governance and how to make policy-making more pluralist. There are +40 schools of human rights in the EU, and scholarships and students exchanges is a great manner to get to learn each other and better. It worked in Europe, why should it not promote shared concerns between the Eu and the Middle East ?

This makes it easier to engage on wider issues of shared concerns such as addressing the root causes of conflicts and to size on the presence of the Abrahamaic Family House to prepare a major pedagogical effort to overcome fear and ignorance among the rank and file and citizens, now that the bickering theologicans appears to have solved most of their issues at elite level

Nevertheless, political disagreements and human rights concerns have not prevented continued collaboration between the UAE and the EU. Cooperation in areas such as climate action, trade, and security demonstrates that shared interests can coexist with differing perspectives on political values. Ultimately, the relationship between the UAE and the EU is characterized by a careful balance between pragmatic cooperation and ongoing debates over human rights and governance. These challenges continue to shape the nature, limits, and future direction of their partnership.

EUROPE'S STRATEGIC ROLE IN GULF SECURITY

One of Europe's most visible contributions to Gulf security is maritime security. The Gulf and adjacent waterways—especially the Strait of Hormuz—are critical chokepoints for global energy flows. European states have participated in naval monitoring and escort missions aimed at protecting commercial shipping from threats such as piracy, sabotage, and state harassment. These efforts often operate alongside U.S.-led initiatives but also reflect Europe's desire to act as an independent security provider. France, for instance, maintains a long-standing military presence in the Gulf, particularly in the UAE, while other European states contribute ships or surveillance assets to multinational maritime awareness operations.

A second key dimension is diplomatic engagement and conflict de-escalation. Europe often positions itself as a mediator or facilitator in regional tensions, including disputes involving Iran and Gulf Arab states. European diplomacy tends to emphasize multilateralism, dialogue, and adherence to international law. This is reflected in Europe's continued involvement in nuclear non-proliferation diplomacy related to Iran, where European actors played a central role in the original 2015 nuclear agreement framework. Even as that agreement has weakened, Europe continues to advocate for renewed negotiations and restraint, which indirectly contributes to Gulf security by attempting to limit escalation risks.

Third, Europe contributes through arms control, defense cooperation frameworks, and regulated defense exports. While European countries are significant arms exporters to Gulf states, they also often impose conditionalities related to human rights or conflict conduct. This duality creates both leverage and tension: Gulf partners rely on European military technology, while Europe uses export policies as a diplomatic tool to shape behavior and promote stability.

Security domains of cooperation

Beyond traditional military engagement, Europe's role has expanded into non-traditional and hybrid security domains. Counterterrorism cooperation remains an important pillar, with intelligence sharing and law enforcement coordination between European states and Gulf partners aimed at disrupting extremist networks. Gulf countries are seen as critical partners in financial tracking of illicit funding flows, while European expertise

in legal frameworks and counter-radicalization programs contributes to broader regional resilience.

Cybersecurity has emerged as a rapidly growing area of cooperation. Gulf states have invested heavily in digital infrastructure, but this has also increased vulnerability to cyber espionage, ransomware, and state-backed cyber operations. Europe, with its advanced regulatory frameworks and technical expertise, is increasingly engaged in cybersecurity capacity building, incident response collaboration, and digital governance discussions. This includes cooperation on data protection standards, critical infrastructure security, and cyber defense training programs.

Energy security is another core domain linking Europe and the Gulf. Europe's reliance on Gulf hydrocarbons has historically underpinned strategic ties, but even as Europe transitions toward renewable energy, the Gulf remains crucial as a stabilizing supplier in global energy markets. Cooperation is expanding into clean energy transitions, hydrogen development, and carbon management technologies. These shared interests create new security interdependencies, where energy stability is treated as part of broader strategic security.

Table Comparison of EU-Gulfi security coordination

GCC Member State	Cyber Defence Coordination	Critical Infrastructure Protection	Maritime Security Governance	Space & Satellite Security Cooperation
Saudi Arabia	High	High	High	Medium
UAE	High	High	High	Medium-High
Qatar	Medium	Medium	Medium	Low-Medium
Kuwait	Medium	Medium	Medium	Low
Oman	Medium	Medium	High	Low
Bahrain	Medium	Medium	High	Low

EU–GCC cyber defence cooperation is one of the most institutionalised domains, shaped by structured cyber diplomacy dialogues and Track 1.5 forums that facilitate sustained technical and policy exchange. It primarily focuses on cyber threat intelligence sharing, the protection of critical digital infrastructure, and capacity building in incident response and resilience. Within this framework, the UAE and Saudi Arabia emerge as leading actors due to their advanced cyber ecosystems, while other GCC states participate more through capacity-building and advisory mechanisms. Overall, cooperation in this field is both policy-oriented and technical in nature, yet it remains short of fully integrated operational cyber defence structures.

Critical infrastructure protection constitutes another central pillar of EU–GCC security engagement, encompassing energy systems such as oil and gas pipelines and refineries, electricity grids and desalination facilities, ports and logistics hubs, and increasingly digital infrastructure. This domain is driven by the Gulf's high vulnerability stemming from energy export dependency and infrastructure concentration. EU cooperation is primarily channelled through resilience dialogues, disaster preparedness frameworks, and broader hybrid threat mitigation strategies. The most advanced cooperation is observed with Saudi Arabia and the UAE, reflecting their strategic infrastructure scale and investment capacity, while engagement with other GCC states remains comparatively moderate.

Maritime security governance represents the most operationally developed area of EU–GCC cooperation, driven by shared concerns over Red Sea instability, Gulf shipping lane protection, anti-piracy efforts, and safeguarding global trade routes. The EU contributes through naval missions, maritime domain awareness initiatives, and structured dialogue platforms with GCC partners. Within this domain, Saudi Arabia, the UAE, and Oman demonstrate the highest levels of engagement, with Oman's strategic positioning near the Strait of Hormuz and the UAE's status as a major logistics and port hub being particularly significant. Compared to cyber and space domains, maritime cooperation is notably more operational and action-oriented.

Space and satellite security collaboration is the least institutionalised yet fastest emerging domain within EU–GCC relations, encompassing satellite communications security, Earth observation for climate and security monitoring, navigation systems, and dual-use space technologies. The EU increasingly conceptualises space as a strategic security domain closely linked to cyber resilience and defence infrastructure protection, with growing

emphasis on satellite security and secure connectivity. Within the Gulf, the UAE leads as a regional space actor with advanced programmes including national space agency initiatives and interplanetary missions, while Saudi Arabia is rapidly expanding its capabilities. Other GCC states remain relatively dependent on external partners in this field.

Across all domains, a clear pattern of asymmetry emerges, with maritime security representing the most mature area, cyber and critical infrastructure cooperation occupying a semi-institutionalised middle ground, and space security remaining largely experimental and emergent. This unevenness illustrates the domain-specific nature of EU–GCC security relations rather than a uniform partnership structure.

The UAE and Saudi Arabia function as “anchor partners” across all four domains, consistently acting as the EU’s primary operational and technological interlocutors in the Gulf. Their leadership reflects both capability advantages and strategic positioning within regional security architectures.

The EU’s overall approach can be characterised as selective functionalism, whereby cooperation is organised through issue-specific partnerships, technical dialogues, and crisis-driven engagement rather than a comprehensive security agreement. This model aligns with the EU’s broader preference for flexible, non-binding security partnerships.

Ultimately, the strongest convergence between the EU and GCC states is found in maritime security, followed by rapidly institutionalising cyber defence cooperation, growing emphasis on critical infrastructure resilience framed through hybrid security logic, and an emerging but strategically significant space and satellite security dimension.

Limitations and structural constraints

Despite these areas of engagement, Europe’s role in Gulf security is constrained by several structural factors. Unlike the United States, Europe does not operate a unified defense posture in the region. Security engagement is fragmented across national policies, EU initiatives, and ad hoc coalitions. This limits Europe’s ability to act as a single strategic actor and can reduce its influence compared to other external powers.

Additionally, European states often face competing priorities. Relations with Gulf countries are shaped not only by security interests but also by trade, migration, and human rights concerns. These issues sometimes lead to diplomatic friction, particularly when European governments criticize Gulf domestic policies or regional military actions. As a result, Europe’s approach is often characterized by cautious engagement rather than assertive strategic alignment.

Opportunities for deepening partnerships

Despite these constraints, there are significant opportunities to deepen Europe–Gulf security cooperation.

1. Institutionalizing EU–GCC security frameworks

A major opportunity lies in strengthening structured cooperation between the European Union and the Gulf Cooperation Council. While economic relations are relatively well developed, security cooperation remains fragmented. Establishing regularized security dialogues, joint working groups on emerging threats, and annual ministerial-level security forums could enhance predictability and trust.

2. Expanding maritime security collaboration

Given the continued strategic importance of Gulf waterways, there is strong potential for expanded joint maritime patrols, information-sharing systems, and coordinated response mechanisms for incidents at sea. Europe’s naval experience, combined with Gulf states’ geographic proximity and capabilities, creates opportunities for integrated maritime domain awareness networks.

3. Cybersecurity and digital resilience partnerships

Cyber threats represent one of the fastest-growing risks to both Europe and the Gulf. Deepening cooperation could include joint cyber exercises, shared threat intelligence platforms, and harmonization of cybersecurity standards. Europe could also support Gulf states in building regulatory frameworks aligned with international best practices, particularly in protecting critical infrastructure such as energy grids, ports, and financial systems.

4. Energy transition security cooperation

As both regions navigate the global energy transition, there is scope for a new form of energy-security partnership. Europe's technological innovation in renewable energy and Gulf investments in diversification strategies align in areas such as hydrogen production, carbon capture, and grid modernization. Treating energy transition as a security issue—rather than solely an economic one—could elevate cooperation to a strategic level.

5. Conflict prevention and diplomatic coordination

Europe can deepen its role as a diplomatic bridge in regional tensions involving Gulf states and neighboring actors. Enhanced coordination on conflict prevention, early warning mechanisms, and multilateral negotiation platforms could help reduce escalation risks. This includes sustained engagement on Yemen, Iran-related tensions, and Red Sea security challenges.

6. Training, capacity building, and interoperability

Expanding joint military training programs, officer exchanges, and defense education initiatives would strengthen interoperability between European and Gulf forces. Such cooperation builds long-term institutional relationships and enhances mutual understanding of operational doctrines, crisis management approaches, and rules of engagement.

Summary

Europe's role in Gulf security cooperation is best understood as that of a diversified security partner: not a dominant military guarantor, but a diplomatic actor, maritime contributor, technological partner, and regulatory influence. Through the European Union and its member states, Europe contributes to stability in a region that remains vital to global security architecture. However, its influence is limited by institutional fragmentation and competing policy priorities.

The future of Europe–Gulf security cooperation will likely depend on the ability to move beyond ad hoc engagement toward more structured, forward-looking partnerships. By deepening collaboration in maritime security, cybersecurity, energy transition, and institutional dialogue with the Gulf Cooperation Council, Europe can enhance its strategic relevance while contributing meaningfully to regional stability in an increasingly complex geopolitical environment.

Towards an UAE-EU Security and Defense Partnership

The European Union's approach to security and defence partnerships is built around flexible, non-binding frameworks known as Security and Defence Partnerships (SDPs). These arrangements are designed to deepen cooperation with like-minded states on crisis management, cyber defence, maritime security, counterterrorism, and resilience against hybrid threats. Rather than replacing NATO or national defence policies, they complement existing structures by enabling structured dialogue and joint initiatives .

When comparing the EU's partnerships across key actors—such as the United Kingdom, Canada, Japan, and Gulf Cooperation Council (GCC) states—the differences lie in **strategic depth, operational integration, and geopolitical purpose**.

Table EU Security and Defence Partnerships

Dimension	UK–EU	Canada–EU	Japan–EU	GCC–EU (framework)
Strategic orientation	Post-Brexit European security re-alignment	Transatlantic-like trusted partner	Indo-Pacific stability partner	Regional stability & energy security partner
Core focus areas	Ukraine, maritime security, cyber, hybrid threats	Arctic security, cyber, space, Ukraine support	Maritime security, cyber, non-proliferation	Maritime security, counterterrorism, energy routes
Institutional depth	High (regular structured dialogue, broad agenda)	High (aligned with NATO interoperability)	Medium-high (rules-based order cooperation)	Medium (EU-GCC dialogue, less institutionalized)
Operational cooperation	Potential access to EU defence tools (e.g., SAFE discussions)	Participation in EU missions and joint crisis management	Limited operational but strong policy coordination	Limited operational cooperation, mostly dialogue-based
Political alignment	High on Russia/Ukraine, mixed on industrial policy	High alignment with EU/NATO positions	High alignment on maritime rules and China balance	Mixed alignment; pragmatic, interest-based
Integration level	Deepest non-EU European partner	Strong transatlantic-style partner	Strategic but geographically distant	Emerging, politically sensitive, less institutionalized

Key comparative insights

1. The UK: closest “embedded” security partner outside the EU

The UK–EU Security and Defence Partnership is the most advanced example of EU external defence cooperation. It reflects shared threats such as Russia’s war in Ukraine, cyberattacks, and hybrid warfare. It also opens the possibility of UK participation in EU defence industrial tools, making it semi-operational in nature. This partnership is less about geopolitics and more about **functional European security interdependence**.

2. Canada: transatlantic alignment with global reach

Canada’s partnership resembles a NATO-adjacent extension of EU security policy. It is highly aligned in values and operational priorities, including Ukraine support, Arctic security, cyber resilience, and space security. It acts as a bridge between European and North American security ecosystems.

3. Japan: Indo-Pacific systemic partner

The EU–Japan partnership reflects a shared commitment to the rules-based international order in the Indo-Pacific. It focuses on maritime security, cyber issues, and non-proliferation. Unlike the UK or Canada, Japan’s distance limits operational cooperation, making it more **strategic-diplomatic than military-operational**.

4. GCC: pragmatic regional stability partner

EU engagement with Gulf states (through broader EU–GCC frameworks) is driven by **energy security, maritime stability in the Strait of Hormuz, counterterrorism, and regional de-escalation**. However, cooperation is less institutionalized and more politically sensitive due to divergent views on governance, regional conflicts, and human rights. It is therefore the least integrated of the four categories.

Overall comparison

Across all partnerships, the EU applies a **modular model**: it standardizes thematic cooperation (cyber, maritime, hybrid threats) while adjusting political depth depending on trust and geopolitical alignment.

- **Highest integration:** UK (closest operational and policy alignment)
- **Strong systemic partners:** Canada and Japan (rules-based, global security focus)
- **Most pragmatic/limited integration:** GCC (stability and energy-driven cooperation)

EU security and defence partnerships reflect a strategic evolution from fragmented bilateral relations to a **networked security architecture**. The key differentiator among partners is not the policy areas themselves—since they are broadly similar—but the **depth of operational cooperation and political trust**. The EU is increasingly positioning itself as a “connector power,” linking regional security architectures through tailored partnerships rather than uniform alliances.

Implications:

An EU–UAE Security and Defence Partnership would represent a shift from largely informal EU–GCC security dialogue toward a more structured, institutionalised but still non-binding framework. It would formalise regular consultations, thematic working groups, and coordinated engagement on issues such as maritime security, counterterrorism, cyber defence, and regional crisis management.

Institutionally, it would sit at a **medium level of depth**—more advanced than general EU–GCC cooperation but less integrated than EU partnerships with countries like the UK or Canada. Operational cooperation would likely remain limited, especially in hard military integration, but could expand in practical areas such as maritime domain awareness, intelligence sharing, and cyber resilience.

Politically, the relationship would remain **pragmatic and interest-driven**, with only partial alignment. Shared priorities include regional stability and secure trade routes, but divergences would persist on issues like regional conflicts, relations with Iran and China, and governance standards.

For the UAE, the partnership would enhance access to European expertise, strengthen its role as a regional security hub, and diversify its strategic partnerships beyond the United States. For the EU, it would extend its influence in the Gulf and reinforce its model of networked security partnerships. Overall, it would deepen cooperation without creating alliance obligations.

It could increase EU leverage on governance issues, but also risk political friction. Strategically, the SDP would reinforce Europe’s role as a balancing power in Gulf security while deepening UAE integration into European security architectures in a selective interest-driven manner overall pending the normalisation of EU’s links with Iran, Irak and the evolving nature of links with the KSA, with whom UAE competes in several domains such as regional leadership in GCC security architecture, defense-industrial development, energy transition strategy, and emerging technologies (including cyber and space capabilities), while also maintaining selective cooperation in areas like maritime security and counterterrorism. . UAE and KSA also supports varying parties in Yemen, but they could unite around the end state such as stable tribal coalition and the administrative set-up and pledge to engage in constructive diplomacy in the region on this basis in order to prevent Iran from playing fast and loose on the cheap with the differences overthere.

During the recent meeting between Kaja Kallas and the UAE FM, consensus emerged on reinforced engagement on Lebanon and Iraq. This is important since it signals a shift from general dialogue to issue-specific geopolitical coordination between the European Union and the United Arab Emirates, dovetailing with the GCC-EU Summit declaration.

Reinforced engagement on **Lebanon and Iraq** matters for several reasons:

First, it shows convergence on regional stabilisation priorities. Both the EU and UAE have strong interests in preventing state collapse, managing economic crises, and limiting escalation involving non-state armed actors in these countries.

Second, it reflects a move toward pragmatic burden-sharing in Middle Eastern diplomacy. The EU brings economic assistance, governance support, and sanctions leverage, while the UAE brings regional influence, political access, and mediation channels with key actors.

Third, it indicates that EU–UAE cooperation is becoming more operational and coordinated, not just declaratory. Lebanon and Iraq are complex environments where external actors often act in parallel; alignment reduces duplication and increases effectiveness.

Finally, it strengthens the logic of a future EU–UAE Security and Defence Partnership-style framework, because it demonstrates that both sides can align on specific regional files beyond broad principles.

Figure 12 Managers ensure things get done. Leaders inspire people to achieve them5.,-



Overall, this kind of coordination is a meaningful step toward deeper strategic partnership grounded in shared regional interests rather than formal alliance structures.

The UAE will also participate in the upcoming ad hoc liaison summit on PNA led by the EU and Norway, and hosts the Abrahamic Family House, that could tune into the production of much needed educational awareness initiatives and learning material, complementary to both the third volet of the pact for the Mediterranean and the implementation of the article 9(3) of the Jordan Israel peace agreement, in itself cognate with the triple peace making, security and commercial nature of the Abraham accords.

The UAE also holds a good many Farsi speakers some more occult than others, that could be leveraged in a sequenced manner based on development of trade promotion on the Arab peninsula and cross-strait relations, once we are there.

The EU welcomes the UAE's role as a major issuer of Euro-denominated green bonds, as this can be leveraged towards strengthening EU–UAE financial interdependence in sustainable finance, advancing alignment on climate transition frameworks, and deepening integration of ESG standards within Gulf capital markets. It also provides a channel for enhancing EU influence over green taxonomy practices and fostering long-term investment cooperation in energy transition and low-carbon infrastructure.

The UAE can position itself as a **critical logistics and connectivity hub** on the proposed India–Middle East–Europe Economic Corridor (IMEC), acting as a strategic “way station” between the EU and India. This role enhances Abu Dhabi's geoeconomic diplomacy by allowing it to leverage its ports, free zones, and advanced infrastructure to facilitate trade flows, investment, and digital connectivity along the corridor. By embedding itself in IMEC, the UAE can strengthen its bargaining power with both European and Asian partners, attract higher-value supply chains, and reinforce its status as a global transshipment and re-export hub. It also enables the Emirates to diversify beyond hydrocarbons by anchoring growth in logistics, green energy corridors, and digital trade networks. Ultimately, this connectivity role supports Abu Dhabi's broader strategy of positioning itself as an indispensable intermediary in emerging Eurasian economic and strategic linkages.

Oddly enough and contrary to the Turkish, Singaporean and Danish experience, no Hormuz strait treaty are extant, something that it would take time to negotiate but dovetails both with post-conflict deconfliction and how other maritime regions manage their complex interdependence.

Thus it is spoken among the envoys and scribes of distant courts, that concerns have arisen regarding the flow of wealth across the lands, wherein certain networks—said by some to be linked to Afghan criminal actors—are alleged to move and conceal riches through financial houses in the Emirati cities. And it is further reported in whispered dispatches that individuals of illicit standing have found residence or refuge within the Emirates, where commerce and mobility are great.

These matters, whether fully known or only partially seen through the haze of distant intelligence, have begun to trouble the minds of those in the courts of Anatolia and among the councils of the European realms. For they fear that such networks, if indeed they are interconnected, may extend their threads toward syndicates seated within the lands of the European Union itself.

Yet the truth of these things remains divided between report and verification, for the scribes do not all speak with one voice, nor do all seals bear the same certainty. Still, the concern endures, that where financial waters are deep and borders of commerce are open, the mingling of lawful trade and unlawful exchange may be difficult to discern.

And so the kings and their ministers watch closely, lest the weaving of such hidden ties grow beyond the reach of oversight and law.

DISCUSSION AND ANALYSIS

The UAE–EU relationship demonstrates the complexity of contemporary international relations, where economic interests, strategic calculations, and identity considerations interact to shape patterns of cooperation. Previous chapters have examined the relationship through three analytical perspectives: political economy, international relations theory, and identity analysis. This chapter brings these perspectives together to provide a broader interpretation of why the UAE and EU cooperate, how the relationship has evolved, and what challenges may influence its future development.

The central argument of this chapter is that UAE–EU relations cannot be explained through a single analytical framework. Economic interdependence provides the material foundation of the partnership, strategic interests explain cooperation in security and global affairs, and identity analysis explains how both actors seek recognition and legitimacy within the international system. The relationship is therefore neither purely transactional nor purely value-based. Instead, it represents a negotiated partnership shaped by overlapping interests, strategic adaptation, and competing political identities.

Interconnection Between Political Economy, Power, and Identity

The UAE–EU relationship illustrates the interconnected nature of economic power, geopolitical strategy, and identity construction. These dimensions are not separate areas of analysis but mutually reinforcing elements that shape how both actors engage with one another.

From a political economy perspective, economic relations provide the foundation for cooperation. Trade, investment, energy partnerships, financial flows, and technological exchange create mutual benefits that encourage continued engagement. The UAE's transformation into a global economic hub has increased its importance as a partner for Europe, while European markets, technologies, and investment capabilities remain valuable for the UAE's development objectives.

However, economic relations also function as instruments of power. The UAE's sovereign wealth funds, international investments, and energy resources provide it with economic influence beyond its geographical size. Investment partnerships with European states demonstrate how financial resources can be converted into diplomatic relationships and international influence. Similarly, the EU's regulatory power, technological capabilities, and market access provide important forms of influence in shaping economic interactions.

This demonstrates that economic interdependence is not simply a relationship of mutual benefit but also a relationship involving power and strategic positioning. Both actors use economic relationships to advance broader political objectives.

Identity further strengthens this relationship by shaping how both actors understand their roles in international affairs. The UAE's identity as a modernizing, innovative, and globally engaged state supports its efforts to attract investment and build diplomatic partnerships. Economic achievements are therefore not only material outcomes but also part of a broader strategy of international recognition.

The EU's identity as a normative and multilateral actor similarly influences its engagement with the UAE. European cooperation is shaped by both strategic interests and expectations regarding governance, sustainability, and international norms. As a result, the partnership involves continuous negotiation between different understandings of legitimacy and international responsibility.

The interaction between political economy, power, and identity demonstrates that UAE–EU relations are best understood as a multidimensional partnership. Economic interests create opportunities for cooperation, strategic considerations determine areas of alignment, and identity influences how cooperation is justified and contested.

Explaining Cooperation Despite Political Differences

One of the central questions in UAE–EU relations is why cooperation continues despite significant differences in political systems, governance approaches, and normative priorities. Traditional international relations theories provide different explanations for this phenomenon.

From a realist perspective, cooperation occurs because both actors identify strategic interests that outweigh political differences. The UAE and EU share concerns regarding energy security, regional stability, maritime security, economic development, and global market access. These common interests create incentives for cooperation even when political disagreements exist.

Realism therefore explains why the UAE and EU maintain engagement despite differences over human rights, governance, and regional issues. States are primarily concerned with protecting interests and maintaining influence, meaning cooperation can continue without complete political agreement.

Liberal institutionalism provides another explanation by emphasizing the role of economic interdependence and institutional cooperation. The extensive trade, investment, and diplomatic links between the UAE and EU create

mutual dependence that reduces incentives for confrontation. Regular dialogue, economic partnerships, and cooperation in areas such as climate change and technology provide mechanisms for managing disagreements.

However, neither realism nor liberalism fully explains the durability of the relationship. Economic interests and strategic calculations alone do not explain why both actors invest in developing a positive international image of the partnership. Identity analysis provides additional insight by showing that cooperation also reflects shared aspirations for global recognition and influence.

The UAE seeks recognition as a responsible international actor capable of contributing to global challenges. The EU seeks partnerships that support its broader international role as a promoter of cooperation and sustainable development. These overlapping identity objectives create space for cooperation despite political differences.

Therefore, UAE–EU cooperation persists because the relationship satisfies multiple objectives simultaneously. It provides economic benefits, supports strategic interests, and contributes to the international legitimacy of both actors.

The Changing Nature of UAE–EU Partnership

The UAE–EU partnership has evolved significantly from a relationship primarily focused on energy and trade into a broader strategic partnership involving technology, sustainability, security, and global governance.

Historically, energy cooperation represented the central pillar of relations. European economies valued the UAE as a reliable energy partner, while the UAE benefited from European markets and technological expertise. However, global transformations, including climate change, technological competition, and shifts in international power structures, have expanded the scope of cooperation.

One major transformation has been the emergence of renewable energy and sustainability as areas of strategic cooperation. The energy relationship is no longer defined only by oil and gas but increasingly includes clean energy, hydrogen development, carbon reduction, and climate technologies. This reflects a broader attempt by both actors to adapt to changing global economic conditions.

A second transformation involves technology and innovation. The UAE has increasingly positioned itself as a technology-oriented economy, investing in artificial intelligence, digital infrastructure, space exploration, and advanced industries. European expertise in research, regulation, and industrial technology creates opportunities for deeper cooperation.

A third transformation concerns global governance. The UAE has become more active in international institutions and diplomatic initiatives, while the EU seeks partnerships with influential regional actors. Cooperation in areas such as climate diplomacy, humanitarian assistance, and sustainable development reflects a broader expansion of the relationship beyond traditional economic concerns.

However, the changing nature of the partnership also creates new challenges. As cooperation expands into politically sensitive areas such as technology governance, security, and global regulation, differences in values and strategic priorities may become more visible.

The future UAE–EU relationship will therefore depend on whether both actors can transform economic cooperation into a deeper strategic partnership while managing political differences.

Challenges to Long-Term Strategic Cooperation

Despite the strength of UAE–EU relations, several challenges may influence the long-term sustainability of the partnership.

The first challenge concerns differences in political values and governance models. The EU's emphasis on human rights, political accountability, and regulatory standards can create tensions with the UAE's emphasis on sovereignty, stability, and domestic policy independence. These differences may limit deeper political

cooperation, particularly in areas where European institutions seek stronger alignment with their normative principles.

The second challenge involves energy transition. While both actors increasingly cooperate on sustainability, their approaches to energy transformation differ. The EU generally seeks rapid decarbonization and reduced dependence on fossil fuels, while the UAE continues to view hydrocarbons as an important component of economic security. Managing this difference will be essential for maintaining cooperation.

The third challenge concerns economic dependency. The UAE's reliance on foreign investment, international expertise, and expatriate labor creates vulnerabilities that may affect economic resilience. While global openness has contributed significantly to UAE development, external shocks such as financial crises, geopolitical tensions, or changes in investment patterns could create instability.

The fourth challenge relates to geopolitical competition. The UAE's expanding relationships with China, Russia, India, and other emerging powers create opportunities but also introduce complexities in its relationship with Europe. As global competition increases, the EU may seek clearer strategic alignment, while the UAE is likely to continue pursuing flexible partnerships.

The fifth challenge concerns differences in expectations regarding international norms. The EU often views partnerships through a normative framework, while the UAE emphasizes practical cooperation and respect for sovereignty. Managing this difference will require continued dialogue and compromise.

These challenges do not necessarily threaten the relationship but demonstrate that future cooperation will depend on the ability of both actors to manage differences while expanding areas of mutual interest.

Implications for International Relations Theory

The UAE–EU relationship provides important implications for international relations theory because it challenges simple explanations based on either power competition or institutional cooperation.

First, the relationship demonstrates the continued relevance of realism. Strategic interests remain central to explaining cooperation. Security concerns, energy considerations, and geopolitical competition influence the decisions of both actors. The UAE's pursuit of strategic autonomy and diversified partnerships reflects realist assumptions regarding state behavior in an uncertain international system.

However, realism alone provides an incomplete explanation. The UAE–EU relationship also demonstrates the importance of liberal approaches. Economic interdependence, institutional cooperation, and repeated engagement create incentives for collaboration despite political differences. Trade and investment relations show how economic connections can support stable partnerships.

At the same time, the relationship highlights the importance of constructivist approaches. Identity, norms, and international recognition significantly influence how both actors engage with each other. The UAE's efforts to construct an image of modernization and responsible global participation and the EU's emphasis on normative influence demonstrate that international politics involves competition over legitimacy as well as material interests.

The case therefore supports a more integrated theoretical approach. Contemporary international relations cannot be fully explained through power politics, economic cooperation, or identity alone. Instead, states operate within complex environments where material interests, strategic calculations, and social meanings interact.

The UAE–EU relationship also contributes to debates regarding middle powers and small states in international politics. The UAE demonstrates how states with limited demographic size can achieve international influence through economic resources, strategic partnerships, and identity-building strategies. This challenges traditional assumptions that global influence depends primarily on military capabilities or population size.

Finally, the relationship highlights the changing nature of global order. As international politics becomes increasingly multipolar, states are developing flexible partnerships that combine cooperation and competition.

UAE–EU relations reflect this broader transformation, where actors seek multiple partnerships rather than exclusive alliances.

Summary

The UAE–EU partnership illustrates the complexity of contemporary international relations by demonstrating how economic interests, strategic objectives, and identity considerations interact. Political economy explains the material foundations of cooperation, international relations theory explains strategic behavior, and identity analysis explains how both actors seek legitimacy and recognition.

The relationship has developed from a traditional economic partnership into a broader strategic engagement involving energy transition, technology, sustainability, and global governance. However, challenges remain regarding political values, sovereignty, economic vulnerability, and geopolitical competition.

The future of UAE–EU relations will depend on the ability of both actors to maintain cooperation while managing differences. More broadly, the case demonstrates that international partnerships in the twenty-first century are increasingly shaped by complex interdependence, where states pursue cooperation not because they share identical values, but because they recognize mutual interests within a changing global order.

THE VULNERABILITIES OF THE UAE’S SECURITY AND ECONOMIC MODEL AND THE ROLE OF STRATEGIC PARTNERSHIPS WITH THE EU AND GCC

The development trajectory of the United Arab Emirates has often been framed as a model of rapid modernization, economic diversification, and political stability within a volatile regional environment. Its transformation from a hydrocarbon-dependent federation into a globally integrated hub for finance, trade, tourism, and logistics has been underpinned by a combination of strategic governance, openness to foreign capital, and reliance on external security guarantees. Despite these achievements, the UAE’s model is not without structural vulnerabilities. These vulnerabilities are not necessarily indicative of imminent instability; rather, they represent embedded risks that become more pronounced during periods of geopolitical uncertainty, global economic disruption, or environmental stress. Understanding these weaknesses is essential for evaluating how external partnerships, particularly through a structured Security and Development Partnership (SDP) with the European Union and the Gulf Cooperation Council, can contribute to enhancing resilience and long-term sustainability.

A central vulnerability in the UAE’s security architecture lies in its reliance on external defense guarantees, most notably from the United States. This reliance has historically provided the UAE with access to advanced military capabilities, intelligence cooperation, and a broader deterrence umbrella against regional threats. However, it also introduces a degree of strategic dependency that constrains autonomy. Shifts in U.S. foreign policy priorities, such as a reorientation toward the Indo-Pacific or a reduced appetite for deep engagement in Middle Eastern conflicts, generate uncertainty regarding the reliability and immediacy of such guarantees. This vulnerability is further compounded by persistent regional tensions, particularly involving Iran and its network of allied non-state actors, which have demonstrated the capacity to project asymmetric threats through missile and drone technologies. The UAE’s experience with such threats highlights the limits of even sophisticated defense systems when confronted with evolving forms of warfare.

Figure

UAE: VULNERABILITIES AND HOW TO REDUCE THEM THROUGH SDP WITH THE EU AND GCC

The UAE's model is open, globally connected and politically stable, but exposed to several structural vulnerabilities.



I. KEY VULNERABILITIES IN THE UAE'S SECURITY & ECONOMIC MODEL

1 HEAVY RELIANCE ON EXTERNAL SECURITY GUARANTEES  - Dependent on partners like the U.S. for defense and deterrence. - Vulnerable to shifts in U.S. priorities. - Regional threats from Iran and proxies remain a risk.	2 ECONOMIC DEPENDENCE ON GLOBAL FLOWS  - Reliant on trade, finance, tourism and aviation hubs (Emirates, Etihad Airways). - Exposed to global downturns, travel shocks and shipping route disruptions. - Sanctions pressure can affect the UAE's role as a neutral business hub.	3 EXPOSURE TO REGIONAL INSTABILITY  - Conflicts in Yemen and tensions in the Gulf can spill over. - Missile and drone attacks have reached UAE territory. - Stability depends on keeping conflicts at arm's length.	4 REAL ESTATE & FINANCIAL CYCLE RISK  - Economy, especially in Dubai, tied to property and investment cycles. - History of real estate booms and corrections. - Depends on continuous inflows of foreign capital and expatriates.	5 DEMOGRAPHIC IMBALANCE  - Expatriates are the overwhelming majority; nationals are a small minority. - Raises long-term questions on social cohesion, labor market sustainability and political stability.	6 CLIMATE & RESOURCE CONSTRAINTS  - Extreme heat and water scarcity. - Heavy reliance on energy-intensive desalination. - Vulnerable to climate change impacts.	7 BALANCING ACT IN FOREIGN POLICY  - Maintaining relations with the U.S., China, Russia and regional actors. - Provides flexibility, but risks pressure from all sides during geopolitical polarization.
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II. REDUCING VULNERABILITIES THROUGH SDP WITH THE EU AND GCC

	 SDP WITH THE EU	 SDP WITH THE GCC	EVALUATION
1. SECURITY DIVERSIFICATION & STRATEGIC AUTONOMY 	 - Cooperation under the Common Security and Defence Policy (CSDP)  - Joint training, capacity-building and defense dialogues  - Intelligence sharing on terrorism, cyber and hybrid threats  - Maritime security cooperation in critical sea lanes	 - Strengthen GCC collective defense and early warning systems  - Improve military interoperability and joint exercises  - Coordinated response to missile, drone and maritime threats  - Build a stronger, integrated regional security architecture	REDUCES BUT DOES NOT ELIMINATE RISK  Diversification improves strategic autonomy, but EU military capacity is limited and GCC security integration remains challenging.
2. ECONOMIC RESILIENCE THROUGH DIVERSIFICATION & INTEGRATION 	 - Deepen trade and investment partnerships  - Cooperation in digital economy, AI, fintech and data governance  - Collaboration on green technologies, renewable energy and hydrogen  - Alignment on standards, sustainability and supply chain resilience	 - Advance GCC economic integration and customs cooperation  - Harmonize regulations and facilitate intra-Gulf trade  - Develop regional value chains in energy, logistics and manufacturing  - Create a larger, more resilient regional market	HIGH POTENTIAL IMPACT  EU offers access to technology, capital and markets. GCC integration can reduce dependence on volatile global flows and strengthen local value chains. Challenges: regulatory divergence and political sensitivities.
3. ADDRESSING NON-TRADITIONAL SECURITY RISKS 	 - Cooperation on renewable energy, energy efficiency and storage  - Water management, desalination innovation and efficiency  - Climate adaptation, early warning and disaster risk management  - Sustainable urban planning and resilient infrastructure	 - Joint GCC initiatives on food, water and energy security  - Regional grid interconnection and clean energy projects  - Collaborative R&D and technology deployment  - Shared standards for climate resilience and sustainability	VERY HIGH POTENTIAL  Strong alignment of interests and high implementation potential. Addresses long-term structural risks from climate and resource constraints.
4. GOVERNANCE, DEMOGRAPHICS & HUMAN CAPITAL 	 - Education partnerships and university collaborations  - Skills development and vocational training programs  - Labor market research and policy best practices  - Institutional capacity-building and digital government	 - GCC-wide skills certification and mobility frameworks  - Youth entrepreneurship and SME development  - Knowledge sharing on labor reforms and workforce planning  - Social development and community cohesion initiatives	MODERATE POTENTIAL  Technically feasible but politically sensitive. Reforms depend on domestic priorities and sovereignty considerations.
 CONCLUSION An SDP with the EU and GCC can significantly reduce key vulnerabilities in the UAE's security and economic model—especially in economic diversification and climate resilience. While it will not remove all risks, it will enhance resilience, strategic autonomy and long-term sustainability.	KEY TAKEAWAY  Reduce Risks →  Build Resilience →  Secure Long-Term Prosperity		

The Emirati state, having established itself through commerce, openness, and connection with nations beyond its borders, has attained a position of considerable prosperity and stability. Its cities, markets, and industries have grown through the arrival of foreign capital, knowledge, and labour, and its relations with distant powers have strengthened its influence throughout the region.

Yet these advantages have also produced certain vulnerabilities. For the same openness that brings wealth may expose a state to dangers arising from beyond its frontiers. The Emirates remain dependent to a significant degree upon external security arrangements, and their prosperity is affected by disturbances in international markets. Furthermore, instability among neighbouring powers, fluctuations in the value of property and construction, demographic imbalances, and pressures upon natural resources present challenges that require careful preparation.

Of particular importance is the necessity of maintaining equilibrium among the great powers. As rival nations increase their influence across the world, the Emirates must ensure that its alliances are numerous and balanced, so that its security does not rest upon the favour or protection of a single power.

For this reason, it is judged advantageous that stronger relations be established with both the European states and the neighbouring Gulf nations. Through cooperation with Europe, the Emirates may strengthen its capabilities in intelligence, maritime security, cybersecurity, and the administration of institutions. Through closer unity among the Gulf states, it may improve collective defence, coordinate responses to common threats, and establish greater regional security.

Nor is security alone sufficient for the preservation of the state. A nation's strength depends upon the endurance of its economy. Greater cooperation with European powers may increase commerce, investment, technological exchange, and cooperation in energy, allowing the Emirates to continue its movement beyond dependence upon traditional resources. At the same time, greater coordination among Gulf nations may encourage common standards, stronger regional markets, and the development of shared economic networks.

The challenges of the future shall not be limited to armies and borders. The state must also prepare for conflicts against scarcity, environmental pressures, and changing conditions of the natural world. In these matters, cooperation in renewable energy, climate adaptation, and resource management shall prove valuable. Likewise, the advancement of education, scientific research, and institutional knowledge shall strengthen the foundations upon which future prosperity depends.

It is therefore concluded that alliances with Europe and deeper unity within the Gulf shall not remove every danger that may arise, for the fortunes of states are always subject to uncertainty. Nevertheless, by diversifying its partnerships, strengthening its institutions, and preparing for economic and environmental challenges, the Emirates may increase its ability to withstand adversity.

Thus, the preservation of the state shall depend not only upon the wealth it has acquired, but upon the wisdom with which it prepares for what is yet to come.

The Iranian Diaspora

The UAE is pursuing a careful strategy toward Iran by combining diplomacy with strong security partnerships. It maintains close ties with the United States and Israel to strengthen its defense. At the same time, it has improved diplomatic and economic relations with Iran. The UAE wants to reduce the risk of conflict because regional stability is important for its economy. Trade, investment, tourism, and shipping all depend on peaceful relations. By keeping good relations with both sides, the UAE avoids taking a completely confrontational approach. This balanced strategy allows the country to protect its national interests while maintaining regional influence. Overall, the UAE's approach is a strategic effort to balance security, diplomacy, and economic growth.

The Iranian Diaspora includes recent expatriates, long-established Gulf trading families, Arabic-speaking Iranians from the southern coast, Persian-speaking professionals, entrepreneurs, and Emiratis with Iranian ancestry. Their identities are often layered: some feel connected to Iran through ancestry, language, or family history; others are deeply rooted in Arab Gulf culture and see the UAE as their primary social and economic home.

At the heart of their concerns is the question of belonging. Many Iranian-origin residents value the UAE because it offers security, economic opportunity, and a cosmopolitan environment. Their priorities are often practical: stable residency arrangements, confidence in the legal and financial system, the ability to conduct business freely, and the assurance that professional opportunities are determined by ability rather than background. For families who have lived in the Emirates for generations, the issue is not simply residence but recognition: the desire to be regarded as contributors to the country's history and development rather than as a community permanently viewed through the lens of foreign origin.

Identity is another important dimension. The Gulf has always been a region of movement, trade, and cultural exchange, and many Iranian-origin families have histories that predate the modern borders of today's states. Some speak Arabic as their first language, some speak Persian, and many move naturally between both cultural worlds.

Arabic names are common among Iranians because of shared Islamic traditions, while Persian names and Gulf Arab names may also coexist within the same family. These identities do not always fit neatly into categories of “Iranian” or “Arab”; they often represent a mixture of histories shaped by the Gulf itself.

The greatest tension affecting this community comes from regional geopolitics. Relations between Iran and Gulf Arab states have frequently been shaped by rivalry, security concerns, and competing political interests. Governments have legitimate responsibilities to protect national security, particularly in a region where conflicts and external influence are persistent concerns. However, when geopolitical tensions influence perceptions of entire communities, ordinary citizens and residents may feel that they are being judged through circumstances beyond their control.

A central challenge is therefore finding the balance between security and inclusion. A state must be able to address genuine risks, including foreign interference or unlawful activity, but effective security policies are strongest when they focus on conduct rather than ancestry, ethnicity, or cultural identity. Broad suspicion can weaken social trust, while fair and transparent institutions strengthen loyalty and stability.

The question of integration is equally important. Integration does not require people to abandon their heritage; rather, it requires creating a shared civic framework in which different backgrounds can contribute to a common national project. A confident state does not need cultural uniformity to maintain unity. It can allow communities to preserve languages, traditions, and histories while affirming their commitment to the country in which they live.

For the UAE, a more developed model of accommodation could involve a stronger recognition of the many communities that have contributed to the Gulf’s economic and cultural life. Iranian merchants, sailors, craftsmen, professionals, and entrepreneurs have long been part of the region’s story, just as Arab, South Asian, African, and other communities have shaped the Emirates. Recognizing this history would not diminish Emirati identity; it would reinforce the idea of the UAE as a successful trading society built on connection and exchange.

Of course, periods of war and heightened regional tension can raise legitimate concerns about the loyalty and political affiliations of diaspora communities, particularly when their country of origin is involved in confrontation with their adopted state. Governments have a duty to protect national security and remain vigilant against attempts by foreign actors to exploit social, economic, or familial networks for political purposes.

Iran, like other states seeking influence abroad, has at times relied on informal networks, intermediaries, and covert channels to advance its interests beyond its borders. Such practices can create suspicion and place additional pressure on diaspora communities, many of whom may have no connection to political activities and simply seek to live, work, and contribute peacefully in their adopted country.

The challenge for the UAE is therefore to distinguish between genuine security threats and ordinary members of a diverse community. Effective counter-influence policies should focus on evidence, unlawful conduct, and specific actors rather than broad assumptions based on nationality, ethnicity, or heritage. Maintaining this distinction is essential to preserving both security and social cohesion.

A confident state can protect itself while also ensuring that loyal residents are not treated as representatives of foreign governments. By combining vigilance with fairness, the UAE can strengthen trust among all communities and demonstrate that national unity is built not on suspicion, but on shared responsibility and commitment to the country’s future.

Greater trust could also be encouraged through clear and predictable policies affecting residency, business activity, financial access, and civic participation. When residents understand the rules and feel that they are treated according to their actions rather than their origins, they are more likely to develop a deeper sense of attachment to the country.

Ultimately, the UAE faces the same question that many successful multicultural societies face: how to preserve national security while allowing diverse communities to feel invested in the country’s future. The strongest answer is not to demand that people choose between their heritage and their present home, but to create a civic

identity in which different histories can exist alongside a shared commitment to the UAE.

When Iran recommends the UAE to gain self-confidence through trade promotion on the Arab peninsula before returning to the GCC+1 format provided Yemen is stable and Iraq free and independent, this very much reflects both the purpose of the GCC, the make-up of the UAE and a shared trading identity among the Gulfis.

UAE-EU and Gulfi relations overall

The relationship between the United Arab Emirates (UAE) and the European Union (EU) represents one of the most dynamic Gulf-European partnerships, combining economic interdependence, strategic dialogue, and cooperation on emerging global challenges. Compared with other Gulf-European relationships, the UAE-EU partnership is distinctive due to the breadth and diversity of its cooperation across energy, trade, technology, climate action, and security. While the EU maintains important partnerships with other Gulf states, such as Saudi Arabia, Qatar, Oman, Kuwait, and Bahrain, each relationship reflects different strategic priorities and levels of engagement.

The EU's partnership with Saudi Arabia is heavily influenced by the Kingdom's political weight, energy resources, and role in regional security, particularly through initiatives connected to its Vision 2030 reform agenda. However, cooperation with Saudi Arabia often faces greater challenges due to differences over human rights, governance issues, and regional policies. In contrast, the UAE has positioned itself as a more commercially oriented and internationally connected partner, allowing for broader cooperation in areas such as renewable energy, investment, and technological innovation.

The EU's relationship with Qatar has become increasingly significant due to Qatar's role as a major natural gas supplier, especially following Europe's efforts to diversify energy sources. Unlike the UAE, Qatar's partnership with Europe is more concentrated around energy security and diplomatic mediation, particularly because of its role in regional dialogue and conflict resolution. The UAE, however, offers a wider partnership model that combines energy cooperation with investment, logistics, artificial intelligence, space technology, and climate initiatives.

Relations between the EU and Oman are characterized by political stability, diplomatic neutrality, and cooperation in areas such as trade and regional mediation. Oman's cautious foreign policy and emphasis on dialogue make it a valuable partner for Europe, but its smaller economy and limited global investment capacity restrict the scale of cooperation compared with the UAE. Similarly, Kuwait's partnership with Europe benefits from strong economic ties and shared interests in regional security, yet it remains more focused on traditional energy and financial cooperation.

The UAE distinguishes itself through its ambition to become a global hub linking Europe, Asia, and the Middle East. Its strategic investments in infrastructure, ports, renewable energy, and advanced technologies have strengthened its relevance to European economic and security interests. Furthermore, the UAE's ability to engage simultaneously with Western powers, China, and other global actors gives it a unique position within Gulf-European relations.

Nevertheless, the UAE-EU partnership is not without challenges. Like other Gulf-European relationships, it is affected by debates surrounding human rights, political freedoms, labor conditions, and differing approaches to regional conflicts. The EU's emphasis on democratic values and regulatory standards can sometimes conflict with the UAE's focus on sovereignty, stability, and economic development.

Despite these tensions, UAE-EU cooperation has demonstrated considerable resilience and effectiveness because it is built on mutual strategic interests rather than political alignment alone. While partnerships with Saudi Arabia, Qatar, Oman, Kuwait, and Bahrain each provide important benefits to Europe, the UAE offers one of the most comprehensive models of Gulf-European cooperation. Its combination of economic strength, diplomatic flexibility, technological ambition, and commitment to international engagement makes the UAE a particularly influential partner for the European Union. Ultimately, the UAE-EU relationship illustrates how pragmatic cooperation can bridge political differences and create a partnership capable of adapting to changing global conditions.

Figure



The UAE-EU partnership stands out among Gulf relationships for its scope and adaptability. It extends beyond energy into technology, climate action, and security, reflecting the UAE's diversified economy and global outlook. While Saudi Arabia's ties with Europe are shaped by oil and regional influence, and Qatar's by gas and mediation, the UAE offers a broader, commercially driven model anchored in innovation and connectivity. Its ports and logistics networks link Europe to Asia and Africa, reinforcing maritime and air navigation routes vital to EU trade. Oman and Kuwait maintain stable but smaller partnerships, focused on dialogue and traditional sectors. The UAE's diplomatic flexibility and reformist image ease engagement with EU standards, even amid differing views on governance and rights. This multidimensional cooperation strengthens shared interests in maritime safety and green shipping, positioning the UAE as a pivotal node in Europe's navigation strategy across the Gulf and beyond.

Thus, the evolving EU-UAE trading relationship tend to increase rather than lessen the EU's consciousness about the importance of chokepoints to its economy, since trade is passing through the Gulf, the Red Sea, Bosphorous and Gibraltar straits.

The security provided by the safe passage framework and the convention on maritime security+ the Omani-Iranian joint protocol combined with stabilisation projects in say, with the Marsh Arabs, the border regions of Kuwait-KSA, on the Musandam peninsula, in southern Oman and the Jizan will serve to calm down those pressed

to begin on a new normal.

The EU's Middle East Strategy will likely be organized around the four sub-regions – mashrek, levant, red sea and the gulf – in cooperation with Uma and LAS pending the restoration of European leadership towards a single policy framework. The overall priority is to create an area of peace, stability and prosperity followed decadal neglect and to claw back markets shares from China to achieve tripling of EU markets shares, comparable to the ones by the US in latam and China in South East Asian, something the US and Israel respects. This also comprises infrastructure projects and a trade promotion package, as things overthere get sorted.

The Economic Model

The UAE's economic model presents a second cluster of vulnerabilities rooted in its deep integration into global economic flows. While diversification efforts have reduced the relative contribution of hydrocarbons to gross domestic product, the economy remains heavily dependent on sectors such as aviation, tourism, real estate, and financial services. These sectors are inherently sensitive to external shocks. The global disruption caused by the COVID-19 pandemic illustrated how quickly international travel restrictions and reduced economic activity could affect revenue streams, particularly for major national carriers such as Emirates and Etihad Airways. Similarly, disruptions to global supply chains or maritime trade routes have direct implications for the UAE's role as a logistics hub. The openness that underpins economic success thus simultaneously exposes the country to volatility originating beyond its borders.

A related dimension of economic vulnerability is the cyclical nature of real estate and financial markets, especially in Dubai. The emirate's development model relies heavily on continuous inflows of foreign investment and expatriate populations, both of which are sensitive to global economic conditions and investor confidence. Periods of rapid expansion have historically been followed by corrections, revealing structural imbalances and the risks associated with speculative investment. Although regulatory reforms have improved oversight and stability, the underlying dependence on external capital flows remains a source of fragility.

Demographic structure constitutes another important vulnerability. The UAE's population is overwhelmingly composed of expatriates, who form the backbone of the labor force across sectors ranging from construction to high-skilled services. While this model provides flexibility and supports rapid economic growth, it also creates long-term challenges related to social cohesion, labor market sustainability, and human capital development. The limited size of the national population necessitates ongoing reliance on foreign labor, raising questions about resilience in the event of disruptions to migration flows or changes in global labor market dynamics. Moreover, the demographic imbalance complicates efforts to foster a deeply rooted national innovation ecosystem.

This infographic explains the main vulnerabilities in the United Arab Emirates (UAE) and how Strategic Development Partnerships (SDP) with the European Union (EU) and Gulf Cooperation Council (GCC) can help reduce them.

The UAE is an open, globally connected, and politically stable country, but it faces several structural security and economic risks. One major vulnerability is its heavy reliance on external security guarantees, particularly support from international partners such as the United States. Changes in regional politics or shifts in foreign defence commitments could affect the UAE's security environment.

Another challenge is the UAE's dependence on global economic flows, including trade, finance, tourism, aviation, and foreign investment. Global disruptions such as economic crises, shipping problems, or sanctions can significantly impact the country's economy. The UAE is also exposed to regional instability because conflicts in the Middle East can create security threats and economic uncertainty.

Real estate and financial cycle risks are important because the economy depends heavily on property markets and international capital inflows. Demographic imbalance is another concern, as expatriates make up the majority of the population while citizens remain a minority. This demographic structure can create long-term social, labour market, and sustainability challenges. Climate and resource constraints present additional risks due to extreme temperatures, water scarcity, and high energy demands. Climate change may further increase environmental and

economic pressures on the country. The UAE must also carefully balance its foreign policy relationships with major global and regional powers.

To address these vulnerabilities, the infographic recommends strengthening cooperation with both the EU and the GCC. Security diversification through joint defence projects, intelligence sharing, and regional security cooperation can improve resilience. Economic resilience can be enhanced through deeper trade, investment, digital economy partnerships, and clean-energy collaboration. Cooperation on renewable energy, desalination, climate adaptation, and disaster preparedness can help manage non-traditional security risks. Investments in education, workforce development, governance reforms, and digital government can strengthen human capital and institutions.

The evaluation section suggests that economic diversification and climate cooperation offer the highest potential benefits for the UAE. Overall, the infographic concludes that strategic partnerships with the EU and GCC can reduce risks, build resilience, and support the UAE's long-term prosperity and stability.

Environmental and resource constraints further compound these vulnerabilities. The UAE operates in a region characterized by extreme temperatures, limited freshwater resources, and high energy demands. Dependence on desalination for water supply introduces both financial and environmental costs, while climate change is expected to exacerbate existing pressures through rising temperatures and potential impacts on coastal infrastructure. These factors intersect with economic and security considerations, as resource scarcity and environmental stress can influence both domestic stability and regional dynamics.

Finally, the UAE's foreign policy strategy, which emphasizes pragmatic engagement with a wide range of global and regional actors, presents both strengths and risks. By maintaining relationships with major powers such as the United States, China, and Russia, the UAE has positioned itself as a flexible and adaptive actor in an increasingly multipolar world. However, this balancing act becomes more difficult as geopolitical competition intensifies. Divergent expectations and pressures from different partners can constrain policy choices and expose the UAE to diplomatic and economic risks.

In this context, the development of a structured Security and Development Partnership with the European Union and the Gulf Cooperation Council offers a potential pathway for mitigating these vulnerabilities. Such a partnership would not replace existing alliances but rather complement them by diversifying sources of support, enhancing regional cooperation, and addressing non-traditional security challenges.

From a security perspective, engagement with the EU through frameworks such as the Common Security and Defence Policy can contribute to capacity-building, particularly in areas such as maritime security, cybersecurity, and counterterrorism. The EU's experience in managing hybrid threats and coordinating multinational operations provides valuable expertise that can enhance the UAE's defensive capabilities. At the same time, deeper cooperation within the GCC can strengthen regional security coordination, improve interoperability among member states, and reduce fragmentation in responses to shared threats. While these measures cannot fully substitute for U.S. security guarantees, they can reduce the degree of dependency and increase strategic autonomy.

Economic cooperation under an SDP framework offers significant opportunities for enhancing resilience. Closer integration with the EU can facilitate access to advanced technologies, support the development of knowledge-based industries, and promote alignment with international regulatory standards. This is particularly relevant in areas such as renewable energy, digital transformation, and sustainable infrastructure, where the EU has established leadership. At the regional level, greater economic integration within the GCC can enhance intra-regional trade, reduce barriers to investment, and create more stable and predictable economic environments. Such integration can help mitigate the impact of global shocks by strengthening regional value chains and reducing reliance on distant markets.

Addressing environmental and resource-related vulnerabilities represents another critical area for cooperation. The EU's expertise in climate policy, renewable energy technologies, and water management can support the

UAE's efforts to transition toward a more sustainable economic model. Joint initiatives within the GCC can further enhance resilience by promoting shared approaches to food security, water conservation, and environmental protection. These efforts not only address long-term sustainability challenges but also contribute to economic diversification by fostering new industries and innovation.

However, the effectiveness of an SDP in addressing demographic and governance-related vulnerabilities is likely to be more limited. While cooperation in education, skills development, and labor market reform can yield positive outcomes, these areas are closely tied to domestic political considerations and may not be fully amenable to external influence. Nevertheless, targeted initiatives, such as academic exchanges and joint research programs, can contribute to building human capital and supporting the development of a more knowledge-based economy.

The question of political Islamism in the UAE cannot be understood simply as a matter of numbers, because the movement has never represented a clearly measurable segment of society. Unlike electoral systems where parties openly compete and publish membership figures, the UAE's political environment does not provide a public framework in which Islamist movements can organize openly. As a result, estimates of their strength are uncertain, and the more important issue is the social and political conditions that have allowed such ideas to appear and develop.

Political Islamism in the UAE, as in other Arab societies, emerged from a combination of religious revival, regional ideological currents, and debates over the role of Islam in governance. Movements influenced by the wider Muslim Brotherhood tradition gained support in parts of the Gulf through educational networks, charitable activities, and social engagement. For some followers, these movements represented a call for moral renewal, social justice, and greater public participation.

However, the relationship between political Islamism and the UAE state became increasingly tense because of differing visions of political authority. The UAE's model is based on centralized governance, gradual reform, economic modernization, and social stability. Islamist movements that seek a stronger political role for religious ideology are viewed by the state as potentially challenging national institutions and social cohesion.

The government's concerns have been reinforced by regional experiences in which Islamist parties became involved in political struggles, state instability, or confrontations with existing governments. The UAE has therefore treated organized political Islam as a security issue, particularly when movements are perceived as having links to foreign organizations, political networks, or attempts to influence state institutions.

From the perspective of supporters or sympathizers of political Islamism, however, the issue is often framed differently. Some argue that religious values should have a greater role in public life and that citizens should have more avenues for political participation. Others point to concerns about identity, cultural change, and the pace of modernization as reasons why religiously inspired movements can attract attention.

The central challenge is that political Islamism contains different currents. Some groups advocate peaceful social and political engagement, while others have adopted more confrontational or extremist approaches. Treating all religiously conservative citizens as political opponents risks creating unnecessary divisions, while ignoring genuine attempts at political mobilization can create security risks.

It is said that the United Arab Emirates fears the influence of political Islamism, and this concern has shaped many of its domestic and regional policies. A state has the right to guard against movements it believes may challenge its institutions, social order, or political stability. Yet the question that must also be considered is whether exclusion alone can provide a lasting solution.

When a political or religious current is treated only as a threat, without avenues for lawful participation, dialogue, or social integration, the result may be the deepening of division rather than its resolution. Security measures may restrain immediate risks, but they cannot by themselves address the ideas, grievances, or identities that give movements their appeal.

A more durable approach requires a balance: rejecting violence and coercion while creating responsible channels through which citizens and communities can participate in public life. Integration does not mean surrendering the

principles of the state; rather, it means ensuring that differences are addressed through institutions, debate, and civic responsibility instead of alienation.

A government demonstrates confidence not only by preventing what it fears, but by showing that its institutions are strong enough to engage, regulate, and absorb diverse currents within society. Stability is preserved not merely by exclusion, but by creating a political order in which legitimate expression has a place, even for those amongst us who appears to be both highly-disciplined, petit bourgeois and ineffective and incompetent managers.

A long-term approach requires distinguishing between religious belief, social conservatism, peaceful civic participation, and movements that seek to undermine state institutions. Stability is strengthened when governments maintain security while also addressing the social questions that allow political movements to gain influence: questions of identity, representation, opportunity, and belonging.

In evaluating the overall potential of an SDP, it is important to recognize both its opportunities and its limitations. The partnership can play a meaningful role in reducing exposure to external shocks, enhancing capacity in key sectors, and promoting regional cooperation. However, it cannot eliminate structural vulnerabilities that are inherent in the UAE's model, particularly those related to geographic location, demographic composition, and the nature of global economic integration and aspects of identity that cannot be accommodated by social mobility programs, only.

THE BALANCE OF POWER IN THE PERSIAN GULF

The concept of **military balance of power** refers to how military capabilities are distributed among states and how this distribution shapes their behavior toward one another. In International Relations, particularly within Realism, states are assumed to operate in an anarchic international system where no central authority guarantees their security. As a result, each state must rely on its own capabilities or partnerships to survive. The balance of power emerges as states continuously assess not only their own strength but also that of their rivals, adjusting their policies to prevent any single actor from becoming overwhelmingly dominant.

This balance has a direct and profound impact on state-to-state relations. When military capabilities are relatively even, a condition of deterrence often develops. For instance, the relationship between Iran and Saudi Arabia illustrates how mutual vulnerability discourages outright war despite deep political hostility. Neither side can be confident of a quick or decisive victory, which produces a tense but enduring form of stability. At the same time, this equilibrium does not eliminate competition; instead, it often intensifies it. States engage in continuous military modernization and procurement in order to avoid falling behind, leading to sustained arms races. In the Gulf, this is evident in the heavy investment by Arab states in advanced Western airpower and missile defense systems, contrasted with Iran's emphasis on missile development and asymmetric warfare capabilities.

Because not all states possess equal resources, the balance of power also drives alliance formation. Smaller Gulf states such as Bahrain, Qatar, and United Arab Emirates compensate for their limited manpower by aligning with external powers, most notably the United States. This external balancing effectively extends the regional balance beyond local actors, embedding the Gulf within a wider global security framework. At the same time, the risks associated with direct confrontation between major rivals often redirect competition into indirect forms. Instead of conventional interstate war, states pursue influence through proxy conflicts, support for non-state actors, and political intervention in neighboring arenas, thereby sustaining rivalry while avoiding catastrophic escalation.

Table

Country	Army / Active Personnel	Air Power (Combat Aircraft)	Navy (Warships & Size)
Saudi Arabia (KSA)	~257,000 active (+ ~100,000 National Guard) (	~300+ combat aircraft)	~13,500 naval personnel; ~7 frigates, 9 corvettes, ~39 patrol vessels (
UAE	~63,000	~130–140 combat aircraft)	~2,500 naval personnel; ~140 patrol/coastal vessels, no major destroyers
Qatar	~11,800 (	~12–100+ (rapidly expanding fleet)	~2,500 personnel; 4 corvettes, ~24 patrol vessels.
Bahrain	~20,000 active	~30–40 combat aircraft (127 total aircraft.	~700 personnel; ~35 ships (incl. 2 frigates).
Iran	~610,000 active	~300–350 combat aircraft (many older)	Largest regional navy (incl. submarines, missile boats, IRGC naval forces)
Iraq	~200,000+ active (rebuilding)	~30–40 combat aircraft	Very limited navy (coastal defense force)

These dynamics are best understood through the lens of Regional Security Complex Theory, developed by Barry Buzan. This framework describes regions where states are so closely interconnected in terms of security that the actions of one inevitably affect the others. The Persian Gulf exemplifies such a security complex. Its geography plays a decisive role, as the narrow maritime space and the strategic importance of the Strait of Hormuz ensure that any military tension has immediate regional consequences. Energy infrastructure, shipping lanes, and coastal cities are all highly exposed, amplifying the sense of vulnerability among states.

Within this regional system, the balance of power is characterized by asymmetry rather than parity. Iran possesses significant advantages in population size, manpower, and missile capabilities, while the Gulf monarchies maintain qualitative superiority in technology, airpower, and access to advanced Western systems. This uneven distribution does not produce dominance by one side; instead, it generates a form of strategic interdependence in which each actor compensates for its weaknesses through different means. Iran relies heavily on asymmetric strategies, including naval disruption capabilities and proxy networks, whereas Gulf states prioritize precision airpower, defensive systems, and external security guarantees. The presence of external powers further complicates the balance, transforming what might otherwise be a localized rivalry into a broader geopolitical contest with global implications.

The Persian Gulf hosts one of the **highest concentrations of foreign naval forces in the world**, largely because of its strategic importance—especially the trade routes and the narrow Strait of Hormuz. External powers maintain bases or long-term naval access agreements with Gulf states, and these deployments form a critical part of the region’s balance of power.

The most significant presence belongs to the United States. Its main naval hub is in Bahrain, where the U.S. Fifth Fleet is headquartered at Naval Support Activity Bahrain. This installation typically hosts **7,000–9,000 personnel**, along with rotating deployments of warships including destroyers, mine countermeasure vessels, and occasionally aircraft carriers. The U.S. also operates from facilities in Qatar (Al Udeid, mainly air but supports naval logistics), Kuwait, and has access agreements in the United Arab Emirates, particularly at Jebel Ali port, which is one of the most frequently visited foreign ports for U.S. Navy ships outside the United States.

The United Kingdom has re-established a permanent naval presence east of Suez with HMS Jufair in Bahrain. This base supports Royal Navy operations in the Gulf and usually hosts **a few hundred personnel (roughly 500–1,000)**, along with minehunters and support vessels that are almost continuously deployed in the region.

France maintains a naval facility in Abu Dhabi (Port Zayed), its only permanent base in the Gulf. The French presence is smaller but still significant, typically involving **600–900 personnel**, and it supports frigates, patrol vessels, and occasional carrier strike group visits.

Several other countries maintain **rotational or limited naval deployments rather than permanent bases**. These include Australia, Canada, Italy, and Netherlands, usually contributing a small number of ships or staff (often **tens to a few hundred personnel at any given time**) under multinational maritime security missions such as Combined Maritime Forces, which is also headquartered in Bahrain.

On the other side of the Gulf, Iran does not host foreign naval bases and instead maintains its own extensive naval infrastructure along its coastline, divided between the regular navy and the Islamic Revolutionary Guard Corps Navy. Similarly, Saudi Arabia and other Gulf monarchies host foreign forces but retain sovereign control over their ports and facilities.

In aggregate, the **foreign naval contingent in the Persian Gulf region typically ranges from about 10,000 to 15,000 personnel**, fluctuating depending on crises, carrier deployments, and maritime security operations. The United States accounts for the majority of this presence, while European allies provide smaller but continuous contributions.

This concentration of external naval power plays a stabilizing yet paradoxical role. It deters large-scale interstate conflict and ensures the security of shipping lanes, but it also reinforces the region's dependence on outside powers and embeds the Gulf more deeply into global strategic competition.

The overall effect of this military balance in the Persian Gulf is a pattern of stability that is inherently fragile. Large-scale war is deterred, but insecurity remains deeply embedded in the system. States continue to arm themselves at high levels, perceive persistent threats from their neighbors, and engage in indirect forms of competition. The balance of power, therefore, does not resolve conflict in the region; rather, it structures and channels it, shaping a security environment defined by tension, competition, and constant strategic calculation.

The UAE uses military power in a **selective, expeditionary, and coalition-based manner**, rather than relying on large-scale conventional forces. Its approach combines advanced airpower, special operations capabilities, intelligence networks, and—crucially—support for local partner forces and aligned militias. This reflects a broader strategy of projecting influence through **outsourced security and strategic footholds**, rather than territorial occupation or sustained mass deployment.

In practice, the UAE has engaged in **limited but high-impact interventions abroad**, most notably in Yemen and earlier phases of the Libyan conflict, where it used airpower and special forces alongside local allies to shape battlefield outcomes. A defining feature of this approach is its reliance on **precision strikes and force multiplication through partners**, which reduces domestic military exposure while expanding regional influence. This is reinforced by a systematic strategy of cultivating proxy and partner networks, such as elements linked to the Southern Transitional Council in Yemen, which allow Abu Dhabi to shape post-conflict political orders indirectly.

Alongside combat operations, the UAE has developed a significant **security infrastructure footprint** through training missions, basing agreements, and port access arrangements in strategically located coastal zones across the Horn of Africa and the Red Sea. These deployments are less about territorial control and more about securing **logistical corridors and maritime chokepoints** that align with its wider geo-economic strategy.

This military posture does not operate in isolation but intersects with Gulf coalition politics, particularly its relationship with Saudi Arabia. The UAE and Saudi Arabia initially demonstrated strong alignment, especially during the early stages of the Yemen intervention and in shared efforts to counter Iranian regional influence. However, this alignment has gradually become more conditional and issue-specific.

In Yemen, divergence emerged over end goals: Saudi Arabia has generally prioritised **territorial integrity and negotiated state settlement**, while the UAE has focused more on **building durable influence through local allied forces**, even where this fragments central authority. Similar patterns of divergence appear in Libya, where Abu Dhabi took a more direct and sustained operational role than Riyadh, and in Sudan and the Red Sea region, where both states pursue overlapping but not identical security and economic interests.

Competition is most visible in arenas where post-conflict order and infrastructure control are at stake, particularly in maritime corridors, port access networks, and local partner selection. Here, both states seek to shape regional outcomes, but through different instruments and levels of intervention intensity.

Overall, the UAE–Saudi military relationship is best understood as one of **strategic convergence with functional divergence**. They align when broader regional stability or containment objectives overlap, but diverge where the shaping of political orders, control of strategic infrastructure, and cultivation of local proxies become central. In this sense, UAE military power functions less as traditional warfare and more as a networked instrument of geostrategic positioning embedded within a wider geoeconomic statecraft model.

The balance-of-power logic often implies that weaker actors must subordinate themselves to stronger ones to survive. However, in practice, there are different ways of “being subsumed” within a power structure. States can adapt through **alignment**, **selective dependence**, or **strategic hedging**, each allowing varying degrees of autonomy while still accommodating external power asymmetries.

Rather than full subordination, many contemporary relationships—especially in a multipolar order—are better understood as **managed interdependence**, where actors accept constraints in some domains while preserving flexibility in others. This means that power is not simply imposed in a zero-sum manner, but negotiated through institutions, economic ties, and security partnerships that distribute influence unevenly but not absolutely.

9. Oil Diplomacy and the dispute over OPEC quotas

The dispute over oil production quotas within OPEC—and more recently the expanded OPEC+ framework—has evolved into one of the clearest examples of how energy policy doubles as diplomacy. The United Arab Emirates (UAE) push for higher quotas is not simply a technical disagreement over barrels per day; it reflects deeper structural tensions about market share, investment, and geopolitical autonomy. Reducing it to a bilateral clash with Saudi Arabia misses the broader dynamics at play.

The UAE’s case: capacity vs. constraint

The UAE has invested heavily over the past decade to expand its oil production capacity—aiming for roughly 5 million barrels per day. From its perspective, OPEC quotas have not kept pace with this investment. The quota system is partly based on historical baselines, meaning countries that expanded capacity later (like the UAE) feel penalized compared to those with older, higher baselines.

So the UAE’s argument is straightforward:

- It has the technical ability to produce more.
- It has spent billions to achieve that capacity.
- Restrictive quotas effectively strand that investment.

This creates a mismatch between national economic strategy and collective cartel discipline. Oil, for the UAE, is still a key revenue stream—even as it diversifies—so underproduction carries real opportunity costs.

Why the conflict persists

The dispute has been festering because it touches on three unresolved issues within OPEC+:

1. Baseline politics

Quotas are derived from baseline production levels, and revising those baselines is politically sensitive. If one country gets an upward revision, others demand the same. This creates a zero-sum dynamic: accommodating the UAE risks unraveling the entire quota framework.

2. Diverging national strategies

Not all producers want the same thing.

- Some (like Saudi Arabia) prioritize price stability, even if it means cutting output.
- Others (like the UAE, Iraq, or Nigeria) often prioritize volume and revenue flow.

These differences reflect domestic fiscal needs, population pressures, and long-term economic visions. The UAE, with its diversification strategy and relatively lower fiscal breakeven oil price, can afford to think more in terms of market share.

3. Energy transition pressures

There is a growing awareness that global oil demand may plateau or decline in the coming decades. This creates a “produce now vs. preserve later” dilemma. Countries like the UAE may prefer to monetize reserves sooner, while others prefer to stretch production over a longer horizon to maintain influence and price control.

Why it’s not just UAE vs. Saudi Arabia

Framing the issue as a bilateral rivalry oversimplifies a multilateral problem. Several broader factors are at play:

- **Institutional strain within OPEC+:** The alliance includes non-OPEC members like Russia, each with its own agenda. Maintaining cohesion is increasingly difficult as external pressures (sanctions, war, energy transitions) mount.
- **Free-rider concerns:** Some countries have historically overproduced relative to quotas, undermining trust. This makes negotiations over fairness even more contentious.
- **Economic asymmetry:** Wealthier Gulf producers can absorb cuts more easily than countries with weaker economies, leading to persistent friction.
- **Geopolitical signaling:** Oil policy is also a way to assert independence. The UAE’s stance can be read as a subtle push for greater strategic autonomy within the Gulf order.

The UAE's disagreements with Saudi Arabia over OPEC and OPEC+ quotas have been one manifestation of a broader rivalry that has developed over the past decade. The two countries remain close security and political partners, yet they increasingly compete for regional leadership, foreign investment, logistics, finance, tourism, technology, and influence across the Middle East.

The oil dispute emerged because the UAE invested heavily in expanding its production capacity and argued that its OPEC production baseline did not adequately reflect its capabilities. Saudi Arabia, as OPEC's leading producer, has generally favored production restraint to support oil prices. These differing interests created tensions, most visibly during the 2021 OPEC+ negotiations and later in discussions surrounding the UAE's relationship with the organization.

The competition extends well beyond oil. Saudi Arabia's Vision 2030 seeks to transform Riyadh into a major financial and business hub, while the UAE—particularly Dubai and Abu Dhabi—has long occupied that role in the Gulf. Both countries are pursuing diversification strategies that rely on attracting multinational corporations, foreign direct investment, financial services, tourism, advanced technology industries, and global talent. As a result, they often find themselves competing for the same opportunities.

Despite this rivalry, the relationship has not escalated into a major economic confrontation. One reason is that both countries share important security concerns, including regional stability, maritime security, and the protection of critical shipping routes. Another reason is that disagreements are usually managed through direct communication between senior leadership rather than through public escalation. Economic interdependence also plays a role. Saudi Arabia is the largest economy in the Gulf, while the UAE remains a key financial and logistics platform, and many businesses operate across both markets simultaneously.

Within the GCC, the rivalry is contained through continuous political consultation, regular summits, ministerial meetings, and extensive economic and security cooperation. The experience of the 2017–2021 Qatar crisis demonstrated the costs of prolonged intra-Gulf disputes, leading GCC members to place greater emphasis on

managing competition rather than allowing it to become destabilizing. Other member states, particularly Kuwait and Oman, can also serve as informal intermediaries when tensions arise.

The European Union plays only an indirect role. It is not a mediator between Saudi Arabia and the UAE, but it has a strong interest in maintaining stable energy markets, secure trade routes, and a predictable investment environment. Through trade, investment, energy cooperation, and diplomatic engagement with the GCC as a whole, the EU generally encourages regional stability and integration rather than taking sides in Gulf disputes.

Overall, the UAE's distancing from OPEC can be viewed as evidence of a genuine strategic divergence with Saudi Arabia, especially regarding oil policy and economic leadership. However, the relationship remains best understood as a competitive partnership. Both states compete vigorously in economic development and regional influence while continuing to cooperate on many security, diplomatic, and economic issues that are important to both countries and to the wider Gulf region.

Abu Dhabi has chosen capacity, flexibility and market share over collective price management. By contrast, Saudi Arabia has generally viewed oil policy as a strategic instrument of statecraft, placing greater emphasis on market stability, price discipline, and coalition management within OPEC+.

In broader foreign-policy terms, Saudi Arabia's style is often characterized as pragmatic, patient, and consensus-oriented, seeking to build regional frameworks and preserve leadership through gradual influence. The UAE's approach has tended to be more entrepreneurial, assertive, and opportunistic, favoring rapid execution, economic statecraft, and selective interventions where it perceives a clear strategic or commercial advantage.

This difference does not necessarily make one approach more confrontational than the other. Rather, Saudi Arabia often seeks to shape regional order through scale and long-term political relationships, while the UAE frequently pursues agility, diversification, and strategic positioning in sectors such as ports, logistics, finance, technology, and energy. These contrasting approaches have produced occasional frictions—from OPEC+ negotiations to competition over multinational headquarters and regional trade hubs—but they have generally remained within the bounds of managed rivalry rather than open confrontation.

As a result, the emerging Gulf landscape is less a contest between allies and adversaries than a competition between two successful states pursuing different visions of regional leadership: Saudi Arabia through demographic weight, market size, and political centrality; the UAE through connectivity, capital, and commercial influence.

Implications of UAE OPEC exit for Iran

Iran's OPEC quota dynamics become more exposed and more constrained once the UAE's barrels are removed from the collective framework. The UAE currently contributes over three million barrels per day to OPEC's production base, and its departure would mathematically lift Iran's nominal share, yet this uplift remains hollow because sanctions suppress Iran's real output. The algorithm that governs quota distribution—balancing historical production, spare capacity, market demand, and geopolitical risk—would re-weight Iran upward in relative terms, but downward in practical influence. Without the UAE's reliable spare capacity and diversified export profile, OPEC's stabilizing function shifts even more heavily toward Saudi Arabia and Kuwait, leaving Iran with a larger theoretical slice but a smaller role in shaping outcomes.

The removal of UAE barrels also exposes Iran's structural limitations. Its nominal quota might rise by a few hundred thousand barrels per day, but its effective production remains stuck around three million barrels, well below its historical ceiling. Under-delivery reduces Iran's algorithmic weight in subsequent recalibration rounds, meaning each cycle further discounts its influence. The UAE's exit simultaneously strengthens non-OPEC corridors linking Europe, Asia, and Africa, reinforcing maritime routes that bypass Iranian waters. As European and Asian partners deepen ties with UAE ports and logistics hubs, Iran's ability to leverage the Strait of Hormuz as a geopolitical instrument diminishes. The shift from oil-centric Gulf diplomacy to multi-sectoral cooperation—anchored in renewables, logistics, and technology—isolates Iran within OPEC's decision process and erodes its navigational relevance.

On the other hand, Iran may also see a **counter-intuitive opportunity** emerging from a UAE exit, even though the structural disadvantages remain. Removing more than three million barrels per day of highly reliable UAE production would tighten OPEC's supply cushion and raise the strategic value of any member with latent spare capacity. Iran, despite sanctions, still possesses one of the largest under-utilised production bases in the organisation. In quota-setting cycles, this could allow Iran to argue more forcefully for a restoration of its historical ceiling, claiming that OPEC needs its dormant barrels to stabilise markets in the absence of the UAE's dependable output. The algorithm, which discounts Iran for under-delivery, might partially compensate by increasing the weight of reserve size and historical production, giving Iran a stronger theoretical claim even if its practical influence remains constrained.

This dynamic could also shift Iran's diplomatic posture. With the UAE no longer shaping consensus from inside OPEC, Iran might find more room to negotiate bilateral quota alignments with Algeria, Iraq, or Venezuela, forming a bloc of members seeking higher ceilings or compensation for past restrictions. The absence of the UAE's diversified export model would make OPEC more oil-centric again, potentially giving Iran a clearer ideological space to argue for traditional quota logic rather than the multi-sectoral, investment-driven approach the UAE has championed. In maritime terms, tighter global supply could increase the strategic sensitivity of the Strait of Hormuz, giving Iran marginally more leverage over navigation risks—though this leverage remains limited by the fact that Europe and Asia increasingly rely on UAE-linked corridors outside OPEC's framework. The overall oil-market view is that Iran's structural constraints override any algorithmic uplift it might gain from shifts in OPEC membership pending engagement of Chevron, who holds most of the technological license to reduce pollution in the oil sector and who plays to win on both sides of the Middle East.

And so, pressures are also likely to increase pressures for strengthening of governance in OPEC.

Additionally, in terms of intra-Gulfi dynamics **Saad al-Kaabi**, Qatar's Minister of Energy and CEO of QatarEnergy, states:

"The world is moving more and more towards gas... LNG will be needed for a very long time." This captures the gas-sector perspective that global demand is pivoting toward LNG, reducing the strategic weight of crude-based producers like Iran.

Thus, gas will increase in importance and given the economic bonds between Iran and UAE in commercial areas and between Qatar and Iran given the shared gas field. The South Pars / North Dome field is the single most important determinant of gas power in the Gulf, and its asymmetry defines the strategic landscape. Qatar controls the larger, better-developed portion of the reservoir, giving it unmatched LNG export capacity and the ability to shape global gas markets. Iran, by contrast, holds substantial reserves but lacks the infrastructure, financing, and geopolitical freedom to monetize them at scale. This imbalance has profound implications. Qatar's dominance allows it to act as a stabilizing force in global gas supply, attracting long-term European and Asian contracts and reinforcing its diplomatic weight. Iran's side of the field, though geologically rich, remains under-exploited, limiting its ability to convert reserves into geopolitical leverage.

For Iran, the field represents both a latent opportunity and a structural constraint. On one hand, South Pars is the only asset capable of giving Iran meaningful influence in a world shifting toward gas. On the other hand, sanctions, technology gaps, and slow development mean Iran cannot match Qatar's LNG reach or its integration into global markets. As Europe diversifies away from Russian gas, Qatar's North Dome becomes even more central, while Iran's inability to export LNG at scale sidelines it from the most lucrative segment of the market. The shared nature of the field also creates a quiet strategic tension: Qatar's rapid extraction increases reservoir pressure dynamics that Iran must match to avoid losing recoverable gas, yet Iran lacks the investment capacity to keep pace.

In broader Gulf energy diplomacy, the field reinforces Qatar's rise as the region's gas superpower and constrains Iran's ability to use hydrocarbons as a geopolitical tool. It shapes maritime strategy as well: Qatar's LNG corridors through the Strait of Hormuz and into the Indian Ocean strengthen its global connectivity, while Iran's limited export infrastructure reduces its navigational leverage. Ultimately, South Pars / North Dome is a symbol of the Gulf's energy future—one where gas, not oil, defines influence—and where Qatar's mastery of LNG

positions it at the center of global energy flows, while Iran remains trapped between geological abundance and geopolitical limitation. Hopefully, Iran will be a participant in the middle Eastern concert we discern emerging rather than a challenger.

The diplomatic layer

Oil quotas are negotiated through diplomacy as much as economics. The UAE's assertiveness signals a shift: smaller but financially strong producers are less willing to defer automatically to traditional leadership structures within OPEC. At the same time, Saudi Arabia's role as the de facto stabilizer of global oil markets depends on maintaining discipline across the group—hence its resistance to quota inflation. In summary, the UAE's quest for higher quotas is not an isolated dispute but a symptom of deeper changes within the global oil order. It reflects tensions between investment and restraint, national interest and collective action, and short-term revenue versus long-term strategy. As these pressures intensify—especially under the shadow of the energy transition—the kind of disagreement seen here is likely to become more frequent, not less.

ECONOMIC INTEGRATION

In the **economic and customs domain**, the GCC's authority could be meaningfully strengthened by moving from coordination-based cooperation toward more **binding, rules-based economic governance** that aligns with the GCC Vision for Regional Security and economic integration goals.

At present, GCC economic and customs integration is limited by uneven implementation of the **Common External Tariff, customs union procedures, and intra-GCC market freedoms**, which reduces the effectiveness of the bloc as a unified economic actor. Strengthening authority in this domain would require several structural reforms.

First, the GCC could establish a **fully centralised customs enforcement authority** with binding oversight powers. This would reduce inconsistencies in border procedures and ensure uniform application of tariffs, customs valuation, and rules of origin across member states.

Second, deeper integration of the **GCC Customs Union framework** could be achieved by transitioning from nationally administered customs systems to a **shared digital customs platform**, enabling real-time coordination, fraud prevention, and harmonised trade documentation.

Third, the GCC could strengthen its authority by advancing toward a **single regional market framework**, ensuring the free movement of goods, services, capital, and strategically skilled labour without non-tariff barriers. This would reduce fragmentation that currently limits intra-GCC trade.

Fourth, introducing a **binding dispute resolution mechanism in economic and customs matters** would improve compliance and reduce reliance on political negotiation, which currently weakens institutional authority.

Fifth, greater alignment of **industrial policy, taxation frameworks (including VAT harmonisation), and trade diversification strategies** would reduce internal competition—particularly between Saudi Arabia and the UAE—and reinforce complementary economic roles rather than rival ones.

Sixth, integration could be reinforced through **external trade coherence**, where the GCC negotiates as a single bloc in free trade agreements and WTO-related processes, increasing collective bargaining power.

Seventh, linking economic integration to **strategic security priorities (such as supply chain resilience, energy infrastructure protection, and digital trade security)** would align economic governance with the GCC's broader indivisible security vision.

Finally, strengthening economic governance in this way would gradually shift the GCC from a **loose coordination structure to a semi-integrated economic union**, improving resilience, reducing intra-regional competition, and enhancing global influence.

In this sense, reinforcing GCC authority in the economic and customs domain is not only an economic reform agenda but also a **strategic governance transformation aligned with regional security stability and long-term geopolitical cohesion**.

Strengthening GCC authority in the economic and customs domain would have significant implications for the region's external relations by transforming the Gulf Cooperation Council from a largely coordination-based framework into a more cohesive and institutionalised economic bloc. This shift would alter patterns of interdependence and bargaining power across multiple key partnerships, including the European Union (EU), the United States, Iran, Iraq, India, and China.

In relation to the EU, deeper GCC economic integration would likely facilitate a more structured and predictable partnership by providing European actors with a single, more coherent counterpart in trade, regulatory dialogue, and energy cooperation. This could enhance prospects for a long-delayed GCC–EU free trade agreement and improve coordination in areas such as energy transition and climate policy. However, greater GCC cohesion would also strengthen the Gulf's collective bargaining position, potentially reducing European leverage in bilateral engagements and increasing the complexity of regulatory negotiations, particularly in relation to sustainability standards and trade conditionalities.

With respect to the United States, enhanced GCC economic integration would reinforce cooperation in strategically significant areas such as energy market stability, investment flows, and financial regulation. A more unified GCC customs framework could also improve coordination on sanctions enforcement and supply chain security. At the same time, however, increased institutional cohesion may reduce the effectiveness of bilateral US influence, as Gulf states become more capable of pursuing coordinated and autonomous economic strategies, including diversification away from US-centred financial and technological dependencies.

Figure MBZ, MBS & Thani with fire burning in the behind



In the case of Iran, strengthened GCC economic governance would likely be perceived as a form of structural balancing, insofar as a more integrated customs and trade regime could constrain Iran's regional economic access and reinforce its strategic isolation in certain sectors. Nevertheless, this development could also incentivise limited pragmatic engagement in areas of mutual interest, particularly maritime security, energy transit, and regulated cross-border trade. As such, GCC integration may produce a dual dynamic of competitive pressure alongside selective de-escalation.

For Iraq, deeper GCC economic integration would carry both integrative and constraining effects. On one hand, Iraq could benefit from increased investment flows and greater incorporation into regional infrastructure and logistics networks. On the other hand, a more unified GCC customs system may reduce Iraq's flexibility as an intermediary economic space between the Gulf and Iran, thereby increasing pressure to align with GCC trade regulations and standards.

Regarding India, GCC economic consolidation would likely enhance the efficiency and depth of economic relations by simplifying engagement with a single coordinated regional market rather than multiple bilateral frameworks. This would strengthen cooperation in areas such as energy security, labour mobility governance, and investment flows. However, greater GCC bargaining cohesion may also increase the bloc's negotiating leverage in energy pricing and labour market regulation, thereby introducing more structured asymmetries into the relationship.

Finally, in relation to China, a more integrated GCC would simultaneously expand opportunities and introduce new strategic constraints. On one hand, it would facilitate the expansion of Belt and Road Initiative-related infrastructure, investment coordination, and energy partnerships within a unified regulatory environment. On the other hand, increased GCC cohesion could enhance the region's ability to negotiate more assertively over infrastructure ownership, data governance, and strategic investments, potentially limiting unilateral Chinese influence in sensitive economic sectors.

Overall, strengthening GCC authority in the economic and customs domain would not reduce external engagement, but rather reconfigure it. External relations would increasingly shift from fragmented bilateral interactions toward more institutionalised, bloc-to-actor diplomacy. This would enhance the GCC's collective bargaining power while simultaneously increasing the complexity and strategic depth of its relationships with major global and regional actors.

VULNERABILITIES AND SUSTAINABILITY CHALLENGES IN THE UAE ECONOMIC MODEL

The economic transformation of the United Arab Emirates represents one of the most significant development experiences in the contemporary global economy. Through the strategic use of hydrocarbon revenues, international investment, and foreign labor, the UAE has successfully developed a highly globalized economic model characterized by rapid infrastructure expansion, financial integration, and international competitiveness. However, the very foundations that enabled this transformation also generate structural vulnerabilities. The UAE's reliance on foreign capital, expatriate labor, and global economic networks creates exposure to external shocks and raises questions regarding the long-term sustainability of its development trajectory. These vulnerabilities are particularly significant in an era marked by geopolitical uncertainty, energy transitions, technological disruption, and shifting patterns of global migration.

The UAE's economic model can therefore be understood as a form of globally integrated development in which openness to international flows has generated considerable economic advantages while simultaneously creating forms of dependence. Unlike traditional economies that rely primarily on domestic resources and labor markets, the UAE operates through a model that depends heavily on external capital, international expertise, and migrant workers. While this strategy has enabled exceptional economic growth, it also means that changes in global economic conditions can rapidly influence domestic economic performance.

Primary Vulnerabilities in the UAE's Economic Model Related to Foreign Investment and Labor

One of the central vulnerabilities of the UAE economic model is its significant dependence on foreign investment. Since the country's economic transformation began, foreign direct investment (FDI), multinational corporations, sovereign partnerships, and international financial flows have played a crucial role in supporting development. Foreign capital has contributed to the expansion of real estate, tourism, aviation, logistics, financial services, infrastructure, and emerging technology sectors. This openness has allowed the UAE to become a global economic hub, but it has also increased sensitivity to international investor confidence.

Foreign investment is inherently influenced by external conditions beyond the UAE's direct control. Global financial crises, geopolitical instability, changes in international interest rates, and shifts in investor preferences can affect the volume and direction of capital flows. For example, sectors such as real estate and construction are particularly vulnerable because they depend heavily on international demand, foreign buyers, and global financial conditions. A decline in investor confidence could slow development projects, reduce economic activity, and weaken sectors that have traditionally driven growth.

Another important vulnerability is the UAE's exposure to global economic cycles. Although the country has achieved considerable diversification, its economy remains deeply connected to international markets. Trade, tourism, logistics, aviation, and financial services all depend on global economic stability. A worldwide recession can reduce international business activity, decrease tourism flows, weaken property markets, and affect demand for services connected to the UAE's position as a global commercial center.

The UAE's reliance on expatriate labor represents another structural vulnerability. Foreign workers constitute the majority of the country's workforce and are essential across a wide range of sectors, including construction, hospitality, domestic services, healthcare, engineering, finance, and technology. This labor model has provided the UAE with flexibility, allowing businesses to access international skills and maintain competitiveness. However, it also creates dependence on migration systems that are influenced by external political, economic, and demographic conditions.

Changes in labor-sending countries, international migration patterns, or domestic employment policies can affect labor availability. Economic downturns may also result in rapid population changes as expatriate workers leave in response to reduced employment opportunities. Such demographic mobility can influence housing markets, consumption patterns, and business activity.

A further challenge concerns the limited participation of Emirati citizens in certain private-sector industries. Historically, many citizens have preferred government employment due to higher salaries, employment security, and extensive benefits. While public-sector employment has contributed to social stability, it has also created structural divisions between citizens and expatriate workers within the labor market. Heavy reliance on foreign workers may limit the development of a fully integrated domestic workforce and create challenges for long-term economic sustainability.

The Impact of Global Economic Fluctuations on Foreign Investment and Labor Dependence

The UAE's reliance on foreign investment and labor means that global economic conditions have a direct influence on domestic economic performance. During periods of global economic expansion, the UAE benefits from increased investment flows, stronger trade activity, and higher demand for international services.

When global markets perform positively, foreign investors are more likely to invest in UAE property, infrastructure, technology, and financial sectors. International companies expand their operations, creating demand for skilled and semi-skilled foreign workers. Increased tourism, trade, and transportation activity further strengthen employment and economic growth.

However, during periods of global economic uncertainty, these advantages can quickly become vulnerabilities. Financial crises, geopolitical conflicts, or major disruptions to global supply chains can reduce investor confidence and slow capital inflows. Construction projects may be delayed, real estate markets may weaken, and businesses may reduce hiring. Since many sectors depend on international demand, economic downturns can have significant consequences for employment and investment.

The global financial crisis of 2008 demonstrated the risks associated with highly integrated economies. The UAE's real estate sector experienced significant pressure as international liquidity declined and property demand weakened. Although the country recovered through financial reforms and government intervention, the episode highlighted the sensitivity of the UAE model to external financial conditions.

Energy market fluctuations represent another important factor. Although the UAE has successfully diversified its economy, oil and gas revenues continue to influence government finances, public investment, and investor confidence. Declining energy prices can reduce state revenues and limit government spending on infrastructure and development projects. Since many economic sectors benefit indirectly from state-supported investment, fluctuations in energy markets can have wider economic consequences.

The relationship between economic conditions and labor dependence is equally significant. During periods of growth, demand for expatriate labor increases, supporting economic expansion. During downturns, labor demand may decline, leading to workforce reductions and population changes. This demonstrates that the UAE's labor

system is closely connected to global economic performance.

Demographic Challenges Resulting from Dependence on Expatriate Labor

The UAE's demographic structure represents one of the most distinctive features of its economic model. The country's rapid development has been made possible by a large expatriate workforce, but this demographic reality creates complex social, economic, and political challenges.

The first challenge concerns population imbalance. Expatriates constitute a substantial majority of the UAE population, while Emirati citizens represent a smaller proportion. This demographic structure creates questions regarding national identity, social cohesion, and long-term population planning. Managing a society where economic activity depends heavily on temporary foreign residents requires careful policies concerning integration, citizenship, and social stability.

A second challenge is labor market segmentation. The UAE labor market is divided between different categories of workers, with expatriates often concentrated in private-sector and labor-intensive occupations, while citizens remain more represented in government employment and selected professional sectors. This separation can create economic inequalities and complicate efforts to develop a competitive national workforce.

A third challenge involves dependence on temporary migration. Many expatriate workers have residency status connected to employment and may leave the country when economic conditions change. This creates flexibility for businesses but also introduces uncertainty into long-term economic planning. Sudden changes in population size can influence housing demand, consumption levels, and service requirements.

The demographic model also creates pressure on public infrastructure and social planning. The government must continuously adapt education systems, healthcare services, transportation networks, and housing policies to accommodate a diverse and changing population. Managing these requirements requires long-term planning and significant financial resources.

From a broader political economy perspective, the UAE faces the challenge of maintaining the benefits of global labor mobility while reducing excessive dependence on external human resources. The future sustainability of the economic model depends on creating a balance between attracting global talent and strengthening domestic capabilities.

Strategies for Reducing Vulnerabilities and Developing a Sustainable Economic Model

To strengthen economic resilience, the UAE has pursued a range of strategies aimed at reducing dependence on hydrocarbons, foreign capital, and imported labor. The effectiveness of these strategies will determine whether the UAE can transition from a highly successful growth model into a more sustainable knowledge-based economy.

Economic diversification remains one of the most important strategies. The UAE has expanded investment into sectors such as artificial intelligence, renewable energy, advanced manufacturing, healthcare, education, tourism, financial technology, and creative industries. By developing multiple economic sectors, the country can reduce exposure to fluctuations in oil markets and traditional industries.

However, successful diversification requires more than attracting foreign companies. A sustainable economic model requires the development of domestic innovation capacity, research institutions, and entrepreneurial ecosystems. The UAE must increasingly move from being primarily a destination for international investment toward becoming a producer of knowledge, technology, and intellectual capital.

Developing a stronger national workforce is another essential strategy. Investment in education, vocational training, research, and entrepreneurship can increase Emirati participation in private-sector industries. Encouraging citizens to enter competitive sectors will reduce labor market dependence and create a more balanced economic structure.

Attracting and retaining highly skilled talent will also remain important. The UAE's future economy will continue to require international expertise, particularly in advanced technologies and specialized industries. Policies that encourage long-term residency, professional mobility, and innovation can help attract global talent while supporting economic development.

Improving labor governance represents another important area of reform. Strengthening worker protections, improving employment conditions, and developing more sustainable migration policies can enhance the UAE's international reputation and contribute to long-term economic stability.

The UAE can also reduce vulnerability by strengthening domestic investment. Supporting small and medium-sized enterprises, encouraging entrepreneurship, and expanding local business participation can reduce excessive dependence on foreign corporations and international capital.

Finally, maintaining strong financial reserves and effective economic planning will remain essential. The ability to manage global downturns depends on fiscal stability, investment strategies, and policies designed to absorb external shocks.

India-Middle East-Europe (IMEC): Impact on EU-Gulfi links

IMEC is likely to increase the strategic importance of the UAE for the European Union. As a central Middle Eastern partner in the corridor, the UAE would have greater opportunities to deepen its political and economic relations with European countries. Its position as a gateway connecting Europe, the Gulf and South Asia could become increasingly valuable.

The corridor could also strengthen trade and logistics cooperation between the UAE and Europe. IMEC aims to improve connectivity through ports, railways and shipping links, potentially reducing transportation times and costs between India and Europe. The UAE's established port and logistics infrastructure could benefit from increased cargo flows, reinforcing its position as a major regional logistics and re-export hub.

Another important impact could be increased European investment in the UAE. European companies may have greater incentives to invest in logistics, ports, renewable energy, digital infrastructure, manufacturing and other sectors connected to the corridor. In this sense, IMEC could complement existing UAE–EU trade and investment relationships and contribute to greater economic interdependence.

Energy cooperation could also expand. IMEC includes an energy dimension involving electricity and clean hydrogen, which could create new areas of cooperation between the UAE and the EU. As Europe seeks to diversify its energy supplies and accelerate its transition towards cleaner energy, the UAE could strengthen its role not only as a traditional oil and gas supplier but also as a producer and potential exporter of renewable and low-carbon energy.

IMEC could also increase the UAE's diplomatic importance to Europe. By connecting India, the Gulf and Europe, the corridor would give the UAE a role in a wider strategic network. As a result, the EU could place greater emphasis on maintaining stable relations with Abu Dhabi on issues such as regional security, trade, energy and infrastructure.

However, the impact of IMEC should not be overstated. Its success depends heavily on regional political stability, particularly developments involving Israel and the wider Middle East. Competition with existing trade routes, especially the Suez Canal, could also affect the corridor's commercial viability. Furthermore, differences in the priorities of India, the UAE, Saudi Arabia, Israel and European partners could slow its implementation.

Overall, IMEC is likely to strengthen UAE–EU relations by increasing the UAE's economic and strategic importance. Rather than remaining primarily a bilateral relationship centred on trade, energy and investment, UAE–EU relations could increasingly develop into a broader Europe–Gulf–India connectivity and geopolitical partnership. In this sense, IMEC could transform the UAE from primarily an energy and investment partner for Europe into a strategic connectivity hub linking European markets with India and the wider Indo-Pacific.

Summary

The UAE's economic success has been built upon openness, international integration, and the effective use of foreign investment and labor. This model has transformed the country into a major global economic center and enabled rapid modernization. However, the same characteristics that produced growth also create vulnerabilities. Dependence on foreign capital exposes the economy to global financial conditions, while reliance on expatriate labor creates demographic and labor market challenges.

The long-term sustainability of the UAE economic model depends on balancing openness with resilience. Continued diversification, investment in human capital, development of domestic capabilities, and responsible management of migration will be essential. The UAE's challenge is not to abandon its globally connected model, but to strengthen it by reducing structural dependencies and creating a more balanced relationship between international integration and domestic economic capacity.

THE GCC'S VISION FOR REGIONAL SECURITY

The GCC Vision for Regional Security establishes a foundational doctrine that the security of member states is **"indivisible"**, meaning that any threat to one member is considered a threat to all, rooted in the GCC Charter and Joint Defense Agreement framework. This principle is intended to reinforce collective defense, regional stability, and coordinated foreign policy action, while promoting non-interference, sovereignty, and dispute resolution through diplomacy rather than force.

Within this framework, governance within the GCC is not merely administrative but directly tied to regional stability, particularly as member states face diverging foreign policy strategies, economic models, and external alignments.

The GCC security vision conceptualizes regional governance as a **collective security system built on interdependence**. The principle of indivisible security is central: instability in one state is structurally treated as instability for all, which justifies coordination in defense, energy security, maritime protection, and economic resilience.

This framework implies three core governance logics:

First, **collective decision-making supremacy** over unilateral action, meaning that security policy should ideally be harmonized at the GCC level.

Second, **institutionalized coordination across sectors**, including military, economic, and political domains, to ensure alignment of national policies with regional priorities.

Third, **external partnership integration**, where GCC stability is reinforced through international cooperation and strategic partnerships, reflecting the region's global economic and security interdependence.

However, while the vision emphasizes unity, it remains largely **normative and aspirational**, as member states continue to pursue differentiated strategies in foreign policy, energy diversification, and regional intervention policies.

The governance model embedded in the GCC security vision has several strengths.

A major strength is its **normative consolidation of regional identity**, where the doctrine of indivisible security creates a strong political justification for cooperation and crisis solidarity. This provides an important deterrent against escalation between member states.

A second strength is its **functional focus on shared threats**, particularly maritime security, energy infrastructure protection, and counterterrorism cooperation, which are areas where cooperation is structurally easier due to aligned material interests.

However, there are significant limitations.

First, the GCC suffers from **institutional asymmetry and weak enforcement mechanisms**, meaning that compliance with collective decisions is often voluntary rather than binding.

Second, **strategic divergence between key states—particularly Saudi Arabia and the UAE—limits policy coherence**, as each pursues distinct geopolitical and economic strategies.

Third, the vision lacks strong **supranational governance tools**, relying instead on consensus-based diplomacy, which slows decision-making in crisis situations.

As a result, governance remains **coordination-heavy but integration-light**, limiting the GCC's ability to act as a fully unified security bloc.

To strengthen governance while remaining consistent with the GCC Vision for Regional Security, several reforms can be proposed.

First, the GCC should develop a **binding strategic coordination mechanism for security policy**, particularly in maritime security, air defense, and cyber threats. This would operationalize the principle of indivisible security into enforceable institutional practice rather than political rhetoric.

Second, the establishment of a **permanent GCC Security Coordination Council** could reduce fragmentation by institutionalizing regularized joint planning between defense and intelligence structures.

Third, governance could be strengthened through **policy harmonization frameworks**, particularly in economic diversification, critical infrastructure protection, and energy transition strategies, reducing intra-GCC competition in strategic sectors.

Fourth, the GCC should expand structured **confidence-building mechanisms**, including joint military exercises, intelligence-sharing protocols, and crisis communication channels, to reduce misperceptions among member states.

Fifth, introducing **external strategic dialogue partnerships (such as with the EU)** could function as a stabilizing governance layer by incentivizing regulatory convergence, technological cooperation, and rule-based coordination, thereby reinforcing internal cohesion.

Finally, governance resilience would be enhanced by adopting a model of **“managed pluralism”**, which accepts strategic differences among member states but embeds them within institutionalized coordination frameworks that prevent divergence from escalating into fragmentation.

The GCC Vision for Regional Security provides a strong normative foundation based on indivisible security and shared destiny, but its governance effectiveness remains constrained by institutional weaknesses and intra-regional strategic divergence. Strengthening GCC governance therefore requires moving from declaratory unity toward **institutionalized coordination, binding security mechanisms, and structured external partnerships**.

In this sense, the future of GCC governance does not depend on eliminating differences among member states, but on **systematically managing those differences within a more resilient and integrated regional security architecture**.

Towards a GCC-EU FTA

A GCC–EU Free Trade Agreement (FTA) would necessitate a broader and more complex negotiation framework than the proposed EU–UAE bilateral agreement because it would need to reconcile the economic structures, regulatory systems and strategic priorities of six Gulf economies: Saudi Arabia, the United Arab Emirates, Qatar, Kuwait, Bahrain and Oman.

A GCC–EU FTA would require a high level of coordination among GCC members to ensure a unified negotiating position. While the GCC has a customs union framework, economic integration remains incomplete in areas such as services, investment rules, taxation, competition policy and regulatory harmonisation. The EU would likely seek commitments that apply consistently across all GCC markets, requiring further alignment among member states.

The agreement would necessitate comprehensive market-access commitments covering trade in goods, services and investment. On goods, negotiations would likely focus on tariff reductions, customs procedures, rules of origin and technical barriers to trade. The EU would seek improved access for industrial goods, machinery, automobiles, pharmaceuticals, food products and advanced technologies, while GCC countries would seek stronger access for energy products, aluminium, petrochemicals, fertilisers and other strategic exports.

A GCC–EU FTA would also necessitate a substantial services agreement. Services represent a major area of European comparative advantage, particularly in financial services, engineering, professional services, transport, logistics, telecommunications and digital industries. GCC economies, especially the UAE, Saudi Arabia and Qatar, are increasingly opening service sectors as part of diversification strategies, creating opportunities for deeper cooperation.

Investment provisions would be a central pillar of any agreement. The EU would likely seek stronger guarantees for European investors, including transparency, protection against discrimination, improved dispute-resolution mechanisms and greater access to government-related projects. GCC countries would seek reciprocal treatment for sovereign wealth funds and state-backed investors investing in European infrastructure, energy, technology and strategic industries.

A GCC–EU FTA would necessitate cooperation on energy and the green transition. Historically, GCC–EU relations have been centred on hydrocarbons, with the Gulf supplying energy and Europe providing technology, investment and industrial expertise. However, the future relationship would increasingly focus on renewable energy, green hydrogen, carbon management, critical minerals and clean technologies. A modern agreement would need to balance Europe's decarbonisation objectives with Gulf states' role as major global energy suppliers.

Digital trade would become another essential component. The agreement would likely need provisions on artificial intelligence, cybersecurity, cloud services, digital payments, data flows and technology cooperation. The EU would emphasise regulatory alignment with European digital standards, while GCC countries would seek flexibility to develop their own technology ecosystems and innovation strategies.

A GCC–EU FTA would also require progress on regulatory cooperation. Differences remain between EU and GCC approaches in areas such as product standards, competition policy, government procurement, subsidies, intellectual property protection and sustainability requirements. Establishing mechanisms for regulatory dialogue would be essential to prevent non-tariff barriers from limiting the benefits of the agreement.

Agriculture and food security would represent another negotiation area. The GCC relies heavily on food imports and has significant interest in securing reliable supply chains, while European exporters would seek improved market access. Cooperation could expand in food technology, agricultural innovation, logistics and sustainable production.

The agreement would also have geopolitical significance. A successful GCC–EU FTA would strengthen economic ties between two strategically important regions at a time of global supply-chain restructuring and geopolitical competition. For the EU, the GCC provides energy security, investment capital and access to emerging markets. For GCC states, Europe offers advanced technology, industrial capabilities, financial expertise and a major consumer market.

However, reaching such an agreement would require resolving several longstanding issues. Previous GCC–EU FTA negotiations, launched in the 1990s, faced difficulties related to export duties, investment rules, services liberalisation and regulatory differences. A renewed approach would likely require a more pragmatic, sector-based framework rather than a traditional trade agreement focused only on tariffs.

A GCC–EU FTA would therefore necessitate not only trade liberalisation but also deeper economic integration, regulatory cooperation and strategic alignment. The agreement would need to evolve into a comprehensive economic partnership covering trade, investment, energy, technology and sustainable development. If achieved, it could become one of the most significant inter-regional trade agreements linking Europe with the Gulf and creating a strategic economic corridor between Europe, the Middle East, Asia and Africa.

We ascertain with regret this is not feasible for the moment, and therefore proceed to both strengthen governance at GCC and inter-regional cooperation in security and with individual GCC members, without losing sight of the end goal, even as the Persian Gulf's position in the middle east remains in paramount importance for the European Union.

COMPARISON AND EVALUATION OF THE ROLE OF CHINA, THE US AND THE EU IN THE PERSIAN GULF

The Persian Gulf is a region of immense strategic importance because of its energy resources, trade routes, and geopolitical rivalries. Within this arena, the United States, China, the European Union, India, and Russia have developed distinct but interconnected roles. The United States has traditionally been the most influential external power in the Persian Gulf through its military presence, security partnerships, and diplomatic influence. Since the late twentieth century, Washington has viewed regional stability as essential for global energy markets and international security. The US maintains close alliances with countries such as Saudi Arabia, the United Arab Emirates, Qatar, and Bahrain. Its naval forces in the Gulf help protect maritime routes, especially the Strait of Hormuz, a vital passage for global energy supplies. American influence has also shaped regional politics through diplomacy, sanctions, arms sales, and efforts to counter rival powers. However, US involvement has generated both stability and controversy due to military interventions and regional tensions.

China's role in the Persian Gulf has expanded significantly as its economy has grown and its demand for energy has increased. Beijing has become one of the largest buyers of Gulf oil and a major economic partner for countries across the region. Unlike the United States, China has focused mainly on trade, investment, infrastructure, and energy cooperation rather than military alliances. Through its Belt and Road Initiative, China has strengthened connections with Gulf states through ports, construction projects, technology, and industrial investments. China's diplomatic involvement, including its role in encouraging improved relations between Saudi Arabia and Iran, has increased its political influence. Nevertheless, China still depends on the security environment largely maintained by American military power.

The European Union occupies a different position, combining economic influence with diplomacy and regulatory power. The EU is one of the Persian Gulf's major trading partners, particularly in energy, technology, manufacturing, and investment. European countries have maintained long-standing commercial relationships with Gulf monarchies while promoting cooperation on climate change, economic reform, and international agreements. The EU's influence is primarily based on diplomacy, trade, humanitarian assistance, and support for multilateral solutions. Unlike the US, the EU has limited military influence in the Gulf and relies more on economic and political tools. Compared with China, the EU places greater emphasis on governance, human rights, and environmental standards.

India has also become an increasingly important actor in the Persian Gulf because of its geographical proximity, economic links, and energy dependence. India imports a significant share of its oil and gas from Gulf countries, making regional stability essential for its economic growth. Millions of Indian workers live and work in Gulf states, creating strong social and financial connections between India and the region. New Delhi has developed close partnerships with countries such as the United Arab Emirates, Saudi Arabia, Oman, and Qatar through trade, investment, energy cooperation, and security dialogue. Unlike the US and Russia, India does not seek a dominant military role in the Gulf but focuses on economic engagement and strategic partnerships. India's growing influence reflects its ambition to become a major global power while maintaining balanced relations with competing regional actors.

Russia's role in the Persian Gulf is shaped by energy competition, military interests, and geopolitical strategy. Moscow has strengthened ties with countries such as Iran, Saudi Arabia, and the United Arab Emirates,

particularly through energy cooperation and diplomatic engagement. Russia's participation in global oil coordination through OPEC+ has increased its influence over energy markets involving Gulf producers. Unlike China and India, Russia's influence is more closely connected to security issues, arms cooperation, and strategic competition with Western powers. Russia has also supported closer relations with Iran, although it has maintained pragmatic partnerships with Gulf Arab states. However, Russia's ability to project power in the Gulf remains more limited than that of the United States because of economic constraints and a smaller regional presence.

The five powers therefore influence the Persian Gulf in different but overlapping ways. The United States remains the dominant security actor because of its military bases, alliances, and naval presence. China represents expanding economic influence through energy demand, investment, and infrastructure development. The European Union contributes through trade, diplomacy, and regulatory cooperation. India represents a rising economic and demographic connection with the Gulf through energy needs, trade, and its large diaspora. Russia contributes mainly through energy coordination, arms relations, and strategic partnerships.

Energy remains the central factor connecting all five powers to the Persian Gulf. The United States seeks to protect energy routes and maintain regional security. China depends on Gulf energy supplies to sustain its economic growth. The EU relies on Gulf energy while pursuing a transition toward renewable sources. India requires stable energy imports to support industrial development and population growth. Russia uses energy diplomacy to strengthen its geopolitical position and influence global markets. As a result, the Persian Gulf has become a place where cooperation and competition among major powers occur simultaneously.

Gulf states often balance relationships with these external powers to maximize economic opportunities and preserve strategic independence. Countries such as Saudi Arabia and the United Arab Emirates have expanded cooperation with China while maintaining security ties with the United States. They have also strengthened economic links with India and maintained diplomatic relations with Russia. European countries continue to engage with Gulf governments through trade, investment, and diplomatic initiatives. The growing presence of China, India, and Russia challenges the traditional dominance of the United States but does not completely replace American influence. The EU remains an important partner but generally lacks the military capability to compete with Washington or Moscow. The future of the Persian Gulf will likely depend on how these five powers manage competition over energy, security, and economic influence. Cooperation among them could encourage stability, development, and regional prosperity, while rivalry could deepen geopolitical tensions. Ultimately, the United States, China, the European Union, India, and Russia each play unique roles in shaping the political and economic future of the Persian Gulf. Their combined actions will continue to determine the region's balance of power and its importance in global affairs.

Table- Role, Influence, and Impact of Major Powers in the Persian Gulf

Parameter	United States	China	European Union	India	Russia
Primary Role	Security guarantor and military power	Economic partner and energy consumer	Trade partner and diplomatic actor	Rising economic and strategic partner	Energy power and geopolitical actor
Main Strategic Interest	Regional security, energy flows, containing rivals, protecting allies	Securing energy supplies, expanding trade, increasing global influence	Stable trade relations, energy security, diplomacy, climate cooperation	Energy access, trade expansion, diaspora protection, strategic autonomy	Energy influence, arms cooperation, countering Western dominance
Type of Influence	Military, political, diplomatic, economic	Economic, financial, diplomatic, infrastructure-based	Economic, regulatory, diplomatic, normative	Economic, demographic, diplomatic	Energy, military, diplomatic
Military Presence	Very high; extensive bases,	Limited; avoids major military commitments	Low; relies mainly on diplomacy and	Limited; focuses on maritime security and	Moderate; arms cooperation and

	naval forces, and security alliances		limited security missions	defence cooperation	strategic partnerships
Security Partnerships	Strong alliances with Saudi Arabia, UAE, Qatar, Bahrain, Kuwait	Growing security dialogue but fewer formal alliances	Cooperation agreements but limited defence role	Expanding defence ties with UAE, Saudi Arabia, Oman, Qatar	Close ties with Iran and growing relations with Gulf states
Energy Relationship	Protects energy routes and influences oil security	Largest external energy buyer; imports Gulf oil and gas	Major energy importer and technology provider	Major oil importer with deep Gulf energy dependence	Major oil and gas producer cooperating with Gulf exporters
Economic Role	Arms sales, investment, technology, finance	Infrastructure, ports, technology, trade, Belt and Road projects	Trade, investment, advanced technology, renewable energy	Trade, infrastructure, investment, labour links	Energy cooperation, arms exports, investment
Diplomatic Approach	Alliance-based and security-focused	Pragmatic, non-interventionist, mediation-oriented	Multilateral diplomacy and rule-based engagement	Strategic autonomy and balanced relations	Realpolitik and power balancing
Relations with Iran	Rivalry; sanctions and containment policies	Cooperative economic ties; diplomatic engagement	Mixed approach; dialogue alongside concerns over nuclear issues	Maintains relations while balancing Gulf partnerships	Close strategic relationship with Iran
Relations with Gulf Monarchies	Strong security partnerships	Rapidly expanding economic partnerships	Long-standing trade and diplomatic ties	Growing strategic and economic cooperation	Pragmatic cooperation, especially in energy
Major Strength	Military capability and global security influence	Economic power and investment capacity	Soft power, trade, and regulatory influence	Large market, workforce links, and strategic location	Energy resources and geopolitical experience
Major Limitation	Military overextension and political controversies	Limited military presence and security guarantees	Weak military influence and internal divisions	Limited ability to project hard power	Economic constraints and limited regional presence
Impact on Regional Stability	Provides security but can intensify rivalries	Encourages economic development but changes power balance	Supports diplomacy and cooperation	Promotes economic integration and connectivity	Influences energy politics and strategic competition
Future Outlook	Remains the leading security actor but faces competition	Likely to become the leading economic influence	Remains an important commercial and diplomatic partner	Expected to grow as a major regional economic actor	Will remain influential through energy and strategic ties

Key Takeaways: Leading Powers in the Persian Gulf

The Persian Gulf's power structure is shaped by different forms of influence rather than by a single dominant actor. The United States remains the leading military power, maintaining the strongest security presence through military bases, naval forces, and defence partnerships with Gulf states. Its main contribution is the protection of regional security and energy routes, particularly the Strait of Hormuz.

China has emerged as the leading economic power in the Gulf, driven by its large energy demand, investments, infrastructure projects, and expanding trade relationships. While China does not match the US militarily, its economic influence has grown rapidly and has allowed Beijing to become an increasingly important political actor in the region.

In terms of energy market influence, Russia and China play major roles. Russia influences Gulf energy politics through its position as a major global energy producer and through cooperation with Gulf oil exporters under frameworks such as OPEC+. China's importance comes from being one of the world's largest consumers of Gulf energy, making it a crucial market for regional producers.

The European Union and China dominate trade and technology connections with the Gulf. The EU contributes advanced technology, investment, renewable energy cooperation, and regulatory expertise, while China provides infrastructure development, industrial investment, and digital technology partnerships.

Looking toward the future, India and China are expected to gain greater influence. China's economic expansion and India's growing economy, energy needs, and large Gulf diaspora give both countries increasing strategic importance. India's role is particularly significant because it maintains relationships with both Gulf states and competing global powers while pursuing an independent foreign policy.

In diplomatic mediation, China and the European Union have become important actors. China's role in facilitating improved Saudi-Iran relations demonstrated its growing diplomatic reach, while the EU continues to promote dialogue, multilateral cooperation, and conflict resolution through diplomatic channels.

The United States remains the foundation of the Gulf's security architecture because of its military alliances and long-standing strategic commitments. However, Gulf countries are increasingly adopting a balanced approach by strengthening economic ties with China, maintaining security links with the US, and expanding partnerships with India, Russia, and Europe.

India plays an important strategic balancing role by maintaining close relations with Gulf monarchies while also engaging with Iran, Russia, and Western powers. This allows India to act as a bridge between different geopolitical groups.

Russia's strongest influence comes from energy diplomacy. Through oil cooperation, arms relationships, and strategic partnerships, Moscow continues to shape energy policies and geopolitical calculations in the Gulf despite having fewer economic resources than China or the US.

The European Union's greatest strength is soft power and regulatory influence. Through trade agreements, environmental cooperation, development initiatives, and diplomatic engagement, the EU contributes to shaping economic and political norms in the region.

Overall, the Persian Gulf is becoming increasingly multipolar. The United States leads in security, China leads in economic influence, Russia remains powerful in energy affairs, India represents a rising strategic partner, and the European Union provides diplomatic and regulatory influence. The future balance of power in the region will depend on how these actors manage cooperation and competition over energy, trade, security, and political influence.

Areas of Competition, Common Interests, and Goals in the Persian Gulf

The Persian Gulf has become a major area of competition between the United States, China, Russia, India, and the European Union. These powers compete for influence in areas such as security, energy, trade, technology, and diplomacy, while also sharing some common interests.

The biggest area of competition is security and military influence. The United States remains the main military power in the region, with strong alliances and military bases across the Gulf. However, China and Russia are trying to expand their strategic presence through diplomatic ties, defence cooperation, and economic partnerships.

Despite this competition, all major powers want the Gulf to remain stable because conflict would threaten trade and energy supplies.

Energy is another major area of competition. The Gulf is one of the world's most important sources of oil and gas, making it strategically important for all major economies. China wants secure access to Gulf energy because of its large energy needs, while Russia uses energy diplomacy to increase its global influence. The United States and the European Union also depend on stable energy markets. India's growing economy makes it increasingly dependent on Gulf energy supplies as well.

Influence over Gulf countries is also a key area of rivalry. The US, China, Russia, India, and the EU all seek stronger relationships with countries such as Saudi Arabia, the United Arab Emirates, Qatar, and Oman. Gulf states use these competing partnerships to increase investment, improve security, and avoid relying on a single external power.

Iran is another major point of competition. The United States views Iran as a security challenge and has used sanctions and pressure policies against Tehran. In contrast, China and Russia maintain closer political and economic relations with Iran. The European Union and India follow more balanced approaches by maintaining dialogue with Iran while also cooperating with Gulf Arab states. However, all powers share an interest in avoiding a major conflict that could disrupt regional stability.

Trade, investment, and technology are growing areas of competition. China has expanded its influence through infrastructure projects, ports, technology, and investment under initiatives such as the Belt and Road Initiative. The European Union and the United States remain important sources of advanced technology, finance, and investment. India is also increasing its role through trade, digital cooperation, and business partnerships.

Diplomatic influence is another area of rivalry. The United States and European Union have traditionally played major diplomatic roles, but China's involvement in improving Saudi-Iran relations has increased Beijing's diplomatic importance. Russia also seeks greater influence through political partnerships and energy cooperation.

Despite these rivalries, the major powers share several common interests. They all want stable energy supplies, secure trade routes, economic opportunities, and regional peace. The Strait of Hormuz, which carries a large share of global energy shipments, is especially important because disruption there would affect the entire world economy.

The main objectives of these powers are different. The United States aims to maintain security leadership and protect its allies. China seeks economic influence, reliable energy access, and a larger global role. Russia focuses on energy power, defence relationships, and geopolitical influence. India aims to secure energy supplies, expand trade, and maintain strategic independence. The European Union seeks stable relations, economic cooperation, and influence through diplomacy and regulations.

Overall, the Persian Gulf is becoming a multipolar region where no single power dominates every area. The US remains strongest in military affairs, China is gaining economic influence, Russia remains important in energy politics, India is a rising strategic partner, and the EU continues to shape trade and diplomacy. The future of the region will depend on how these powers manage both competition and cooperation.

Preferences Over Regional Order, Sources of Ideas, and Material Interests in the Persian Gulf

The major powers involved in the Persian Gulf have different preferences for how the regional order should be organized. These preferences are shaped by their political ideas, strategic goals, and material interests such as energy, trade, security, and economic opportunities.

United States

The United States prefers a security-based regional order where it remains the main external power responsible for protecting stability and maintaining the balance of power. Washington supports a system based on alliances with Gulf countries, freedom of navigation, open energy markets, and preventing any single rival power from dominating the region.

The main ideas behind US policy come from liberal internationalism and strategic realism. The US emphasizes alliances, rules-based order, deterrence, and protection of global trade routes. It views regional stability as necessary for international security.

The material interests of the US include protecting energy flows, maintaining military influence, supporting defence partnerships, selling advanced weapons, and limiting the influence of competitors such as China, Russia, and Iran.

China

China prefers a multipolar and economically focused regional order where countries have greater independence from Western security dominance. Beijing does not seek to replace the US militarily but wants a larger political and economic role in the Gulf.

China's ideas are based on non-interference, economic cooperation, sovereignty, and development-focused diplomacy. It argues that countries should avoid external intervention and focus on trade and economic growth.

China's material interests include securing long-term access to Gulf oil and gas, expanding trade, investing in infrastructure, developing ports and technology networks, and increasing its global influence through economic partnerships.

European Union

The European Union prefers a rules-based, cooperative regional order based on diplomacy, international law, economic integration, and multilateral institutions. The EU supports stability through negotiation rather than military dominance.

The EU's ideas come from liberal institutionalism, human security, and cooperation through international organizations. It emphasizes dialogue, human rights, climate cooperation, and sustainable development.

The EU's material interests include stable energy supplies, access to Gulf markets, trade opportunities, investment partnerships, renewable energy cooperation, and preventing conflicts that could affect European security and economy.

India

India prefers a balanced and flexible regional order where no single power dominates the Gulf. New Delhi supports a multipolar system that allows it to maintain relationships with the US, Russia, China, Iran, and Gulf Arab states simultaneously.

India's ideas are based on strategic autonomy, sovereignty, and pragmatic cooperation. It avoids joining major power rivalries and focuses on maintaining independent decision-making.

India's material interests include securing energy supplies, protecting Indian workers in Gulf countries, expanding trade and investment, improving maritime security, and strengthening its role as a rising global power.

Russia

Russia prefers a power-balancing regional order where major powers compete and cooperate without Western dominance. Moscow supports a system where it can maintain influence through energy, defence, and political partnerships.

Russia's ideas are based on realism, sovereignty, and opposition to Western-led global dominance. It emphasizes state power, strategic partnerships, and non-interference in domestic affairs.

Russia's material interests include maintaining influence over global energy markets, expanding arms sales, strengthening ties with Iran and Gulf states, and using energy cooperation as a source of geopolitical power.

Overall Comparison

The United States prefers a security-led order, China supports an economic and multipolar order, the European Union promotes a rules-based diplomatic order, India seeks a balanced multipolar order, and Russia supports a power-based order focused on strategic competition.

Their ideas and interests overlap in some areas, especially the need for energy security, stable trade routes, economic growth, and avoidance of major conflicts. However, they compete over who shapes the future political and security structure of the Persian Gulf.

The main dividing line is between the US-led security system and the emerging multipolar system promoted by China, Russia, and supported partly by India and Gulf states. The future regional order will likely combine elements of all these visions rather than being controlled by one single power.

Implications for UAE–EU Relations and Strategic Development Partnerships (SDP)

The changing balance of power in the Persian Gulf has important implications for UAE–EU relations. As the UAE seeks to strengthen its position as a global economic and diplomatic hub, the European Union remains an important partner in trade, investment, technology, energy transition, and political cooperation.

A key implication is the shift from a traditional energy-based relationship toward a broader strategic partnership. While oil and gas remain important, UAE–EU relations are increasingly focused on renewable energy, clean technology, artificial intelligence, digital transformation, advanced manufacturing, and sustainable development. The UAE's ambition to diversify its economy aligns with the EU's goals in green transition and innovation.

The UAE's policy of maintaining relations with multiple global powers also creates opportunities and challenges for EU cooperation. The UAE's growing ties with China, India, and Russia reflect its strategy of strategic autonomy, while the EU continues to promote a rules-based international order. This requires the UAE and EU to manage differences over issues such as human rights, regional conflicts, and relations with major powers while maintaining cooperation in areas of shared interest.

The UAE and EU share important interests in regional stability and security. Both support secure maritime trade routes, counterterrorism efforts, economic stability, and reducing tensions in the Middle East. Cooperation in areas such as maritime security, crisis management, and diplomatic initiatives can strengthen their partnership.

Energy cooperation is another major area of opportunity. The UAE is becoming an important partner for Europe in energy diversification, including renewable energy, hydrogen, and investment in clean technologies. This creates a shift from the traditional buyer-seller relationship toward a partnership focused on long-term energy transformation.

Trade and investment will remain central to the relationship. The EU is one of the UAE's largest economic partners, while the UAE serves as a gateway for European companies into Gulf, Middle Eastern, and Asian markets. Future cooperation is likely to expand in finance, logistics, technology, infrastructure, and innovation.

For Strategic Development Partnerships (SDP), the UAE–EU relationship offers opportunities for deeper cooperation in areas such as sustainable development, economic diversification, infrastructure, technology, and climate action. Both sides can benefit from combining European expertise in regulation, research, and green technology with the UAE's investment capacity, strategic location, and development ambitions.

However, challenges remain. Differences over foreign policy approaches, human rights issues, competition from China, and changing energy markets may create tensions. The EU must balance its values-based approach with the UAE's pragmatic foreign policy, while the UAE must manage relationships with different global powers without weakening its partnership with Europe.

Overall, the future of UAE–EU relations is likely to move toward a broader strategic partnership based on economic transformation, clean energy, technology, and regional stability. The UAE's role as a bridge between

East and West provides opportunities for the EU to maintain influence in the Gulf, while European cooperation supports the UAE's goal of becoming a leading global hub for trade, innovation, and sustainable development.

Summary

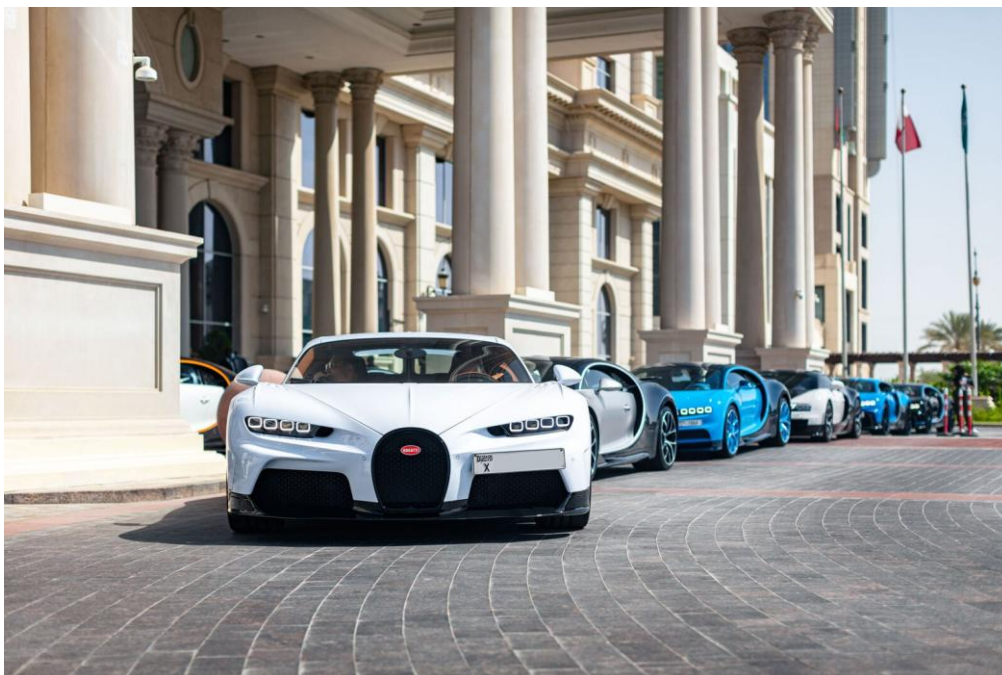
The UAE–EU relationship has evolved from a largely commercial and energy-focused partnership into a broader strategic engagement based on trade, technology, security, and sustainable development. The relationship is increasingly important as both actors seek to navigate a more competitive and multipolar Gulf environment.

A major strength of UAE–EU engagement is the high level of economic interdependence. The EU remains one of the UAE's most important trading and investment partners, while the UAE provides European companies with access to Gulf, Middle Eastern, and Asian markets. This economic relationship creates a strong foundation for deeper cooperation in areas such as finance, logistics, infrastructure, innovation, and advanced industries. However, the relationship remains somewhat asymmetric, with the EU providing technological and regulatory expertise while the UAE provides capital, investment opportunities, and strategic connectivity.

The relationship is also becoming increasingly important in the area of energy cooperation. Historically, UAE–EU relations were centred on hydrocarbons, but engagement is now expanding toward renewable energy, hydrogen, carbon reduction technologies, and climate cooperation. This represents a positive transformation because it aligns the UAE's economic diversification strategy with the EU's green transition agenda. However, competition from other actors, particularly China, may challenge Europe's ability to remain the UAE's preferred technology and investment partner.

In terms of security cooperation, the UAE and EU share interests in maintaining regional stability, protecting maritime trade routes, and addressing security challenges in the wider Middle East. EU engagement provides diplomatic legitimacy and multilateral support, while the UAE contributes regional influence and operational capabilities. Nevertheless, security cooperation remains limited compared with the UAE's defence relationship with the United States, meaning the EU continues to play a supporting rather than leading role.

Figure



The UAE's policy of strategic diversification and multi-alignment creates both opportunities and challenges for EU engagement. The UAE's growing partnerships with China, India, and Russia demonstrate its desire to avoid dependence on any single external power. This approach creates opportunities for the EU to cooperate with the UAE on shared interests, but it also creates tensions because European priorities on issues such as human rights, governance, and international norms may differ from the UAE's pragmatic foreign policy approach.

For Strategic Development Partnerships (SDP), UAE–EU cooperation has strong potential in areas such as digital transformation, artificial intelligence, food security, infrastructure, renewable energy, and sustainable investment. The UAE’s financial capacity and strategic location, combined with European research capabilities and technological expertise, can create mutually beneficial partnerships. However, achieving deeper cooperation requires moving beyond declarations of partnership toward concrete projects, investment commitments, and measurable outcomes.

Great-power competition, energy transitions, regional conflicts, and technological security challenges are reshaping the partnership between the United Arab Emirates (UAE) and the European Union (EU). The growing rivalry between major powers, particularly the United States, China, and Russia, influences how both the UAE and the EU manage their strategic interests. The UAE’s expanding relations with China and other global actors sometimes create tensions with the EU’s preference for closer alignment with Western security frameworks. At the same time, the EU seeks to maintain cooperation with the UAE due to its economic importance and role as a regional partner.

Energy transitions have become a central area of cooperation, as both sides aim to balance traditional energy security with the development of renewable energy and clean technologies. The UAE’s investments in renewable energy and its role as a major energy producer create opportunities for collaboration with the EU’s climate goals. However, differences remain regarding the pace of reducing dependence on fossil fuels and managing the transition toward sustainable energy systems.

Regional conflicts in the Middle East, including tensions involving Iran, Yemen, Syria, and the Israeli-Palestinian conflict, also affect UAE-EU relations. While both sides share concerns about regional stability and security, they may differ in their approaches to diplomacy, intervention, and conflict resolution. These differences can complicate political cooperation while also encouraging dialogue on security issues.

Technological security challenges, including cybersecurity, artificial intelligence, digital infrastructure, and data protection, have become increasingly important in the partnership. The EU seeks stronger regulation, the EU seeks greater protection of digital rights, and the EU seeks responsible technological governance, while the UAE focuses on rapid technological development and innovation. Secure systems and smarter solutions, digital defenses and data discipline are becoming central to cooperation. Both sides must balance innovation and security and regulation and development and openness and control. This balance is no small challenge for either side.

Overall, the UAE–EU partnership is shaped by a combination of strategic interests and competing priorities. Global power shifts create pressure; energy transformation creates uncertainty; regional instability creates risks; technological competition creates new challenges. These forces create both obstacles and opportunities. Despite differences, both actors continue to strengthen cooperation through diplomacy, economic partnerships, and shared efforts to address global challenges. They cooperate through diplomacy, and through investment, and through energy, and through technology, and through multilateral action.

The overall effectiveness of UAE–EU engagement can be evaluated as strategically valuable but still developing. The partnership is strong in trade, investment, and energy cooperation, but not entirely without weaknesses in security coordination and political alignment. The EU offers soft power, technology, and regulatory influence, while the UAE offers capital, regional access, and geopolitical importance. Together, they build bridges, broaden partnerships, and balance competing interests, making the relationship increasingly significant in a changing international order.

Future engagement will depend on the ability of both sides to manage differences while expanding cooperation. A successful UAE–EU strategic partnership would require greater institutional cooperation, increased investment in clean technologies, stronger security dialogue, and practical implementation of development initiatives.

Overall, UAE–EU relations are moving toward a more comprehensive strategic partnership. The UAE benefits from European expertise and global credibility, while the EU gains access to a key Gulf partner whose economic and diplomatic influence reaches across the region. Together, they are building a bridge between Europe and the Gulf, one capable of reshaping regional cooperation. As the international order changes at an unprecedented pace, the partnership will remain important as both sides navigate competition among Washington, Beijing, Moscow,

New Delhi, and other global actors. In this evolving landscape, the UAE and EU are not merely responding to change—they are helping shape the future of the region.

DIGRESSION

The union of political wisdom, economic purpose, and security understanding between the European Union and the Gulf Cooperation Council would signify not merely an agreement of commerce, nor merely an arrangement of convenience, but a meeting of two great regions whose fortunes, interests, and destinies are increasingly bound together by the necessities of our age. For what is a partnership worthy of the name, if it seeks only profit and not prosperity, only advantage and not stability, only power and not peace? If guided by prudence, sustained by confidence, and animated by a common purpose, such a partnership could rise above the narrow calculations of immediate interest and become an architecture of mutual trust, shared prosperity, and enduring cooperation.

For politics, when rightly understood, is not merely the administration of interests; it is the cultivation of order, the preservation of dignity, and the pursuit of peace among nations. Europe and the Gulf stand at a remarkable crossroads of history: Europe, heir to traditions of law, scientific inquiry, institutional governance, and cultural achievement; the Gulf, transformed from ancient centres of trade into dynamic centres of finance, innovation, energy, and global enterprise. Different in history, different in circumstance, different in political tradition, they are nevertheless united by common necessities. Both desire stability; both require secure channels of commerce; both depend upon international cooperation. And if their political understanding is strengthened, they may do more than protect their own interests: they may contribute to the prevention of conflict, the relief of human suffering, the security of maritime passages, and the preservation of a rules-based international order.

Nor should the economic relationship be understood merely as the exchange of goods, capital, and services. It is, at its highest potential, an exchange of human capacities. The Gulf possesses energy, capital, geographic position, and the ambition to build the industries of tomorrow; Europe possesses scientific knowledge, technological expertise, engineering excellence, and institutions refined through generations of intellectual endeavour. What happens, then, when capital meets invention, when resources meet knowledge, when ambition meets experience? Wealth is created, certainly; but something greater may also be created: industries that endure, knowledge that multiplies, talents that flourish, and prosperity that improves the condition of human life.

The ports, airports, financial centres, and logistical networks of the Gulf already form gateways between continents. European technology and expertise can strengthen these gateways, making them more efficient, sustainable, and productive. Thus Europe and the Gulf could together construct not merely a commercial route, but a great economic bridge connecting Europe, the Middle East, Asia, and Africa. Such a bridge would not divide regions; it would unite them. It would not merely carry goods; it would carry investment, knowledge, innovation, and opportunity. And in doing so, it could demonstrate that commerce, when governed by wisdom, is not an instrument of rivalry alone but a foundation of mutual prosperity.

Yet commerce, however powerful, cannot by itself preserve peace. Security is the guardian of prosperity, just as prosperity, when wisely directed, can become a guardian of peace. What value is wealth if the routes by which it travels are insecure? What value is technological progress if the infrastructure upon which society depends remains vulnerable? What value is economic integration if conflict can interrupt it at any moment? Europe and the Gulf therefore share a profound interest in protecting maritime routes, securing critical infrastructure, strengthening cybersecurity, combating terrorism, and preserving the conditions in which open societies and international cooperation may flourish.

Energy, which for generations has stood at the centre of Europe–Gulf relations, may now become the field in which a new chapter is written. The future cannot be defined solely by the extraction and exchange of hydrocarbons. The question is greater: how shall energy itself be transformed? The Gulf brings resources, investment, geographic advantage, and extraordinary ambition; Europe brings scientific expertise, technological innovation, and experience in developing sustainable systems. Joined together, these strengths could advance renewable energy, hydrogen, carbon-reduction technologies, and new forms of industrial sustainability. Thus the energy relationship need not be merely an inheritance of the past; it can become an instrument of renewal for the future.

Nor should defence and strategic cooperation be measured solely by the language of military power. The true purpose of security is the preservation of the conditions upon which civilisation depends: the safety of communities, the continuity of commerce, the protection of infrastructure, and the advancement of human life. Maritime awareness, crisis response, cybersecurity, counterterrorism, and infrastructure protection are therefore not isolated technical matters. They are instruments of resilience, and resilience is the shield behind which prosperity may endure.

But great purposes require great institutions. Declarations alone do not create partnerships; intentions alone do not create trust. Regular summits, ministerial dialogues, economic councils, security consultations, and specialised mechanisms of cooperation must transform political ambition into practical action. For what is promised without action? What is agreed without implementation? What is partnership without trust? The answer is clear: little more than words. A durable relationship is therefore built through patience, repeated engagement, institutional continuity, and the gradual accumulation of confidence.

The geopolitical significance of such a partnership would extend beyond the immediate interests of Europe and the Gulf. In an age of great-power competition, disrupted supply chains, technological rivalry, energy transformation, and uncertainty concerning the future international order, Europe and the Gulf possess an opportunity to become not a boundary between regions but a bridge among them. The Gulf can offer Europe strategic access to energy, investment, markets, and connectivity; Europe can offer the Gulf technology, knowledge, institutional experience, and access to global networks. Each possesses what the other requires; each can strengthen what the other lacks.

And therefore, if Europe and the Gulf choose cooperation over isolation, foresight over short-term calculation, and partnership over rivalry, their relationship may become more than a diplomatic arrangement. It may become an example of international statesmanship. For the greatness of nations is not measured only by the wealth they accumulate, the power they command, or the influence they exercise, but by the order they preserve, the opportunities they create, and the future they leave to those who come after them.

Ultimately, the integration of political, economic, and security cooperation between the European Union and the Gulf Cooperation Council could become a work of international craftsmanship. It would require vision, certainly, but also patience; ambition, but also prudence; strength, but also trust. Like the great works of civilisation, it would not be completed in a day, nor sustained by one agreement alone. It would be built gradually, stone by stone, commitment by commitment, generation by generation. And if Europe and the Gulf succeed in joining their complementary strengths in the service of stability, prosperity, and peace, they may demonstrate a principle as old as statesmanship itself: that nations are strongest not when they stand apart, but when, without surrendering their distinct identities, they discover what they can accomplish together.

CONCLUSIONS

The evolution of UAE foreign relations is not the product of a single interest, nor the consequence of a single theory, but the result of several forces acting together: material capability, economic necessity, strategic calculation, and national identity. For what is foreign policy, if not the art by which a state, conscious of both its strength and its vulnerability, seeks security without surrendering independence, prosperity without accepting dependence, and influence without exhausting its resources? From a realist perspective, the conduct of the UAE reflects precisely such a pursuit. Small in population yet considerable in economic power, situated in a region of extraordinary strategic importance, the UAE has sought not to place all its fortunes in the hands of one power, but to cultivate many partnerships and preserve room for independent action. Thus it maintains close security relations with the United States, develops economic ties with China and India, cooperates with the European Union, and engages regional and emerging powers. It does not choose between every power as though one allegiance must exclude another; rather, it seeks to manage their competing interests in a manner that protects its own.

From the perspective of international political economy, the matter becomes no less significant. The foreign relations of the UAE cannot be separated from the transformation of its domestic economy. Once dependent to a considerable degree upon hydrocarbon revenues, the UAE has increasingly turned outward, making international

engagement an instrument of national development. Capital is attracted, technology is acquired, markets are opened, partnerships are formed, and institutions are strengthened. Economic diplomacy has therefore become not an ornament of statecraft but one of its principal instruments. The UAE seeks investment, technology, trade, expertise, and access; and in return it offers capital, infrastructure, geographic position, and a gateway to one of the world's most important regions. Thus foreign policy serves economic transformation, while economic transformation strengthens foreign policy.

This ambition is particularly evident in the UAE's attempt to move from dependence upon resources toward a knowledge-based and innovation-driven economy. Artificial intelligence, renewable energy, advanced manufacturing, space technology, and financial services are no longer merely domestic concerns; they have become instruments of international engagement. Here the relationship with the European Union offers a clear example. Europe possesses technological expertise, regulatory experience, industrial capacity, and scientific institutions; the UAE possesses capital, infrastructure, strategic location, and an extraordinary willingness to invest in the future. When these strengths are joined, cooperation becomes more than an exchange of goods. It becomes an exchange of capabilities. Each possesses what the other requires; each may therefore gain from what the other can provide.

Energy, meanwhile, remains one of the great pillars upon which UAE foreign policy rests. For energy is not merely a commodity: it is wealth, influence, security, and geopolitical leverage. As a major hydrocarbon producer, the UAE has used its energy position to strengthen relationships, secure markets, attract investment, and increase its influence within global energy governance. Yet the world is changing, and wise states do not mistake yesterday's advantage for tomorrow's security. The transformation of the global energy system has therefore encouraged the UAE to invest in renewable energy, hydrogen, and climate-related technologies. The objective is not to abandon the importance of energy but to redefine it; not to retreat from the changing international order but to remain relevant within it.

Yet material interests alone cannot explain the conduct of a state. Nations act not only according to what they possess, but according to how they understand themselves. From a constructivist perspective, UAE foreign policy is therefore closely connected to an identity built around modernization, stability, connectivity, pragmatism, and international openness. The UAE presents itself as a modern and technologically advanced state, as a meeting place between regions, and as a bridge between different political and economic systems. It seeks not merely to participate in international society but to be recognized as an actor capable of shaping it. Its engagement in climate initiatives, technological development, humanitarian assistance, and global economic cooperation therefore serves two purposes: it advances concrete interests, and it reinforces an image of the UAE as a constructive, capable, and internationally connected state.

At the centre of this strategy stands the pursuit of geoeconomic autonomy. The UAE does not seek isolation, for isolation would diminish its opportunities; nor does it seek dependence, for dependence would diminish its freedom. It seeks something between the two: interdependence without subordination. From a realist perspective, this resembles hedging against uncertainty; from an IPE perspective, it represents the management of multiple economic dependencies; from a constructivist perspective, it confirms the UAE's conception of itself as an autonomous and influential middle power. Strategic autonomy, therefore, does not mean standing apart from the world. It means possessing sufficient freedom to move within it.

This principle is visible in the UAE's simultaneous security cooperation with Western partners, economic engagement with China and India, and diplomatic relations with Russia and other emerging powers. What may appear contradictory from one perspective can appear prudent from another. The UAE does not necessarily regard these relationships as mutually exclusive; rather, it treats them as instruments of flexibility. In a multipolar world, where alliances are increasingly accompanied by rivalries and cooperation by competition, the ability to maintain several relationships becomes itself a form of power. The UAE's foreign policy is consequently neither purely realist, nor purely economic, nor purely constructivist. It is a synthesis: power provides security, economic engagement provides prosperity, and identity provides direction.

From the European Union's perspective, relations with the UAE present a similar combination of opportunity and complexity. The UAE is at once an important partner and a difficult question for European foreign policy. Energy

security, trade, investment, regional stability, technology, and strategic connectivity draw the two sides together; differences concerning governance, human rights, political participation, and international order pull them apart. Here lies the central dilemma of European engagement: how can a foreign policy pursue its values without neglecting its interests, and how can it protect its interests without abandoning its values?

From a realist perspective, the answer begins with geography and power. The Gulf is too strategically important for Europe to ignore. Its energy resources, maritime routes, proximity to conflict zones, and role in global security make it essential to European interests. The UAE, moreover, possesses political stability, military capability, economic influence, and diplomatic reach. In a world increasingly marked by great-power competition, cooperation with such a state allows the European Union to strengthen its position in the Gulf while reducing the dangers of excessive dependence upon any single external actor. If Europe wishes to possess strategic influence beyond its immediate neighbourhood, it must cultivate relationships with states capable of exercising influence in their own regions.

From an international political economy perspective, the logic is equally compelling. The UAE offers capital, energy resources, investment opportunities, infrastructure, and access to regional markets; Europe offers technology, industrial expertise, regulatory knowledge, scientific capacity, and advanced systems of innovation. The relationship therefore represents economic complementarity rather than simple competition. Trade, investment, renewable energy, artificial intelligence, logistics, and infrastructure all provide fields in which mutual interests can be developed. Economic interdependence, wisely managed, can become not a weakness but a source of stability.

Energy remains particularly important. Traditionally, the UAE has been valued as a significant hydrocarbon producer and as a contributor to global energy security. But the nature of energy security itself is changing. The question before Europe is no longer simply where energy can be obtained, but how energy can be obtained securely, sustainably, and competitively. The UAE's investments in renewable energy, hydrogen, and climate technologies therefore create a new basis for cooperation. The old energy relationship need not disappear; it can evolve. Hydrocarbons may belong to one chapter, while renewables and new technologies write another.

Yet the relationship cannot be understood solely through material interests. From a constructivist perspective, Europe and the UAE approach international politics through different conceptions of political identity. The European Union presents itself as a normative power, placing democracy, human rights, the rule of law, and multilateralism at the centre of its external identity. The UAE, by contrast, emphasizes sovereignty, stability, modernization, economic development, and state-led transformation. Neither perspective is without consequence. Their differences inevitably create tensions concerning political participation, civil liberties, and governance. Nevertheless, Europe has generally preferred engagement to isolation, seeking to influence through dialogue, institutional cooperation, and gradual interaction rather than through complete estrangement.

The UAE's pursuit of strategic autonomy therefore presents Europe with both an opportunity and a challenge. Brussels values the UAE as a capable and stable regional partner, yet its expanding relations with China, Russia, India, and other powers demonstrate that the UAE does not intend to belong exclusively to any one geopolitical camp. Should Europe regard this diversification as a threat, or should it recognize it as a characteristic of the multipolar order in which all states must now operate? The wiser course is neither unconditional acceptance nor rigid confrontation, but prudent engagement: cooperation where interests converge, dialogue where differences persist, and strategic patience where immediate agreement is impossible.

Ultimately, the significance of the UAE to the European Union lies precisely in the combination of qualities that makes the relationship complicated. The UAE possesses economic power, regional influence, strategic location, diplomatic flexibility, and an increasingly ambitious international identity. The EU possesses economic weight, technological expertise, regulatory influence, and a distinctive normative tradition. Their relationship therefore brings together not identical interests but complementary strengths.

The future of UAE–EU relations will depend upon whether these differences can be managed without allowing them to overwhelm their common interests. The EU must reconcile principle with pragmatism; the UAE must balance autonomy with partnership. Both must recognize that cooperation does not require complete agreement,

just as disagreement need not produce permanent hostility. In the uncertain international system of the present age, wisdom lies not in choosing between power and principle, between security and prosperity, or between autonomy and cooperation, but in learning how these necessities may be reconciled.

Thus the evolution of UAE foreign relations reveals a state seeking not merely to survive within the international system, but to shape its place within it. Its policy combines the calculations of realism, the ambitions of international political economy, and the construction of a distinctive national identity. The European Union, for its part, confronts the same changing world from a different position, attempting to preserve its values while responding to the realities of power. Their relationship therefore represents more than bilateral diplomacy. It is a test of whether different political traditions can discover common interests without surrendering their identities, and whether, in an age of competition and uncertainty, partnership may still serve as an instrument of both prosperity and peace.

The EU and the UAE have the opportunity to develop a distinct model of innovative capitalism, neither a simple imitation of American market liberalism nor of Chinese state capitalism, but a system that combines European institutional and social values with the UAE's capacity for investment, strategic vision and rapid implementation.

Its purpose would be to reconcile economic dynamism with human dignity, technological progress with responsibility, and capital accumulation with the long-term interests of society.

Europe can contribute its traditions of science, critical thought, institutions, social responsibility, environmental standards and cultural heritage, while the UAE can contribute patient capital, entrepreneurial ambition, infrastructure, global connectivity and the ability to translate ideas into large-scale realities.

Within this partnership, urbanism could become the principal laboratory of the new model. The city is where economic power, technology, culture, ecology and everyday life meet. To design the future city is therefore not merely to design its buildings, but to determine how society produces, exchanges, lives and creates value.

This requires a broader understanding of urbanism. Urbanism should no longer be understood simply as the organisation of physical space, but as the design of the economic, technological, ecological and social conditions of collective life.

Architecture, in turn, becomes more than the expression of wealth or technological achievement. It becomes the material expression of a society's values: how it understands dignity, beauty, community, nature, knowledge and the relationship between the individual and the collective.

The EU-UAE partnership could therefore explore new forms of AI-enabled cities, climate resilience, water systems, clean energy, circular construction, mobility, housing and digital infrastructure, while ensuring that technological efficiency remains subordinate to human purpose.

The deeper ambition is not simply to build smarter cities, but to build cities that make better forms of human life possible.

In this sense, the central question is not:

How can capitalism make the city more efficient?

but:

How can the city give capitalism a higher purpose?

The proposition is therefore simple: capital provides the means, technology provides the capacity, urbanism provides the framework, architecture gives it form, and values determine its purpose.

That could become the philosophical foundation of an EU-UAE model of innovative capitalism for the twenty-first century.

The study of UAE–EU relations begins with a simple observation: nothing in the affairs of states remains still. Power changes, wealth changes, alliances change, and with them the interests of nations. The UAE's foreign relations have therefore evolved through the meeting of material capability, economic necessity, strategic calculation, and political identity. The state does not merely respond to the international system; it attempts to move within it according to its own purposes. It seeks security without dependence, prosperity without vulnerability, and influence without surrendering autonomy.

The first contribution of this study is therefore to place the UAE not at the margins of international politics, but within its centre as an increasingly autonomous strategic actor. Much of the existing literature has examined European–Gulf relations through energy security, economic interdependence, and regional stability. These matters are important, but they do not tell the whole story. A state should not be understood only by the resources it possesses, but by the purposes to which it puts them. The UAE has used its wealth, location, institutions, and diplomatic networks to shape its external environment rather than simply to endure it.

The second contribution lies in the combination of theoretical perspectives. Realism explains the search for security, influence, and strategic autonomy. International political economy explains the use of foreign relations for trade, investment, technology, energy, and economic transformation. Constructivism explains the importance of identity, recognition, legitimacy, and the image of the UAE as a modern and globally connected state. None of these perspectives is sufficient alone. Together they reveal a foreign policy in which power, wealth, and identity are closely connected.

The Gulf itself should not be treated as though all its states possess one foreign policy and one strategic purpose. They share geography and many interests, but they do not share identical ambitions, capabilities, or diplomatic methods. The UAE's distinctive combination of economic diversification, technological ambition, diplomatic flexibility, and global connectivity distinguishes it from other Gulf actors. To understand the region, therefore, one must look not only at the Gulf as a whole but at the particular choices of the states within it.

The UAE's foreign policy is especially revealing because its economic transformation has become inseparable from its international engagement. The country has sought to move beyond dependence upon hydrocarbons by attracting investment, expanding trade, developing advanced industries, and becoming a centre of finance, logistics, technology, and innovation. Foreign policy consequently becomes an economic instrument. Diplomacy opens markets; partnerships bring technology; investment strengthens industry; energy provides leverage. The external and internal dimensions of development are thus not separate but mutually reinforcing.

The pursuit of technological capability demonstrates this clearly. Artificial intelligence, renewable energy, advanced manufacturing, space technology, and financial services are not simply sectors of economic policy. They are also instruments of international influence. A state that possesses capital but lacks knowledge remains dependent; a state that possesses knowledge but lacks markets remains constrained. The UAE seeks to combine both. Its partnerships with European actors are therefore founded upon complementarity: European expertise and technological capacity meet UAE capital, infrastructure, and geographical position.

Energy remains another foundation of this strategy. The UAE's hydrocarbon resources provide economic strength and international influence, but the permanence of that advantage cannot be assumed. The international energy system is changing, and states that fail to change with it risk turning present strength into future weakness. The UAE has therefore invested in renewable energy, hydrogen, and climate-related technologies. This is not merely an environmental adjustment. It is a strategic response to changing markets, changing norms, and changing sources of geopolitical influence.

The identity of the UAE is equally important. States do not act only because they possess interests; they act because they possess ideas about what they are and what they ought to become. The UAE has constructed an international identity around modernization, stability, innovation, connectivity, and pragmatism. Through climate diplomacy, humanitarian initiatives, technological development, and participation in international institutions, it seeks recognition as more than a wealthy state. It seeks recognition as a capable state, a responsible state, and a state able to connect different regions and political systems.

This search for recognition has practical consequences. Reputation attracts investment; legitimacy facilitates diplomacy; visibility creates influence. International identity therefore becomes a resource. The UAE's foreign policy is consequently concerned not only with what other states do, but with how other states perceive the UAE.

At the centre of this foreign policy lies the pursuit of strategic autonomy. The UAE does not seek to withdraw from international relationships. On the contrary, it seeks more of them. It maintains security cooperation with Western powers, deepens economic relations with China and India, and preserves diplomatic channels with Russia and other emerging actors. To an observer accustomed to rigid alliances, such behaviour may appear contradictory. To a state seeking autonomy, it is rational. The purpose is not to choose one relationship at the expense of all others, but to prevent any single relationship from becoming indispensable.

This is the logic of hedging. The UAE seeks flexibility because the international system is uncertain. It seeks resilience because dependence creates vulnerability. It seeks multiple partnerships because a multipolar world rewards states capable of moving between competing centres of power. Strategic autonomy, therefore, does not mean isolation. It means having alternatives.

The European Union encounters a similar problem from a different position. The EU is both a normative actor and a strategic actor. It speaks of human rights, the rule of law, multilateralism, and universal values; yet it must also secure energy, protect trade, attract investment, develop technology, and preserve influence in regions of strategic importance. The UAE exposes this tension clearly. Cooperation is desirable, but cooperation occurs with a partner whose political system and conception of governance do not entirely correspond with European preferences.

From a realist perspective, the importance of the UAE to Europe is difficult to ignore. The Gulf possesses energy resources, maritime routes, financial significance, and proximity to major areas of conflict. The UAE itself possesses political stability, economic influence, military capability, and diplomatic reach. For Europe, engagement with the UAE provides a means of strengthening its presence in the Gulf and reducing excessive dependence upon any single external power.

From an international political economy perspective, the relationship is equally significant. The UAE offers capital, investment opportunities, energy, infrastructure, and access to regional markets. The EU offers technology, industrial expertise, regulatory knowledge, and scientific capacity. Trade, investment, renewable energy, artificial intelligence, logistics, and infrastructure therefore become not merely economic matters but instruments of strategic cooperation.

Energy demonstrates the changing character of this relationship. Europe has traditionally regarded the Gulf through the question of energy supply. Increasingly, however, the question is broader: who will provide the energy systems of the future? The UAE's investments in renewable energy, hydrogen, and climate technologies create an opportunity for cooperation that extends beyond hydrocarbons. The old relationship is therefore not necessarily disappearing; it is changing its form.

Yet interests do not eliminate differences. The EU's normative identity produces tensions with the UAE concerning human rights, governance, political participation, labour standards, and civil liberties. Europe seeks to promote norms; the UAE emphasizes sovereignty, stability, and non-interference. Neither position can simply erase the other. Consequently, the relationship becomes a process of negotiation: Europe attempts to preserve its principles, while the UAE seeks to preserve its autonomy.

This tension does not make cooperation impossible. On the contrary, it makes diplomacy necessary. Where interests coincide, cooperation can advance. Where values differ, dialogue must continue. Where expectations conflict, compromise may be required. A mature partnership does not depend upon complete agreement; it depends upon the ability to manage disagreement without destroying common interests.

The United States remains an important part of this environment. For decades, American military power and diplomatic influence have shaped the security architecture of the Middle East. European engagement in the Gulf therefore takes place within a strategic environment that has been strongly influenced by the United States. Yet the rise of China, the continuing role of Russia, the growing importance of India, and the increasing autonomy of

Gulf states have complicated this structure. The UAE has responded not by abandoning Western partnerships but by expanding its relationships beyond them.

This is where the UAE's position as a bridge becomes significant. It connects Gulf states with Western powers, engages China and India, maintains diplomatic channels with Russia, and participates in global economic and technological networks. Its importance therefore extends beyond energy. It lies in its capacity to connect different geopolitical spheres. The UAE's geography provides one bridge; its capital provides another; its diplomacy provides a third.

The evolution of the EU–GCC relationship after the rollback of the JCPOA and the subsequent changes in the regional order further demonstrate the importance of such intermediaries. The UAE's position gives it a role in navigating relationships that cannot easily be reduced to alliance or rivalry. Yet this position also creates responsibility. If Abu Dhabi wishes to exercise influence between competing spheres, it must manage its relationships carefully and contribute to stability within the Gulf itself.

Geography continues to impose its own logic. The UAE is situated near vital maritime routes and within a region marked by conflict, rivalry, and strategic competition. Security therefore cannot be separated from foreign policy. Maritime security, terrorism, regional instability, and critical infrastructure all create incentives for extensive diplomatic and security partnerships. The UAE's external activism is thus partly a response to the environment in which it exists.

But the country seeks more than protection. It seeks influence. Through diplomacy, economic investment, international initiatives, and technological development, it has attempted to move beyond the traditional behaviour associated with a small state. The objective is not simply to survive among larger powers but to possess enough influence that larger powers must take its interests seriously.

There are, however, limits to this strategy. Economic openness creates economic vulnerability. The UAE has reduced its dependence upon hydrocarbons, but it remains deeply integrated into global trade, investment, tourism, finance, and real estate. International crises can therefore travel rapidly across borders. Openness brings opportunity, but openness also creates exposure. The same networks that bring capital and prosperity can transmit instability.

The reliance upon expatriate labour presents another challenge. Foreign workers have contributed enormously to the UAE's development, supplying labour and expertise across construction, services, finance, technology, and other sectors. Yet a development model dependent upon global labour mobility must also consider how to create a more sustainable domestic workforce. Education, skills, citizen participation in the private sector, and the attraction of highly qualified talent therefore become increasingly important to long-term economic resilience.

There is also a persistent tension between sovereignty and external norms. The UAE seeks international recognition as a modern and responsible state while resisting political dependence upon external actors. European partners may emphasize human rights and governance; the UAE emphasizes sovereignty, stability, and development. The challenge is not to pretend that these differences do not exist, but to manage them without allowing them to destroy cooperation.

The changing distribution of global power creates perhaps the greatest challenge of all. Relations with multiple major powers bring economic opportunity and diplomatic flexibility, but they also create competing expectations. Greater cooperation with China may concern Western partners; relations with Russia may raise questions about strategic alignment; close security ties with the United States may create different expectations among other partners. The UAE must therefore practise a difficult form of diplomatic balance.

The central lesson is simple: the UAE's foreign policy cannot be understood as a choice between East and West, security and prosperity, sovereignty and cooperation. It is an attempt to maintain all of these simultaneously. Its success depends upon flexibility, but flexibility has limits; autonomy creates freedom, but autonomy also creates responsibility; openness produces wealth, but openness also produces vulnerability.

For the European Union, the UAE represents a similar paradox. It is a partner because European interests require engagement with an influential Gulf state. It is a challenge because the UAE's autonomy limits Europe's ability to shape its choices. It is an economic opportunity because the two economies are complementary. It is a normative challenge because their political principles are not identical. And it is strategically valuable precisely because it occupies a position between several competing centres of power.

Thus the UAE–EU relationship should be understood neither as a traditional alliance nor as a simple commercial partnership. It is a relationship of managed interdependence. Its foundations are security, energy, investment, technology, diplomacy, and shared economic interest; its difficulties arise from differences over values, governance, geopolitical alignment, and strategic autonomy. Its future will depend upon whether both sides can distinguish between interests that require cooperation and differences that require patience.

The broader significance of the case extends beyond the UAE and the European Union. It demonstrates how international politics is changing. Power is no longer exercised only through military alliances; it is exercised through capital, technology, energy, logistics, diplomacy, reputation, and access. Influence belongs not only to great powers but also to states capable of connecting them. In such a world, the UAE's strategy offers an important example of how a relatively small state can acquire disproportionate influence by remaining open, flexible, economically ambitious, and strategically autonomous.

The conclusion is therefore not that uncertainty has disappeared, but that uncertainty has become the condition within which foreign policy must operate. The UAE seeks to manage that uncertainty through diversification. The EU seeks to manage it through partnership and strategic adaptation. Neither can control the international system, but both can choose how they move within it. And in an age in which alliances shift, markets transform, technologies advance, and power disperses, the ability to adapt may itself be one of the most important forms of power.

At the same time, no prudent state should bind its future entirely to the fortune of another. Excessive alignment with any single power may provide temporary security, but it can diminish the freedom upon which lasting security depends. The UAE must therefore preserve the diversity of its partnerships, not because every partner must always agree with it, but because a state that possesses alternatives possesses greater freedom of action. In an international order marked by rivalry among great powers, prudence lies neither in isolation nor in absolute alignment, but in maintaining sufficient relationships to protect national interests.

Energy transition presents another challenge, and perhaps one of the most consequential. The UAE has invested substantially in renewable energy and sustainability, yet hydrocarbons remain important to its economy and international influence. The world is moving toward decarbonization, but it is not moving at the same speed in every region or sector. The UAE must therefore prepare for a future in which the importance of fossil fuels may decline while the importance of energy security, technology, investment, and innovation increases. Its task is not simply to abandon the strength of the present, but to use that strength to prepare for the demands of the future.

UAE foreign relations may therefore be understood as the continuous management of competing pressures. Economic ambition encourages openness; strategic uncertainty encourages diversification; energy resources provide influence; regional insecurity demands partnerships; international recognition encourages engagement. Yet the same openness that produces prosperity can create dependence, the same diversification that creates opportunity can require greater resources, and the same international engagement that increases recognition can expose the UAE to competing expectations. The strength of the country's foreign policy will depend upon its ability to balance these forces rather than allow any one of them to dominate.

Realism helps explain the search for security, influence, and autonomy. Liberalism explains the advantages of trade, cooperation, institutions, and repeated interaction. Constructivism explains the importance of identity, legitimacy, and international recognition. Each perspective reveals part of the truth. None, standing alone, fully explains the whole. The UAE's foreign policy is best understood through their interaction: power protects interests, cooperation expands opportunities, and identity gives those interests political meaning.

The overall character of UAE foreign relations can therefore be described as **managed interdependence**. The UAE does not seek complete independence from the world, for complete independence would limit its

opportunities; nor does it accept dependence upon any single external power, for dependence would limit its freedom. It seeks instead to remain connected while preserving the capacity to choose. It expands partnerships while protecting sovereignty, welcomes international capital while strengthening domestic capabilities, and seeks international recognition while maintaining its own political identity.

Here lies the central paradox: the UAE has gained influence through international integration, yet its purpose is to ensure that integration does not become dependence. The more deeply it participates in global markets, diplomatic networks, and technological systems, the more carefully it must preserve the freedom to determine its own course. This is not a contradiction to be eliminated, but a condition to be managed.

This study has examined UAE–EU relations through an integrated framework combining political economy, international relations theory, and identity analysis. Its central argument is that the partnership cannot be adequately understood through a single explanation. It is neither merely a commercial relationship nor merely a security relationship, neither simply a partnership of values nor merely an arrangement of convenience. It is a relationship in which economic interests, strategic calculations, and questions of identity operate together.

The first major finding is that the economic foundations of UAE–EU relations are characterized by both interdependence and vulnerability. The UAE has transformed itself into a globally connected economic hub through foreign investment, international trade, energy cooperation, and expatriate labour. European actors have contributed to this transformation through investment, technology, expertise, and commercial partnerships. Yet openness also carries risk. Dependence upon global capital, foreign expertise, international labour, and external markets exposes the UAE to disruptions beyond its direct control. Economic openness has therefore been both a source of strength and a source of vulnerability.

The second finding concerns economic diversification. The UAE has pursued a post-oil development strategy centred upon finance, technology, logistics, tourism, renewable energy, and innovation. This transformation has expanded the substance of UAE–EU relations beyond their traditional emphasis on energy. Yet diversification is a process, not a destination. Hydrocarbon revenues remain significant; international investment remains important; foreign expertise remains valuable. The UAE's challenge is therefore not simply to diversify, but to ensure that diversification gradually increases its capacity to withstand external shocks.

The third finding concerns strategy. UAE–EU cooperation rests upon overlapping interests rather than complete political agreement. Realism directs attention to security, energy, and geopolitical competition; liberalism directs attention to trade, institutions, and interdependence. The UAE's relations with Europe, the United States, China, India, and emerging powers demonstrate that it seeks strategic flexibility rather than exclusive alignment. The European Union, meanwhile, regards the UAE as an increasingly important partner for energy security, investment, technology, and regional stability.

The fourth finding concerns identity and recognition. The UAE has deliberately presented itself as a modern, innovative, responsible, and globally connected state. Its technological initiatives, climate diplomacy, humanitarian activities, and international engagement serve not only practical purposes but also the construction of international status. The European Union possesses its own distinctive identity, presenting itself as a promoter of multilateralism, sustainability, human rights, and regulatory standards. Where these identities overlap, cooperation becomes easier; where they differ, negotiation becomes necessary.

The fifth finding concerns the changing character of international partnerships. In a multipolar world, partnerships are increasingly flexible, selective, and issue-specific. States do not necessarily choose one camp and reject all others. Instead, they cooperate where interests converge, compete where interests conflict, and maintain dialogue where uncertainty remains. The UAE's foreign policy reflects this tendency particularly clearly. Its diversified relationships demonstrate the growing importance of states that can move between different centres of power without becoming wholly dependent upon any one of them.

The final finding is that UAE–EU relations represent **negotiated interdependence**. The relationship is not purely transactional because both sides possess broader ambitions concerning modernization, sustainability, technology, and global influence. Yet it is not a value-based alliance either, because significant differences remain concerning

governance, political norms, and sovereignty. Its durability will therefore depend upon whether cooperation can continue to expand while disagreements remain manageable.

The theoretical significance of these findings is equally important. International relations are often divided into separate categories: power, economics, institutions, and identity. The UAE–EU case shows the limits of such separation. Economic interests influence strategic choices; strategic choices influence institutions; institutions influence identity; identity influences the interpretation of interests. The elements are distinct, but they are not independent.

From a political economy perspective, the study demonstrates that globalization does not necessarily weaken state power. A state may use global markets, investment networks, trade, and technology to strengthen its international position. The UAE illustrates this clearly. Its openness has increased its exposure to external forces, but it has also provided resources with which to build influence. Globalization therefore creates both dependence and power, and the outcome depends upon how effectively a state manages the relationship between them.

From a realist perspective, the UAE also challenges the assumption that international influence belongs primarily to great powers. A smaller state can increase its influence through economic strength, strategic partnerships, diplomatic activity, and geographical position. Military capability remains important, but it is not the only source of power. Strategic autonomy can itself become a form of power when a state possesses enough alternatives to avoid excessive dependence.

Liberal institutionalism adds another dimension. Economic interdependence can create reasons for cooperation even where political systems differ. Repeated interaction, trade, investment, and institutional engagement can establish habits of cooperation and provide mechanisms for managing disagreement. Yet the UAE–EU case also demonstrates that economic interdependence does not automatically produce political convergence. States may trade extensively while retaining different political values and conceptions of governance.

Constructivism provides perhaps the deepest explanation of the relationship's social dimension. States seek not only security and wealth but also recognition. The UAE's effort to establish itself as innovative, modern, responsible, and globally significant affects how it conducts foreign policy. The EU's self-understanding as a normative power similarly affects how it approaches external partners. Their relationship is therefore shaped not only by what each actor wants, but by how each actor understands itself and how it wishes to be understood by others.

The broader theoretical conclusion is consequently that international cooperation emerges from the meeting of material interests, strategic calculations, and social meanings. States pursue power, but they also pursue prosperity; they pursue prosperity, but they also pursue legitimacy; they pursue legitimacy, but they must still protect security. Foreign policy is therefore neither entirely material nor entirely ideational. It is the practice of reconciling both.

The study also makes several empirical contributions. First, it demonstrates that UAE–EU relations have developed beyond a narrowly economic partnership. Energy and trade remain important, but cooperation increasingly encompasses renewable energy, technology, investment, security, infrastructure, and global governance. The relationship is therefore broader than its traditional foundations.

Second, the study demonstrates that the UAE's economic transformation is itself an instrument of foreign policy. Investment in technology, renewable energy, infrastructure, finance, and logistics does not merely strengthen the domestic economy; it increases the country's international relevance. Economic diversification consequently becomes diplomatic diversification: the more sectors in which the UAE can participate, the more partners it can engage and the greater its room for strategic choice.

Third, the study draws attention to structural vulnerabilities within the UAE's development model. Foreign investment, expatriate labour, and international markets have been essential to rapid growth, but dependence upon them also creates exposure. A successful globalized economy can therefore be simultaneously resilient and vulnerable. The challenge for the UAE is to preserve the advantages of openness while developing the domestic capabilities necessary to withstand external shocks.

Ultimately, the UAE–EU partnership demonstrates that contemporary foreign policy is increasingly a matter of balance. The UAE must balance autonomy with interdependence, economic openness with resilience, energy strength with transition, and global engagement with sovereignty. The EU must balance values with interests, strategic ambition with normative commitments, and partnership with political differences.

The lesson is therefore not that one side must prevail over the other. It is that durable cooperation is created when interests are recognized, differences are managed, and common purposes are enlarged. The UAE and the European Union need not become identical in order to cooperate effectively. They need only to understand where their interests meet, where their principles differ, and how both can proceed without sacrificing what each considers essential.

For in an uncertain international order, the strongest partnership is not necessarily the one in which there are no differences. It is the one in which differences do not prevent cooperation, interests do not destroy trust, and independence does not exclude partnership. The future of UAE–EU relations will depend upon precisely this capacity: to remain open without becoming dependent, to cooperate without surrendering autonomy, and to adapt without abandoning purpose.

The fourth empirical contribution concerns the role of identity in Gulf foreign policy. The UAE is often examined through the familiar instruments of security and economics, yet power is not sustained by force and wealth alone. Reputation, legitimacy, and political image may also become instruments of statecraft. The UAE's climate diplomacy, technological initiatives, humanitarian activities, and global partnerships therefore serve a double purpose: they advance material interests while presenting an image of a modern, capable, and responsible state. In international politics, appearances matter because states act not only according to what they possess, but according to what others believe they possess and what they believe they intend.

The fifth empirical contribution concerns the changing role of the European Union in the Gulf. The EU should not be regarded merely as a market or trading partner. Its influence also rests upon regulation, technology, standards, diplomacy, and the ability to confer political legitimacy. Trade and investment provide the material foundation, while regulatory and normative influence provide additional instruments through which Europe can shape the environment in which its partners operate.

Finally, the study contributes to understanding the transformation of the international order. UAE–EU relations demonstrate that power is increasingly exercised through flexible partnerships, strategic diversification, economic networks, and selective cooperation. The UAE's engagement with several major powers illustrates the advantage available to states that avoid placing all their interests under the protection or influence of one patron. In a world of competing powers, the state that possesses alternatives possesses leverage.

The empirical findings therefore reveal a broader transformation in international politics. Contemporary partnerships are increasingly forms of managed interdependence in which economic interests, security calculations, political identity, and reputation operate together. The UAE case demonstrates that a state need not be great in conventional military terms to exercise considerable influence. It must instead know its advantages, conceal or compensate for its weaknesses, cultivate useful relationships, and recognize when circumstances require adaptation.

The relationship between the European Union and the United Arab Emirates is consequently moving from occasional consultation toward a more organized and durable form of cooperation. Such institutionalization is valuable not because meetings themselves create power, but because repeated meetings create familiarity, familiarity creates predictability, and predictability permits states to coordinate their interests before crises force them to do so. A ruler who waits for necessity to dictate every action has already surrendered part of his freedom; the prudent ruler prepares while circumstances are still favourable.

This development may increasingly resemble the Security and Defence Partnerships that the European Union has established with other strategic partners. Regular consultations, working groups, and specialized mechanisms concerning cybersecurity, maritime security, counterterrorism, and regional resilience can transform cooperation from an occasional response into a permanent instrument. What is discussed only during a crisis is governed by the crisis; what is discussed continuously can be governed by those who anticipate it.

The benefits, moreover, are reciprocal. For the European Union, deeper cooperation strengthens its position as a geopolitical actor in the Gulf and gives it greater access to discussions concerning maritime security, crisis management, and regional stability. For the Emirates, closer engagement provides access to European expertise, technology, institutional experience, and a broader network of security relationships. Each therefore gains something from the other, although neither should mistake cooperation for dependence.

It would nevertheless be a mistake to describe such cooperation as a military alliance. There is no necessity for either side to surrender freedom of action or assume obligations that circumstances may later make impossible to fulfil. The purpose is not to bind the parties, but to give them greater room to manoeuvre. The wise state does not multiply commitments merely to appear powerful; it creates relationships that increase its options.

Thus the emerging arrangement is neither a treaty of defence nor an exchange of diplomatic courtesies. It is a calculated movement toward regularized cooperation: flexible in obligation, but increasingly structured in practice. Its strength would arise from predictability, intelligence, access, and mutual utility. Both parties seek resilience rather than dependence, coordination rather than uniformity, and sovereignty exercised intelligently rather than sovereignty defended through isolation.

The United Arab Emirates occupies a particularly useful position within this security environment because it can serve as a bridge between different centres of power. Abu Dhabi increasingly connects European partners with the wider Gulf security architecture through maritime initiatives, crisis-management mechanisms, strategic dialogue, and practical cooperation. Such a position creates influence because the actor who can connect others often gains knowledge that those others do not possess and access that they cannot easily reproduce.

But every bridge has foundations, and the foundations of UAE security capability are international. In cybersecurity, advanced weapons systems, artificial intelligence, space capabilities, and strategic digital infrastructure, the UAE's rapid development has depended upon foreign technology, supply chains, industrial partnerships, and transfers of knowledge. The pursuit of autonomy has therefore not meant withdrawal from external systems. On the contrary, capability has been acquired through participation in them.

Here lies an important paradox. Diversification reduces dependence upon any single partner, yet diversification can increase the number of relationships upon which the state depends. Every new supplier creates another option, but every new technological ecosystem also creates another connection. Thus dependence does not disappear; it changes its form. The UAE becomes less dependent upon one patron while becoming more deeply connected to a wider network of states, companies, technologies, and institutions.

A prudent ruler therefore asks not whether dependence can be abolished, but whether it can be managed. Absolute autonomy is rarely available to a modern state. What can be achieved is strategic flexibility: sufficient alternatives to prevent one relationship from becoming indispensable and sufficient capability to ensure that partnerships remain choices rather than necessities.

This reality creates a useful field for further study of EU–UAE security relations. The question is whether the increasing density of interaction will eventually produce a more coherent security framework between Europe and the Emirates. Such a framework would matter not simply because it would increase cooperation, but because institutions can transform temporary interests into durable habits.

Comparative analysis at bilateral, minilateral, and multilateral levels could reveal where influence is created and where it is transferred. It could show how European regulations affect Gulf practices, how Gulf security concerns influence European priorities, and how defence industries transmit not only weapons and technology but also standards, assumptions, and strategic preferences. A satellite system, cyber platform, or weapons programme is therefore never merely a technical object; it may also carry with it the political interests and strategic assumptions of those who provide it.

The essential question is consequently not merely who possesses power, but who can convert power into influence. Does Europe influence the Gulf through regulation, expertise, technology, and institutional access? Does the Gulf influence Europe through energy, investment, geography, and its growing diplomatic importance? The answer is increasingly that influence travels in both directions. The wise state recognizes this and seeks not

domination where domination is impossible, but advantage where cooperation permits it.

This also explains why security cooperation cannot be separated entirely from questions of identity and political purpose. Institutions are never neutral. They embody assumptions about order, legitimacy, security, and the interests that deserve protection. To study the EU–UAE security relationship is therefore to ask not only how cooperation operates, but whose conception of order it serves and how each side attempts to shape the other without openly seeking to dominate it.

From the European perspective, the principal objectives are directed toward greater economic integration, stronger coordination within the Gulf, and closer alignment where regional security interests overlap, particularly regarding Yemen, Palestine, and Red Sea security. Such proposals are most effective when presented not as demands for obedience but as opportunities for mutual advantage. A state seeking influence must understand that even useful advice can be rejected if it is offered in a manner that threatens the dignity or autonomy of the recipient.

The UAE, for its part, has strong reasons to seek European assistance in addressing structural vulnerabilities while advancing the projects associated with its strategic development agenda. European technology, expertise, investment, and institutional knowledge can support these ambitions. Yet Abu Dhabi is unlikely to accept a relationship in which assistance becomes political control. Cooperation will therefore be strongest where European interests can be presented as compatible with Emirati autonomy.

The same logic applies to relations between Abu Dhabi and Riyadh. Both possess an interest in a more coherent Gulf economic and security environment, but neither should be assumed to possess identical priorities. Saudi Arabia retains considerable political and strategic weight within the GCC, while the UAE has distinguished itself through geoeconomic ambition, technological development, logistics, innovation, and international investment. The prudent approach is therefore not to demand uniformity, but to recognize complementary forms of influence.

Economic integration within the GCC presents a similar problem. Trade creation, institutional coordination, and common standards may generate substantial benefits, but institutions become effective only when political interests support them. The lesson of statecraft is familiar: rules are valuable, but rules without political commitment remain fragile. If Gulf economic integration is to become durable, institution-building must accompany commercial ambition.

Maritime security provides one of the clearest areas of common interest. Secure sea lanes and predictable rules benefit every trading state, particularly those whose prosperity depends upon global connectivity. Cooperation concerning the Gulf, the Red Sea, and surrounding maritime routes can therefore create a field in which European and Gulf interests converge. Yet even here, strategic calculation remains necessary. Every agreement changes the distribution of information, access, and influence; every security mechanism creates relationships that may later become politically valuable.

The greatest uncertainty remains the future of the energy system and the institutions surrounding it. The distance between long-term strategic interests and short-term policy objectives can be considerable. OPEC, energy transition, market volatility, and changing patterns of demand all create pressures that cannot be managed through one instrument alone. Advanced economic and algorithmic analysis may improve decision-making, but information is useful only when rulers possess the political will to act upon it.

There is also a wider geopolitical movement that must be considered. Economic and strategic attention may gradually diversify away from exclusive dependence upon the Persian Gulf toward the Eastern Mediterranean, Central Asia, and other emerging corridors. Such shifts need not eliminate the Gulf's importance, but they may alter the terms upon which that importance is exercised. A state that assumes its present position will remain unchanged risks discovering too late that influence, like fortune, favours those prepared to adapt.

The central lesson is therefore distinctly Machiavellian: power belongs not simply to the strongest state, but to the state that understands circumstances and acts before circumstances dictate its choices. The UAE's strength lies in its ability to cultivate several partnerships without becoming wholly subordinate to any one of them. The EU's opportunity lies in converting its economic and regulatory weight into sustained strategic influence. Both

must recognize that alliances are instruments, institutions are instruments, and even cooperation is an instrument.

Yet instruments are useful only when directed toward a clear purpose. For the UAE, that purpose is strategic autonomy, prosperity, security, and international standing. For the EU, it is security, economic resilience, regional influence, and the preservation of its normative and strategic interests. Where these purposes converge, partnership can become powerful. Where they diverge, prudence requires negotiation rather than illusion.

The future of UAE–EU relations will therefore depend less upon declarations than upon the ability of both sides to calculate interests accurately, preserve alternatives, and adapt institutions to changing circumstances. The wise actor does not wait for necessity to become crisis. He prepares while there is still freedom to choose.

I can't reproduce Salman Rushdie's exact style, but I can give this a **lush, satirical, metaphor-rich literary treatment**, with long rhythmic sentences, historical layering, irony, and vivid contrasts.

The EU–UAE Partnership: Between the Map and the Mirror

The European Union and the United Arab Emirates have arrived at one of those moments in international affairs when the old vocabulary begins to feel inadequate. They have interests in common, certainly, but interests alone are rather like two travellers discovering that they are walking in the same direction: useful, even reassuring, but hardly a guarantee that they will agree on the destination. What is now required is something more deliberate—a strategic accommodation in which difference is not treated as an embarrassing defect to be concealed, but as a permanent feature of the landscape to be navigated.

Europe arrives carrying its particular inheritance: institutions, regulations, treaties, memories of war, memories of empire, memories of the attempt to overcome both. The UAE arrives from a different historical road, carrying the experience of extraordinary transformation, the instincts of a trading society, the ambitions of a young state, and the confidence produced by having converted geography into opportunity. Between them lies not an empty space but a crowded region of histories, rivalries, ports, pipelines, armies, markets, refugees, deserts, satellites, and unfinished arguments.

In the Red Sea, and across Egypt, Sudan, Ethiopia, and Yemen, this difference becomes particularly visible. The UAE possesses regional relationships, security partnerships, capital, and an appetite for strategic action; Europe possesses diplomatic machinery, economic instruments, regulatory influence, and the peculiar power of institutions that can make a meeting sound like a treaty and a regulation feel like geography. They need not become identical actors. Indeed, the attempt to make them so would probably weaken the partnership. Better that each should do what it does best, provided that the separate instruments can be made to play something resembling the same music.

The Red Sea itself seems almost designed as a metaphor for the problem: narrow in places, immense in consequence, connecting rather than separating continents while carrying upon its surface the accumulated anxieties of the modern world. Ships pass through it carrying energy, commodities, technology, and the invisible wealth of global commerce; beneath them lie the older histories of empire, pilgrimage, conquest, and migration. Maritime security is therefore not merely a technical concern. It is the protection of the arteries through which an interconnected world continues to breathe.

Afghanistan and Palestine present another version of the same difficulty. Here diplomacy enters the realm where every word seems to possess a second meaning and every gesture can be interpreted as allegiance, betrayal, recognition, or indifference. The UAE and the EU do not possess identical diplomatic traditions, nor do they always read the regional map in the same way. Yet humanitarian relief, regional balance, political settlement, and the avoidance of further catastrophe provide common ground. Sometimes the first achievement of diplomacy is not agreement but the discovery that disagreement need not become hostility.

The evolution of the Gulf Cooperation Council presents a similar challenge. Europe must learn to see the Gulf not simply as a collection of energy suppliers or security clients, but as a region with its own strategic imagination. The Gulf states increasingly seek to define their security environment rather than merely receive definitions imposed upon them from elsewhere. At the same time, greater Gulf engagement with multilateral institutions can

provide mechanisms through which national ambition becomes regional order. The task is difficult because sovereignty is jealous and regional cooperation is patient only when it has no choice.

And then there is money.

Citizens, the matter before us is not merely about numbers written in ledgers, nor about the fortunes of distant individuals whose names appear briefly in newspapers before vanishing again behind the curtains of private wealth. It concerns something larger: the reputation of institutions, the responsibilities of governments, and the strange moral journey by which money travels from one hand to another and acquires, along the way, the ability either to build a hospital or purchase destruction.

Banking systems were invented to make prosperity circulate. They were not designed to become underground rivers through which illicit wealth might flow unseen, nourishing narcotics networks, armed factions, corruption, and violence. Financial systems, like political systems, are judged not merely by their sophistication but by what they permit to happen in the shadows. Wealth is not innocent simply because it has passed through a computer screen.

The purpose, therefore, must be to ensure that the machinery of modern finance serves construction rather than concealment: development rather than destruction, education rather than extremism, security rather than organised violence. Money is an extraordinarily obedient servant and an extraordinarily dangerous master. It does precisely what those who control it instruct it to do.

Yet diplomacy has its own problem with consistency. Abu Dhabi has expressed support for international initiatives concerning Palestinian statehood and has participated alongside Arab partners in various diplomatic forums. Such declarations possess importance, but declarations are the beginning of political responsibility rather than its conclusion. A state is ultimately judged by the relationship between its words and its actions, between the image it presents and the purposes toward which it directs its considerable resources.

For every state tells two stories about itself: the story it announces and the story others construct from its behaviour. The distance between the two may be small, or it may become a canyon. Wise diplomacy attempts to keep the stories close together.

Let financial power, then, become an instrument of construction. Let cooperation become stronger than suspicion. Let the great mechanisms of modern wealth—banks, sovereign funds, investment networks, technological systems—be directed toward the unglamorous but essential work of building societies in which security means more than the absence of war and prosperity means more than the accumulation of capital.

The remaining disagreements between Abu Dhabi and Brussels over Lebanon and Iraq belong to a larger argument about the meaning of order itself. Is stability the foundation upon which reform must patiently be built, or can stability become an excuse for postponing reform indefinitely? Is sovereignty best protected through strong institutions, or do institutions sometimes threaten the sovereignty they claim to serve? Can governance be improved without producing instability, and can instability truly be avoided by refusing to reform?

There are no easy answers because the Middle East has never been particularly interested in providing them.

Europe tends to approach these questions through the language of institutions, governance, rights, and gradual reform. The UAE places greater emphasis upon sovereignty, stability, state capacity, and the dangers of disorder. Neither perspective can simply erase the other. The more promising course is to discover where security and institutional development reinforce one another rather than pretending that one must always defeat the other.

Ultimately, the future of the EU–UAE partnership will not depend upon the disappearance of disagreement. That would be an impossible and rather dull ambition. Mature partnerships do not eliminate differences; they acquire the vocabulary, institutions, and habits necessary to prevent differences from becoming disasters.

The relationship must therefore learn to live with its contradictions: Europe, the normative power that increasingly finds itself compelled to think geopolitically; the UAE, the small state that has learned to behave

with the strategic confidence of a much larger one. Europe seeks influence without domination; the Emirates seek partnership without dependence. Europe wants principles to matter; the UAE wants sovereignty to matter. Both want security, prosperity, and relevance.

Between these desires lies the possibility of a genuine partnership.

Further Research

The next stage of research should examine the relationship not as a static agreement between two actors, but as a changing landscape in which economics, security, technology, culture, and identity continually reshape one another.

First, greater attention should be given to **economic cooperation**: trade, investment, diversification, financial connectivity, and the consequences of the UAE's transformation into a global economic hub. The question is not merely how much the two sides trade, but how economic interdependence alters their political choices.

Second, research should examine the developing **security relationship**, particularly counterterrorism, maritime security, cybersecurity, intelligence cooperation, and crisis management. The crucial question is whether repeated cooperation is producing genuine strategic convergence or merely a collection of useful but separate arrangements.

Third, the **energy transition** deserves sustained examination. Renewable energy, hydrogen, carbon-reduction technologies, and the changing role of hydrocarbons may transform the very foundation upon which European–Gulf relations were historically constructed. The old energy relationship may not disappear; it may simply acquire a new vocabulary.

Fourth, **cultural diplomacy and soft power** deserve greater attention. Universities, museums, tourism, artistic exchanges, education, and research partnerships can accomplish what formal diplomacy sometimes cannot: they can make unfamiliar societies familiar.

Fifth, the relationship between **human rights, governance, and strategic interests** requires continued study. The EU must determine how far normative commitments can be maintained without undermining practical cooperation, while the UAE must determine how international legitimacy can be strengthened without compromising its conception of sovereignty.

Sixth, **technology and artificial intelligence** may become one of the most consequential areas of future cooperation. Digital infrastructure, AI governance, smart cities, cybersecurity, and advanced research are not merely economic sectors. They are increasingly instruments of geopolitical influence.

Seventh, the wider **geopolitical environment** must remain central to analysis. Relations with Iran, the United States, China, Saudi Arabia, Qatar, and other GCC states will continue to shape the strategic choices available to both Abu Dhabi and Brussels.

Eighth, **health diplomacy** offers another neglected field of inquiry. Pandemics demonstrated that medical systems, supply chains, vaccines, and public-health infrastructure can become matters of international security as quickly as military threats can.

Ninth, **education and research cooperation** should be examined as a long-term source of influence. Scientific partnerships create networks that can survive political disagreements because knowledge, once shared, rarely returns obediently to its original borders.

Finally, the future of **EU–GCC relations** deserves particular attention. Here the UAE may occupy a pivotal position—not because it can command the Gulf, but because it has cultivated relationships across several competing worlds. Its importance may therefore lie in its ability to translate, connect, persuade, and sometimes simply keep the conversation alive.

The larger question is whether the EU and the Gulf can construct a partnership capable of surviving the disappearance of the circumstances that originally produced it. If they can, the relationship will become more than a transaction between interests. It will become an institution with memory, a network with resilience, and perhaps—though history is rarely generous with such ambitions—a small contribution toward making a fractured region somewhat less fragmented.

Counter-argument

An examination of a security and defence partnership between the European Union and the United Arab Emirates would begin not merely by asking whether such an alliance is useful, but whether it contributes to the **common good** and is consistent with the virtues that ought to guide political action. For political power, when separated from justice and practical wisdom, may achieve its immediate purpose while undermining the greater ends for which political communities exist.

First, there is a question of **justice and political character**. The UAE has faced criticism concerning freedom of expression, political dissent, and the treatment of migrant workers. The EU, meanwhile, presents itself as a political community founded upon human dignity, democracy, and the rule of law. A partnership with a state whose practices appear to conflict with these principles could therefore create a tension between **expediency and virtue**. Although cooperation may serve immediate strategic interests, an alliance that appears to disregard justice risks weakening the moral character and credibility of the Union itself.

Second, one must consider whether strengthening military ties would produce **peace or merely the conditions for greater conflict**. A partnership with the UAE could intensify existing rivalries, particularly with Iran and other regional actors. From an Aristotelian perspective, courage is not identical to the accumulation or display of military power. True political courage requires acting according to reason and proportion. If greater military strength provokes an arms race or deepens regional insecurity, then what appears to be prudent preparation may in fact be an excess that undermines the very stability it seeks to protect.

Third, there is the danger of allowing **military means to become ends in themselves**. Complex political conflicts cannot always be resolved through force. Security, like other political goods, requires practical wisdom: the capacity to distinguish circumstances and to select the appropriate means to a legitimate end. An excessive reliance upon military solutions could therefore diminish the importance of diplomacy, negotiation, economic cooperation, and reconciliation. The EU should ask not simply whether it possesses the power to intervene, but whether intervention constitutes the most reasonable path toward lasting peace.

The partnership must also be judged according to the **unity of the political community**. If member states disagree substantially over relations with the UAE and the Gulf, a bilateral security arrangement could deepen divisions within the Union. A political community is weakened when its members pursue competing conceptions of the common good. Rather than strengthening European agency, an ill-considered partnership could fragment the Union's foreign policy and diminish its capacity to act with a coherent voice.

Furthermore, practical wisdom requires recognising the **limits of compatibility**. The military capabilities, strategic interests, and political priorities of the UAE do not necessarily correspond with those of the EU. An alliance is valuable only insofar as its members share sufficiently compatible purposes. If their objectives diverge, cooperation may become formal rather than substantive, producing commitments without genuine strategic unity. The prudent statesman therefore considers not merely what an alliance promises in theory, but what it can reasonably accomplish in practice.

There is also a broader question concerning **moderation**. The militarisation of the Gulf may consume resources that could instead be directed toward economic development, education, social welfare, and the reduction of the grievances that contribute to instability. Aristotelian political thought rejects extremes: neither weakness nor excessive reliance upon force constitutes virtue. Security should therefore be understood as one element of a flourishing political order rather than as its sole foundation.

The EU must additionally consider its relations with the wider Gulf Cooperation Council. A close military relationship with the UAE could be interpreted by other Gulf states as an endorsement of its strategic posture. If

this damages relations with other members of the GCC, the EU may sacrifice broader diplomatic influence for a narrower strategic advantage. Prudence requires looking beyond the immediate partner and considering the effects of an action upon the wider political community in which it occurs.

The possibility of **entanglement in regional conflicts** presents an especially serious concern. The UAE's involvement in conflicts such as Yemen and Libya means that closer security cooperation could draw the EU toward disputes in which its interests and responsibilities are less clear. Such involvement could compromise the Union's reputation as an actor committed to diplomacy and peaceful conflict resolution. A prudent political community should therefore distinguish between defending legitimate interests and assuming obligations that exceed its proper purpose.

There is also an opportunity-cost argument. Resources devoted to military cooperation cannot simultaneously be devoted to other forms of cooperation to the same extent. If the ultimate purpose of political association is human flourishing, then economic development, social welfare, education, and institutional stability must not be treated as secondary merely because military security is more immediately visible. The EU should therefore seek a proportionate balance between defence and the conditions that make lasting peace possible.

Finally, the very nature of security has changed. Contemporary threats include cyberattacks, terrorism, climate change, food and energy insecurity, and economic instability. These cannot be defeated by military power alone. A genuinely prudent partnership would therefore require a broader conception of security, combining defence with diplomacy, economic cooperation, technological resilience, environmental policy, and humanitarian action.

Thus, the Aristotelian objection is not that cooperation with the UAE is inherently unjust or that military strength has no legitimate place in European policy. Rather, the objection is that **security must remain subordinate to the higher political ends of justice, peace, and human flourishing**. The EU should therefore pursue such a partnership only if it can reconcile strategic necessity with virtue, ensure proportionality in the use of power, preserve its political unity, and demonstrate that cooperation serves not merely the interests of states, but the common good.

Scenarios

Scenarios for UAE-EU Security and Defense Partnership

Scenario 1: Strengthened Military Cooperation

In this scenario, the UAE and the EU successfully establish a robust security and defense partnership characterized by joint military exercises, intelligence sharing, and collaborative training programs. This partnership enhances the operational capabilities of both parties, leading to improved regional stability and a more coordinated response to security threats. The UAE becomes a key ally for the EU in counterterrorism efforts and maritime security in the Gulf region.

Scenario 2: Diplomatic Tensions and Human Rights Backlash

In this scenario, the establishment of a security and defense partnership leads to significant backlash from human rights organizations and EU member states concerned about the UAE's human rights record. Protests and public outcry in Europe result in strained diplomatic relations, causing the EU to reconsider its engagement with the UAE. This scenario highlights the tension between security cooperation and the EU's commitment to promoting human rights and democratic values.

Scenario 3: Regional Geopolitical Instability

In this scenario, the UAE-EU partnership exacerbates geopolitical tensions in the Gulf region, particularly with Iran and other neighboring countries. The strengthening of military ties is perceived as a threat by regional adversaries, leading to an arms race and increased hostilities. This scenario results in heightened instability, making it difficult for the EU to maintain a balanced approach in its foreign policy toward the Gulf Cooperation Council (GCC) states.

Scenario 4: Focus on Non-Traditional Security Threats

In this scenario, the UAE and the EU shift their focus from traditional military cooperation to addressing non-traditional security threats, such as cyber threats, climate change, and public health crises. The partnership emphasizes collaborative efforts in cybersecurity, disaster response, and environmental sustainability. This approach enhances the resilience of both regions and fosters a more comprehensive understanding of security that goes beyond military engagement.

Scenario 5: Fragmented EU Foreign Policy

In this scenario, the UAE-EU security and defense partnership leads to fragmentation within the EU's foreign policy framework. Member states have differing views on engagement with the UAE, resulting in a lack of consensus on security issues. This fragmentation weakens the EU's ability to act as a unified actor on the global stage and complicates its relationships with other Gulf states, ultimately diminishing its influence in regional affairs.

The implications for strategy making and institution building in the context of a UAE-EU security and defense partnership are significant. First, it is essential to establish clear protocols for joint military exercises, intelligence sharing, and crisis management to align objectives and operational guidelines. Strengthening existing institutions and creating new ones will be necessary to effectively manage security cooperation, enhancing the capabilities of the European External Action Service (EEAS) and UAE defense institutions.

Comprehensive policy integration is crucial, as security cooperation must align with broader economic and diplomatic strategies to mitigate conflicts between security interests and other policy areas. Additionally, fostering a collaborative security environment by engaging with other Gulf Cooperation Council (GCC) states and regional actors will promote collective security efforts.

The partnership must also adapt to evolving threats by developing specialized units or task forces to address non-traditional security issues, ensuring responsiveness to emerging challenges such as cyber threats and climate change. Incorporating human rights considerations into the partnership is vital for maintaining legitimacy and public support, ensuring that security cooperation aligns with fundamental values.

Resource allocation and investment will play a critical role in prioritizing funding for initiatives that enhance interoperability and operational effectiveness, thereby ensuring sustainable security partnerships. Implementing mechanisms for continuous evaluation and feedback will allow for regular reviews of joint initiatives and strategic alignment, helping to identify areas for improvement and adaptation.

Building public support and legitimacy is essential, which can be achieved through public diplomacy and transparency initiatives that educate stakeholders about the partnership's benefits, fostering a narrative of shared values. Finally, focusing on a long-term vision that encompasses regional stability, economic cooperation, and sustainable development will ensure that the partnership remains relevant and impactful in addressing future challenges.

Policy Recommendations

The relationship between the United Arab Emirates and the European Union should not remain what it has too often been: a collection of economic arrangements, useful and profitable, but lacking a larger conception of what the two sides might become to one another. The world around them has changed. Security, technology, energy, climate, trade and political influence can no longer be placed into separate compartments. They have become parts of the same problem.

The first task, therefore, is to create a security relationship that is clear about what it is for. This does not require the EU to become a military power in the Gulf, nor should cooperation be reduced to the familiar language of defence. Maritime security, counterterrorism, intelligence, crisis management and the protection of vital infrastructure all require communication before they require force. A regular security dialogue with the UAE could provide precisely this: a means of understanding one another before a crisis makes understanding more

difficult.

This would require institutions capable of sustaining the relationship. Political declarations are easily made and easily forgotten. What matters is the slower work of keeping officials, diplomats, defence institutions, economic ministries and technological agencies in continual contact. Greater coordination between the European External Action Service and its UAE counterparts could turn a relationship of intentions into one of habits and practical cooperation.

There is also a danger in treating economics, security and diplomacy as separate subjects. They are not. Energy affects security; technology affects economic independence; trade affects political influence; regional instability affects all of them. The partnership should therefore be constructed around this reality rather than around the bureaucratic divisions through which governments habitually see the world. Cooperation in energy, investment, technology, trade and regional security should reinforce itself rather than exist as a series of unrelated projects.

Yet neither Europe nor the UAE exists in isolation. The Gulf is a region of states with their own fears, ambitions and memories. A serious partnership must therefore extend beyond the bilateral relationship and encourage dialogue with the wider Gulf Cooperation Council and other regional actors. Maritime security, energy supplies and economic development are shared concerns. They cannot be made secure indefinitely by one state becoming stronger while another becomes more suspicious.

The most important changes may, in fact, take place in areas that have traditionally been described as something other than security. Cyberattacks can damage a society without a soldier crossing a border. Climate change can alter the conditions under which people live. Water scarcity and food insecurity can become political crises. The transition away from fossil fuels will change economies and influence. These are not distant possibilities. They are already entering the political world. Joint European-UAE work in these fields would therefore be both practical and strategic, particularly in technology, renewable energy, water management and digital infrastructure.

There remains, however, the uncomfortable question of human rights and governance. It would be tempting to avoid this subject in the interests of cooperation. But avoiding a disagreement does not make it disappear. The EU cannot simply abandon the values it claims to represent whenever strategic interests become important. At the same time, confrontation for its own sake is unlikely to produce meaningful change. The more difficult path is constructive engagement: maintaining the conversation about rights and governance while continuing to cooperate where cooperation is possible. This requires neither moral indifference nor moral grandstanding, but patience and consistency.

Investment should follow these principles. Research, technology transfer, renewable energy, digital infrastructure and carefully defined defence capabilities can give the partnership substance. Political relationships become credible when they produce things that people can see: laboratories, energy projects, technological programmes, exchanges between universities, resilient infrastructure and institutions capable of responding to crises.

But even successful partnerships have a tendency to become rituals. Meetings are held, declarations are issued, photographs are taken, and then the machinery begins again. Regular evaluation would provide a necessary interruption to this process. Both sides should ask what has actually been achieved, where cooperation has failed, and whether the original assumptions still make sense. The world does not remain still merely because institutions have established a timetable.

Nor should the relationship be left entirely to governments. Universities, businesses, researchers, journalists, cultural institutions and ordinary citizens have a role in creating the knowledge upon which durable relationships depend. Academic exchanges, commercial partnerships and cultural programmes can accomplish something that official diplomacy cannot: they can make the other society less abstract. Public diplomacy, at its best, is not propaganda. It is the slow creation of familiarity.

What is ultimately required is a long-term vision. The Gulf is becoming a place of competition among major powers, while the UAE is attempting to diversify its economy and increase its technological and political influence. Europe, meanwhile, is searching for a role in a world in which its economic weight does not

automatically translate into strategic influence. Neither side can simply return to the assumptions of an earlier period.

A serious UAE–EU partnership should therefore be built around regional stability, economic diversification, technological innovation and sustainable development. Security would remain important, but it would be understood as something larger than military power. The purpose would not be to construct another alliance in an already crowded field of rivalries, but to create a relationship capable of surviving them.

That is a slower and more difficult ambition. It demands that both sides accept that cooperation does not mean agreement on everything, and that disagreement does not necessarily make cooperation impossible. In a region where the temptation is often to think in terms of power and counter-power, the more durable achievement may be to construct institutions, habits and interests that make stability preferable to confrontation. That, rather than the signing of another agreement, would be the measure of whether the partnership had become something real.

Perspective

The UAE–EU relationship is entering a new phase in which traditional economic cooperation is evolving into a broader strategic partnership shaped by geopolitical competition, economic transformation, technological change, and regional uncertainty. While historically centred on energy trade and commercial relations, the partnership is increasingly defined by shared interests in economic diversification, clean energy, digital transformation, security cooperation, and regional stability. This evolution reflects a wider transformation of the Gulf order, where states such as the UAE are pursuing greater strategic autonomy while maintaining partnerships with multiple global actors.

The UAE has built a powerful political economy based on state capacity, global capital, trade, energy, and technology, giving it influence far beyond its geographical size. However, this economic success should also be examined through questions of political legitimacy, social justice, and inclusion. The country's development has depended heavily on migrant labour, raising concerns about workers' rights, while significant economic and political power remains concentrated within the state.

At the same time, the UAE has become an increasingly important economic, diplomatic, and strategic actor in the Arab world. Its influence extends through investment, infrastructure, technology, diplomacy, and regional partnerships, although its involvement in regional conflicts has also generated controversy. The key question is therefore what kind of regional order the UAE is helping to create.

The UAE could strengthen its regional legitimacy by using its economic power to support education, research, renewable energy, water security, food security, and regional development. Improving migrant workers' rights and allowing greater space for constructive debate could also make its economic model more sustainable. Moreover, the UAE should be cautious about relying too heavily on military power, as diplomacy and economic influence may sometimes achieve more lasting results

For the EU, the UAE should be understood as more than a security partner or investment destination. European engagement should combine strategic cooperation with continued dialogue on human rights and governance. Ultimately, the UAE's challenge is to transform its considerable economic and geopolitical power into **legitimate, sustainable, and constructive regional leadership**.

A key perspective emerging from the UAE–EU relationship is the shift from a **transactional partnership toward a strategic and adaptive partnership**. The EU has traditionally engaged the Gulf through trade, energy cooperation, diplomacy, and regulatory influence, while the UAE has viewed Europe as a source of technology, investment, expertise, and political legitimacy. However, changing global conditions require both actors to move beyond conventional economic ties and develop deeper cooperation in areas such as artificial intelligence, renewable energy, critical infrastructure, advanced manufacturing, and sustainable development.

The future of UAE–EU relations will be shaped by the broader transition from a US-dominated Gulf security environment toward a new regional equilibrium. The UAE's growing relationships with China, India, and Russia demonstrate its preference for strategic diversification rather than exclusive alignment with any single power.

For the EU, this creates both an opportunity and a challenge. The opportunity lies in becoming a more influential economic and technological partner in the Gulf, while the challenge is maintaining relevance in a region where China's economic influence and US security role remain significant.

From a theoretical perspective, the UAE–EU partnership illustrates the changing nature of international relations in which influence is no longer measured only through military capabilities. Economic connectivity, technological leadership, investment capacity, regulatory standards, and diplomatic networks have become increasingly important sources of power. The UAE represents an emerging model of a middle power that uses economic strength, strategic geography, and flexible diplomacy to increase its global influence. The EU, meanwhile, represents a form of normative and regulatory power that shapes international cooperation through standards, institutions, and economic integration.

Several possible trajectories may define the future of the partnership. Under a cooperative scenario, the UAE and EU could deepen collaboration in clean energy, climate technologies, digital transformation, and regional diplomacy, creating a model of strategic cooperation between a Gulf power and a global economic actor. Under a competitive scenario, disagreements over geopolitical alignment, human rights, technology governance, and relations with China or Russia could limit deeper cooperation. A more likely outcome may be an adaptive partnership in which both sides maintain cooperation in areas of mutual interest while managing differences through pragmatic engagement.

The most promising area for future cooperation is the intersection between economic development and strategic resilience. The UAE's ambition to become a global hub for technology, logistics, finance, and renewable energy aligns with European priorities in green transition, supply chain security, and innovation. Strategic Development Partnerships between the UAE and EU could therefore move beyond traditional aid or trade frameworks toward joint investment platforms, research collaboration, technology partnerships, and sustainable infrastructure projects.

However, the partnership will require careful management of political differences. The EU's emphasis on human rights, governance standards, and rules-based international norms may occasionally conflict with the UAE's pragmatic approach to sovereignty, security, and economic development. Rather than allowing these differences to weaken cooperation, both sides will need mechanisms for constructive dialogue that balance values with strategic interests.

Future research should examine how the UAE–EU partnership contributes to broader debates about Middle East diplomacy, regional order transformation, and the role of economic influence in global politics. Further study is needed on whether partnerships based on trade, technology, and investment can provide alternative models of influence compared with traditional military alliances.

Overall, the UAE–EU relationship represents an important example of how global partnerships are being reshaped in an era of multipolar competition. The future significance of this relationship will depend not only on the strength of bilateral cooperation but also on its ability to adapt to changing geopolitical realities. A successful UAE–EU strategic partnership could become a model for cooperation between a rising regional power and a global economic actor, demonstrating how shared interests can create stability and opportunity in an increasingly fragmented international environment.

APPENDIX 1 -Roadmap for UAE–EU Free Trade Agreement (FTA) Negotiations

The negotiations between the United Arab Emirates and the European Union for a bilateral Free Trade Agreement represent a strategic effort to deepen economic cooperation, expand market access, strengthen investment flows, and establish a comprehensive long-term economic partnership between two globally connected markets. While the term CEFTA is generally associated with the Central European Free Trade Agreement, the UAE–EU discussions relate to a modern bilateral trade agreement designed to create a structured framework covering trade in goods, services, investment, digital cooperation, energy, innovation, sustainability, and regulatory cooperation.

The negotiation process is supported by a structured governance model with a clear division of labour between political leadership, chief negotiators, technical working groups, and sector specialists. At the political level, the UAE and EU leadership provide strategic direction, define the overall ambition of the agreement, and intervene on issues requiring high-level decisions. Chief negotiators oversee the negotiation architecture, coordinate across chapters, monitor progress against milestones, and ensure alignment between technical discussions and strategic objectives. Technical teams composed of trade, legal, economic, regulatory, and sector experts are responsible for drafting proposals, analysing impacts, negotiating detailed provisions, and developing solutions to areas of divergence.

The initial phase established the foundations for negotiations through the definition of mandates, priorities, negotiation procedures, and areas of mutual interest. Both sides identified key objectives and prepared technical positions covering trade, investment, services, digital cooperation, energy, sustainability, and regulatory issues. The UAE's priorities include improving market access for its exporters, supporting economic diversification, attracting investment, strengthening industrial capabilities, and enhancing access for strategic sectors. The European Union's priorities include expanding opportunities for European businesses, ensuring regulatory transparency, protecting intellectual property, promoting sustainable trade practices, and establishing predictable conditions for investment and commercial activity.

The negotiation process has now entered the intensive technical phase in 2026, where multiple working streams are progressing in parallel. These streams focus on the core chapters of the agreement and are designed to achieve measurable progress through structured discussions, technical exchanges, and regular review mechanisms.

The trade in goods workstream is responsible for addressing tariff commitments, customs procedures, rules of origin, technical barriers to trade, and trade facilitation measures. The European Union is expected to seek improved access for European exporters through greater transparency, predictable customs processes, and alignment with international standards. The UAE will seek stronger opportunities for its industrial, manufacturing, petrochemical, logistics, and export-oriented sectors, ensuring that UAE companies benefit from reduced barriers and improved access to European markets.

The services and investment workstream focuses on market access commitments, investment protection, financial services, aviation, logistics, telecommunications, professional services, and infrastructure-related opportunities. Given the UAE's role as a global business and investment hub, this area represents a significant opportunity to deepen economic integration. The agreement could facilitate greater European investment into the UAE while supporting increased UAE investment into Europe through clearer rules, enhanced investor confidence, and improved regulatory certainty.

The energy and green economy workstream addresses cooperation in renewable energy, clean technologies, hydrogen development, energy security, carbon management, and critical supply chains. The UAE's energy expertise, investment capacity, and infrastructure capabilities complement the European Union's focus on climate transition, technology development, and energy diversification. This area has the potential to become one of the defining elements of the future partnership.

The digital trade and innovation workstream focuses on digital services, electronic transactions, data governance, cybersecurity cooperation, artificial intelligence, and emerging technologies. The objective is to create a framework that supports digital transformation, enables innovation, and strengthens cooperation in high-growth technology sectors while maintaining appropriate regulatory safeguards.

The sustainability and regulatory cooperation workstream is expected to be one of the most complex areas of negotiation. Discussions are likely to address environmental commitments, climate-related measures, supply-chain transparency, and responsible business practices. The European Union will seek alignment with its sustainability objectives, while the UAE will aim to ensure that commitments remain compatible with economic competitiveness, investment attractiveness, and national development priorities.

The negotiation roadmap for 2026 is structured around several key milestones. The first milestone is the consolidation of negotiating texts across the various chapters and the identification of areas where positions have converged. The second milestone is the narrowing of outstanding differences through technical consultations and targeted problem-solving sessions. The third milestone is the preparation of political-level decisions on sensitive issues requiring ministerial guidance. The final milestone is the completion of legal review, finalisation of commitments, formal signature, and preparation for implementation.

As negotiations move toward conclusion, the chief negotiators will continue to provide overall coordination, ensuring consistency across all chapters and maintaining momentum toward a balanced outcome. Technical working groups will continue refining detailed provisions, while political authorities will assess strategic trade-offs and approve final compromises where required.

Following signature, both parties will undertake their respective approval and ratification procedures. The implementation phase will include the establishment of joint committees, monitoring mechanisms, business engagement platforms, and review processes to ensure effective delivery of commitments. These structures will provide oversight, address implementation challenges, and allow the partnership to evolve over time.

The current outlook is that negotiations will continue throughout 2026, with the possibility of moving into a conclusion phase during 2026–2027 if outstanding issues are successfully resolved. The final timetable will depend on progress in areas such as regulatory standards, sustainability commitments, investment rules, government procurement, and market access.

The UAE–EU Free Trade Agreement has the potential to become a landmark economic partnership, connecting European technology, innovation, industrial capabilities, and investment expertise with the UAE’s strategic location, infrastructure strength, capital resources, and role as a gateway to regional markets. Through effective division of labour, structured governance, and clear negotiation milestones, the agreement could establish a durable framework for cooperation across trade, investment, energy, technology, and sustainable economic growth for decades to come.

Key Elements of the UAE–EU Free Trade Agreement Negotiation Roadmap

Division of Labour and Governance Structure

The UAE–EU Free Trade Agreement negotiations are supported by a structured governance model designed to ensure effective coordination between political leadership, negotiation teams, and technical specialists. Each level has a distinct role in guiding the process from strategic direction through to detailed implementation.

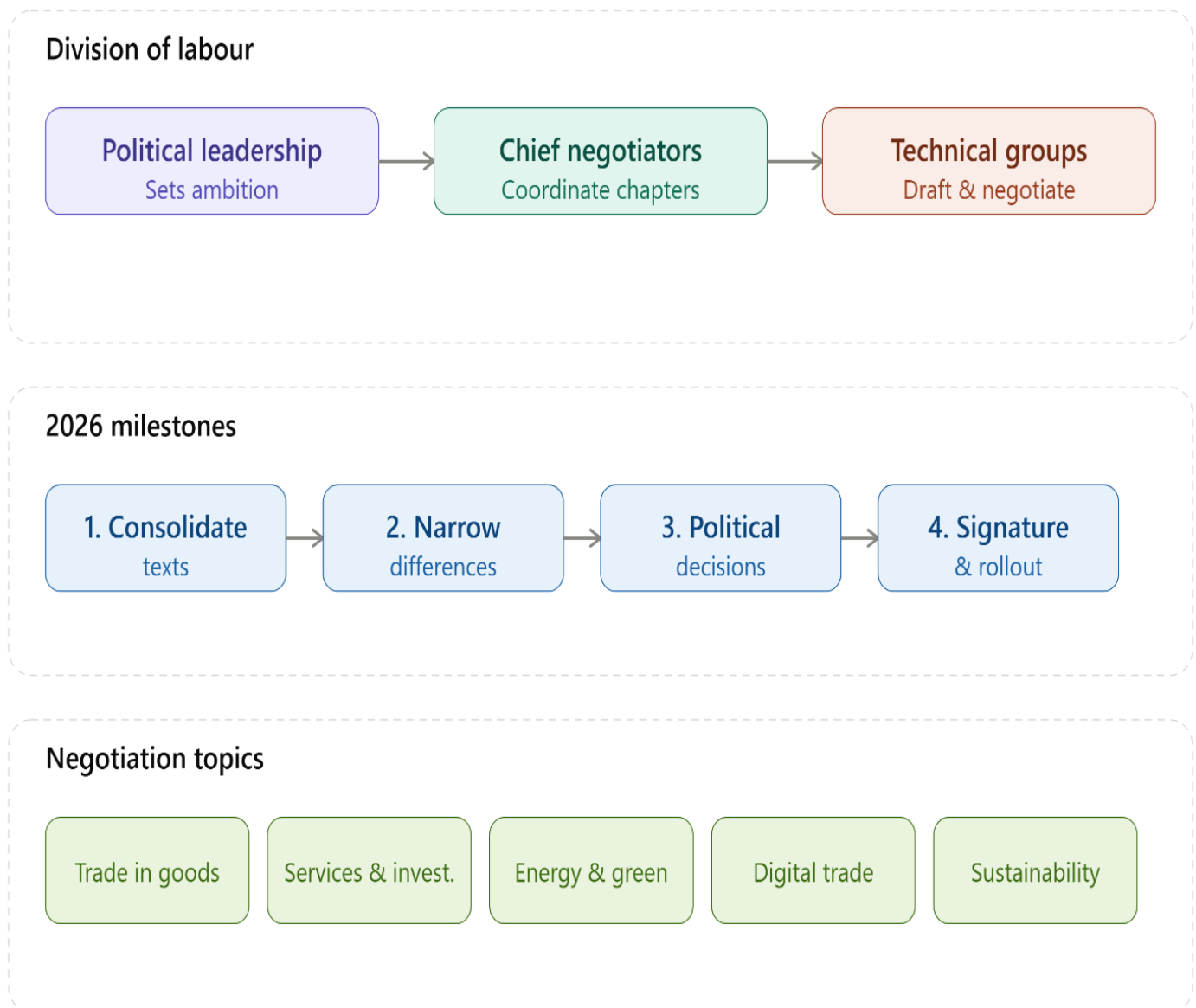
Political leadership provides the overall strategic vision for the agreement, defines the level of ambition, and ensures that the negotiations remain aligned with broader economic and geopolitical priorities. Senior leaders from both sides intervene when decisions require political judgement, particularly on sensitive issues involving market access, regulatory commitments, sustainability obligations, or strategic sectors.

Chief negotiators are responsible for managing the overall negotiation architecture and maintaining momentum across all chapters of the agreement. They coordinate the different negotiation streams, monitor progress against agreed milestones, ensure consistency between technical discussions and strategic objectives, and facilitate resolution of issues that require cross-sector coordination. Their role is to maintain a balanced approach that reflects both parties’ priorities while guiding the negotiations toward a comprehensive and mutually beneficial outcome.

Technical working groups provide the operational foundation of the negotiations. Composed of trade officials,

legal experts, economists, regulators, and sector specialists, these groups are responsible for preparing negotiating texts, conducting impact assessments, analysing market opportunities, reviewing regulatory implications, and developing practical solutions to areas where positions differ. Their work ensures that political objectives are translated into detailed and implementable commitments.

Figure



2026 Negotiation Milestones and Pathway to Conclusion

The 2026 phase marks a decisive moment in the UAE–EU Free Trade Agreement negotiations. The process must now move beyond broad alignment and institutional groundwork toward the consolidation of commitments, the settlement of unresolved questions, and the preparation of a possible final agreement. At this stage, negotiation is no longer about defining ambitions; it is about converting them into enforceable outcomes.

The first priority is to consolidate the negotiating texts across all chapters. Both sides must establish precisely what has been achieved, where interests converge, and which questions remain politically or commercially sensitive. This exercise is essential to ensure that the agreement functions as a coherent whole rather than as a collection of separate compromises.

The second priority is to narrow the remaining differences through focused technical negotiations. The objective should be practical: identify the obstacles, test possible solutions, and secure compromises that protect essential interests on both sides. Particular attention should be given to areas where market access, regulatory standards, and strategic economic interests intersect.

The third stage requires political intervention where technical negotiations reach their limits. Ministers and senior officials must determine which issues justify further concessions, which interests must be defended, and where compromise serves the broader strategic relationship. Political leadership will therefore be critical in transforming unresolved disagreements into final decisions.

The final stage is the conversion of political agreement into a functioning legal framework. Legal review, final commitments, formal signature, and implementation preparations must proceed with discipline. The agreement should also establish joint committees, monitoring mechanisms, and channels for business engagement so that its benefits are not confined to governments but reach companies, investors, and wider economic actors.

The success of the 2026 phase will ultimately depend on whether both sides can move from negotiation to execution. The objective is not simply to conclude an agreement, but to establish a durable economic framework capable of strengthening the UAE–EU relationship and giving both sides greater strategic leverage in a changing global economy.

Core Negotiation Areas

Trade in goods remains a central pillar of the agreement, covering tariffs, customs procedures, rules of origin, technical barriers to trade, and trade facilitation measures. The European Union's objective is to secure improved market access for European exporters through greater transparency, predictable customs processes, and consistent application of standards. The UAE's objective is to enhance opportunities for its industrial, manufacturing, logistics, and export-oriented sectors by reducing barriers and improving access to European markets.

Services and investment represent another major component of the negotiations, reflecting the UAE's position as a global hub for finance, logistics, aviation, technology, and infrastructure. Discussions focus on market access, investment protection, financial services, telecommunications, and professional services. The agreement aims to create a more predictable environment that encourages two-way investment flows, strengthens investor confidence, and supports deeper economic integration between the UAE and Europe.

Energy and the green economy form a strategic dimension of the partnership. Cooperation in renewable energy, hydrogen development, energy security, clean technologies, and carbon management could become a defining feature of the agreement. The UAE's energy expertise, investment capacity, and infrastructure strengths complement the European Union's climate-transition objectives and demand for innovative solutions in sustainable energy systems.

Digital trade and innovation address the future-oriented elements of the partnership, including data governance, cybersecurity, artificial intelligence, electronic transactions, and digital services. The objective is to create a framework that supports technological growth, facilitates digital commerce, and encourages cooperation in emerging industries while maintaining appropriate regulatory protections.

Sustainability and regulatory cooperation are expected to be among the most challenging areas of negotiation. The European Union is likely to emphasise environmental commitments, climate-related measures, supply-chain transparency, and responsible business practices. The UAE will seek to ensure that these commitments support sustainable growth while preserving competitiveness, investment attractiveness, and flexibility for economic development.

Together, these elements form the foundation of the UAE–EU Free Trade Agreement roadmap, combining strategic oversight, technical expertise, measurable milestones, and sector-based cooperation. A successful agreement would create a long-term framework connecting European technology, innovation, and investment capabilities with the UAE's strategic location, infrastructure, capital strength, and role as a gateway to regional and global markets.

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STATEMENT ON AI

Artificial intelligence is entering our lives quietly, like a stranger who knows our names before we have introduced ourselves. It writes our words, remembers our histories, and sometimes seems to understand the things we cannot say. But I wonder what happens to us when we begin asking machines to speak for us. A machine can reproduce language, but it cannot carry the weight of a childhood, the smell of a mother's kitchen, or the silence left behind by a country we have lost. AI may become a powerful companion, but it should not become the keeper of our humanity. We must use it without surrendering the fragile, imperfect things that make our voices ours. Perhaps the real question is not whether machines will become more human. It is whether, while building them, we will remember how to remain human ourselves.