

# Iran and the Gulf Cooperation Council

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**Since the 1979 Islamic Revolution, ties between Iran and the Gulf Cooperation Council (GCC) have been tumultuous, ranging in general from total hostility, diplomatic break, and fighting proxy wars to détente. One of the core issues of contention has centered on the Islamic Republic’s goal to export its revolution and expand its influence in the Arab world. In the 2010s, Iran and Saudi Arabia, the largest GCC member and its de facto leader, fought proxy wars in Syria and Yemen, in which Iran was the victor. The 2019 Iranian missile strike on the Saudi Abqaiq oil facility and the US refusal to retaliate showed GCC members that they could no longer rely on US security guarantees. Since then, Tehran and Riyadh have tried to improve and mend ties in an apparent bid for Riyadh to test the waters as to whether a more productive relationship with Tehran is even possible. There has been an ongoing regional dialogue, brokered by Iraq, which has not produced meaningful breakthroughs. While Tehran has expressed a desire to re-establish full diplomatic relations with Riyadh, the Kingdom wants to see changes in Iranian behavior in the region before the resumption of full diplomatic ties.**

## Genesis of the GCC

Concerns over Tehran’s aggressive expansionist goals following the 1979 revolution were the driving factor behind the 1981 creation of the Gulf Cooperation Council (GCC), a regional political, economic, and security alliance comprised of six Arab monarchies – Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Bahrain, Qatar, and Oman. As the most populous and wealthy GCC nation, Saudi Arabia stands as the bloc’s de facto leader.

The GCC is principally aligned with Washington as its major-power patron, and relies on the U.S. for major arms sales and informal security commitments. The U.S. has maintained a robust military presence in the Persian Gulf since the 1970s to guarantee the flow of Gulf oil to the rest of the world, and several GCC member states, like Qatar and Bahrain, host large U.S. military installations.

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The maintenance of regional stability has been a core goal of the conservative monarchies of the GCC. Given the substantial Shi'a minorities in several of its member states, namely Saudi Arabia – which has a sizeable Shi'a minority concentrated mainly in its oil-rich Eastern Province, Bahrain – whose 70-75 percent Shi'a majority is ruled by a Sunni monarchy – and Kuwait – whose Shi'a population stands at 33 percent – the GCC states are especially sensitive to Iranian attempts to stoke sectarian tensions. At the same time, these states have tended to label expressions of Shia political grievances as Iranian fifth columns to crack down on them, committing human rights violations in the process. Tehran has sought to take advantage of these grievances to cultivate Shia militancy against its adversaries, though it has not made much headway compared to the expansion of its militant networks elsewhere in the Arab world.

For their part, GCC countries like Saudi Arabia attempted to sponsor their own proxies, which backfired because they could not control them. In contrast, the Islamic Republic has had a better record and capability to control its proxies.

It should be noted that there are numerous political and ideological differences among the GCC's members, which has at times posed a stumbling block to the formation of a unified front against Iran. Most notably, Qatar, which shares the world's largest gas field with Iran, and Oman, has pursued a strategy of maintaining positive relations with all neighboring powers, and has pursued independent tracks while remaining within the GCC framework. Qatar and Oman have emphasized trade and commercial links to Iran while overlooking its ideological threat to the region.

Iran's military spending is much lower than the GCC's expenditures—[according to one analysis, GCC states spent \\$95 to \\$128 billion in 2017 vs. Iran, which spent \\$15 to \\$16 billion](#)—yet Iran has been able to increase its regional influence through effective, low-cost methods such as anchoring loyal proxies in neighboring countries – which it has done in Lebanon, Syria, Iraq, Yemen, and Gaza – and proliferating relatively cheap missile and drone technologies.

## The Historical Trend of Iran-Saudi Rivalry



*Khobar Tower Bombing: Saleh Rifai/AP Photo*

Conflicts in the past decades in Syria, Iraq, Lebanon, and Yemen are emblematic of the larger geopolitical struggle waged between Iran and Saudi Arabia. Iran's influence has grown in these conflict zones, often at the expense of Saudi Arabia.

Prior to the 1979 Islamic Revolution in Iran, Tehran and Saudi Arabia managed cordial ties, though bilateral relations weren't without tensions, such as the Pahlavi monarchy's desire to transform into the top military power in the Middle East. Ties deteriorated immensely following the revolution and Islamist victory in Iran. Islamic Republic

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founder Ayatollah Khomeini claimed that hereditary monarchies such as the GCC states were illegitimate under Islam, and sought to assert leadership of the Islamic world, challenging the Saudi ruling kingdom's legitimacy as the custodian of Islam's holiest sites.

Khomeini began stoking tensions with Saudi Arabia immediately after taking power by backing Shi'a militias and political parties throughout the Middle East. The majority-Shi'a city of Qatif, home to several of the Kingdom's largest oil fields, refineries, and processing facilities, was beset by unrest and mobilization against the monarchy following the overthrow of the Shah in Iran.

During the Iran-Iraq War (1980-1988), Saudi Arabia [supported](#) the Ba'athist Saddam Hussain against the Islamic Republic. The most vivid expression of Iran's direct challenge to the Saudi regime's legitimacy was the [political activism undertaken by Iranian pilgrims](#) at Khomeini's behest during the annual hajj pilgrimages. The building tensions over the hajj came to a head in 1987, when Iranian pilgrims clashed with Saudi security forces. As a result, hundreds died in a stampede, and Riyadh cut ties with Iran.

The 1990s and early 2000s saw a period of attempted rapprochement between Iran and Saudi Arabia, and the GCC. That was largely spearheaded by then-President Akbar Hashemi-Rafsanjani, and his successor Reformist president Mohammad Khatami also sought to improve ties. However, those efforts were hampered by other centers of power like the [IRGC](#), which sponsored the 1996 bombing of the [Khobar Towers](#) housing compound in Dhahran where U.S. and allied forces supporting air operations in Iraq were housed, killing 19 American service members and injuring hundreds of others. Saudis grew warier after Tehran sought to expand its influence in Iraq following the U.S.-led invasion that toppled Saddam Hussein.

The late 2000s and 2010s witnessed deteriorating relations and [proxy wars](#) between Tehran and Riyadh. President Mahmoud Ahmadinejad (2005-2013) took a harder line on foreign policy. The two countries were increasingly at odds through proxy battles in Lebanon, the Palestinian territories, and Iraq. The Arab Spring in 2011 worsened bilateral ties. Tehran expressed support of protests in Bahrain against the Sunni royal family, while intervening directly in Syria to preserve the regime of Bashar al-Assad against a Sunni uprising. As Saudis poured money and arms to insurgents, Tehran increased its support of Assad, while looking to increase its support of insurgents in the Arabian Peninsula.

Yemen proved a great opportunity for the Islamic Republic, where it supported Ansar Allah, also known as the [Houthis](#), to be a thorn in the Saudis' side. Following the Houthi takeover of Sanaa in 2015, Saudis led an intervention, fearing an Iranian foothold in its southern flank. Houthis are [predominantly](#) Shia, belonging to its Zaidi sect, and have had ties with the Islamic Republic. Ironically, the war was followed by a closer relationship between the Houthis and the Islamic Republic: the IRGC provided material, including drone and ballistic missile technologies, seeking to make the Houthis even more reliant on it. Over time, Houthis have [increased](#) their ballistic missile capabilities, regularly targeting Saudi cities and civilian areas. The Saudi-led intervention, meanwhile, has been [accused](#) of committing war crimes there. Saudis did not reach their objective of fully defeating the Houthis, meaning important gains for the Houthis and the IRGC. In Syria, the Islamic Republic also achieved military victory, convincing Russia to intervene to crush the rebellion.

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Saudi Arabia's historically fraught relationship with Iran reached new lows in the mid-2010s. After Saudi Arabia in 2016 executed an outspoken Shi'a cleric with alleged ties to Iran, a mob sponsored by the Islamic Republic ransacked the Saudi consulate in Tehran. The incident led Saudi Arabia, Qatar, and Bahrain to recall their ambassadors from Tehran, and the UAE to downgrade its diplomatic relations with Iran. Furthermore, Saudi crown prince Muhammad Bin Salman [vowed](#) a more muscular approach toward Tehran.

GCC states believed that the Trump administration would help turn the tide against the Islamic Republic. GCC viewed the Joint Comprehensive Plan of Action (JCPOA), also known as the Iran nuclear deal, with concern because of the expirations of some key provisions that, in the words of former President Barack Obama, would bring its nuclear breakout to zero. The 2018 U.S. exit from the Joint Comprehensive Plan of Action (JCPOA), tougher rhetoric against Tehran, re-imposition of sanctions and arms deals with Saudis gave them hope Washington would become more aggressive against the Islamic Republic. However, this changed when Trump [showed](#) he was unwilling to defend Saudi Arabia against Iranian missile and drone strikes against the Abqaiq oil facility in 2019.

Encouraged by the Trump administration, GCC states have [improved](#) their ties with Israel following the announcement of the Abraham Accords in 2020. The accords led to diplomatic and cultural exchanges, and also reportedly [have](#) elements of military and security cooperation aimed at the Islamic Republic. Tehran has reacted negatively and condemned the accords.

The Abqaiq incident, apparent Iranian victories in proxy wars in Syria and Yemen, and domestic concerns (such as over economy) led Saudis to recalibrate their approach toward Iran. In 2021, Iranians and Saudis [revealed](#) they were having discussions to restore diplomatic ties. Nevertheless, while Iranian officials have regularly showcased progress in this negotiating track, Saudi officials have been more circumspect publicly, [suggesting](#) the dialogue has not resulted in enough progress. In a clear sign that Saudis still [have](#) problems with Iranian influence, however, Riyadh and Gulf states cut ties with Lebanon over perceived Iranian influence there. The Kingdom's ambassador eventually [returned](#) to Lebanon in April 2022, although tensions remain given Hezbollah's dominating influence in the country. In other words, the recent Saudi overture to restore diplomatic ties should be seen as an attempt to manage tensions following the perceptions of American desires across the political spectrum to reduce the U.S. footprint in the Middle East.

## UAE

UAE has been concerned about Iranian influence in the Middle East. It continues to dispute Iran's claims to three islands in the Persian Gulf since the time of the Pahlavi monarchy. The Emiratis [joined](#) the Saudi intervention in Yemen before withdrawing the bulk of its forces in 2019. In 2019, the IRGC [targeted](#) ships in Emirati territorial waters after the United States re-imposed sanctions on Iran. The threat that Iran's proxies and partners pose to the Emirati leadership could be seen in [repeated](#) missile and drone attacks on the UAE in January and February 2022. On January 17, a drone attack targeted a storage facility in Abu Dhabi, which killed two Indians and a Pakistani working for Abu Dhabi National Oil Company. A part of the Abu Dhabi International Airport which was under construction was also targeted. On the same day of the attack, the Houthis' chief negotiator was [reportedly](#) in Tehran meeting

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with Iran's president. On January 24, ballistic missiles were fired from Yemen at the UAE's Al-Dhafra airbase that houses around 2,000 U.S. troops, which triggered U.S. Central Command to engage the missiles with Patriot interceptors. On January 31, the Houthis launched ballistic missiles at the UAE while Israel's president was visiting. After, on February 2, the UAE announced interception of three drones, in an operation claimed by Iran-backed militias in Iraq.

Despite this threat from Iran, the U.S. Treasury Department has [designated](#) numerous illicit Iranian [networks](#) based in Dubai over the years and [front companies employed by Triliance Petrochemical Co. Ltd.](#), which helps Iran evade sanctions, raising questions over countering illicit financing there. The *Wall Street Journal* has also [reported](#) on a "growing gray market in which Iranian consumers order goods online and have them shipped by intermediaries in the United Arab Emirates."

## Bahrain

Iran's revolutionary regime's meddling in Bahrain, which some Iranian officials have referred to as Iran's "[14th province](#)," dates as far back as 1981, when an Iranian and IRGC-supported proxy movement attempted a coup but failed. Since that time, Tehran has attempted to sponsor insurgents there, efforts that picked up following the Arab Spring, but have not borne fruit due to counter-terrorism arrests. At the same time, Bahraini authorities have labeled expressions of legitimate Shia grievance as Iranian fifth column to justify their crackdowns.

Citing the increasing sophistication and firepower of the weaponry that has made its way into Bahrain, Western analysts [concluded](#) that Iran is behind the proliferation of heavily armed cells and militant attacks that have plagued Bahrain in recent years. On April 22, 2013, Bahraini authorities arrested eight of its citizens for plotting with an IRGC member to assassinate Bahraini officials and target government buildings and the international airport. Later that same year, on December 30, the Bahraini Coast Guard intercepted an Iranian shipment of more than 220 pounds of C4 explosives, 50 hand grenades, land mines, and detonators labeled "made in Syria" that were en route to Bahrain.

In September 2015, Bahrain [uncovered an illicit Iranian weapons factory](#) aimed at supplying militant elements within the opposition with heavy weaponry to fuel unrest in the kingdom. In June 2016, two men alleged to have "[received training in weapons and explosives from Iran's Revolutionary Guards](#)" planted a bomb that killed a Bahraini woman.

In March 2017, Bahraini authorities [broke up an IRGC-linked terror cell](#), which they accused of plotting to assassinate government officials and attack police and U.S. military targets. More recently, in February 2019, the al-Ashtar Brigades—a Bahrain-based, Iranian-supported Shiite militia, which the United States designated as a foreign terrorist organization in July 2018—[threatened attacks](#) on American and British interests in Bahrain. In April 2019, Bahrain [sentenced](#) 139 people to prison, revoking the citizenship of most of the defendants, who were accused of establishing an IRGC-supported cell inside the country. Similar [incidents](#) have continued through the years, including when local reports emerged in 2020 about Bahrain thwarting a plot by Iran to attack diplomats and foreigners in the Kingdom. Iran continues to target Bahrain given its normalization of relations with Israel, and especially



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with Jerusalem's and Manama's burgeoning cooperation in the aftermath of U.S. Central Command assuming combatant command of U.S. forces in Israel in 2021.

## Kuwait

Kuwait, meanwhile, has reportedly uncovered Iranian covert operations designed to undermine American-Kuwaiti military cooperation and inflame sectarian tensions among Kuwait's Shia minority. In April 2011, the Kuwaiti Foreign Minister [reported](#) the discovery of an Iranian spy cell that had operated in Kuwait since the U.S. invaded Iraq in 2003. The cell "monitored the U.S. military presence and possessed explosives to bomb 'strategic' facilities" in addition to possessing lists of "names of officers" and "extremely sensitive information." This announcement followed the March sentencing of two Iranians and one Kuwaiti for spying on behalf of Iran and coincided with the expulsion of several Iranian diplomats from Kuwait. Similar cases have continued through the years, including in November 2021 when reports [emerged](#) that Kuwait's Public Prosecution Office was investigating four Kuwaiti citizens for ties to Lebanese Hezbollah.

At present, many GCC states are engaged throughout the Middle East to counter Iran's destabilizing activities. Iran's notorious involvement in countries such as Iraq, Syria, and Yemen has expanded its regional influence while turning those states into incubators for extremist groups which threaten the GCC.

## The JCPOA Effect

While Iran's destabilizing regional activities are troubling in their own right, Iran's past pursuit of an illicit nuclear weapons program has compounded the Iranian threat, and is inextricably linked to its bid for regional primacy. The GCC states fear that should Iran attain a nuclear weapons threshold capability, it would achieve a deterrent effect enabling it to dominate and destabilize the Middle East with impunity. Iran's proxies would enjoy the protection of an Iranian nuclear umbrella, circumscribing the ability of regional governments to respond effectively. Moreover, a nuclear weapons capable Iran would theoretically be able to make good on its occasional threats to close the strategically and economically vital Strait of Hormuz.

Concerns over Iran's nuclear program notwithstanding, the GCC states regarded the Obama administration's diplomatic efforts to resolve the nuclear impasse, which began in 2013 with suspicion. It appeared to the GCC that the United States was abandoning its traditional Mideast allies in favor of accommodation with Iran, the leading driver of regional instability. Numerous Arab officials weighed in over their fears that Washington was heading toward a "bad deal" with Iran that would legitimize its uranium enrichment program, fail to dismantle its nuclear infrastructure, while offering permanent sanctions relief that would only fuel its destabilizing non-nuclear regional behavior.

In the run up to the Joint Comprehensive Plan of Action (JCPOA), Arab allies speculated that a bad Iran deal would bring about the expansion of nuclear technologies in the region, either through [building indigenous enrichment capabilities](#) or through seeking to [acquire nuclear weapons externally](#). GCC officials also [aired their concerns](#) that the nuclear deal would increase Iran's regional aggression and ["wreak havoc in the Middle East."](#)

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Ultimately, their fears came true—as the deal struck between Iran and the P5+1 countries will enable Iran to legitimately operate an industrial-scale nuclear program that will leave it permanently on the threshold of a nuclear weapons capability when the last of the JCPOA’s key restrictions expire in less than 15 years. Iran has also drastically increased its malign regional activities since the deal’s Implementation Day, no longer encumbered by the international sanctions regime allied against it. These concerns fueled the Trump administration’s withdrawal from the accord in 2018. The reimposition of sanctions also limited the amount of funds available for Iran to fund its regional proxies and partners. But with the Biden administration’s commitment to return to compliance with the JCPOA, these same GCC misgivings over the original deal remain, especially given the unlikely event of Iran agreeing to a longer and stronger accord if the most stringent sanctions against the Islamic Republic are lifted as a part of a U.S. return to compliance with the JCPOA.

## Recommendations

Refurbishing the U.S. alliance with the GCC States can serve as an essential pillar of a successful Mideast policy that reverses the growing chaos and instability that have afflicted the region in recent years, without the large-scale commitment of U.S. forces.

President Biden should continue to prioritize deepening relations with the GCC and restoring trust within the bloc. The path to doing so is pursuing a more comprehensive strategy of countering Iran in the region and looking beyond the JCPOA of 2015. The GCC has a critical role to play in terms of restoring the regional order and pushing back against Iran’s destabilizing aggression. The following recommendations are intended to help President Biden make the most out of diplomatic engagement with the GCC going forward:

### Broaden U.S.-GCC strategic cooperation

The Biden administration should demonstrate a commitment to Gulf security through arms sales and security partnerships. The GCC states tend to act more on their own than under a unified command structure, and President Biden should offer U.S. assistance to facilitate increased coordination and interoperability among GCC forces. By working collaboratively with individual GCC states and the bloc as a whole to build capacity and expertise, the U.S. can incentivize the GCC states, including occasional mavericks such as Qatar and Oman, to close ranks and uphold an achievable vision of regional security and stability.

The Biden administration should explore pathways to formal security arrangements with the GCC. One available option is extending the designation of “major non-NATO ally” to all six GCC states (Qatar, Bahrain, and Kuwait have already attained this status), something that the Obama administration [considered](#) in 2015. Such a designation – which does not include a mutual defense agreement – would provide the GCC states with a variety of financial and military [benefits](#), including expedited defense procurement, joint defense research and development endeavors, and counterterrorism cooperation. Designating the bloc as a major non-NATO ally would serve to increase the collective benefits of partnership with the U.S., cementing their pro-Western orientation.



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The U.S. can also explore the possibility of establishing a mutual defense pact with the GCC. Such an arrangement would potentially face domestic political obstacles, as it would obligate the U.S. to rise to the defense of parties to the treaty in the event of an attack. But it would also send a clear message to Tehran that the U.S. considers Gulf security to be sacrosanct, and would force Iran to alter its calculus when it comes to meddling in its neighbors' internal affairs and seeking to destabilize the region. Signaling to Iran that it will face a steep cost for provoking a confrontation with our Gulf allies would likely have a strong deterrent effect.

The GCC's alliance with the U.S. has historically centered on energy and security. The Biden administration, in concert with Congress, should seek out new and emerging fields for cooperation to set the relationship on a broader, more sustainable footing. The U.S. should explore the creation of a U.S.-GCC strategic partnership modeled on the U.S. relationship with Israel, which has expanded cooperation in a variety of fields including trade, agriculture, cybersecurity, and water. While the GCC states weathered the Arab Spring wholly intact, its member states are still subject to the economic and demographic trends which catalyzed upheaval throughout the region in 2011. The U.S. should work in tandem with the GCC on implementing structural reforms, economic modernization and diversification, and gradual social reforms as the greatest long-term guarantors of GCC government stability.

## [Bolster GCC ties with other U.S. regional allies](#)

The Biden administration should continue to cultivate improved ties and security coordination between the GCC and other key U.S. allies in the Middle East. President Biden should also continue to cultivate closer ties between the GCC and Israel, which both face the twin threats of Iranian and Sunni jihadist extremism, and also push for more unity within the GCC. The Abraham Accords were a regional gamechanger, and the Biden administration should continue to devote as much time and attention to expanding the circle of peace as the Trump administration did during its administration. Encouraging Oman and Saudi Arabia in particular, to normalize relations with Israel would strengthen the Abraham Accords even further. Likewise, the potential formation of a Middle East Air Defense (MEAD) partnership, synchronizing early warning and radar systems, detectors, and interceptors to thwart Iran's drones and missiles, would greatly contribute to the formation of a durable regional security architecture to counter the Iranian threat. Interoperability across U.S. allies and partners would ameliorate the weaknesses in the patchwork of bilateral arrangements between each GCC state and the United States. But this will require overcoming distrust within the GCC and for more GCC countries to establish relations with Israel.

## [Create a mechanism for U.S.-GCC security consultation](#)

The GCC's trepidation over the Iran nuclear deal is largely a function of the perception among its leaders that they were left out of the P5+1 and EU-led negotiating process and their concerns over Iranian meddling were not properly taken into account. President Biden should continue to deepen an ongoing consultative process among the European Union, the United States, the GCC, and Israel, which brings the nations most threatened by Iran into the fold as the nuclear negotiations continue. The GCC countries should be treated as key stakeholders in a U.S.-led effort to secure a new, more comprehensive agreement with Iran in the aftermath of the U.S. withdrawal from the JCPOA. Increasing

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the buy-in of our Gulf allies will eliminate the trust barrier that arose during the Obama administration and ensure a unified approach to confronting the Iranian menace. Consultations remain important—but they are not an end in themselves. Integrating regional concerns into the negotiating process with Iran is what matters.

**If the Biden administration’s outreach efforts to the GCC bear fruit, the United States will reap a more unified and professional GCC security apparatus firmly anchored in the West’s orbit. By reinvigorating the GCC’s coordination with other key Mideast partners, Washington will benefit from a coalition of allies dedicated to stability, countering extremism, and frustrating Iran’s bid for regional domination. In short, refurbishing the U.S. alliance with the GCC States can serve as an essential pillar of a successful Mideast policy that reverses the growing chaos and instability that have afflicted the region in recent years, without the large-scale commitment of U.S. forces.**