The Middle East at an Inflection Point
(Discussion and Q&A Segments)

Speakers:
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JOHN HAMRE: I forgot to tell you all that there are cards on your chairs. And I’m going to ask you to write out your questions. I’ve got a couple that I’ve prepared myself, so while you’re thinking about that. If you need extra cards, just put up your hand. If you need a pen, put up your hand. We’ve got all of that, too.

Yousef, thank you. Let me – thank you very – you’ve touched on a lot of issues that all of us here will want to explore. Let me ask, if I could just drill in a little bit more on Syria. What is the solution here? You know, the Russians came in with 20 airplanes and a couple of thousand troops, and fundamentally changed the political objective. We may not like that, but it had an objective. What do you think should be our focus now in Syria? How would you help us think that through?

H.E. AMB. YOUSEF AL OTAIBA: I think, John, your question hits on exactly the reason we haven’t been able to get a solution, it is because inside of our coalition we have competing objectives. There are people who think that defeating Bashar al-Assad is the first priority and there are people who believe that defeating ISIS is the first priority. And so we have not been able to get a consensus about what our strategy is. So we have this challenge with countries being on different sides, taking different conflicting objectives.

And therefore, we have not been able to mobilize the Syrian opposition. We have not been able to defeat the extremists. Quite the opposite, we’ve seen more extremists and more terrorists flow into Syria because of these fragments or these tensions within the coalition. And so I think the first order of business, if we are to resolve Syria, is to try to get everybody on the same page. And so far, that has proven very elusive, because of the things I’ve just identified.

DR. HAMRE: Do you think this peace process initiative is the right vehicle, or do we have to have a step before we get to this?

H.E. AMB. AL OTAIBA: No, I think it’s the right initiative. And I think, frankly, it’s the only game in town. I just wish we would have started this four years ago, or three years ago, as opposed to now. I think the focus right now on Syria is well-placed. But I think it’s also a bit late. You know, we’ve allowed Syria to kind of fester and become a bigger problem than it should be had we addressed this three or four years ago.

DR. HAMRE: How would we think about the Syria dilemma and think about ISIS and its power base in Iraq? Is it possible to defeat ISIS without solving Syria? How would you think that through?

H.E. AMB. AL OTAIBA: I think we have to do both the political track and the counter-extremist track in parallel. I don’t think we have the luxury of choosing, let’s do this and then do that later. We just don’t today. But I want to warn against something that I am very worried about, which is that this campaign continues to be predominately focused on ISIS. And there are obvious, you know, compelling reasons as to why. What I don’t worry about is not defeating ISIS — I’m confident we will be able to defeat ISIS. I’m not worried about that.
But what I do worry about is after we defeat ISIS, we pack our bags, we go home, we take a victory lap, and we don’t address the broader problem of extremism. We don’t address the other groups. We don’t address ISIS in other parts of the world. And so if we make this shallow or one-dimensional, I worry that we will have to face this again sooner rather than later. So our view is, if you deal with ISIS, you have to deal with other extremist groups. And you have to deal with the ideology that allows people to join ISIS.

Nobody wakes up one morning and decides to be an ISIS suicide bomber. You know, it takes a gradual process of brainwashing and indoctrination before you reach that stage. And the other underlying ideologies of extremism are much bigger and far less addressed in our battle. So what I was saying in the speech is I think it’s important to create the types of opportunities, the types of societies that prevent people from getting radicalized. That’s the ultimate long-term goal.

DR. HAMRE: Please pass in your cards, and have them bring up a few to me so I can start looking through them as I ask another question, because I want to hear your questions.

Ambassador, you said that Iran has to decide if they’re going to be a revolution or a state. Where do you see this heading? They’ve been empowered because we’ve taken down the sanctions. It’s pretty hard to see how we recreate a sanctions environment because they can — if we try it — say, well, we’re going to start building a nuke again. And, you know, we’re a bit trapped here. So what do you see as the pathway forward for dealing with it, confronting them with this reality?

H.E. AMB. AL OTAIBA: I think what the nuclear deal has done is take one significant threat off the table, at least for the next 10 to 15 years. And that should give us the opportunity to address everything else in a far more objective way. So now that the nuclear deal is resolved and implementation will begin soon, we need to address Iran’s regional behavior. And to many countries in the region, their regional behavior is a far bigger threat than the nuclear program.

I think it’s important for us to collectively talk about, discuss, and put together a plan that prevents further Iranian expansion in the region. I would like to see this moderate tone, this moderate element within Iran that negotiated the nuclear deal, I want to see that tone be applied to the regional policies. I want to see Iran be more helpful on resolving Syria. I want to see Iran stop sending weapons to Yemen. I want to see Iran stop supporting Shia militias in Iraq. I want Iran to be a productive neighbor because, like I said, given geography and given where we are, there’s nobody in the Middle East that isn’t in a position to benefit from a more moderate and a more responsible Iran.

DR. HAMRE: We’ve got wonderful, excellent questions. There seems to be some focus and emphasis on stronger coordination within the GCC. You guys have been a part of that. How would you describe where this is going and what its future is?

H.E. AMB. AL OTAIBA: I think the environment around us is forcing us to become more cohesive, to become more organized, to become more of a unit. And frankly, that hasn’t always been the case. So I think you see a much stronger relationship between most of the GCC
countries today and, regardless of what you think of the outcomes of Camp David, the fact that the Camp David Summit was held here with GCC leaders is a huge step. And we hope it’s not a one-off. We hope that this is something that happens on a regular basis — whether it’s annually or every two years. But bringing the GCC in as a unit is very helpful for all of us, and especially to the United States.

DR. HAMRE: Can I pivot from this GCC question and ask you tell us a bit about how you’re viewing Yemen and the ongoing struggle there. You’ve been working closely with Saudi Arabia in Yemen. Is there a stronger role that could be played within or by the GCC in dealing with Yemen?

H.E. AMB. AL OTAIBA: I think the challenge here — let’s take a step back. Why are we in Yemen? Let’s try to put this in context. The Houthis rebels, backed by Iran, basically ran through the country, displaced the government, and were basically on the verge of creating a coup d’etat. The legitimate government, with President Hadi at its front, asked the GCC and several other countries to intervene and protect Yemen from being overtaken. So the involvement in Yemen, one, came at the request of the government. Two, there was a Security Council resolution sort of giving it the international legal justification.

And we are there to restore Yemen to the Yemeni people. Our goal ultimately is to bring a political settlement between Yemenis. What they decide is ultimately up to them. And the sooner they decide, the sooner we can end our campaign in Yemen. But that is left up to the Yemenis. And we’ve been very forceful in encouraging them to sit down and talk. Unfortunately, they haven’t been able to make a breakthrough but, again, a political solution is really up to the Yemeni factions to decide what’s ultimately in their interest.

DR. HAMRE: Is the GCC strong enough to be the venue for that, to be the pathway? Everybody needs some mechanism where they can do this.

H.E. AMB. AL OTAIBA: Before the Yemen military operation began, there was something called the GCC Initiative for Yemen, about three years ago. It was one of the few times that the GCC came together, worked together as a unit, implemented a program that ultimately succeeded. And Yemen was working just fine until the Houthis actually began running through. So can it be replicated? I think so. The GCC has not been asked to intervene. And I don’t think the environment is right for the GCC. I think the current stage has to be a resolution by the Yemenis as to what kind of government they want. And then the GCC can come in and see how supportive they can be.

DR. HAMRE: The longer wars go, the more they radicalize the people that have to endure them. We see this tragically in Syria. Are we at that point in Yemen, where it’s burning too long, too hot? Do you think we can get there?

H.E. AMB. AL OTAIBA: I think our chances of resolving Yemen are much closer than our chances of resolving Syria.
DR. HAMRE: Yeah, yeah. Right. Let me shift and ask you about Iraq. One of our colleagues here in the room has asked, how would you assess the effectiveness of the United States helping to rebuild a competent military establishment in Iraq?

H.E. AMB. AL OTAIBA: I’m not sure I know the answer. But I do know that I don’t think we have a choice. I think the Iraqi government has to be able to serve all of its people. And any assistance we can provide to Iraq that helps them reach that goal is something that should be welcomed. But as to what caliber the Iraqi military is right now and what the U.S. can do for it, I’m not sure I know the answer to that.

DR. HAMRE: You mentioned in your speech, rather in detail, talking about Iran. How do you interpret the burning of the Saudi embassy? And what does it mean in a larger sense?

H.E. AMB. AL OTAIBA: I think it’s important to look at some of the facts of what took place during that incident. And we were chatting earlier before. Ultimately what the Saudis and many of us concluded was that this was a government-sanctioned operation, that the Saudi embassy wasn’t burned by a few angry protesters on the street.

The evidence of this is, one, the protesters came and left in shifts. So one group of protesters arrived at a certain time, they left, then another group of protesters arrived and replaced them. Two, there is a 20-foot high fence surrounding the perimeter of the Saudi embassy. That fence was scaled. And I’m not sure, but I haven’t seen a lot of protesters equipped or prepared to scale a 20-foot fence. And three, once they actually broke into the Saudi embassy, the first thing they did was go to the computer servers, download all the data, and then set the building on fire and walk out. So again, these are the types of things that have convinced most of us that this wasn’t just a protest, that this was a government-sanctioned operation. And it was after that incident that the Saudis decided to sever ties.

So that’s how we read what happened. And that’s how the Saudis read what happened. Where it goes from now, I think, is a question we’re all thinking about. But I think the tension in the region has not been this high in a very long time.

DR. HAMRE: I’m modifying this question just a little bit. But it’s popular perception here that there are factions in Iran, that Rouhani’s a liberal – I’m not sure what that means – and that he’s struggling with an aggressive, thuggish opposition force. And we got an election coming up here. Do you think that was a factor in this?

H.E. AMB. AL OTAIBA: Probably. I do believe that the tension between the so-called moderates — and it’s always dangerous to use the term moderates because it’s very subjective, moderate compared to what, you know? Moderate compared to President Ahmadinejad? Yes, then in that case Rouhani’s a moderate. Between the so-called moderates and the so-called hardliners — or as my friend Karim Sadjadpour calls them, the bridge-builders and the saboteurs — I think that the tension between them is very real. And they also have elections coming up next month. So a lot of what you’re seeing is posturing for domestic political reasons.
Like I said, I think there is a moderate element in Iran. And we would like to see more of that. We would hope that they take charge of some of the regional policies because, as of now, I think Syria, Iraq, Yemen, Lebanon are not controlled by the moderate elements. I think those are controlled by Khamenei and the IRGC.

DR. HAMRE: Yeah, and you know Rouhani has kind of a triumphant tour of Europe these days. So it’s hard to envision what the penalties are at this stage.

H.E. AMB. AL OTAIBA: He met with the Pope.

DR. HAMRE: How — this is shifting themes again — are relations with Israel for the United Arab Emirates? And how do you see them going forward?

H.E. AMB. AL OTAIBA: We don’t have any. We haven’t had any for a long time because, as we’ve said, both publicly and privately, it’s very difficult for most Arab countries to have a relationship with Israel until there is a Palestinian resolution. I know people look into this and say, well, you know, you’re aligned on your view of Iran. You’re aligned on your view of radical Islam. We’ve always been aligned on those two views. That’s not a new development.

And you know, we’ve said publicly, the UAE would probably be one of the first countries to normalize its relationships with Israel, as soon as there is a Palestinian deal. And the Arab peace initiative under the late King Abdullah was designed to do just that. In exchange for a Palestinian deal based on 1967 lines, that the entire Arab League would normalize its relationship with Israel in one go. And we called that the 22-country solution. And yet, that never materialized. So until there is movement on the Palestinian issue, it’s very difficult — very difficult — for any Arab country to move on this issue.

DR. HAMRE: Several of the states bordering Syria are carrying a very heavy burden on refugees. You’ve historically had close ties with Jordan. We’ve seen this huge migration — I’m adding a little bit here to the question — what would you be counseling all of us? How do we help — most people don’t want to leave their home country, but this war is just burning so long. What are you telling Europeans? What should you be telling us about dealing with this problem with the refugees, especially the neighboring states that carry such a heavy burden?

H.E. AMB. AL OTAIBA: It’s very difficult to advise other countries how to deal with these issues, because each country has its own set of political undercurrents, has their own demographic challenges, has their own political challenges. And you’ve seen this, and the range of reactions, throughout Europe. What we have done in the UAE is we have taken in 120,000 Syrians since the beginning of the crisis. But because we don’t have a refugee law, we’ve taken them in as foreign nationals. So in the UAE, you’re not allowed to live in the UAE unless you’re employed. So these are employed foreign nationals living in the UAE, many of them living with other family members who are already there.

So in the UAE, where we’re a country of only 1 million UAE nationals, we’ve taken in 120,000 Syrians since the beginning of the crisis. We’ve also built a refugee camp in Jordan and other places. And we’ve given hundreds of millions of dollars in humanitarian support.
So that’s what the UAE has done. But it’s very difficult for me to get into a position where, you know what you should do on this crisis, because each country is going to have their own set of interests.

DR. HAMRE: I was at a remarkable meeting once with your boss, when he declared that he had at one point in his youth been a member of the Muslim Brotherhood. And he said, I know how dangerous these people are. ISIS seems to be different, drawing on the broad sense of alienation. But as you said in your speech, it’s not just one set of extremists. What is the larger solution? Because, we were talking before, the monarchies faired fairly well during the Arab Spring. It was republics that struggled with legitimacy that didn’t do well. So what is the answer here? How do we take it this next step, to implement the things you were calling for in your speech?

H.E. AMB. AL OTAIBA: So one of the things that I think is overlooked in the United States is this — in the world we live in, where, you know, their traditional system is a monarchical system, people tend to overlook the bond between the people and between the leadership. And as we were discussing earlier, that’s why the monarchies had no problems in the Arab Spring. People feel loyal to their leaderships in the Gulf, and in other places like Morocco and Jordan. People feel that their leaders look out for them. And it’s always a two-way street. If the leaders do look after their people, there people will be loyal to them. It’s a very simple equation. It’s like the social compact in most of our region.

But people tend to not understand that that in the Middle East, or at least in the Gulf, is a consensus-driven society. So that sense of legitimacy comes from understanding and being in touch with your people. You saw, John, and anyone else who’s ever been to a Majlis, how the relationship between the people and the leadership actually works. It’s one of those things that is hard to describe, but anyone who’s been there and seen it understands where that legitimacy comes from. This is what we need to create in the rest of the Middle East — that bond between the people and their leadership. But as well, the leadership has to create opportunities, has to educate the people, has to provide health care, has to provide security. These are the basics of governance. And once those are in place, I think the rest is easy.

DR. HAMRE: Most people didn’t put their name on their questions. Margaret Warner [PBS NewsHour] did. So I’m going to call on Margaret’s question here. She had a set-up here about what’s the workable future for Syria? What are your thoughts about how a political solution would look like in Syria? And how could we get there? It’s a slight modification, but I think it’s your question.

H.E. AMB. AL OTAIBA: So in a perfect world, if everything was very easy to accomplish and someone somewhere had a magic wand, I think the elements would include: One, you’ll definitely need a new constitution. Two, you’ll need to dilute some of the presidential powers and make the new Syria more into a parliamentary system. Three, you will need to over-represent the minorities in parliament, the way you did in Lebanon.
But first and foremost, before all of these things, what we look for in the new Syria is a secular, democratic Syria — secular being the main operative word. What we want to avoid is religious groups — be it from Muslim Brotherhood on one end to ISIS and Nusra on the other end, taking political control of a political system, or taking advantage of a political system. What we want to avoid is having a group like Hezbollah, which is ultimately a terrorist group, having a majority in parliament in Syria.

So these are the things we want to avoid. In our minds, that’s kind of the template of the solution. The challenge is how do we get there. (Laughter.) That has been what’s been very, very frustrating.

DR. HAMRE: If I might build off of Margaret’s question, you mentioned earlier that there’s a lack of consensus among us on what we want the outcome to be.

H.E. AMB. AL OTAIBA: Or the priorities.

DR. HAMRE: Or the priorities. And especially, I think, between Turkey and others. Do you see this changing? Do you see Turkey reflecting in a new way? They’re experiencing some ISIS problems themselves now. And you know, nobody carries an ISIS ID card. So they haven’t been exactly checking who’s across from the border. And they’re paying a price for it now. Do you see Turkey coming more closely with you in thinking this through?

H.E. AMB. AL OTAIBA: Honestly, I haven’t seen any change yet. Doesn’t mean it won’t happen in the future. And I think what we’re all trying to do is trying to, again, bring everyone on board in a sense of one common goal. Unfortunately, they [Turkey] prioritize the Kurds far more highly than they prioritize going after ISIS. And so until that’s resolved, I don’t know how we, again, reach that consensus on what our objectives are. So I haven’t seen it yet, but maybe one day.

DR. HAMRE: Yeah. Let me just shift here very significantly over to Libya. Libya is a problem that isn’t on our radar scope here in Washington, D.C. How do you see the dynamic in Libya now?

H.E. AMB. AL OTAIBA: Well, first let me start by saying why we think Libya is important. For three main reasons: One, Libya is a very rich country and has a vast oil wealth — if Libya’s in the wrong hands that oil wealth will go towards ISIS instead of the Libyan people. So Libya could be literally a treasure chest if it’s not in the right hands. Two, it’s very close to Europe. So if ISIS gets a foothold in Libya, it would be a lot easier for ISIS to go into Europe from Libya, than it is to go in from Syria or Iraq. And three, it’s on the border with Egypt. So not only will it potentially destabilize Europe, it would also destabilize Egypt, the most populous Arab country and home to Al-Azhar University, that graduates between 30,000 and 40,000 Muslim clerics a year. So those are the three reasons that Libya is important for us.

The next steps in Libya for all of us — for the UAE, for the United States, Egypt, and others — is for the government to actually be formed. And we’re getting very close. We’re not there yet. But once the government’s formed, we can then determine what our engagement with
Libya looks like. We can determine whether a stabilization force is required or not. We can figure out how to deal with the ISIS presence in Libya. But it’s very difficult to get to those questions until there’s a government in place.

DR. HAMRE: One of our colleagues has said, and I must confess I had missed this personally, that in the last several days both the United States and Italy have vowed to fight ISIS in Libya. Do you see that taking form, where the UAE would be involved militarily?

H.E. AMB. AL OTAIBA: I think it’s hard to pre-answer that question, but knowing our view on extremism I think we’re willing to fight extremists wherever they may be. I don’t see where we would say, yes, we’ll fight them here, but not there. Of course, this comes down to resources and capabilities and so on. But ISIS in Iraq and Syria is no different than ISIS in Libya or Sinai or Afghanistan. We have to destroy ISIS wherever we find them.

DR. HAMRE: OK. I’m moving all over with these questions.

H.E. AMB. AL OTAIBA: No problem. I feel like this is Jeopardy. (Laughter.)

DR. HAMRE: Well, it is a little bit. Well, yeah, but without sharp teeth.

You mentioned in your speech that Iran occupies islands that were historically Emirati islands. Is there an agenda here for resolving this? Is there a pathway? How are you proceeding?

H.E. AMB. AL OTAIBA: There have been attempts. So the islands were occupied by force by Iran literally hours after the UAE declared independence from the U.K. in 1971 — hours. And the importance of the islands themselves are not in any resource or oil wealth. They are literally in the center of the entrance of the Gulf. So strategically, they’re in a very, very important location. And I think that’s exactly why the Iranians have occupied them.

We, and we’ve stopped counting the number of times, have asked this to be resolved either directly with the Iranians or through the International Court of Justice. We are happy with either option. But both options have been shut in our faces every time we propose them. The answers are: These are Iranian islands, historically Iranian islands. You have no right to them. We’re not going to negotiate over something that isn’t yours. So despite our diplomatic outreaches, our numerous diplomatic outreaches, I don’t know if there’s any potential to resolve this any time soon.

DR. HAMRE: Several of the colleagues here in the room has asked a question that largely deal with how countries throughout the Gulf are dealing with their own minority populations, and how that contributes to a sense of alienation. You highlighted that you’re a country of great tolerance, and I see that. That isn’t the way a lot of citizens feel, for example, in Bahrain. I mean, how would you help us think that through?

H.E. AMB. AL OTAIBA: I think that’s a very difficult question. And also equally difficult to answer on behalf of another country. I don’t live in Bahrain, so I don’t know exactly
what the underlying tension is. I do know that the Iranians provoke a lot of these issues when there’s a Shia population. I know that doesn’t help. But you know, there are issues that must be dealt with. But I think it would be very inappropriate for me to comment on what country X or country Y should be doing inside their own countries with their own citizens. I certainly wouldn’t like someone doing the same about the UAE.

DR. HAMRE: I understand. I understand that’s not something that’s really possible for you to comment on.

Shifting over — I hope this isn’t in the same line — we’ve had a significant change of the government in Saudi Arabia. And there’s been a sense of a kind of distance between the United States and Saudi Arabia in recent years. Do you see this getting better with the new leadership?

H.E. AMB. AL OTAIBA: We’re encouraging it. We’re actually encouraging more communication, more dialogue. Sometimes it’s frustrating when, you know, there isn’t someone on the other end of the phone to speak to, but we’re trying our best to make sure that all our friends are talking to each other because, given the range of challenges we have around the world, none of these problems are going to get resolved by not speaking to each other.

But I’ll tell you, John, honestly, that this young leadership in Saudi Arabia — and I don’t think this is visible from here in Washington — looks very different to us. It looks very different than anything we’ve seen in Saudi Arabia before. We see a far more pragmatic, unideological approach to problem solving. We see a lot more energy. We see a lot more desire to tackle problems that have not been tackled in a very long time. So we’re optimistic. We’re very optimistic that Saudi’s heading in the right direction.

And I don’t know if you saw, but a few weeks ago Tom Friedman wrote a piece after visiting Saudi Arabia — so if Prince Mohammad bin Salman can convince Tom Friedman that Saudi Arabia’s on the right path, then I am very optimistic. (Laughter.)

DR. HAMRE: No one here has asked this question, and if I might just add, I mean, a lot of countries in your region are under a great deal of stress because of the collapse of oil prices. You have diversified your economy so dramatically that I don’t think it’s as great a factor for you. But it is straining countries.

H.E. AMB. AL OTAIBA: Yes.

DR. HAMRE: How long do you think that we’re going to have this? And what do you think are the continuing implications of it?

H.E. AMB. AL OTAIBA: Oh, if I knew how long oil prices or any commodity would be priced like this, I would be making a lot of money. I wouldn’t be a diplomat. It’s true, I think everyone is struggling dealing with $30 a barrel oil. We had just gotten used to $50 a barrel oil, and kind of figured out how to live with $50 oil. Thirty dollars is going to be very challenging. Probably less challenging for the UAE than others, because our economy, like you said, is quite diversified. Anyone who’s been to Dubai airport knows how busy the airport and the airlines
are. Anyone who’s been to a mall knows how many people are coming and going. Anybody’s who’s doing business knows that either Dubai or Abu Dhabi is where a lot of business gets done.

Today we’re very proud that the UAE economy is over 70 percent non-oil and -gas. So when there’s an oil shock, yes, it affects revenue, which therefore effects spending, but our growth rate is still going to be between three and four percent, because everybody else is doing very well. So we’re probably less effected, big picture, in terms of our economy.

But I think a lot of the countries are going to struggle. Now, when you struggle, there’s always an opportunity. And if you read some of the reform programs — the economic reform programs that are taking place in Saudi, like lifting of subsidies, like injecting taxes, these are all initiatives that Prince Mohammad bin Salman has been advocating for — and when oil is at $30 a barrel, it almost forces you to do these things.

We went through a financial crisis in the UAE in 2008 and 2009, along with the rest of the world. And what it did is it allowed us to fix the problems that allowed it to happen. So if you talk to anybody, today the economy in Dubai and the real estate sector is on much better ground than it was in 2008 and 2009. So, yes, while the low oil prices are going to be a short-term challenge, and it’s going to be a challenge we all have to figure out how to deal with, it is going to force people to think about how to fix their economy so we don’t go through that again.

DR. HAMRE: I’ve let it run a little bit longer than the promised time, and all the other questions that people asked — there were a couple questions that were quite specific. I apologize, but I don’t know the region well enough to know how to ask the question the right way. So I apologize for some people that didn’t get their question answered. I do want to save just enough time for you to be able to mingle. I know there are people here that would like to talk with you.

H.E. AMB. AL OTAIBA: Sure.

DR. HAMRE: So could I ask all of you to say thank you with your applause, and then please come up and say hello. (Applause.)

(END)