

**THE UNITED ARAB EMIRATES
ON THE OCCASION OF ITS TENTH ANNIVERSARY:
A POLITICAL ANALYSIS**

*by John Duke Anthony
Fellow*

Arabian Peninsula and Gulf Studies Project
The Johns Hopkins Foreign Policy Institute
Washington, D.C.

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SUMMARY CONCLUSIONS

1. SURVIVAL OF THE UAE. Although the UAE has survived for a decade, its future is far from secure. Interaction among the member states continues to be a complex mixture of political and economic rivalry, colored by long-standing dynastic, tribal and territorial disputes. Some progress in resolving these issues has been made, as traditionally recalcitrant rulers have entered into cooperative efforts; however, significant disputes remain.

2. RECENT EXTERNAL DEVELOPMENTS. Three external events played a major role in shaping the relations of the UAE with the West and the Soviet bloc: the Iranian revolution and the fall of the Shah, the Camp David Accords, and the Soviet invasion of Afghanistan. The first two events have had adverse effects on ties with the West; the third, while convincing the UAE of the firm opposition of the United States to Soviet activities in the area, has cast doubt on the ability of the U.S. to insure the Gulf's regional security. Despite the negative effect of the Soviet invasion of Afghanistan on Soviet-UAE relations, many segments of UAE officialdom continue to view the Soviets as potential important contributors to the eventual settlement of the Palestinian problem.

3. THE PRESENT INTERNAL SITUATION. Among the most pressing of the UAE's problems are those of manpower and immigration. Until very recently, member states lacked personnel qualified to run the government and manage the enormous resources of the countries. While educational opportunities have increased, qualified native personnel are often lured away by private business and industry. Traditional reliance on foreign labor has deluged the Emirates with foreigners, creating concerns for education and the development of national identity among the young, and for the costs of health and social services for the foreigners. Future development plans will require an even larger and more permanent labor force, thus complicating the problem.

4. THE PRESENT INTRA-AREA SITUATION. Because of the increasing importance of the Gulf states (a result of the economics of oil), events in and relations among Gulf countries are carefully monitored by the rest of the world. Relations between Saudi Arabia and Abu Dhabi have improved with the settlement of border disputes; relations between Gulf states and Iran have proved less manageable. Rivalry between conservative and radical elements

has changed in response to the introduction of Iranian radicalism. This casts an abated Iraqi radicalism in a new light, resulting in improved relations between Iraq and the Gulf states. The effect of the new Gulf Cooperation Council remains to be seen.

5. UAE ROLE IN THE ARAB-ISRAELI CONFLICT. The UAE has repeatedly exerted pressure for a settlement of the Palestinian problem and the regaining of Arab lands. Measures have included financial support for confrontation states and the PLO, and embargo and trade measures against countries supportive of Israel. The use of the region's oil resources as a political weapon will be a continuing factor in the settlement of the conflict.

6. PERMANENT PROSPECTS. The adoption of a permanent constitution and the issue of union powers versus emirate powers continue to be major concerns for the future of the UAE. The second five-year extension of the provisional constitution in November 1981, just prior to the federation's tenth anniversary, merely delayed consideration of these concerns. There remain those who believe that failure to adopt a new constitution and to determine the role and the powers of the federation could seriously hinder the UAE's chances for survival. Others, in increasing numbers, argue the opposite: that the very looseness of the provisional arrangement can be given the credit for holding the union together.

BACKGROUND

1.1 GEOGRAPHY. The United Arab Emirates (UAE), a federation of seven emirates (Abu Dhabi, Dubai, Sharjah, Ajman, Umm al-Qaiwain, Ra's al-Khaimah, and Fujairah), has a total area of approximately 84,650 square km. It extends for some 1,000 km along the shores of the lower Gulf and eastward of the Straits of Hormuz along the Gulf of Oman. Qatar borders it to the north, Oman to the south, and Saudi Arabia to the west and southwest. The coastal area on the Gulf, where most of the population lives, is characterized by shallow seas, coral reefs and islets. Inland, the coastal area is mainly sand dunes, bounded to the west by salt flats, which extend southward to merge with the Rub al-Khali. The salt flats merge into a belt of desert and then a gravel plain. There is an eastern mountain range with low-lying seas to the west. The UAE has a subtropical climate with temperatures rising to well above 100°F in the summer. Rainfall is infrequent and irregular. Ground-water supplies remain limited. Only in a few scattered areas is agriculture possible.

1.2 POPULATION. The first national census in 1975 showed a population of 656,000 (of which 236,000 was in Abu Dhabi and 207,000 in Dubai). The population was estimated to have grown to nearly 1.04 million by early 1980, with the native population comprising only 20-30 percent of that total. The population is now largely settled in urban areas, with the nomadic bedouin comprising less than one percent of the native population. While the native population has been growing by 3 to 3.5 percent annually, the expatriate population has been growing at a vastly higher rate due to immigration. Six major tribes, plus a dozen smaller ones, inhabit the UAE, with the seven ruling households being derived in most instances from the predominant tribe in the respective emirate. Virtually all natives are Sunni Muslims but there is a fairly large Shi'ci community in Dubai. Indians and Pakistanis are the largest of the expatriate groups, but there are numerous Iranians and expatriate Arabs as well.

1.3 RESOURCES. There are no rivers or lakes in the UAE; all water supplies come from wells or are brought in by canal from the mountains. Desalinization plants supply water in coastal areas. The 5 percent of the land in the UAE that is cultivable is located

mostly in the oases and in the mountainous regions.

The UAE's major resource is petroleum. Proven oil reserves are estimated at 29.411 billion barrels (Abu Dhabi—28 billion, Dubai—1.4 billion, and Sharjah—0.011 billion), which, at present production levels, could last about 40 years. Sharjah recently added impressive onshore discoveries to its previous offshore production. Ra's al-Khaimah reportedly has discovered oil, but its significance has yet to be determined. Despite exploration, oil has not yet been discovered in the remaining emirates. Abu Dhabi, Dubai, and Sharjah also have large natural gas reserves. Umm al-Qaiwain has also been reported to possess significant gas fields.

Mineral resources such as chromite, nickel, copper, platinum and asbestos have been discovered in the UAE, but whether they are commercially exploitable has yet to be determined. Other minerals being produced at present are granite, limestone and marble.

1.4 ECONOMIC. Agriculture in the UAE is only possible on about 5 percent of the land, mainly in Ra's al-Khaimah and the oases of Liwa and al-Ayn. Agriculture dominates the economies of Ra's al-Khaimah, Umm al-Qaiwain and Fujairah. The government has made investments in experimental agriculture at Diqdaqqa in Ra's al-Khaimah, at al-Dhayd in Sharjah, and at Liwa and al-Ayn; an agricultural research center is located on Sadiyyat Island near Abu Dhabi. The government has plans to continue agricultural development.

Oil dominates the economy of the UAE. Of the seven emirates, only Abu Dhabi, Dubai and Sharjah currently produce oil, with Abu Dhabi accounting for about 80 percent of total production. Oil revenues exceeded \$14 billion in 1979, a 60 percent increase over 1978; in 1980, revenues exceeded \$21 billion. Earnings from petroleum exports account for about 90 percent of the UAE's income. Abu Dhabi's industrial center at Ruwais includes a refinery, a petrochemical plant and a Liquefied Natural Gas (LNG) plant: Dubai's industrial center at Jabal Ali includes an aluminum smelter and a Liquefied Petroleum Gas (LPG) plant.

Fishing and agriculture are the underpinning of the economies of Umm al-Qaiwain, Ra's al-Khaimah and Fujairah. Ajman's main projects to date have been the quarrying of marble and the establishment of a few light industries.

The main instrument of development policy in the UAE is the federal budget which is mainly concerned with infrastructure. The individual emirates draw up separate budgets for local spending and projects. For the first decade of the UAE's existence there was little economic coordination, resulting in rapid, uncontrolled expansion and project duplication. The union's first five-year

development plan, published in 1981, augured well for a more coordinated approach to intra-UAE development.

1.5 SOCIAL. Education in the UAE is compulsory for all children above the age of six whose parents are citizens. The federal government pays all costs, including those for study abroad. The government is working to expand the educational system by building new schools to handle increased enrollments.

Before the discovery of petroleum, the merchant families in concert with the ruling families dominated the economic and political scene. Oil revenues, controlled by the ruling families, have widened the gap between these groups. The new oil wealth has led to the rapid influx of immigrant labor. The semi-skilled and unskilled elements among immigrant workers constitute the bottom of the lower class. Like their counterparts elsewhere in the world, the immigrants, aliens and expatriate workers have no political rights, but educational and medical benefits are extended to large segments of the foreign population.

The nomadic life style in the UAE is rapidly dying out. The government has successfully encouraged the settlement of the vast majority of the bedouin and former bedouin have found employment in the police and military forces.

1.6 TRANSPORTATION AND COMMUNICATIONS. Paved roads link all the emirate capitals and main centers. Roads also connect Abu Dhabi with Qatar and Oman. The UAE has no railways or inland waterways but it has major ports in Abu Dhabi and Dubai and minor ports in Sharjah, Ra's al-Khaimah and Fujairah. International airports are located in Abu Dhabi, Dubai, Sharjah, and Ra's al-Khaimah and Gulf Air is the national carrier.

There are radio stations in Abu Dhabi, Dubai, Umm al-Qaiwain and Ra's al-Khaimah, and television stations in Abu Dhabi and Dubai. All radio and television stations are government owned. The newspapers in the UAE are in private hands, with the exception of the government-owned al-Ittihad and Emirate News in Abu Dhabi. Among the more prominent publications are the following: in Dubai, the Khaleej Times and Gulf News; in Abu Dhabi, al-Fajr, a middle-of-the-road, economics-oriented daily, and al-Wahda, a radically-oriented weekly magazine, and in Sharjah, al-Khaleej and al-Azminah al-^cArabiyyah, both of which are highly critical of the local scene.

1.7 POLITICAL INSTITUTIONS. Under the UAE's 1971 Constitution—twice extended, in 1976 and 1981—the Supreme Federal Council, composed of the rulers of the seven emirates, is the highest

organ of government. Its main tasks are the formulation and supervision of state policy, the ratification of federal laws, the preparation of the union budget, and the selection of a president and vice president. All important decisions require the votes of at least five members, including Abu Dhabi and Dubai. The president is elected for five years and may be reelected. He is assisted by a Council of Ministers presided over by a prime minister. The president appoints all ministers, and generally all seven emirates are represented in the cabinet.

Under the Constitution, the 40-member Federal National Council is the principal legislative authority, but its actual role is limited to consultation. Its members are appointed by the rulers of the various emirates—eight each from Abu Dhabi and Dubai, six each from Sharjah and Ra's al-Khaimah, and four from each of the remaining emirates. Legislation is drawn up by the Council of Ministers, which submits it to the Federal National Council for deliberation, modification and enactment, and then to the Supreme Federal Council for ratification.

The Constitution delegates specific power to the union government—such as planning and directing foreign policy, treaties, defense, and security matters—and reserves to the member emirates powers not specifically delegated to the central government.

1.8 POLITICAL LEADERSHIP. Political power in the individual emirates of the UAE is in the hands of the ruling families: the Al Nahayyan of Abu Dhabi, the Al Maktum of Dubai, two branches of the Al Qasimi in Sharjah and Ra's al-Khaimah, the Al Mu^Calla in Umm al-Qaiwain, the Al Sharqi of Fujairah, and the Al Nuaymi of Ajman. They rule through a process of informal consultation with their constituents, in keeping with traditional consensus politics.

The largest and by far the wealthiest and most powerful family is the Nahayyan. The head of the family, Shaykh Zayid bin Sultan, is both the Ruler of Abu Dhabi and the President and principal architect of the UAE. With Abu Dhabi serving as the federal capital and as provider of the single largest source of funds for the union budget, Shaykh Zayid is the dominant figure in the federal structure. From the UAE's inception, Zayid has been supported in his efforts by Umm al-Qaiwain, Ajman, Sharjah and Fujairah. Following a more independent line have been Ajman and, up until the late 1970s, Abu Dhabi's traditional rival, Dubai. The occupancy of the post of Prime Minister in the summer of 1979 by Dubai's Shaykh Rashid brought Dubai much closer to the federalist camp. Rashid was reelected for a five-year term at the end of November 1981. Power in the UAE remains firmly in the hands of the Supreme Federal Council.

1.9 MILITARY. To represent the military in the UAE in terms of army, navy and air force is misleading. The armed forces were merged in 1976 under federal authority and divided into three commands—Western, Central and Northern—dominated by Abu Dhabi, Dubai and Ra's al-Khaimah respectively and commanded by a son of the Ruler of the respective state. The armed forces are dominated by foreigners. Omanis comprise nearly 85 percent of the enlisted ranks: Jordanians occupy key staff positions.

1.10 RELIGIOUS AFFAIRS. Nearly all UAE citizens are Sunni Muslim. Despite modernization, Islam remains an overwhelmingly important social and political force. Since the Iranian revolution, a more rigid interpretation of the Islamic Code has been practiced.

The religious revival seen in Iran, Egypt and other Islamic and Arab countries has had its counterpart in the UAE. The ideological persuasions of the Minister of Education and the Chancellor of the UAE University in al-Ayn, as well as editorials in the federation's newspapers, testify to an awakened attentiveness to Islamic values and mores. Even so, the so-called "fundamentalist" activists have been fewer in number, much less well-organized and more moderate in their views than has been the case elsewhere.

The background to outbursts of religious extremism has not gone unnoticed. Many union officials perceive a link between such outbursts and proximity to the Western camp. Hence, UAE President Shaykh Zayid has sought to distance the UAE from the United States on such matters as the Camp David Accords and the Rapid Deployment Force. Should UAE decision-makers be lured into ostentatious cooperation with the U.S. prior to a settlement of the Palestine problem, a significant rise in the religious quotient of anti-American sentiments could easily occur.

II

RECENT INTERNAL POLITICAL DEVELOPMENTS

2.1 SURVIVAL OF THE UNION. At the time of the UAE's creation on December 2, 1971, foreign observers doubted the fledgling union's ability to survive six months, let alone a decade. Because the union has come this far, it is appropriate to consider factors having impact on the union's development as well as on its future prospects.

2.2 REMOVAL OF EXTERNAL THREATS. At its inception, the UAE was faced with several territorial and security problems. On the day before the federation came into being, Iran occupied three islands in the Gulf claimed by Ra's al-Khaimah and Sharjah. To the south, leftist guerillas were seeking to topple the dynasty in Oman and carry their revolutionary ideology to the Gulf. Iraq was lending support to dissident groups seeking to unseat the emirates' governments. And a long-standing border dispute between Abu Dhabi and Saudi Arabia prevented the union from establishing diplomatic relations with its most powerful Arab neighbor.

By 1976, all of these problems had been solved or appeared manageable. Political contacts and economic ties between Iran and individual UAE states, especially Dubai and Abu Dhabi, had grown considerably; boundary and other disputes between Saudi Arabia and Abu Dhabi were settled in August 1974, leading to the establishment of diplomatic relations; the Dhufar rebellion in neighboring Oman was officially ended in December 1975; and concern about Iraqi subversion had subsided. In the years that followed, the UAE eased the tensions in its relationship with Oman, which had been exacerbated by disputed claims to territory between the Sultanate and the Emirate of Ra's al-Khaimah. When the Iraq-Iran war broke out in September 1980, the UAE quickly adopted a posture of neutrality. Contributing even further to a lessening of its fears about external threats was the UAE's entry into the Gulf Cooperation Council, which was formally inaugurated at a meeting in Abu Dhabi of the Heads of State of six Arab Gulf states—Kuwait, Saudi Arabia, Bahrain, Qatar, the UAE and Oman—on May 25, 1981.

2.3 QUESTION OF SUCCESSION IN KEY STATES. During the first half of the present century, the question of succession in the states of what became the UAE was frequently surrounded by intrigue and,

on occasion, murder. The creation of the federation mitigated this stormy tradition. Although the succession in Fujairah and Sharjah seemed less than certain, the situation in 1981 was much clearer in the other five emirates. When the rulers of Umm al-Qaiwain and Ajman died of old age, their respective heirs apparent acceded uneventfully to the rulerships. And, in the case of Dubai, where speculation had long been rife as to who would succeed the venerable Shaykh Rashid, a formal announcement in late 1981 designated Rashid's eldest son, Shaykh Maktum, to succeed to both the rulership of the emirate and the vice presidency and premiership of the UAE.

2.4 ATTITUDES TOWARD THE FEDERATION. The three oil-producing emirates—Abu Dhabi, Dubai, and Sharjah—have from time to time viewed the federation quite differently. Shaykh Zayid, ruler of Abu Dhabi and president of the UAE, has consistently sought more power for the federal government, which is funded primarily by Abu Dhabi. Until he assumed the post of UAE prime minister in mid-1979, Shaykh Rashid of Dubai had expressed less than wholehearted support for the federation and, in the eyes of some UAE officials in Abu Dhabi, did not pay Dubai's share of the budget. In defense of his policies, key Dubayyans stressed their reluctance to subject domestic affairs to extraneous influences, although these same elites would point to local UAE offices of the ministries of health and education as evidence of the benefits accruing to Dubai through its association with the union. Part of Dubai's lack of enthusiasm for the federal venture no doubt stemmed from economic disparities. Abu Dhabi's petroleum production and level of income were five times greater than that of Dubai. However, upon becoming premier, Shaykh Rashid became second only to Shaykh Zayid as the most active pro-UAE ruler of any of the emirs. Additionally, Dubayyan heir apparent Shaykh Maktum (UAE prime minister 1971-1979 and one of the union's two deputy premiers in 1981) is well known for his pro-federation views.

Dubai's rival, Sharjah, has shown great interest in regional affairs and an abiding concern for the union itself. The emir of Sharjah owes his accession to the rulership to two acts by the federation: (1) dispatch of the Union Defense Force to Sharjah to quell an attempted coup following the murder of his predecessor in 1972 and (2) official recognition of his own claim to the rulership by UAE President Shaykh Zayid.

Ra's al-Khaimah may continue to pursue policies at variance with the cause of federalism. Yet, however much Ra's al-Khaimah's Shaykh Saqr—elevated in 1981 to the post of doyen of

the federation's rulers—might be inclined to play a maverick role in regional affairs, the fact is that the emirate has no other place to go than the UAE. Border squabbles with Oman in the 1970s precluded Shaykh Saqr's earlier thoughts about a bi-partite federation with the Sultanate. Furthermore, neither Saudi Arabia nor Iraq has any interest in encouraging thoughts of an eventual emiral existence apart from the federal framework.

2.5 POLITICAL PROSPECTS. As the union enters its second decade, Abu Dhabi is even more secure and more solidly committed to the survival of the federation than was the case when the experiment began. The mutual suspicions and distrusts of the earlier era have diminished considerably. With recent petroleum discoveries and a vision of ever-increasing amounts of oil income, Sharjah may be the emirate to watch. Despite unswerving support for the federal experiment to date, long suppressed parochial sentiments may cause the emir to consider the union somewhat less and the interests of Sharjah somewhat more in the period ahead. More likely is a continued alignment between Sharjah and Abu Dhabi. The reason would no longer be that Sharjah needs Abu Dhabi to counterbalance Dubai, but rather a question of there being no other suitable emirate with which Sharjah might align itself were it to consider withdrawing from the UAE. This should reassure the other UAE members, especially Abu Dhabi.

III

RECENT INTRA-AREA DEVELOPMENTS

3.1 INCREASING IMPORTANCE OF GULF STATES. Western commentary on the Gulf has often stressed Iran's role more than that of any of the other littoral states. In addition to the significance of its size, population, and geo-strategic position, Iran's oil production—just under 6 million barrels a day until 1978—made it the number two producer in OPEC, second only to Saudi Arabia.

One of the consequences of the October 1973 War was a shift in focus away from Iran and toward the Arab actors in the region. This is not surprising. Seven of the eight littoral states are Arab (counting the seven members of the UAE as a single state). These states produce and export most of the area's oil and possess the majority of its petroleum reserves. They control the bulk of its financial holdings and play important roles in the Organization of Petroleum Exporting Countries (OPEC). In addition they exercise a determining influence in the Organization of Arab Petroleum Exporting Countries (OAPEC) on questions of industrialization and regional economic cooperation—for example, with regard to drydocks, cement plants, and aluminum smelters, if not yet in the areas of a common currency, common market, telecommunications systems, etc.

3.2 OUTSIDE PRESSURE SUPPORTING THE UNION. For some time now, each of the seven emirates has seen its interests to lie within the UAE. This view is reinforced by the lack of any viable alternative. External influences in favor of unity, emanating especially from Saudi Arabia but also from the United States and Britain, have been a consistent factor inducing Dubai and Ra's al-Khaimah—emirates led by two of the most independent minded rulers in all Arabia—to remain in the union. Conversely, no strong outside encouragement for secession has developed.

3.3 INTERACTION AMONG THE GULF STATES. Political interaction between and among the UAE states is a complex mixture of competition and cooperation with an underpinning of dynastic, parochial, and territorial issues, and colored by ethnic, sectarian and tribal sentiments.

The suspicion and distrust engendered by disagreements (specifically regarding border disputes) between Saudi Arabia, the UAE, and other neighbors in the Gulf region lasted longer than

anticipated and cost more than necessary. It was to take nearly 20 years before the border dispute with Abu Dhabi was resolved, paving the way for diplomatic relations and shared regional interests between the UAE and Saudi Arabia.

3.4 ECONOMIC RIVALRIES. Much interaction has derived from the quest for control of the region's limited economic resources. Prior to the discovery of petroleum, groups struggled over such issues as control of maritime and overland trade, offshore fishing and pearling rights, access to grazing lands for their flocks, and control over strategic water holes. Innumerable contests have occurred among the ruling elites of the states of the UAE over questions of territory, commercial preeminence, military prowess, and dynastic leadership. The discovery of oil and the subsequent realization that millions (and nowadays billions) of dollars were at stake, added a new dimension to these cleavages.

3.5 THE GULF COOPERATION COUNCIL. The Gulf Cooperation Council, comprised of Kuwait, Saudi Arabia, Bahrain, Qatar, the UAE and Oman, was inaugurated on May 25, 1981 in Abu Dhabi. The Council's foreign ministers met in Oman in March, in the UAE in May immediately prior to the Council's official inauguration, in Ta'if, Saudi Arabia, in late August-early September, and in Riyadh in November 1981. Two papers were commissioned at the first two meetings—one by Kuwait on economic issues and another by Oman on regional security. The preliminary findings of both papers were considered at the Heads of State Summit in Abu Dhabi, and in more elaborated form at the ministerial meetings in Ta'if and Riyadh. The Council also unanimously selected Kuwait's Abdallah Bishara to be Secretary-General of the GCC. In September 1981, the chiefs of staff of GCC armed forces agreed on the proposals contained in the Omani working paper and a related Saudi working paper on security.

3.6 GCC STRUCTURE. The principal policymaking body of the GCC is a Supreme Council, comprised of the six Heads of State, with a presidency that rotates in alphabetical order according to country name. Enjoined by the Charter to convene every six months, the Supreme Council is responsible for higher policies and for the basic mode of operations. It is also charged to discuss recommendations, rules and regulations submitted by the Ministerial Council and the Secretariat for approval. Reporting to the Supreme Council is a Ministerial Council comprised of the six Foreign Ministers and instructed to meet on a bi-monthly basis.

3.7 GCC CONCERNS. Security concerns have become uppermost in the minds of many of the GCC Heads of State, especially in view of the prospect of Iranian or Iraqi regional influence following the conclusion of the Iraq-Iran war. GCC meetings on security issues to date have served to establish a cooperative mechanism before others could intervene and, in so doing, to heighten the awareness of interested observers—global, interregional, regional, intra-regional, local—that consensus on security issues exists among The Six, not just in rhetoric but in fact.

In economic and social affairs, various versions of functionalism hold a natural appeal. There is reference from time to time to "common units (e.g., departments in the six states with responsibilities for civil aviation matters) dealing with common problems (e.g., fare increases, routings, airport locations, etc.) in a communal milieu." The budding consensus among the GCC's technically-oriented development planners and economists is that the GCC proceed by way of gradual economic cooperation. The UAE exists in microcosm as testimony to the kinds of obstacles the GCC may encounter in its efforts to achieve meaningful economic and social cooperation.

3.8 GCC IDEOLOGY. Of the three value systems permeating GCC countries—Islam, Arabism, regionalism—Islam is the most useful. It provides a broad, flexible umbrella for the greatest number of participants, and is the easiest for the public to endorse in terms of self-identity. Emphasis on Islam has already been helpful in relations with Tehran, and may yet be of help in relations with the government and people—especially the Kurdish and Shi^ci populations—of Iraq. The Islamic image should facilitate security undertakings with Pakistan, and the development of organizational and political cooperation between the GCC and the 42-member Islamic Conference Organization (ICO).

Arabism has been less emphasized. When stressed, it has been in language carefully chosen to demonstrate to Arab League members that the GCC is a reaffirmation of the Arab character of The Six, but without offending the sensibilities of Iran, the non-Arab minorities in the Gulf, or the ICO.

Regionalism, in the geographic sense, has been deemphasized by The Six because the region in which the GCC is located—the Gulf—also contains Iran and Iraq. Rather, the Council highlights the more significant commonalities among its members in history, culture, economy, and forms of rule and administration. By emphasizing the similarity of government institutions among themselves, The Six implicitly make the case for limiting GCC membership to themselves, at least for the present.

3.9 PATTERNS OF COOPERATION. The patterns of cooperation envisaged in the Council rationalize functions that are hardly foreign to The Six, although the cooperative process is taking place among states that are relatively young. Each is at least ten years old, some much older. Saudi Arabia, the oldest and in many ways the most important entity among The Six, has passed the half century mark as an independent country, and Kuwait has commemorated its twentieth anniversary of independence. The Council represents a movement to impose order on the dozens of bilateral and multilateral agreements and understanding among these states.

The agreements and understandings reached to date are impressive. They deal with civil aviation, standardization of educational curricula, exchange of information, proposals for a customs union, the establishment of joint economic ventures, harmonization of development programs, and countless other activities. The evidence of a decade and more of cooperation among The Six shows that a significant page has been turned in intra-regional relationships.

3.10 THE "STABILITY" ISSUE. Another dimension of the GCC's concerns is stability. Ten years ago, many who were present when some of these states emerged doubted whether they could survive as independent states for half a decade, let alone this far. The reasons for concern included the small populations, the large foreign labor force, the pace of economic and social development, the strains emanating from the world beyond their borders, and the relatively limited expertise in dealing with the envy of less well-endowed countries.

Concern about stability in this area has been a constant theme throughout the past decade. The stereotypes which pass for conventional wisdom about the Gulf, uttered by U.S. senators and other high officials, postulate that the GCC region is "one of the most turbulent and politically unstable areas in the world." There have been numerous such statements in recent years, especially in the recent AWACs controversy.

If the focus is on interstate relations among the Fertile Crescent and North African countries, as well as Iran and South Yemen and some of their neighbors, there is evidence of turbulence and instability. Yet, insofar as the six GCC states are concerned, a strong case can be made that these are among the most politically stable societies anywhere in the developing world. The Six share basically similar attributes insofar as their prospects for continued political stability are concerned. Among the more significant similarities are the following:

- Each of The Six benefits from a good relationship with the West and acknowledge that the U.S.—controversies surrounding American policies notwithstanding—exercises a Great Power role checking direct Soviet military intervention in the area;
- All six of the GCC regimes have impressive records of using their oil wealth to improve the economic and social lot of their citizenry;
- Bahrain and Oman, the two weakest economic links in the chain, have substantially benefitted from the financial aid programs of the other four members;
- All six of the GCC's governments have demonstrated for some time a practical focus on building a decent environment;
- The appeal of radical and/or revolutionary doctrines from neighboring and more distant Arab countries, many of which are strikingly less appealing places in which to live, appears to have diminished greatly in the last decade.

3.11 SECURITY. Security in the Gulf area has been under ongoing consideration by the GCC countries and is unquestionably uppermost in the minds of the GCC's Heads of State. Security questions were discussed at the Abu Dhabi Heads of State Summit in May; at meetings of the GCC Ministerial Council in Saudi Arabia at the end of August and early September; in meetings of the armed forces chiefs of staff that took place from September 21-24 in Riyadh; and in the Foreign Ministers and Heads of State meetings in Riyadh from November 9-12, 1981.

The security question is the direct outgrowth of the GCC's perception of various threats to their societies. A consensus now exists among The Six that there are at least three threats to their external security. These are: the Soviet Union, Israel, and the United States. In the view of The Six, the Soviet Union represents the greatest long-term danger to their security. The most immediate and persistent threat to their short-term security is an expansionist and intransigent Israel. They have increasingly come to relate the Israeli threat to their third security concern—the United States.

The perception of a relationship between these two threats was accentuated and given fresh substance in the spring and summer of 1981. Israel, with its American supplied airplanes, bombed large groups of civilians in Beirut; a few weeks previously, using American weaponry, Israel violated Saudi and Kuwaiti airspace en route to bombing the Gulf state of Iraq. The latter event

underscored dramatically the weakness of the air surveillance capabilities of the GCC states.

Few foreign analysts have explicated the position of the GCC countries (other than Saudi Arabia) on the AWACs sale. Approval of the sale was of importance to more than U.S.-Saudi relations. It involved the credibility of the government of Saudi Arabia with its constituents, who had been led to believe that the word of two American presidents could be trusted. It was also linked to the regional security concerns of Saudi Arabia's fellow GCC members. All the GCC countries were strongly in favor of the sale. GCC spokesmen have made it clear that the views of all the GCC states on closer security ties with the United States would have been influenced negatively had the sale not been approved.

3.12 THE PERIOD AHEAD. The achievements of the GCC have already exceeded what many imagined to be possible when the idea first took hold. A preference for proceeding at a somewhat slower pace was evidenced at the second GCC Heads of State Summit in Riyadh in November 1981. This attitude reflected not only the majority's desire to consolidate the first year's achievements, but an appreciation of the far more delicate defense and security questions toward which the Council had begun to turn its attention. Accordingly, The Six agreed at the Second Summit to forego their next regular meeting in favor of convening a year hence, in November 1982, in Bahrain.

The lower profile assumed by the GCC following the Riyadh Summit coincided with the preexisting bias of some of the membership toward acting with a minimum of fanfare on the issues that lie before The Six. Mainly adherents of the functionalist school of thought on matters pertaining to regional cooperation, these and other elites in the member states' bureaucracies remain less than wholly enthusiastic about the GCC's potential and anticipate far more success occurring outside than under the Council's auspices. In this scenario, which had come to enjoy a budding if embryonic consensus following the Riyadh meeting, The Six's minister-level bureaucrats responsible for such issue-specific areas as information, finance, petroleum, defense, internal security, industry, etc., will continue to hold joint meetings, as they have been doing for years, on their own. The GCC, in turn, would limit its activities to secretariat and clearing house functions on behalf of The Six, and the task of commissioning and carrying out feasibility studies on a broad range of social and economic topics of regional concern.

IV

RECENT INTER-AREA DEVELOPMENTS

4.1 THE FALL OF THE SHAH. The overthrow of the Iranian monarchy affected the UAE's relations with the United States in several ways. First, it gave the UAE rulers cause to reconsider the value of an American commitment to their survival. Second, the overthrow raised the question of the liability which any American guarantee might pose to their prospects for continued survival. Third, during the hostage crisis, many UAE officials were concerned that a United States resort to force might play directly into the hands of local and regional radicals supportive of the Soviet Union. Fourth, the freezing of Iranian assets in American banks was of particular concern to UAE officials, creating an attitude of caution and skepticism among officials responsible for investing emiral funds in U.S. financial institutions.

4.2 IMPLICATIONS OF THE IRAQ-IRAN WAR. Unless the Iran-Iraq war results in a catastrophic event such as the collapse of or a Soviet move into Iran, it is unlikely that the hostilities will alter the UAE's relations with the combatants. The UAE is officially neutral in the conflict but, like most of its Arab Gulf neighbors, leans quietly toward Iraq. Early in the conflict, Iraq sought to involve the UAE against Iran. Baghdad announced as one of its major objectives the liberation from Iranian control of the islands of Abu Musa, claimed by Sharjah, and Greater and Lesser Tunb, claimed by Ra's al-Khaimah. Iraqi planes landed in Dubai en route to Oman and the projected bombing of the southern Iranian port of Bandar Abbas, a situation that was defused by diplomatic intercession. On the other hand, it is no secret that Dubai has profited handsomely by transshipping a wide range of badly needed supplies into Iran.

The attitude of the Muslim citizenry of the UAE toward the Iranian revolution has been more mixed than that of the ruling authorities. The fulminations of the revolutionary factions, espousing a hodge-podge of ideologies under a legitimizing Muslim banner, have alarmed and confused the public and rulers alike. But Khomeini's Islamic message with its notions of righteousness, legitimacy, and inherent Muslim superiority strikes deep chords of sympathy among devout Muslims, both Sunni and Shi'ci. The revolution is understood in historical Islamic terms; it is traditional, not radical, and it reasserts the primacy, greatness, and strength of Islam. Khomeini's overthrow of the Shah and his

success in standing up to the United States reinforced this perception even if, by late 1981, there was growing disenchantment with the excesses perpetrated in the name of the revolution. UAE rulers have responded to the upsurge of Muslim sentiment by acting publicly with more Islamic probity and by placing curbs on foreign residents.

The tens of thousands of Iranians who live and work inside the UAE remain a matter of concern. The Shah's government regularly reassured the emiral and federal governments that the overseas Iranians in their midst were under control; such reassurances have not been forthcoming since the Shah's demise. While very much concerned on an individual level with events in their native land, the Iranian community in the UAE has, on the whole, remained law-abiding. A high percentage of Iranian residents in the UAE are Sunni Baluchis from southeastern Iran, who to date have fared no better under the regime of Ayatollah Khomeini than they did under the Shah. There is little cause to fear revolutionary activity from this quarter, and even less from the conservative mercantile Iranians active in UAE-Iranian trade circles.

Some Shi^ci Iranians have incited sporadic agitation, especially in Dubai and Sharjah, necessitating arrests and deportations. As in Kuwait and Bahrain, where more numerous and far more militant demonstrations have occurred, the militants sought the introduction of Shi^ci literature into the local school system, the removal of barriers to Shi^ci participation in the security forces and other sensitive branches of government service, and, in general, a diminution of the restrictions placed on them as a result of their alien status and heterodox religious orientation. There appeared little chance that the Shi^ca among the Iranian immigrant community in the UAE would be able to alter their status to any appreciable extent in the foreseeable future.

The emirs are concerned about several possible results of the Iran-Iraq hostilities. They fear that if Iraq emerges too dominant, the region's fragile power structure will be thrown out of balance. They also fear that a weakened and destabilized Iran would produce greater radicalism in the area, to which an outraged Shi^ci minority in the Gulf states would respond. Worse, if Iran resorted to prolonged guerilla warfare, the fighting could spread across to the islands and to the Peninsula itself. Moreover, a chaotic Iran could provoke the Soviets to adventurism, opening the region to Soviet influence and bringing on a superpower confrontation in the Gulf. What the emirs would like to see is an early end to the fighting without too much humiliation for Iran, with a negotiated settlement that would give Iraq its stated limited objectives, but without over-inflating the stature of Saddam Hussein or his military forces.

4.3 THE CAMP DAVID ACCORDS. The effect of the Camp David Accords within the UAE Palestinian community has been to heighten anger toward the close cooperation of the UAE and the United States on regional and global issues—for example, moderation on petroleum pricing and production, continued refusal to establish diplomatic relations with the Soviet Union, and ongoing support for American friends in the Third and Fourth Worlds through grants and concessionary aid. More importantly over the long run, the Camp David Accords called into question the degree of sensitivity of policy makers pursuing U.S. interests in a region which, at both the governmental and societal levels, remains as volatile with regard to the Palestinian problem as it is to any other single issue.

For American-European relations with the Gulf region, Camp David has constituted a setback to Western interests generally, and to American interests specifically. The signing of a separate Egyptian-Israeli peace treaty and the continued refusal of the United States to initiate a dialogue with the PLO have arguably done more to drive a wedge between the United States and its European counterparts than any other issue in recent memory. The inability of the U.S. government to come to grips with the fundamental issues underlying the Arab-Israeli conflict has tarnished the image the U.S. would like to project throughout the region. On the all important issue of regional security, it is now exceedingly difficult for the UAE and its neighbors to cooperate overtly with the United States as the most credible deterrent to putative Soviet expansionism in the area.

4.4 EUROPEAN INITIATIVE. The unwillingness of the United States to influence Israel toward a comprehensive settlement of the Arab-Israeli dispute has been costly not only to U.S.-UAE relations, but also damaging to America's relations with its NATO partners. The member states of the European Economic Community (EEC) have had little choice but to look out for their own interests in the UAE and neighboring countries. The growing disenchantment with the lack of American credibility in pursuing an equitable and enduring Arab-Israeli settlement has taken several forms. From the separate Euro-Arab dialogue which developed during the 1970s, to the EEC's call for an even-handed approach in its Venice Declaration in June 1980, and the more recent diplomatic efforts of the EEC's Lord Carrington in support of both the Declaration and various features of the Fahd Peace Proposal of 1981, Europe's position and role have loomed ever larger in the strategic thinking of various Gulf states.

None of these states are under any illusion about Europe's capacity to deter the Soviet Union on matters of global concern.

On matters of a local and regional nature, however, the perspective is different. None of the key European states has the handicap of America's Palestine policy. Hence, defense personnel in the UAE and other GCC states show a marked inclination to involve certain European countries (e.g., Great Britain, France, Italy) in plans for expanding and modernizing their armed forces and as more reliable and politically compatible suppliers of military equipment and training for projects pertaining to regional defense.

4.5 SOVIET INVASION OF AFGHANISTAN. The third event which has affected the UAE's relations with the Western world is the Soviet invasion of Afghanistan in the autumn of 1979. It has assuaged the concerns of many hard line anti-communist elites in the UAE about American convictions towards Soviet activities in the area. At the same time, however, it has given these same elites concern about the ability of the United States to transfer its convictions into a meaningful commitment to assist in enhancing the security of the region. The concern stems less from doubt of the superiority of American military and technological power than from reservations about the ability of Americans to implement such power. Many Arab citizens, for example, doubt that the Americans who may be called upon to administer the Carter Doctrine (and the Reagan Corollary) will be sufficiently sensitive and empathetic to regional and local concerns. The number of knowledgeable Americans who speak the language and/or know the region from direct association remains exceptionally limited.

4.6 SOVIET AND EASTERN BLOC. The Soviet Union and the Eastern Bloc are, by contrast to Western powers, of substantially less significance in UAE affairs. The Soviet invasion of Afghanistan and a series of developments in the last half decade point to what some senior UAE officials claim is an encirclement policy orchestrated by Moscow. To them, the signposts are the situation in the Horn of Africa, events in Angola and Mozambique, and the situations in Iran and Afghanistan, as well as the ongoing close relationship between the Soviet Union and South Yemen. These developments are portrayed as a carefully modulated Soviet pincer movement aimed at increasing levels of instability in areas near or within the region's oil-producing states. The scenario, posits Iran and Afghanistan as the northern jaws of the nutcracker, and South Yemen as the southern jaw, leaving the GCC states as the nuts in the middle.

UAE defense and foreign ministry officials have expressed greatest concern over the accumulation of sophisticated Soviet weaponry in Southern Yemen. A senior official of the latter

ministry together with a counterpart from Kuwait visited Aden in the spring of 1981 to mediate settlement of the disagreements between the South Yemen regime and the government of the Sultanate of Oman. Little had come of these efforts by the time of the GCC Foreign Ministers Conference and Second Heads of State Summit in Riyadh in November 1981 but there was agreement among The Six that further mediation efforts should be undertaken and that a follow-up report on the results would be made before the end of March 1982.

However, many who are concerned about the need to move the Palestinian problem toward an early resolution view the USSR as a potential contributor to the achievement of that goal. The assistance of the Soviet Union in the United Nations; its granting in 1981 of full diplomatic status to the PLO office in Moscow; its support for Palestinian views on the Camp David Accords, the Jerusalem Question, Israeli withdrawal from all the territories occupied during the June 1967 War, self-determination for the people of Gaza and the West Bank, and Jewish colonies in the occupied territories; its willingness to provide weaponry to the guerillas—these and other Soviet policies and activities vis-a-vis the Palestinian problem are all tabulated in the asset column for the Soviet-East European connection.

Nonetheless, the Soviet Bloc's support for Palestinian guerilla groups, in terms of military training and equipment, is a source of ongoing concern to a number of UAE officials. They are convinced that perpetuation of the Palestine problem is the most persistent and pervasive destabilizing force in the region; they are also concerned that, failing a settlement of the conflict, the Emirates may become an Arabian outpost of Fatah-land, replete with camps of armed guerillas. Were this to occur, the local consensus is that the emiral systems would be hard pressed to withstand the strain.

4.7 THIRD AND FOURTH WORLD COUNTRIES. With respect to Third and Fourth World countries, the principal connection entails the UAE's ongoing generous sharing of an impressive proportion of its wealth with many countries that fall into this category—most particularly, with Arab and Muslim states situated elsewhere in the Middle East, Africa, and Asia. In comparison both to these Arab and Muslim states and to the American and Soviet powers, the People's Republic of China occupies a position of relative insignificance in the calculus of the UAE relations with the outside world. It is with Taiwan, not with Peking, that the UAE and its neighbors (apart from Oman) have retained formal diplomatic relations.

THE PRESENT INTERNAL AND POLITICAL SITUATION

5.1 MEMBER STATES ATTITUDES TOWARDS THE FEDERATION. There is consensus among elites of the UAE that the federation, as it now exists, does not impinge upon member states' interests as much as had been supposed when the union was founded. Most politically aware citizens are cognizant of the relatively few powers that were taken from the individual states and accorded the federation. A significant proportion of these citizens are appreciative of the constitutional provisions that protect the right of each state to administer its domestic affairs and a significant portion of its external economic affairs—especially in the realms of finance and petroleum—with a minimum of interference from federal authorities.

5.2 PROBLEMS OF LEADERSHIP. When the UAE began, there was a generation gap in political attitudes toward federation. Older leaders, whose loyalties were rooted in the interests of emirate, tribe, or extended family, were much slower to establish federal loyalties than members of the younger generation. It has been to this second group, comprising nearly half the citizenry and cutting across all segments of the population that most positions of prestige and influence—and in many cases real power—have been transferred. Yet, neither federal nor individual emirate policies have changed significantly as a result. As both younger and older groups have become more accustomed to new ways of doing things, the gap between the two generations has narrowed substantially.

Because of the shortage of qualified personnel, many high positions in the UAE government during the early years of its existence were awarded to expatriates or to senior ruling family members, of whom several lacked sufficient training. However, with free education for nationals up to university and post graduate levels, the balance of leadership will shift even more in favor of the younger generation.

Of the seven UAE rulers, a majority—that is, the Rulers of Sharjah, Fujairah, Umm al-Qaiwain and Ajman—came to power subsequent to the founding of the federation. The succession in the emirates of Umm al-Qaiwain and Ajman, when the aged rulers of these two emirates passed on in 1981, could hardly have occurred more smoothly. Similarly, in the autumn of 1981, the

ruling family of Dubai proceeded with a minimum of debate to choose Shaykh Maktum, eldest son of UAE vice president and premier Shaykh Rashid, as heir apparent. Rulership transition in a majority of the emirates to date has, thus, been salutary.

The quest to develop the UAE as a whole to be less dependent on the labor of aliens, immigrants and expatriates remains elusive. Despite free education for all UAE nationals, and the appointment of more and more citizens to public positions of importance, there is widespread consensus that the citizenry in general has progressed relatively little in lessening its reliance on the leadership skills and other aptitudes of people from other countries.

5.3 INTEGRATION OF ARMED FORCES. When the UAE was established, each shaykhdom was assured that its own defense establishment could be retained and, if necessary, expanded. The Abu Dhabi Defense Force (ADDF) quickly grew to a size five times greater than the federal Union Defense Force (UDF). This caused concern among the other members and fueled internal armsrivalries. In May 1976, emirate armies became units of a unified federal defense force. Whether this is integration in fact as well as in name remains unclear both to those who live in the UAE and to those who follow developments from the outside.

Regardless of less-than-perfect integration, it is significant that a unified force remains an officially stated goal. Differences of viewpoint are mirrored in the fact that operational control of the Union Defense Force's Western, Central and Northern Commands is in the hands of sons of the rulers of Abu Dhabi, Dubai and Ra's al-Khaimah, respectively. Whether the Northern Command would act with dispatch in a scenario involving Sharjah, Ajman, Umm al-Qaiwain and/or Fujairah raises questions in the minds of military analysts. So do scenarios that pit the Western Command against Oman or the Central Command against Iran. The uncertainties are occasioned by the high percentage of Omanis in the ranks and by the fact that the unified force has yet to be tested. Also of importance are age-old rivalries.

5.4 UNRESOLVED BORDER DISPUTES. The political map of the union demonstrates the complexity of boundary arrangements among the UAE member states. All but Abu Dhabi and Umm al-Qaiwain lay claim to sovereignty over non-contiguous territories, claims determined by tribal affiliation. As a result, numerous border disputes have hindered cooperation among the member states of the UAE. Although oil exploration provided a catalyst for settling some two dozen contested areas in the 1950s, close to a dozen disputes remain. Many of these, although considered settled, still rankle.

For example, the offshore boundary dispute between Umm al-Qaiwain and Sharjah was settled in a formula whereby Sharjah pays Umm al-Qaiwain a percentage of the revenues from oil produced in the area, but only after sharing first with Iran. The problem is not only having to stand third in line to benefit from oil revenues which the Umm al-Qaiwain government had believed would accrue exclusively to itself, but also of the total amount being so small as to call into question whether the effort is justified.

A territorial dispute on the UAE's east coast developed in May 1972 when Fujairah and Sharjah tribesmen fought a series of battles. UAE military units have been required there ever since. A third boundary conflict, between Dubai and Sharjah, was one reason why Shaykh Zayid threatened in August 1976 not to run for re-election as president of the UAE for another five-year term. A fourth boundary dispute, between Ra's al-Khaimah and Oman, which came close to conventional armed conflict at several points in the late 1970s, was solved by diplomacy between the UAE and Omani foreign offices in 1981.

VI

THE PRESENT INTERNAL ECONOMIC-SOCIAL SITUATION

6.1 PROBLEMS OF MANPOWER. The force that first united the emirates was the expatriate, largely British, presence. This group was the backbone of local administration. At the time of the establishment of the UAE, there were fewer than forty UAE citizens with university degrees and probably no more than a dozen individuals with advanced training in petroleum economics, financial management, or development planning. It was necessary to retain skilled expatriates at all levels of the administrative, economic and defense structures. Even now, in the eyes of officials responsible for planning the union's future, the day when UAE citizens together with other Arabs will be able to take over from non-Arab expatriates to administer the federation by themselves seems as distant as ever.

6.2 CALIBER OF UAE GOVERNMENT PERSONNEL. When the federal experiment began, many senior policy positions were awarded to members of the ruling families without regard to qualifications. Competition was fierce. The difficulty was compounded by the necessity to maintain balance among the emirates, the smaller of which had very few university graduates. This shortcoming was mitigated by the appointment of deputy ministers and permanent secretaries on the basis of merit, but with decision-making authority retained by the ministers. Thus, the early years were characterized by an incompetence which saw approval of a number of unsound projects.

As increasing numbers of citizens return from higher education abroad, many who might opt for UAE government service are recruited by the private sector or by the local government of their native emirates. This internal "brain drain" will retard the development and efficiency of federal government institutions for some time. The effect is lessened by local attitudes that reject the notion that government officials must abstain from profitable business relating to their public duties. The prevailing ethos in the emirates sees no conflict in the convergence of interests, but rather encourages it as productive cost effectiveness, efficiency, accumulation of expertise, and overall social harmony. By this perspective, individuals involved in both the public and private sector understand the relationships of societal constants, and contribute their talents to both sectors at once. Thus, private sector interests of the

influential merchant communities have become intertwined with those of the federal and emiral governments. The broad range of shared interest helps explain the overall stability of the past decade in the UAE.

6.3 PROBLEM OF IMMIGRATION. Because of manpower concerns, immigration remains one of the two or three most important questions confronting union decision makers.

An early sign of progress was the publication of a Ministry of Labor and Social Affairs requirement for all aliens without valid work permits to come forth and register or re-register as foreign workers. A period of grace was proclaimed from August to November 1976, during which time an amnesty applied to those whose documents contained irregularities. Some 100,000 foreigners took advantage of the offer, despite the fact that in doing so they tacitly acknowledged that their presence in the UAE was "illegal."

6.4 IMMIGRANTS AND EDUCATION. The basis for UAE officialdom's concern with immigration remains unassailable. The children of UAE citizens are a distinct minority in overcrowded classrooms. Officials fear that their children will not be inculcated with a sufficient sense of "UAE-ness" in their education. The sense of being awash in a sea of aliens has left many UAE youth confused and disoriented, with a blurred view of the union's most basic institutions.

6.5 IMMIGRATION AND WORKERS. The immigration problem in the classroom is different from that at the working class level. The latter, an almost exclusively adult male phenomenon, can be viewed most dramatically among the thousands of aliens engaged in port or construction work or among those, from Oman and elsewhere, who bear the union's weaponry but not its passport. In addition to the problem in education, there is concern over the costs entailed in providing health and other social services to the UAE population as a whole.

According to one report, UAE government officials anticipate that by 1990 the federation's labor force will be 90 percent non-citizen in composition. Such an imbalance between insiders and outsiders is far more lopsided than the situation in either Qatar or Kuwait, where a similar phenomenon has been manifest for a longer period of time. Outside analysts disagree as to whether the imbalance must be the harbinger of political and social difficulties.

What troubles federal and emirate decision makers is not those workers hired for a particular project, who will return to

their native countries once the project is completed. Official concern is for the permanent foreign labor force that, of necessity, must be imported to Dubai, Abu Dhabi, and elsewhere in the UAE to run the aluminum smelter, gas liquification plants, and other industrial ventures already underway or contemplated. Unlike the first group, this latter element is conservatively estimated to number in the high tens of thousands. The industrial units will require a stable labor force, even more schools and health facilities than have already been built, plus housing and, eventually, permission and provision for the families to join the workers, all of which are certain to place continued stress on an already strained social system.

6.6 IMMIGRATION, DEVELOPMENT AND INTERNAL SECURITY. There is little discernible antipathy in UAE society toward foreigners or foreign workers per se. Officials responsible for public order are concerned about small groups of local citizens getting together to discuss politics with certain kinds of foreigners—for example, Marxist-oriented Palestinians, pro-Soviet Baluchis, or, to an alarming degree in late 1981 in both Bahrain and Kuwait, pro-Khomeini Shi'ci militants inspired by Iran.

Among the same officials, there is also concern for hired assassins finding shelter with various alien groups. During 1980-81, half a dozen political murders were carried out on UAE soil. None were conducted by or against UAE citizens; they involved radical elements of other nationalities engaged in settling personal and political scores rooted in conflict areas far from the emirates—such as Iraq, Lebanon and Syria. Such phenomena, and the destabilizing potential they may hold for UAE social and political life, is one of the highest items of deliberation by the Union Government and the Gulf Cooperation Council.

Barring a change of government in Iraq, radical change in one of the UAE's other neighbors, or support by one of the UAE's neighbors for dissident groups in the emirates, there is little to indicate a possible external, foreign worker takeover of the union. A more realistic concern for development planners and security officials is the possibility of a sudden exodus. For example, what would happen to the union's armed forces if the vast majority of the Omani enlisted men were to return suddenly to their native land?

Similar economic considerations pertain to the even more numerous groups of foreign workers from the Indian subcontinent. Neither the Indian nor the Pakistani government has a track record of fostering subversive activities by their citizens in the emirates. If the incumbent Zia government in Pakistan were to

fall and be replaced by a socialist-oriented regime, it is an open question whether such a government would attract back to Pakistan a significant number of the tens of thousands of Pakistanis currently performing vital services in the UAE. The resulting uncertainties render difficult the projections of development planners, military strategists, internal security officials, investment counsellors, financial analysts, and diplomats. It is difficult to predict the prospects for stability in the UAE and some of its sister states in the Gulf.

6.7 REVISION OF LABOR LAWS. The UAE to date lacks a comprehensive body of labor legislation covering the UAE as a whole or, failing that, a corpus of regulations which would revise and give weight to the increasingly dated labor laws of Dubai (1965) and Abu Dhabi (1966). Neither of the latter pieces of legislation has even been regarded as enforceable in practice owing to the absence of a corps of trained inspectors in the Ministry of Labor. Adequate, union-wide legislation is needed not only to facilitate a more coordinated approach to the entire range of labor questions but also to contribute to the goal of enhancing internal security.

6.8 IMMIGRATION AND THE QUESTION OF CITIZENSHIP. The question of citizenship for the resident aliens whose services are indispensable to local and federal development is fraught with controversy. Humane arguments favor granting citizenship to those whose labors have made it possible for the UAE to survive and prosper. No less compelling considerations about the implications of a large foreign population leads some officials and administrators to a narrower definition of what constitutes the right to UAE citizenship. Tighter restrictions on immigration have been enacted by the Federal Consultative Assembly, but implementation remains controversial.

With more resident aliens under its jurisdiction than any other Gulf state, the UAE is anxious to preserve its official image as a stronghold of Arabism and Islam. Certain groups of Omanis and Iranians (mainly those in Dubai) have been granted citizenship in recent years, along with a sampling of Palestinians. The large numbers of Pakistanis and Indians who permeate many walks of UAE life fare poorly by comparison. Compounding the dilemma is pressure from the business community, particularly from the construction firms whose reliance on foreign labor remains almost total. This group, beset as it is by the spiraling costs of imported materials and sometimes inflated wage levels, has pressed simultaneously for a more liberal policy

with respect to immigrant workers and for lenient enforcement of the existing regulations.

The Arabist political objectives of government officials and the economic concerns of businessmen remain irreconcilable on the issue of immigration. Planners believe that if the government permits cultural and nationalist considerations to determine federal and emiral manpower policies, expansion of the economy and local infrastructure will be slowed. These officials contend that there is little prospect that the emirates themselves can produce the volume and quality of laborers required for the efficient and rapid development which the federal and emiral governments desire in the foreseeable future. In a choice between maintaining ethnic homogeneity with slowed development, or relaxing immigration with its attendant problems, the federal and emiral governments have little alternative but to opt for the latter course for some time yet to come.

6.9 THE LURE OF PRIVATE BUSINESS. The immigration issue also lies at the heart of what is one of the most basic of all the developmental questions posed for the union—namely, the kinds of skills that will be needed if Abu Dhabi, Dubai, and the other emirates and, indeed, the UAE as a whole, are not only to survive but to prosper in the process.

The situation can be illustrated dramatically in terms of the military. The task of finding and retaining local citizens already in the military for the purpose of sending them on training missions abroad is difficult. The problem, in the eyes of responsible officials, is one of getting such individuals out of the country and embarked on their foreign training courses before they resign and succumb to the lucrative inducements of the world of private business. The problem has emerged in large measure out of the boom-time milieu that continues to characterize much of contemporary Abu Dhabi, Dubai, and most of the other emirates. The difficulty of instilling and maintaining discipline in the armed forces—by traditional standards as honorable as any other profession—eludes early or easy resolution.

VII

FEDERATION RIVALRIES AND JEALOUSIES

7.1 DEPENDENCE ON THE FEDERATION. The rulers of the poorer, non-oil producing states of Ajman, Umm al-Qaiwain and Fujairah remain the most dependent on the existing UAE framework. Each of these states is dependent upon Abu Dhabi's aid, for which Abu Dhabi stipulates acceptance of the federal framework. Of more recent vintage is a close relationship between Dubai and Fujairah, with the former extending economic assistance for the development of Fujairah's port facilities. These facilities, situated east of the strategic Straits of Hormuz, are being integrated with those of Dubai, which lies west of that waterway.

7.2 TRADITIONAL RIVALRIES WITH DUBAI. For many years Abu Dhabi and Sharjah have been jealous—at times intensely so—of neighboring Dubai. Abu Dhabi's jealousy of Dubai's commercial success has lessened in rough proportion to its diminished dependence on Dubai's merchants for supplies. Yet, other issues continue to rankle. Although smaller, poorer, and militarily weaker, Dubai at the founding of the UAE achieved political parity with Abu Dhabi; it also placed into the union government a more impressive group of spokesmen for its interests. For much of the 1970s, these jealousies strengthened the desire of many in Abu Dhabi to put their emirate ahead of Dubai in practically every field imaginable.

Sharjah also has reason to be jealous of Dubai. Until the 1950s, when Dubai became the political center of the former Trucial States, political preeminence belonged to Sharjah owing to its position as headquarters for the British Political Agency and the site of the Royal Air Force base. It was galling to Sharjah to take a back seat to Dubai and Abu Dhabi at independence, denied the right, which the other two have, to veto any proposal put forth in the federation. With discovery of oil in 1980 in Sharjah's onshore dominions, Sharjah was positioned to begin altering the economic balance between itself and neighboring Dubai.

7.3 ECONOMIC CHALLENGES TO DUBAI. Abu Dhabi City, as the capital of the UAE, has eclipsed Dubai politically. Dubai's commercial preeminence could be undercut, though hardly eclipsed, as a result of the inland road between Abu Dhabi and Qatar that links the UAE directly to European imports. Because the road reaches

Abu Dhabi first, there is less reason to transship goods to Abu Dhabi through the port of Dubai.

Both Sharjah and Fujairah have developed harbor facilities on the Gulf of Oman at Khor Fakkan and Fujairah Port respectively. These ports are closer by sea to areas outside the Gulf, and, as Lloyd's of London noted in 1979, have the advantage of obviating the need to traverse the heavily sailed Straits of Hormuz, thus lowering insurance rates. The shorter distance also means savings on travel time, fuel, and personnel costs for shippers.

None of these developments need be interpreted as a significant setback to Dubai's commercial achievements. They do underscore the limits to which commercial acumen can be put when geographic and technological forces are introduced. How and whether Dubai will cope with these developments, and what opportunities they may afford Sharjah and/or Fujairah, will deserve to be closely watched.

7.4 THE ROLE OF THE MERCHANT CLASS. In all the oil producing emirates, the commercial sectors have been eclipsed by the petroleum sectors. Yet, the basic economic infrastructure has been built, expanded and maintained in close association with the old mercantile families. One result has been to assure dissemination of wealth. The UAE merchant class has proven to be a convenient and effective conduit for the distribution of both federal and local largesse.

Such institutional devices in the seven emirates have helped forestall the problems that hastened economic and political dislocation in Iran. In the latter country, the government had a constituency nearly fifty times as large as that of the UAE as a whole—and several hundred times as large as any of the individual emirates. Yet there was less largesse—in terms of a money-to-people ratio—available for distribution in goods and services or in subventions to individual citizens. In addition, there was, on balance, a far less finely tuned integration between public and private sectors to enhance the process.

The magnitudes of scale are important. Exxon corporation, for example, has more employees and stockholders than there are people in either Abu Dhabi or Dubai, the two largest and wealthiest of the emirates. The point has often been made that, from an economic or sociological point of view, emirates such as Abu Dhabi and Dubai, and in the period ahead probably Sharjah as well, can be likened less to a state than a corporation, with each citizen being a stockholder and everybody receiving dividends.

7.5 INCREASED COORDINATION IN DEVELOPMENT. Prior to the union and during its first ten years, a pattern of ostentatious expenditure characterized projects launched by the various emirates. Emirates wanted their own international airports, an international harbor, cement factories, container ports, petrochemical plants, skyscraper hotels, and, more recently, international trade centers. These schemes were often launched not by federal agencies responsible for regional development but by the rulers of the individual emirates. A major impetus for these projects was one-upmanship and inter-emirate competition.

Despite the existence of the UAE's first five-year plan, outsiders anxious to win lucrative contracts still take advantage of competition among the UAE member states. For much of the first half of the union's existence, foreign consultants and ambitious local entrepreneurs encouraged the ruling households to believe that they could develop separately from their neighbors and from the UAE. The political elites of Dubai, Ra's al-Khaimah, and, to a lesser extent, Sharjah, have entertained ambitions of independent statehood or greater autonomy within the UAE.

An important turning point was the appointment in the late 1970s of former diplomat Saeed Ghobash, of Ra's al-Khaimah, to the post of Minister of Planning. The ministry's impact on inter-emirate development was limited for the first few years because of its ambiguous mandate and lack of real authority to overrule the development decisions of individual emirates. By the time of the union's tenth anniversary, however, the pattern of development had been streamlined. In contrast to earlier laissez faire economic policies, both the planning ministry and central bank are now firmly in place. Integration in the financial and investment areas has taken place at a more rapid pace than many had imagined would be possible.

VIII

THE PRESENT INTRA-AREA SITUATION

8.1 SAUDI ARABIA. The most important regional country beyond the UAE's borders is Saudi Arabia. Shaykh Saqr of the Qasimi family, the ruler of Ra's al-Khaimah and a long-standing friend of Saudi Arabia, has been the beneficiary of substantial amounts of Saudi economic assistance. More important are the relations between the Saudi Kingdom and Abu Dhabi. Both states share an overriding interest in the perpetuation of traditional rule in the area. Accordingly, high officials from both states agreed to a formula on July 29, 1974, whereby disputed territorial issues—the Buraimi Oasis, the Zararah (Shaciba) oilfields, and an outlet for Saudi Arabia to the Gulf through the western reaches of Abu Dhabi—were resolved peacefully. Since then, the two states have increasingly coordinated the pricing and production of their oil and extended strong support to one another in the Gulf Cooperation Council.

8.2 IRAN. The dispute between Sharjah and Iran over Abu Musa Island, which involves a number of similar legal issues, has not been so easily managed. That dispute contributed directly to the assassination of the ruler of Sharjah in 1972. The case is complicated by religious differences and competing nationalisms, rendered intractable by the geo-political significance attributed to Abu Musa and the strategic role accruing to whomever controls the island. This is due to the island's location adjacent to the route through which all oil tankers and most other maritime traffic must pass en route to and from the Straits of Hormuz at the head of the Gulf. The dispute was no nearer solution in 1981 than it had been in the 1960s, when Britain launched a concerted effort at resolution.

8.3 DYNASTIC RIVALRIES. A second category of political interaction between the UAE and the other conservative Gulf states centers on dynastic rivalries. These occur within and among the Gulf's twelve ruling families, including the UAE's seven. The most recent intra-dynastic challenge worthy of note took place within the al-Qasimi ruling family of Sharjah. In February 1972 a former ruler of that state, deposed and exiled to Egypt in 1965, returned to Sharjah by way of Iraq and Ra's al-Khaimah and, capitalizing on public resentment of the ruler's handling

of the Abu Musa Island affair with Iran, attempted to overthrow his successor. Although he and his followers failed to regain the rulership, they succeeded in murdering the incumbent before they were arrested.

In the 1968-71 gestation period of the union, inter-dynastic competition assumed the form of a contest for status among the rulers. Variants of this dimension of regional political dynamics were instrumental in the decision of Bahrain and Qatar not to join the UAE. Inter-dynastic competition still influences cooperation in regional security and economic integration.

8.4 RADICAL-CONSERVATIVE CONTEST. A major dimension of the competition between radical and conservative forces in the Gulf was the asymmetry of the contest up until the Iranian revolution. Until then only Iraq could be classified as "radical." The other Arab Gulf states were invariably labeled "conservative" or "moderate." To this day these polities are ruled by dynasts whose foreign policies and official attitudes have been friendly to Western countries, albeit in diminishing degree toward the United States as a result of the latter's record on the Palestinian problem.

They support evolutionary forces of political and socio-economic change in the Gulf, the Middle East, and elsewhere. The UAE member states as yet leave little room to maneuver for the small minority of citizens and non-national residents who harbor radical or revolutionary sentiments. But the revolution in Iran and the 1979 seizure of the Grand Mosque in Mecca heightened the anxieties of the UAE and its neighbors. In the aftermath, the UAE rulers have sought to anticipate and accommodate as many legitimate demands for change and/or conservation as possible. Their goal has been to prevent radical groups from gaining or retaining a foothold of any significance in the area.

The distance to go before reaching this goal was demonstrated by the Iranian-inspired coup attempt against the government of Bahrain in mid-December 1981. The attempt, which resulted in the arrests of several dozen Bahraini Shi'ci Muslims and a dozen of their religious kinfolk from Saudi Arabia, was the most serious challenge to a Gulf emirate by radical elements in more than a decade. In response, Saudi Arabia concluded bilateral security pacts with both Bahrain and Qatar. Federation support for a similar pact between the UAE and Saudi Arabia was expected.

8.5 EFFECTS OF IRAQI RADICALISM. The striking numerical imbalance in the ratio of radical to conservative states has long been a basic constant in the Gulf. This imbalance poses a formidable

obstacle to the area's actual and would-be dissidents. Iraq's geographic and ideological isolation are but two factors which have hitherto limited its capacity to foment internal unrest in the UAE and other Arab states of the Gulf. Another is the fact that few "overseas Iraqis" have demonstrated an inclination to try to topple the area's traditional regimes.

A constraint of more recent origin has been the redefinition of Iraq's relationships with all the Arab Gulf states. Even those who remain suspicious of the Iraqi government's ultimate intentions acknowledge that this redefinition has had a salutary effect on prospects for regional cooperation between the emirates and Iraq. In consequence, the attitudes and policies of the Baghdad regime are now more closely in consonance with those of the UAE and its sister emirates than anyone would have predicted half a decade ago.

If officials are understood correctly, Iraq is to be regarded as having moved inside the so-called "arc of crisis." It has renounced its role as one of the "encirclers." The importance of this shift has not been lost on the UAE and its Gulf neighbors. There appears to be a tendency toward increased pragmatism and away from radicalism in Iraq's dealings with Gulf dynasties and, further afield, with the United States and Western European countries as well. Iraq is strongly allied with most of the Gulf states regarding the dangers attendant on superpower rivalry in the Gulf.

The continuation of the war between Iraq and Iran make it difficult to gauge what Baghdad's policies might be in the event of ultimate victory, defeat or stalemate on the battlefield. Equally uncertain is what would happen if the regime of Saddam Hussein were replaced by one akin to its predecessor, which favored the export of Baathi-style revolution throughout the region. These and other scenarios are sufficiently plausible to underscore the unpredictability of future developments.

IX

COOPERATION AND COMMON INTERESTS

9.1 CATEGORIES OF SHARED CONCERNS. Despite the joining together of the UAE and five other Gulf states in the New Gulf Cooperation Council, there is as much cleavage as cooperation among the states concerned. But the UAE and its neighbors are bound by common interests which tend to promote their collaboration. Among the dynasties, there are at least four categories of shared concerns which transcend their differences. These are: (1) the perpetuation of their respective dynastic regimes; (2) the prevention of radical groups and movements from gaining footholds and momentum in the area; (3) the continuation of an uninterrupted flow of the Gulf's oil resources to markets outside the region; and (4) the securing of the highest value possible in exchange for that oil whether this be achieved through the pricing mechanism, or production limitations, or some combination of the two.

Moreover, despite some rather basic ideological, political, and cultural differences between the ruling households of Saudi Arabia, the UAE, Bahrain, Qatar, Kuwait and Oman, on the one hand, and Iraq, as the sole Arab republic, on the other, common interests exist between these states. The interests of conservatives and radical forces coalesce in the third and fourth categories cited above, which relate to export interests and ways to increase or protect the value of their oil incomes.

9.2 PROTECTION OF ARAB INTERESTS. Two interests—the preservation and enhancement of Arabism and of orthodox Sunni Islam—help the Arab Gulf governments to surmount their differences. The Arab Gulf regimes have either opposed or withdrawn their support for Iran whenever the policies or practices of Tehran have been perceived as detrimental to Arab interest. This solidarity occurred in reaction to Tehran's pressure on the ruler of Sharjah in 1971 to sign an agreement permitting Iranian occupation of Abu Musa Island, and to the Iranian naval forces seizure of Greater and Lesser Tunb Islands from Ra's al-Khaimah. In a more general fashion, solidarity was in response to the close though clandestine relationship which Iran maintained with Israel until the overthrow of the Shah in 1979, and to Iranian leader Ayatollah Ruhollah Khomeini's attempts, both before and subsequent to the war between Iran and Iraq, to export revolution to the other Gulf states.

9.3 PRESERVATION OF ORTHODOX ISLAM. Theological considerations are once more serving as a unifying force within and among the Gulf states. It is important to underscore that radically different versions of Islam are adhered to by the government of Iran and among the Arab states of the Gulf. All of the latter are officially orthodox Sunni, at doctrinal odds with Iran, the citadel of heterodox Shi^ci Islam.

UAE ROLE IN THE ARAB-ISRAELI CONFLICT

10.1 LINKS. Linkages exist between the UAE and the states most directly involved in the Arab-Israeli dispute. The mineral and monetary might of the UAE and the other Arab oil producing states in the Gulf has been perceived, and in certain instances used, as a political and economic arm of the Arab-Israeli conflict.

Such linkage between the confrontation states and the Gulf, including the UAE, pre-dates the 1973 war. The Arab states of the Gulf, both prior and subsequent to that event, have repeatedly exerted pressures to regain the Arab lands seized by Israel in the June 1967 War. They have supported UN Resolutions 242 and 338, which call for Israeli withdrawal from territories occupied during the conflict (in exchange for recognition of Israel's right to exist); in particular, they have insisted on Israeli evacuation of the old quarter of Jerusalem. Without exception, all of them have demanded recognition of the legitimate rights—including self-determination—of the Palestinian people.

10.2 FINANCIAL SUPPORT AND TRADE MEASURES. The UAE has helped finance Jordan's, Oman's, and Northern Yemen's defense networks and has funneled millions of dollars yearly to the Palestinian guerrillas. The UAE has contributed heavily to the funding of the 30,000-man Arab peacekeeping force in Lebanon.

During the 1973 War, the UAE, together with other Gulf states, imposed an oil embargo and production cutbacks against countries supportive of Israel. The federation regarded American assistance to Israel during the war as tantamount to direct U.S. intervention. From October 10 (four days after the hostilities began) until the final cease-fire on October 25, the U.S. Air Force made over 550 flights to Israel to bring in arms and supplies. Especially provocative, in the UAE view, was the White House request to Congress for \$2.2 billion in emergency aid to the Jewish state while the fighting was still going on.

The UAE, along with other Gulf states, has been able to influence attitudes toward Israel—in the United Nations, in African and Asian capitals, and increasingly within the European community—not only through the implicit threat of another embargo but also through oil prices and production levels and the generous use of financial resources. The Abu Dhabi Fund for Arab Economic Development contributed funds to African and Asian

countries with substantial numbers of kindred Muslims and with governments that have been sympathetic to the Arab position regarding Palestine.

10.3 THE PALESTINIAN ISSUE. Since the 1975 Sinai accords and the Camp David agreements of 1979, most Arab Gulf countries have been receptive to a negotiated settlement of the Arab-Israeli problem, within the limits of UN Resolutions 242 and 338. At the same time, they have opposed the conclusions of separate bilateral treaties between Israel and the frontline Arab states, notably Egypt.

The inability of diplomacy during the entire period of the UAE's existence to date to deal effectively with the Palestinian problem, which lies at the heart of the Arab-Israeli conflict, remains troublesome for all concerned. More than any other problem, this lies at the root of the ongoing uncertainty among the UAE's leaders as to the ultimate interests of the West. Perceiving the dynastic Gulf states' policies vis-a-vis the Arab-Israeli conflict as overly moderate, more militant elements within the Palestinian diaspora—and among like-minded Iranians—have advocated sabotage of the Arab Gulf states' oil facilities. Others—with a significant number of Iranians—favor undermining these regimes and their wealth as a means of indirectly striking at Western powers supportive of Israel.

10.4 RELATIONS WITH EGYPT. One of the most vexing concerns has been Egypt. Fundamental changes in regional political alignments followed the late Egyptian President Sadat's surprise visit to Jerusalem in November 1977. Those changes radically altered the relationship of the UAE and other Arab states to Egypt. Cairo's conclusion of a separate peace treaty with Israel—along lines far short of comprehensive for Palestinians—contributed to the distance the UAE placed between itself and Egypt following the initial Camp David Accords of September 1978.

This distancing drove a wedge into the growing nexus of ties between Egypt and the Gulf states at the strategic-military level. Egypt had been assured of Saudi financial assistance to purchase arms and was to have been a principal player in the Arab Military Industries Organization (AMIO), along with Saudi Arabia, the UAE and Qatar. AMIO, established in 1975 with an investment of slightly over a billion dollars, was designed to plan for the defense interests of the members.

Had the AMIO proved successful it would have increased the emerging commonality of interests between the Arab states of the Gulf and some of the Arab "confrontation states" on a wide range

of issues pertaining to the Palestinian problem. Both Egypt and Jordan continue to have important interests in the Gulf, even though the pursuit of Egypt's interests has been limited since its signing of the Camp David Agreement with Israel. Although the assassination of Sadat in the autumn of 1981 brought no change in UAE-Egyptian relations, the succession of Husni Mubarak as Egypt's new president boded well for an eventual resumption of normal ties between the two countries.

10.5 RELATIONS WITH JORDAN. Jordan has been particularly active in contributing to the maintenance of the existing governmental systems in the Gulf. Toward this end, individual Jordanian army officers and police and intelligence personnel, on secondment and private contract, hold key positions in the UAE defense and internal security forces. Jordanians are some of the most respected and trusted of the Arab expatriate groups working in the area. In return for the Hashemite Kingdom's multi-faceted role in enhancing the security and development of the emirates, Jordan continues to receive important political, diplomatic, and financial support from the UAE in inter-Arab councils.

10.6 RELATIONS WITH NON-ARAB NATIONS. The UAE and other countries directly involved in the Arab-Israel conflict consider the oil of the Gulf states to be an important political and economic arm of that dispute. This perception persists despite growing financial and economic interests in the West, which could be jeopardized if another oil embargo were imposed. The linkage between the Palestine problem and the UAE and other Gulf states nowadays extends beyond the Middle East to the relations of the emirates and their neighbors with the United States, Europe, and Japan, the most important customers for their oil. The UAE and all the other Gulf states have repeatedly indicated that their willingness to raise or maintain existing levels of oil production to help the industrialized consuming countries solve their energy problems cannot be taken for granted. They insist on the right to make their cooperation contingent upon the willingness of the oil importing countries to alter their policies toward Israel and, in particular, toward the question of a just and lasting settlement of the problem of the Palestinian people.

XI

FUTURE PROSPECTS

11.1 EVIDENCE OF STRENGTH. The UAE's chances for long-term success and even its prospects for a third five-year mandate are mixed. Despite growing cohesiveness, there are many factors—conflicting federal, national, parochial, tribal, and dynastic sentiments—that are beyond the capacity of the union government as currently structured to control. Even so, that the seven rulers have elected for a while to remain in, rather than to withdraw from, the union is evidence that the UAE's strengths exceed its weaknesses thus far. The concessions for strengthening federal authority that the rulers made to Shaykh Zayid in late 1981, when they agreed to extend the life of the temporary constitution for another five years, are unknown. Equally unknown is what private agreements may have been negotiated when UAE President Shaykh Zayid recognized the new rulers of Umm al-Qaiwain and Ajman earlier in the same year. What was significant was that Zayid has been persuaded to serve for another five-year term as UAE president and that the leadership of Dubai has accepted an increased degree of responsibility for the administration of federal affairs.

In the period ahead—the period of eventual transition in rulership in Dubai and Ra's al-Khaimah, and, inevitably, in Abu Dhabi as well; of the ending of the Iraq-Iran war; and of Sharjah coming into its own as an oil producer—the UAE stands a good chance of surviving for an indefinite period. Long-term prospects are more difficult to predict. What seems certain, however, is that issues that have negatively affected the UAE's prospects to date are likely to have come to a head by 1986, when new decisions on the Presidency, the Vice Presidency, and the Provisional Constitution will be required.

11.2 THE CONSTITUTIONAL ISSUES. Some of the more disquieting issues to be resolved relate to the formal and actual distribution of authority within the union. These issues are intricately linked to an ongoing debate over the federal constitution. The 1976 and 1981 decisions, following months of speculation and debate, to extend the life of the provisional constitution merely postponed squabbles over union powers and emirate powers as these relate to economic and military coordination and integration.

Of ongoing concern is the potential for the constitutional issue itself to become the focus of the rivalries, tensions, and mutual distrust that threaten the continued cohesiveness of the UAE. Failure to adopt a permanent constitution or one giving the UAE greater executive powers might lead Shaykh Zayid to resign as president or even pull Abu Dhabi (and perhaps along with it Ajman, Fujairah, and Umm al-Qaiwain) out of the UAE. Conversely, a constitution that strengthened the central government at the emirate's expense or gave Sharjah equality with Dubai might prompt the latter emirate to consider withdrawing from the union.

In short, the acid test of whether the seven rulers are prepared to accommodate the federalists over the long run—and, if so, to what extent and on what terms—is still to come. The true indication will be the degree to which the rulers permit central authority to become commensurate with central responsibility.

11.3 THE DIVISION OF POWERS. Most observers, UAE citizens and outsiders alike have little difficulty identifying with the determination of the rulers of individual emirates to develop their societies as rapidly as possible. Nearly everyone is impressed by the remarkable achievement which Dubai has registered. Most of these same observers view positively the integrative aspirations of the federal apparatus in Abu Dhabi.

Yet, a continuing dilemma in the UAE emerges from what may well be a basic disharmony, if not a fundamental incompatibility. If so, it can be attributed to what, in essence, are two very different—some would say contradictory—courses of development. Learning to live with such contradictions is an in-between (not necessarily to be equated with middle) ground between the ongoing existence of seven independent emirates and what in some fields could become an increasingly strong federation.

At the time of the UAE's founding, this problem was shelved. It was this difficulty that returned repeatedly throughout the first ten years to hamper the federation in its efforts. It will continue to pose immense difficulties for emirate and federal leaders in the period ahead. The situation, in short, remains one of: (a) a majority of the emirates being willing to permit the federation to play a dominant role, versus some that retain an interest in exploring whatever other alternatives might exist; and (b) seven rulers developing their societies but still not quite able to determine whether the union—as preeminent power, helpful collaborator, or unwelcome irritant—is to be in front of, alongside, or behind them. A resolution of this question in favor of the federalists would seem to enhance the UAE's chances for long run survival. But then, there has been no resolution of

the question thus far and perhaps that fact, as much as anything else, is one of the major keys to the union's past, present, and future viability.

APPENDIX

Table 1

GOVERNMENT OF THE UNITED ARAB EMIRATES

The Supreme Council

PRESIDENT OF THE UAE, RULER OF ABU DHABI:

Sheikh Zayed bin Sultan Al Nahayyan

VICE PRESIDENT OF THE UAE, RULER OF DUBAI:

Sheikh Rashid bin Saeed Al Maktum

RULER OF SHARJAH: Sheikh Sultan bin Muhammad Al Qasimi

RULER OF RA'S AL-KHAIMAH: Sheikh Saqr bin Muhammad Al Qasimi

RULER OF UMM AL-QAIWAIN: Sheikh Rashid bin Ahmad Al Mu^Calla

RULER OF FUJAIRAH: Sheikh Hamad bin Muhammad Al Sharqi

RULER OF AJMAN: Sheikh Humaid bin Rashid Al Nuaymi

Ministers

PRIME MINISTER: Sheikh Rashid bin Saeed Al Maktum

DEPUTY PRIME MINISTERS: Sheikh Maktum bin Rashid Al Maktum,

Sheikh Hamdan bin Muhammad Al Nahayyan

FINANCE AND INDUSTRY: Sheikh Hamdan bin Rashid Al Maktum

INTERIOR: Sheikh Mubarak bin Muhammad Al Nahayyan

DEFENSE: Sheikh Muhammad bin Rashid Al Maktum

PETROLEUM & MINERAL RESOURCES: Dr. Mana Saeed al-Oteiba

AGRICULTURE & FISHERIES: Saeed al-Ragbani

HEALTH: Hamad Abdul-Rahman al-Madfa

INFORMATION & CULTURE: Sheikh Ahmad bin Hamed

LABOR & SOCIAL AFFAIRS: Saif Ali al-Jarwan

ELECTRICITY & WATER: Hamid Nasser al-Oweiss

ECONOMY & TRADE: Sultan bin Ahmad Al Mu^Calla

JUSTICE & ISLAMIC AFFAIRS: Muhammad Abdul-Rahman al-Bakr

COMMUNICATIONS: Muhammad Saeed Al Mu^Calla

ÉDUCATION & YOUTH: Saeed Abdullah Salman

PUBLIC WORKS & HOUSING: Muhammad Khalifa al-Kindi

PLANNING: Saeed Ahmad Ghobash

Ministers of State

SUPREME COUNCIL AFFAIRS: Abdul-Aziz bin Hamid Al Qasimi

FOREIGN AFFAIRS: Rashid Abdullah Al Nuaymi

INTERIOR: Hamouda bin Ali

WITHOUT PORTFOLIO: Ahmad bin Sultan Al Qasimi

CABINET AFFAIRS: Saeed al-Gaith

[Cabinet formed on July 1, 1979]