Chapter 2: History of United Arab Emirates

Introduction
The thesis in this chapter shall look into the history of the United Arab Emirates with the intention to clearly present the realities of the Indian diasporic entrepreneurs working there. Contemporary UAE has become a centre of attraction to the outside world due to the magnificent endeavourer through which it was able to transform a sustenance economy to the position where it can place itself as one of the most developed nations of the world. It has been able to reconstruct its social and economic condition which is at par with the most advanced nations of the world. Today it is one of the richest oil-producing countries of the world, supplying oil to all industrialized nations. But this road to success has not always been smooth. This present UAE which has been able to place itself on the world stage did not draw much attention from the world before the discovery of oil. To better understand this transformation, one has to investigate the history of the UAE. An attempt will be made in this chapter to shed some light on the various aspects of the UAE’s development.

The Ancient Period
Various archaeological findings suggest that people first arrived in the UAE tens of thousands of years ago. Scattered flint tools have been found in the deserts and also near the mountains which provide evidence of the presence of inhabitants in this region. It is believed that the climate of the UAE was previously wetter and more humid than the present day. Until 3000 BCE, this area was very humid, facilitating immigration. The people of the UAE are basically of Arab origin. Recent studies conducted by scientists reveal that the Arabian Peninsula was originally a part of Africa, separating and merging with the Asian continent. Thus Arabia became a connecting link between Africa and Asia and acted as a land bridge between these two continents. Due to scarcity of sufficient materials it is very difficult to arrive at a conclusion as to when and how people first came to this region. The local population of the present day UAE is tribal. Lorimer remarked that “indeed the country is tribally one of the most composite and perplexing”.

Structure of Tribal Society

Any analysis of UAE history will be incomplete without a proper understanding of the nation’s tribal character. According to Rosemarie Said Zahlan, “Until the very recent past, the tribal structure of the populations dominated political and social life.... The tribal society of the Gulf States consisted of the Bedouin (bedu) and settled people (hadar). The bedu roamed the inland areas in search of grazing and water, while the hadar settled the coastal villages and towns and became the overwhelming majority.”

Frauke Heard-Bay argued that the retention of tribal structure throughout the country is to be seen from the standpoint of economic diversification. Until the discovery of oil, the scarcity of natural resources prompted the people of this region to take up various economic activities such as camel-breeding, pearling, farming, fishing or sailmaking. She observes, “Before the advent of oil, the population could generally not afford to segregate as settled inhabitants, into merchants, fishermen and pearlers on the coast, agriculturists in the fertile oases and wadis and other groups exclusively tending their animals. Because such specialization was for most families throughout the ages impracticable, social separation into occupational groups did not take place either.”

The tribesmen were dependent on one another not only for mutual defence against their enemies but also for the tribal spirit that played a key role in the functioning of their society. According to Edward Henderson, “not only kinship but the spirit of selflessness, chivalry, readiness to self sacrifice which is called muruwah, is the key.” Here, allegiance is the main determinant in the choice of leadership. In a true tribal society, a sheikh belongs at the top of the tribal structure and if his decisions are not acceptable to the tribe he receives constant warnings from senior responsible tribesmen. Thus it is seen that the unsupported decision of the tribal chief is not considered an ultimate verdict. Edward Henderson commented, “There is no doubt that there is something very glamorous about a really effective tribal leader: he is on his own; he has no bureaucracy to support him; he may or may not have recourse to a Qadi for a trickier religious and legal problem which he has to face; he is himself on trial every minute of every day because his people have chosen him and will only continue to support him if he measures up to their requirements.”

Tribal organization is basically hierarchical in nature. The level of hierarchy starts with the family, then the section, the clan, the tribe and sometimes the tribal confederation. The tribal chief was the main source of authority who was chosen by
the elders on the basis of various qualification such as bravery, honesty and hospitality. Each state was composed of various tribes and thus tribal pluralism was the basic pattern of society. The most populous tribe provided the ruling family. Today tribes as a whole are under the Abu Dhabi sheikh. Traditionally tribesmen were loyal to the family first, then the tribe and finally to the state.

The two major tribal groups of the United Arab Emirates are the Quasim and the Bani Yas, which enjoy immense power in UAE society. Abu Dhabi and Dubai rulers mostly belong to this Bani Yas tribe. The Quasim tribe was engaged in land and sea trade, exercised immense control over two areas such as Ras al Khaimah and Sharjah. From the eighteenth century, members of this tribe have dominated the coastal areas of these two emirates. The other tribal group, the Bani Yas, which was primarily pastoral and agricultural, settled down in Abu Dhabi and Dubai. According to tradition, Abu Dhabi has usually been ruled by a member of the Al Nahyan family while Dubai has been ruled by the Maktoum family. The Nahyans were primarily engaged in pearling during summer and in winter, they mainly cultivated dates in the desert areas. The members of the Maktoum family were mostly engaged in fishing. Frauke Heard-Bay noted that among the people of the Gulf region, whether settled or Bedouin, the tribe is the principle building block for the structure of society.

The Place of Women in Traditional Society
The diversified economic activities of male members, often necessitating travel and absence, placed the women in a pivotal position. While their men pursued their callings outside the home for long periods, women had to shoulder various responsibilities which gave them a special position in society. According to Rosemarie Said Zahlan, “the mobility of Bedouin life has always been such that women have had a direct and active role to play in community affairs. After the Bedouin settled in the different coastal towns and villages of the Gulf, their women attained an even higher level of participation.” After marriage, women kept their father’s name so that in case of divorce they could come back to their father’s home. The norm was that after marriage the bride moved to the husband’s family and stayed in separate accommodation arranged for them. According to Frauke, “…because her own family is losing a worker, the groom must give compensation to
the family in money or kind. At the time of the marriage contract, he also has to give the bride the means to support herself in case he was to divorce her later. This “mahr” remains her own property and is managed separately from the rest of the household.”

**Traditional Economic Structure**

Due to the shortage of arable land, most tribes used to lead a nomadic life. They used to move with their camel and goats across the desert in search of new pastures. But all the tribesmen were not nomadic, the majority of them were settled. The “versatile tribesmen” used to spent the winter with the cattle in the desert and during summer they came near the coast for fishing. Traditional occupations include camel breeding, pearling, farming, fishing and sail making. Due to the harsh climate in this region agriculture was limited, and only one economically significant tree, the date palm (*Phoenix dactylifera*) grew in the desert. Thus date farming provided a limited source of income. Farmer used to irrigate their land with underground water through *falages*. This *falag* system comprised subterranean stone tunnels that were designed to bring water down to the level of the towns from the high water tables of the nearby mountains. When the tunnels reached the agricultural gardens, they became surface channels, allowing the water to be regulated and redirected to whenever it was most needed.

Other than this, the pearling industry and boatbuilding provided better economic opportunities for the people of this region. Before the discovery of oil, pearling was this region’s major economic activity. The main reason for early population increases in Abu Dhabi was the attraction of that timeless item of adornment that is the *lulu* locally called *qamashah*, the pearl. The importance of the pearling industry can be expressed by citing the number of boats and the number of people engaged in this industry. As stated by Heard-Bay, “By the turn of the twentieth century about 1200 boats were based in ports on the Trucial Coast, manned by 22,000 men, mostly tribesmen, but with extra hands brought in from Baluchistan and elsewhere to augment the workforce.” This industry played a major role in transforming the traditional economy of tribal people into a modern market. Many families linked with this industry decided to settle down permanently in the coastal areas such as Abu Dhabi, Sharjah and Dubai, thus laying the foundation, as we have seen, for later waves of immigration. In 1890 the pearling industry was at its peak,
attracting various wealthy merchants from Bombay and East Africa during the season. These merchants used to buy the best specimen of pearls to sell to foreign clients. According to S.B. Miles, the town of Abu Dhabi had “several Hindoo traders or Banians” who resided there and handled the “bulk of the trade of the port” in the nineteenth century. Miles further stated that Debaye (Dubai) had a population of nearly 12,000 to 14,000. The trade was practically all in the hands of Banias whose strong business capacity gave them a leading position.20

The reasons behind the pearl boom can be better understood if we consider Lorimer’s report on it. “In one year (1896-1897) pearls valued in excess of 100 lakhs were exported (approximately three quarters of a million pounds sterling), this compared with just ten lakhs per year in the 1870s.”21 Many merchants profiting from this boom began to settle down near the growing ports. During the eighteenth and nineteenth centuries, the pearl markets developed rapidly in India. As a result of growing economic opportunities, some tribes became specialized in one occupation, settled in a particular location associated with it and started leading sedentary lives.

**Social Change**

With the growth of the pearling industry, other ancillary economic activities started in this region. Some of these activities were small cottage industries, for example pottery, woodwork and metalwork. Pearling also encouraged the local boatbuilding industry.

With the improvement of economic conditions, demand for luxury items emerged, fuelling occupations such as tailoring and weaving.22 Individual entrepreneurs grabbed this opening. Some of the merchants who were involved in the pearling industry or who used to provide consumer goods to the people of the UAE were able to accumulate large amount of money. Hindu merchants used to come from Bombay seasonally to Dubai. The Bania merchants from India and specially from Bombay and the Arabian Gulf provided a huge amount of finance to the pearl industry. Three reasons can be cited to show why Indian merchants were able to dominate the pearl market:

a) Their partnership with British entrepreneurs had already provided them with a capital base to invest.
b) As British subjects these merchants used to enjoy special protection from Britain.

c) Muslims were forbidden by Islamic law from charging interest on money lent.23

During the 1930s, due to worldwide depression and the introduction of cultured Japanese pearls in the market, this pearling industry and other coastal activities started to decline.24 The decline in investment and profits meant the traditional diving communities began to suffer a lot of hardship. Historically, due to the scarcity of other natural resources, UAE had come to depend on a single commodity for export, and this now brought the nation face to face with disaster. Consequently UAE has remained wary of relying on a single commodity to bolster the economy and has been careful to foster other industries as well. This lesson from the past has guided its industrial policy in the post-oil era.

An important aspect of the Gulf pearling economy is that it brought the capitalist mode of production to the Emirates which had till then been absent in this area. A new local entrepreneur class began to emerge from the upper strata of the old desert hierarchy who had always been at the helm of society and now grew rich. Initially in the pearling industry there was no separation between the capitalist and the labourer: the pearl fisher owned his own boat and the whole family constituted the labour force. Later, the ownership of pearling boats diverged from the engagement in the actual diving process which is hazardous and highly skilled, leading to social divisions between boat-owners and employee divers. In the previous era a communal system had been prevalent in which the crew functioned as a mini tribe jointly owning the means of production and the profits were distributed among them according to the nature of the work.25 While the demise in tribal solidarity brought by the capitalist mode of production might be seen as a disadvantage, on the plus side, as a result of the inflow of capital, greater trade relations developed between the Gulf and other Asian economies, especially India.

Trading had always been a characteristic occupation of the people of the Emirates. Overseas and regional trading was another means of livelihood. The lower Gulf had always been associated with the slave trade and the gold trade. Before exploration for oil, the economy was dependent on the gold trade. It is believed that
one tenth of all the non-Communist world’s gold passed through the various ports of this region.  

In short, UAE’s traditional activities were based on the scarce geographical resources of the deserts. Though small scale agricultural activities were prevalent in the oasis and mountain areas, most of the people derived their living from animal husbandry, caravan trading, hunting and pearling. Pearling played a key role in the life of the people because it brought various other activities to the coast and provided a surplus on which other, more consumer-oriented occupations could subsist.

Thus we see the people of the UAE possessed extraordinary skills to survive in their harsh arid climate. Their past confidence has given them the courage to face present and future threats and challenges.

The Traditional Social Structure
Society was based on tribal structure with strong bonds of consanguinity. From the distant past, class distinctions within tribes were prevalent among the nomadic people. Social stratification was based on the ownership of land in the oasis. Bedouins enjoyed higher position in the social structure. The nomads were engaged in hunting and animal husbandry. Animal husbandry has two components: sheep herding and camel herding. The camel herding tribe (sharif) enjoyed higher status than the sheep herding group.

Changes in Traditional Society
Traditional society first underwent changes during the pearling boom. Due to urbanization, many tribes started to flock around the coast. Semi-nomadic bedu could earn more money compared to other tribes because they were engaged in ikhluw cooperatives. They used to invest their surplus funds in the pearling industry and as a result they could transform their traditional class into a new entrepreneurial class. This newly emerged class used to exercise greater political power. They used to finance various local projects and local wars. A new stratification of society evolved. This new entrepreneurial class used to spend less time at the traditional property which was near oases. Due to improved economic conditions these absentee landlords used to appoint desert tribesmen to take care of their properties such as date gardens. Sometimes shortages of labourers were compensated by importing slaves. These slaves used to work as domestic servants and sometimes as divers.
The aristocratic class of this society considered activities such as the dhow trade, pearling and fishing the most honourable occupations. The opportunities in other economic areas such as textiles, banking and retail trading were taken up by Hindu and Khoja groups from India. According to Lorimer, during this period only ten out of seventy shops in Abu Dhabi Souk were owned by Arabs while the rest belonged to Indian merchants. The number of Indian traders in the Trucial state in the beginning of the twentieth century is represented in Table 1 and Table 2.

Table 1
The Muslim sectors in the Trucial States in the beginning of the twentieth century

<table>
<thead>
<tr>
<th>Trucial States</th>
<th>Muslim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi</td>
<td>0</td>
</tr>
<tr>
<td>Dubai</td>
<td>23</td>
</tr>
<tr>
<td>Umm al Qawain</td>
<td>0</td>
</tr>
<tr>
<td>Ras al Khaimah</td>
<td>33</td>
</tr>
<tr>
<td>Sharjah</td>
<td>158</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>214</strong></td>
</tr>
</tbody>
</table>

Table 2
The Hindu sectors in the Trucial States in the beginning of the twentieth century

<table>
<thead>
<tr>
<th>Ports</th>
<th>Number of Souls</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abu Dhabi</td>
<td>65</td>
<td>Includes some women and children</td>
</tr>
<tr>
<td>Dubai</td>
<td>67</td>
<td>Exclusive of about twenty visitors in the pearling season</td>
</tr>
<tr>
<td>Umm al Qwain</td>
<td>11</td>
<td>Includes women and children</td>
</tr>
<tr>
<td>Ras al Khaimah</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Sharjah</td>
<td>51</td>
<td>Includes some women and children</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>194</strong></td>
<td></td>
</tr>
</tbody>
</table>

Thus we see a new socio-economic group emerging on the Trucial Coast. Indians due to their skills and other qualities were accepted and welcomed by this society.
After the decline of Lingah in 1902 (see chapter 3), the number of Indians started to increase in the Trucial States especially in Dubai, as Dubai was a free port. During the 1980s about 3000 Indian merchant families resided in Dubai alone. Hindu Gujaratis dominated the gold market whereas Sindhis dominated the textile trade.

**UAE under European Power**

The importance of the past is paramount as it helps to understand the present. Therefore it is necessary to have a brief snapshot of the period when the Gulf came directly under the attention of the European powers. In the early 1500s the presence of the Portuguese marked the first European entry in this region. During the first phase of their presence, they were able to consolidate their position by use of arms. They started to build their Forts in various places. The next stage of their presence was characterized by the introduction of various trade regulations to maximize their profit. This resulted in changes in the trade pattern and their monopolization of the Indian Ocean trade. The intention of the Portuguese was to monopolize the trade route between East Asia and Europe by outflanking the traditional route. The Europeans preferred the maritime route around the Cape of Good Hope which had been discovered by Portuguese navigators towards the end of the fifteenth century. Gradually they established their position at various places like Khor Fakkan and Ras al Khaimah. The third phase is the stage of their decline. During the eighteenth century this Portuguese monopoly was challenged by Dutch, French and British traders. The Portuguese could not compete with the superior naval forces of the other European nations and they lost their hold. Portuguese occupation in this region had minimum impact on the regional structure.

**British and Dutch Presence**

The British, French and Dutch competed against each other for mercantile interests. The relationship between the Dutch and the British was cordial when their interests coincided so as to thwart Portugal’s attempt to re-establish its position in the Gulf. The supremacy of the Dutch was later on challenged by Britain and Britain was able to wipe away the Dutch influence permanently from the Gulf. After the formation of the French East India Company in 1664, France entered the Gulf market but could not establish her foothold in this area. As a result Britain exercised her influence as the sole unchallenged foreign power in this region.
Britain had to face other contenders for trade. The most important threat to British interests came from the Quasimi tribes of Ras al Khaimah and Sharjah. The Quasimis started to establish themselves as traders and seafarers. During the early nineteenth century they were able to consolidate their position along the Gulf coast. But ultimately a British-Omani joint force was able to neutralize the naval power of the Quasim tribes. Thus Britain established her lasting influence in the Gulf. At the beginning of 1820 a peace treaty was signed between six sheikhs (except Fujairah) and the British government. The main purpose of the treaty was to stop piracy along the Gulf coast, which was known then as the Trucial Coast. Thus Britain established a form of political control in the external affairs of the Gulf.37

India had a strong link with the Gulf from time immemorial.38 Indian presence in the gulf will be discussed in detail in a later chapter. The British withdrawal from India in 1947 did not reduce British interest or influence in the Trucial States. British interest was associated with various factors. Firstly, Gulf oil was essential to Britain as a source of energy. Secondly, the Gulf was an important stop for international air and sea communication. Nevertheless, in 1968 Britain made a ground-breaking declaration to withdraw from the Gulf. In 1971 a new nation was born, and the UAE became independent on December 2, 1971.39

The presence of Britain in the Gulf helped Indians to gain a new foothold in this area. The communication between Britain and the Indian empire played an important role in the area of trade relations between India and the UAE. Towards the end of the nineteenth century, individual entrepreneurs from India started to exercise their control in various sectors. With the increase in demand for consumer goods from India, Indian entrepreneurs started their investment in this region. This thesis will expand this aspect in detail in a later chapter.

Economic Aspects of the UAE
To better understand the UAE as a Rentier State, it is necessary to have a clear idea about a rentier economy. Beblawi in his article, “The Rentier System in the Arab World” has listed a few features of a rentier state. He notes that every economy has got some form of rent.40

a) If any society is dominated by the situation of rent, then it can be characterized as a rentier economy.
b) A rentier economy can sustain itself without a strong domestic sector.

c) The majority of the population are engaged in the generation, distribution
and utilization of the rent, rather than in an actual production process as
is normally the case.

In a Rentier State, the government is the main recipient of external rent. In such an
economy, as citizens are rarely engaged in production, a special type of situation and
mentality arises where citizens depend heavily on the government for the allocation
of revenues. According to Abdulla Abdulkhaleq, “it results in the creation of a…
paternalistic social setting with an extensive welfare structure and excessive
dependence on foreign labour. In addition, a political hierarchy comes into the effect
and in the due course, becomes perfectly legitimate and acceptable.”

On the basis of the above discussion it can be established that the UAE
economy is an oil rentier state as the modern economy is still heavily dependent on
oil where the primary source of income is the oil sector. According to Abdullah,
“during the 1980s more than 90 percentage of the Gulf state’s total revenue came
from oil, mostly in the form of royalties and from international oil companies’
leasing agreements.”

In the Rentier State structure, the ruler and his family will be in the upper
strata of society and foreign labour remains at the bottom. The middle strata
comprises mostly local nationals. These nationals due to their citizenship rights enjoy
many privileges. External rent is controlled by the government and on that basis the
government of such a State exercises and enjoys enormous economic and political
power. Government plays a key role in distributing wealth to the population. On the
basis of the above discussion it can be concluded that UAE is an oil rentier economy.

**The Economic Role of the State**

The economic role of the state is highly significant and powerful in the United Arab
Emirates. The main recipients of the oil revenues are Abu Dhabi and Dubai. Since
the ruling families practically run the government of the UAE, it may be surmised
that it is the ruling families that are the main recipients of the oil revenue. ADNOC
(Abu Dhabi National Oil Company) is the largest oil company, established in the
year 1971 and wholly owned by the government. The ADNOC group includes
seventeen companies which deal with all oil- and gas-related production functions in
the Emirates. ADNOC is the eighth largest recipient of US federal contract dollars, receiving a total of $918,256,500 in 2008 alone. Abu Dhabi is the oil producer in the UAE controlling more than 85 percent of the UAE’s total oil output capacity and over 90% of its crude reserve. The ADNOC group is controlled and supervised by the Supreme Petroleum Council (SPC) which formulates petroleum policy. The SPC is chaired by His Highness Sheikh Khalifa Bin Zayed Al-Nahyan, the present President of the UAE and ruler of Abu Dhabi. Today ADNOC has placed itself in the top 10 oil and gas companies in the world, and manages and oversees oil production of 2.7 million barrel a day.43

In addition to ADNOC’s fifty percent share of the total oil production, the government receives revenue from all international oil companies who enter into agreements with the government. In Dubai, the main operators are the government-owned Dubai Petroleum Company and Dubai Natural Gas Company.

The Background of the UAE Federation

On January 16, 1968, the British Government announced its decision to withdraw from the Gulf region. The sudden declaration of withdrawal put this region into an uncomfortable situation. As appropriate territorial boundaries were not drawn between states, the rulers were not in a position to solve unresolved territorial disputes. Two other factors also contributed to the formation of the federation. The sudden growth in oil revenue coupled with new ideological trends sweeping this region brought the leaders closer to avoid subversion. These three factors worked in cementing the bond between the smaller states to form one super-state.44

To work towards the formation of the federation, the initial steps were taken by Dubai and Abu Dhabi. Open invitations were extended to other rulers to join. Initially Bahrain and Qatar agreed to join, but later on both Qatar and Bahrain declared their own independence and declined to be a part of the UAE federation. The differences in the sizes of the territories, population structure, education level and economic development of the member-states created hindrances in the institution making process.45 On December 2, 1971, six emirates including Abu Dhabi, Dubai, Sharjah, Ajman and Fujairah agreed to adopt the provisional constitution. Ras Al Khaimah joined the federation in February 1972.46
The Constitution of the UAE

The Constitution of the UAE came into operation on December 2, 1971. The provisional Constitution of the UAE was meant to be in operation for five years only but the permanent Constitution came into force only in 1996. During 1971-1996, the provisional constitution was renewed every five years. Abu Dhabi was accepted as the capital of the UAE by seven emirates.47

The Union Authorities

According to Article 45 of the Constitution,48 the Union authorities shall consist of:

a) The supreme council of the Union.
b) The President of the Union and his Deputy.
c) The Council of Ministers of the Union.
d) The National Assembly of the Union.
e) The Judiciary of the Union.

Each emirate enjoys its own political and judicial power. According to article 120 of the UAE Constitution, the Federal government exercises control over foreign affairs, defence and the armed forces, health, education, postal and telegraph services and electricity services. Individual emirates are responsible for “development in civil aviation, oil, internal security, finance and investment and economic policy.”49

Supreme Council

The supreme council is the highest federal authority, according to Article 46, composed of the rulers of the seven emirates. According to article 47, the supreme council can exercise the following powers:50

a) To formulate the general policy in all matters vested in the Union by the Constitution in order to fulfil the goals of the union and promote the common interest of all the seven emirates.
b) To sanction different union laws before final promulgation, which includes the final accounts and the laws pertaining to the Annual General Budget.
c) To ratify treaties and international agreements.
d) To approve the appointment of the Chairman of the Council of Ministers of the Union, or to accept his or her resignation etc.

e) To approve the appointment of the president and judges of the supreme court of the Union.

f) To exercise supreme control over Union affairs.

g) To ratify federal laws, although the president has the right to amend them.

The President of the UAE is the head of the state who is elected by, and from, the supreme council of the rulers. The President and the Vice President are elected for renewable five year terms. The head of the state is the Commander-in-Chief of the armed forces. From the beginning the President has been elected from Abu Dhabi whereas the Vice Presidency and Prime Ministerial positions are held by the rulers of Dubai. There is less chance of change in this tradition.51

The Council of Ministers

According to Article 55, the Council of Ministers of the Union is composed of the Prime Minister, his Deputy Minister and a number of Ministers. The Council of Ministers introduces legislation which is ratified by the Supreme Council. In 1971, six ministerial departments were given to Abu Dhabi including foreign affairs, the interior and information. Three ministries were given to Dubai and Sharjah dealing with defence, finance, economy and commerce, and two ministries were given to Fujairah and Ras Al Khaimah. One each was provided to Ajman and Umm al Quwain. During March 1997, the first cabinet reshuffle was made in seven years. The most striking thing about this is the how the ruler of Dubai, Sheikh Maktoum, brought many competent young administrators into government departments.52

The Federal National Council (Legislature)

Article 68 of the UAE Constitution states that the national assembly of the Union shall be composed of forty members. Seats shall be distributed to members of the Emirates as follows: Abu Dhabi, 8 seats; Dubai, 8 seats; Sharjah, 6 seats; Ras Al Khaimah, 6 seats; Ajman, 4 seats; Umm Al Quwain, 4 seats and Fujairah, 4 seats. Representation in the FNC is based on the population of each emirate. The members are to represent the country as a whole and not their individual emirates (Article 77). They play only a consultative role. For the first time, a small section of UAE
nationals enjoyed their right to vote by electing 20 members to the Federal National Council. Though the majority of them could not exercise their voting rights, most of the UAE nationals believe that the concept of democracy is not new to them. They have been practicing democracy in the past through the tribal custom of majlis or assembly where the people’s voice reaches the decision-maker.53

The Judiciary of the UAE

Articles 94 to 109 of the UAE Constitution deal with the judicial power.54 According to article 95, “The Union shall have a Union Supreme Court and Union Primary Tribunals.” The Federal or Union Supreme Court is composed of a president and not more than 5 judges. They are to be appointed by decrees promulgated by the President of the Union (article 96). The Supreme Court is entrusted with the following functions:

First, it may adjudicate disputes between member emirates of the Union, or one or more emirates and the federal government, “Whenever such disputes are submitted to the court on the request of the any of the interested parties.” (article 99, clause 1)

Second, it enjoys the power to judge the constitutionality of the Federal Laws (article 99)

Third, it has the power to interpret the provisions of the Constitution upon a request received from any Federal or emirate government. (article 99, clause 2)

Fourth, the interpretation and judgement of the Union Supreme Court is final and binding upon all the parties. (article 101)

The principle features of the UAE Constitution are as follows:

a) It is a written constitution.

b) It is a rigid constitution.

c) It centralizes authority in the President of the federation and the Federal Supreme Council.

d) The Islamic shariah shall be a main source of legislation. Article 7 of the UAE Constitution established the role of Islamic shariah law in the legal
system, stating, “Islam is the official religion of the federation. The Islamic *shariah* shall be a main source of legislation in the federation...” as UAE is an Islamic society in which the ruler and the people believe Islamic law to be the supreme law.\(^55\)

**Monarchical Dynasty**

As discussed earlier, tribe and family play a key role in the political organization of the UAE. Rulers are chosen from prominent sheikh families who are believed to be more competent and qualified than others. Normally the head of the state before his death will recommend the name of his son or another competent member of the family whom he finds appropriate for the position of his successor. The family also has the absolute power to replace a ruler who does not abide by the policies and norms of the families. According to Herb, the “UAE is a dynastic monarchy.”\(^56\) According to Hudson, “The sheikh of a tribe leads by virtue of his personal qualities as recognised by the Council of Elders—the heads of the main families.”\(^57\)

The UAE is formed by seven emirates, Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Quwain, Ras Al Khaimah and Fujairah. Each emirate’s political and financial position is reflected by the allocation of its position in the federal system. Abu Dhabi is the main oil producer among the seven: its ruler is the President of the UAE. Dubai is the main commercial centre of the UAE and it also has a major share in oil production: the ruler of Dubai is the Vice President and Prime Minister of the UAE. Each emirate enjoys extensive autonomy. The most important aspect of the UAE Federation is that a major portion of each emirate’s revenue should be allocated to the UAE’s central budget.

In the UAE there are no political parties. The rulers enjoy their powers on the basis of their legitimacy in the system of tribal consensus. In spite of rapid modernisation and influx of foreign workers, UAE still maintains its traditional political system.

**Location and Geography**

The United Arab Emirates is located north of the equator between longitude 51 and 56.25 east. The total area is approximately 84,650 square kilometres. It is bounded by the Arabian Sea to the south and west and to the North West, the kingdoms of Saudi Arabia and Qatar. The sultanate of Oman borders
it to the east. Its coastline of 644 kilometres on the Arabian Sea is shared by the seven emirates of the UAE.

**Climate**
The UAE’s climate is extremely hot and humid in summer. From May to October the temperature may range between 38 degrees centigrade to 50 degrees centigrade in the middle of the day and during the night it can drop to 20 degrees centigrade. In winter average temperature is usually around 15.5 degrees centigrade. Rain is infrequent and irregular and falls mainly between November and April. As in all desert environments, sandstorms are an important feature of the climate.

**Population**
Though the climate of the UAE is mainly inhospitable, due to rapid growth and modernization, the population of the UAE has increased. According to the latest census, the total population is 4,104,695. Nationals comprise 21.9% and the rest are foreigners. The majority of the UAE population is predominantly urban, and mostly they reside in Dubai, Abu Dhabi and Sharjah. Expatriates are in a majority.

**Resources**
Wells and underground canals from the mountains are the main natural source of water of the United Arab Emirates. The major resource of the UAE is petroleum. Other than that it has poor agricultural and mineral resources.

**Social structure**
Due to the oil boom there is a constant influx of foreigners. These immigrants and expatriate workers do not enjoy any political rights. Under pressure from social change and rampant migration the ancient nomadic tribes are vanishing.

**Religion**
Most of the citizens of the United Arab Emirates are Sunni Muslims. The foreign population includes Shia and Sunni Muslims, Hindus and Christians. The degree of religious freedom varies from one emirate to another. Non-Muslims enjoy more religious freedom in the UAE compared to Saudi Arabia and Qatar, though numbers of Muslims are higher in the UAE than Saudi Arabia and Qatar. Non-Muslims are
given the right to worship but not to proselytize. Hindus have constructed temples in Dubai. There are many Christian churches in Dubai and Abu Dhabi.  

**Political Aspects of the UAE**

Democracy here is perhaps not as prevalent as in some other countries, however, limited franchise exists. Only a small section of the national population enjoys the right to vote by electing twenty members of Federal National Council, while the majority of them cannot exercise their voting rights. Most UAE nationals believe that their tribal life was founded on the concept of democracy. The tribal custom of assembly or *majlis* allowed the ordinary people to air their grievances and make applications to the tribal decision maker. A unique *majlis* tradition is still prevalent in this area where the prominent members of the UAE, tribal leaders and rulers meet guests to hear the problems of the common people. The rulers of UAE are always in close touch with their subjects. Though the Western type of democracy is not prevalent in this region, the *majlis* offers an alternative that does not go against tribal values. The advent of modern life has not changed their attitude.

**Conclusion**

Prior to December 1971 the seven emirates were economically separate under British rule. They were underdeveloped and socially backward. Health, education and housing facilities were not up to the mark. By contrast at present the scenario in the UAE is totally different. As far as living standards are concerned, the country has been able to place itself in the company of high income nations. The credit goes to enlightened leaders whose successful policies and programmes have made the UAE a unique place. The transition process towards modernity was very smooth, and in this the political stability of the UAE has also contributed to its success.

**Endnotes**

4 Heard-Bay, *From Trucial States*, 2.


Heard-Bay, From Trucial States, 261.


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Heard-Bay, From Trucial States, 32.


Heard-Bay, From Trucial States, 24–5.


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Heard-Bay, “Tribal Society,” 263.

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35 Fenelon, Economic and Social Survey, 9.

36 Zahlan, Modern Gulf States, 10.

37 Fenelon, Economic and Social Survey, 9.

38 Zahlan, Modern Gulf States, 20.


42 Ibid., 12–3.


45 Ibid., 129.

46 Ibid., 134.

47 UAE Constitution, art. 2.

48 UAE Constitution, “Union Authorities,” part 4, art. 45.

49 “Country Profile 2000,” Economist Intelligence Unit, 6–8.


51 Country Profile 2000, Economist Intelligence Unit, 6.

52 Ibid., 7.

53 Ibid., 7.


