CONCLUSIONS
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• The United Arab Emirates is going to complete twenty-five years of successful existence as a federation. This in itself is a commendable achievement since no other federal effort either in the Gulf or in the Arab world lasted for this long. The seven member federation has been able to perform this due to its members' pragmatism and foresight. The 'trial and error' method they have followed so far will go on until the country and its political system learn the lessons of mistakes committed and their remedies.

• The idea of creating a federation in the Gulf developed out of the need to ensure future stability, security and prosperity of the region. However, there had been hurdles to form the UAE and there have been problems ever since it was formed but the people of the former Trucial States have successfully demonstrated their desire and competence to come together as a federation.

• The UAE has defied all theories of federalism because it does not conform to any previously tried or prescribed models. As discussed in the first and second chapters, there is no formula for the success of any political system, let alone a federation. It is,
therefore, wrong to compare the UAE federalism with that of old and well-established federations like the United States. The US took almost a century to consolidate its system, during which time it had to undergo a debilitating Civil War. From the vantage point of 1996, one can safely conclude that the UAE's decision to opt for 'federalism in practice' rather than a textbook model has been vindicated. The future attempts at building federations will no doubt have a lot to learn from the experience of the UAE.

• The flexibility of the system has led many experts to describe it variously as a federation, confederation, loose federation and a loose confederation. Because the system possesses some features of all the above.

• Certain general lessons can be deduced from the federal experience of the UAE. What is needed to make a federal polity successful is not the adoption of a rigid constitution, or institutional backing or independent judiciary -- all these are no doubt needed -- but political leadership with vision and courage. UAE has been fortunate to possess such enlightened leadership.

• Economic development and security are the two factors that had influenced the seven emirates to come under
the umbrella of a single political unit. And these two factors continue to bind them together.

• Though the individual emirates retain most of the powers with regard to economic planning, the federation has contributed to the overall development of the country. That is to say that the absence of formal federal rules like division of powers did not come in the way of the economic affairs of the federation.

• Abu Dhabi and Dubai -- the two rich and big members -- have been both binding and divisive factors. The rivalry between the two has earned the system the name, *Bi-polar Federalism*. One positive development of the recent years is that these two have come to a broad understanding on the imperative to safeguard the federation. This means that though Abu Dhabi and Dubai continue to compete, their competition will not affect the functioning of the federation.

• The unique feature of the UAE is that the inequality of constituent units reflects in the federal set-up. Among the seven emirates, Abu Dhabi and Dubai are playing prominent roles of keeping together all the components, by assuming larger roles for themselves.

• The absence of political parties, representative bodies and, above all, the principle of universal adult
franchise will diminish the legitimacy of the system. But, the country where immigrants form 80 per cent of the population should not be expected to rush into political experimentation. The Provisional Constitution does acknowledge the ultimate goal of creating representative bodies.

• The Gulf Cooperation Council (GCC) forms the second tier of the emirates' strategy, first being the federation, to enhance their common security and economic development.

• As the UAE feels threatened by both Iran and Iraq, it is likely to favour the military presence of the great powers. However, it is firm on not allowing any foreign bases on its territory.

• One shortcoming that has been found during the course of the present research is the absence or weak nature of several political and administrative institutions. To remain a viable federation for ever, the UAE must initiate the restructuring of its institutions. It must improve its human capital so that the UAE nationals will be able to discharge all the functions of the state.

• The federation has not so far adopted a firm policy as to how best it should utilise the surplus capital from
petroleum exports. It should concentrate on the development of non-oil industries and domestic financial institutions which can ensure sustainable development.