



Project
MUSE[®]

Today's Research. Tomorrow's Inspiration.

ABU DHABI

Abu Dhabi: Oil and Beyond, by Christopher Davidson. New York: Columbia University Press, 2009. ix + 175 pages. Notes to p. 230. Bibl. to p. 232. Index to p. 244. \$35.

Reviewed by Herman Franssen

While most of *Abu Dhabi: Oil and Beyond* is concentrated on modern Abu Dhabi, Davidson provides very interesting insights into the historical development of Abu Dhabi from the early 18th century until modern times and the crucial role that the Nahyan family played in shaping the destiny of the shaykhdom. The early economic history of Abu Dhabi, the author points out, was tied to the fortunes of the pearl industry, which began to blossom in the early 18th century and grew steadily, due to high demand for pearls in Europe. Taxes on pearls provided the income for the shaykhdom to expand its power in the region, improve Abu Dhabi's infrastructure, and renovate the vital irrigation system. High income from the pearl industry and the strong leadership of Shaykh Zayid bin Khalifa Al Nahyan, who ruled around the turn of the 20th century, were largely responsible for the emergence of Abu Dhabi as a regional power in the lower Gulf region.

Following Shaykh Zayid bin Khalifa, the weak leadership of an internally divided family and the collapse of the pearl industry during the First World War turned Abu Dhabi into a marginalized backwater in the Gulf for half a century. In contrast, Dubai and Sharjah had forward-looking leaderships who took advantage of the new economic opportunities offered by the region's emerging oil industry. Abu Dhabi reached a new depth under the role of Shaykh Shakhbut in the 1950s. Shaykh Shakhbut, like his neighbor, the Sultan of Oman, kept all the oil revenue earned in the 1950s and early 1960s from the international oil companies in his treasury and refused to develop economic policies to lift his people out of their economic misery. His social policies were equally backward. He strongly resisted modern educational efforts and healthcare,

causing many Abu Dhabi residents to leave the country. With the quiet acquiescence of most of the Al Nahyan family and the British government, Shaykh Zayid bin Sultan helped remove the rule of his ineffective older brother Shaykh Shakhbut.

The ascendance of Shaykh Zayid bin Sultan was the beginning of the most modern and prosperous era in the history of Abu Dhabi. Shaykh Zayid put other senior members of his family in important jobs, thus consolidating his political power. He surrounded himself with a new team of advisors; began to spend previously saved and new oil income on infrastructure projects, education, and healthcare; and distributed a portion of the oil revenues to the entire population, which had endured decades of recession and poverty under his predecessor.

There is a remarkable similarity between the ascendance of Shaykh Zayid and that of Sultan Qaboos bin Said of Oman, who overthrew his father with the help of the British and embarked on a similar development program. However, there is very little reference to Oman in Dr. Davidson's otherwise excellent book, even in the chapter dealing with the important history of the movement towards a federation of shaykhdoms in the lower Gulf. The reasons for the withdrawal of Bahrain and Qatar from the British-supported federation are discussed, but Oman is not mentioned even though the British made a major effort to convince the Sultanate to become part of the new federation. Ultimately, the federation consisted of the shaykhdoms of what became the United Arab Emirates with Shaykh Zayid as the President and Abu Dhabi as the main financier of the new federation.

The chapter on Abu Dhabi's economy, "Oil and Beyond," describes well how Abu Dhabi has developed its oil and gas industry and has used its low-cost fuels to build a petrochemical industry and other energy-intensive manufacturing industries. More recently, Abu Dhabi also has invested in high technology industries and services. The author is rather optimistic about the future of Abu Dhabi's economy, and indeed there are good reasons for such optimism. Abu Dhabi still has very large oil reserves and is developing a major "sour" gas field with an American

joint venture partner, which should ease immediate concerns about natural gas shortages. Abu Dhabi has the largest accumulation of petrodollars and has invested those assets wisely through several Sovereign Funds, of which the Abu Dhabi Investment Authority (ADIA), with assets estimated at close to \$1 billion in 2008, is the largest. More recently, investments have been made in Abu Dhabi-based advanced technology industries such as aircraft and electronics. Perhaps a negative aspect of all these developments is the continued dependence on foreign workers, managers, technical personnel, and even soldiers. The high dependence on expatriates carries certain risks and has an impact on the cultural cohesion of the host country.

Yet, on the whole, there is no doubt that Abu Dhabi is well prepared to face a future in which the role of hydrocarbon exports will be significantly reduced from the current level. The investments made through organizations like the ADIA and Mubadala are a large pension fund for future generations of Abu Dhabi's citizens but, as we have seen in the case of the Sukh al-Manakh disaster in Kuwait in 1982, good intentions can go sour. The best long-term investment is in the education of the local people, which leaves some room for improvement, according to the author.

Since Shaykh Zayid's death, there have been many changes in those posts but a careful balance seems to have been achieved which makes a peaceful transfer of power likely in the future. The legitimacy of the monarchy has been bolstered through the strengthening of the dynasty by the careful co-opting of tribal allies, the formal expansion of the governmental structure, the implementation of a generous welfare system, and the creation of plenty of business for Abu Dhabi citizens. The author lists a few unresolved problems related to national security (e.g., an army of expats and dependence on European powers and the United States), including vulnerability to conventional attacks and terrorism. He also notes that while only 9% of the UAE workforce consists of nationals, some 17,000-35,000 Emirati adults are unemployed. The author maintains that an improvement of the educational system may help to overcome this

problem. What he does not mention is the vast disparity between wages and other conditions of South Asian and other workers and locals. Local Emiratis cannot live on the wages paid to South Asian workers, and are unlikely to be willing to accept the same labor conditions.

Abu Dhabi: Oil and Beyond is a book well worth reading for those interested in Abu Dhabi and the Gulf states, their fascinating tribal history, the development of the modern petro-state, and the recent adjustment to a modern society.

Dr. Herman Franssen is President of Energy Associates, Inc. and an Adjunct Scholar at the Middle East Institute.

AFGHANISTAN

After the Taliban: Nation-Building in Afghanistan, by James F. Dobbins. Washington, DC: Potomac Books, 2008. 170 pages.

Reviewed by Nake M. Kamrany

This book is an account of the Bonn (Germany) conference which took place in November 2001 at Hotel Petersberg for the purpose of selecting an Afghan transitional government to succeed the Taliban. Dobbins, who purports to be an expert on "nation-building," congratulates himself for succeeding to create an Afghan transitional government but faults the Bush Administration for failing at nation-building thereafter. He criticizes Defense Secretary Donald Rumsfeld's minimalist strategy, though Rumsfeld's strategy was cost-effective in keeping the Taliban at bay for several years. Instead, Dobbins advocates the ratio of one international soldier to every 50 inhabitants of an unstable country. Since there are approximately 30 million Afghans, by Dobbins' and Rand's formula, some 600,000 international soldiers should have been deployed in Afghanistan, disregarding the military and economic burden of such deployment.

Nation-building did fail in Afghanistan for eight years — from 2001 through August 2009, when the second presidential election took place. During this period, there was an inverse correlation between the num-