

Learning objectives

- ▶ To know the levels of development across the region.
- ▶ To identify reasons for the development of the UAE.

Governments across the Middle East face a diverse set of challenges that can hold back economic development, including:

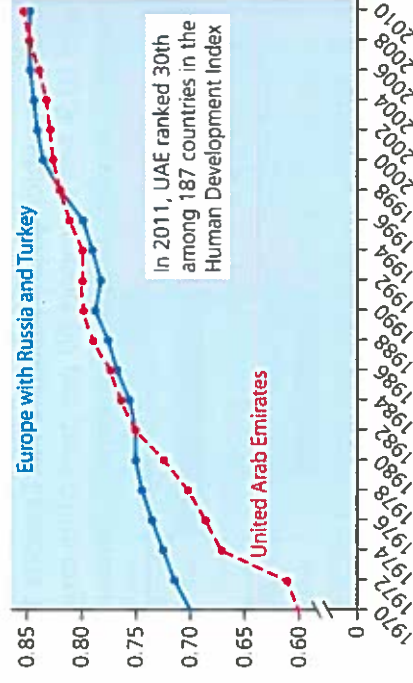
- an arid environment that can lead to water scarcity
- an overreliance on oil exports creating a need to find ways to diversify their economy, to protect them from falling oil prices, or oil running out
- high unemployment, particularly among a growing population of young people
- unrest and conflict among the many ethnic groups in the region.

Overcoming such issues in order to develop requires strong leadership from governments. In the next two lessons you will compare the progress of two contrasting countries in the region, the United Arab Emirates (UAE) and Yemen.

How has the United Arab Emirates developed?

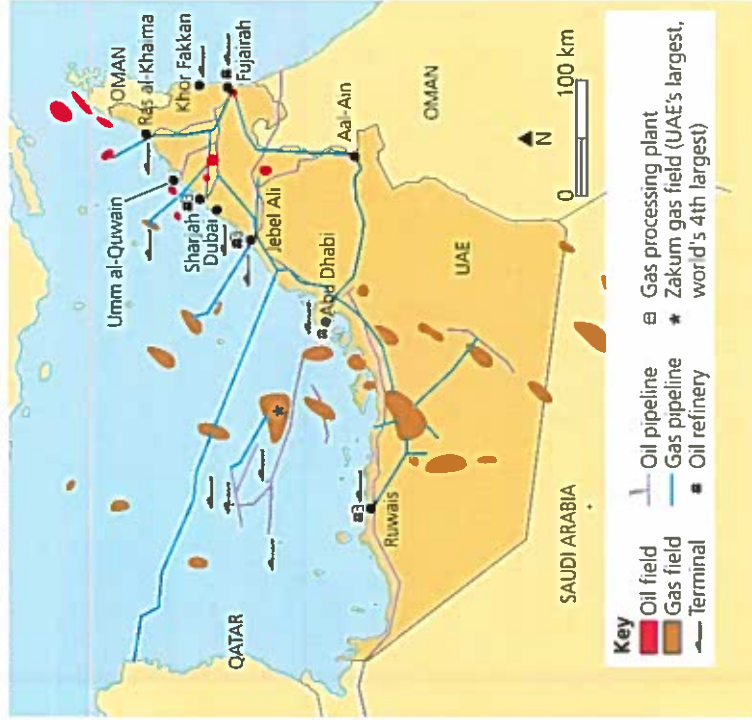
- UAE was formed in 1971. It is a group, or federation, of seven emirates – land ruled by a monarch called an emir.
- Abu Dhabi, the largest and most important emirate, covers 85 per cent of the country.
- Dubai is the most populated: 35 per cent of UAE's population.
- Oil reserves are the seventh largest in the world.
- Natural gas reserves are the seventeenth largest in the world.
- Second largest economy in the Middle East.
- Since its formation the economy has grown 231 times.

B The Human Development Index for UAE, 1970–2010



Data sources: United Nations' Human Development Index database and Wolfram Alpha

A The oil and gas industry in the UAE



How is the economy diversifying?

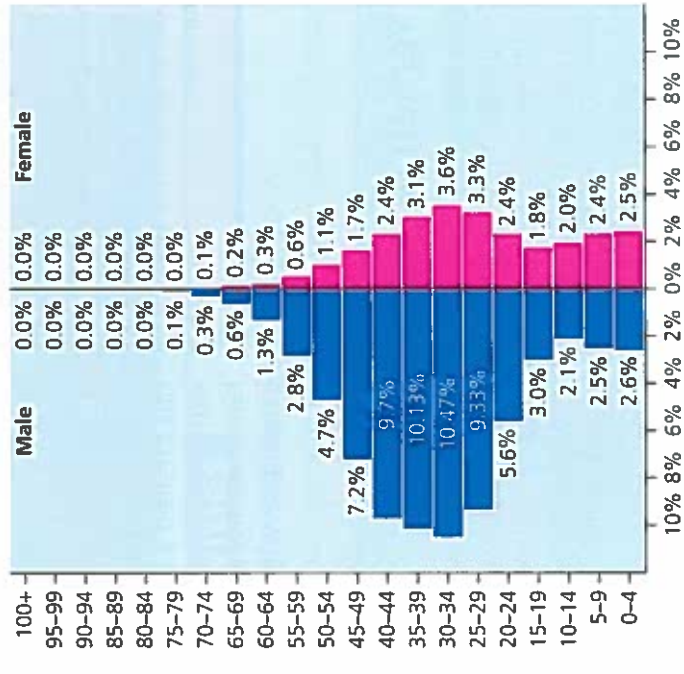
A strong and consistent government, since 1971, has been very successful at **diversifying** the economy to reduce the dependency on oil exports. Dubai has been particularly successful at this, becoming a global city. Oil revenue has been invested in developing modern ports, airports and airlines, turning Dubai into a world communication hub. Dubai promotes itself as 'a gateway to global trade, as a dynamic and diverse economy at the crossroads of the world'. The city's assets, including its architecture, modern transport system, high-class hotels, shopping malls, theme parks, year-round sunshine, beaches and deserts are all the result of economic investment using oil revenue. As a consequence, the city has developed into the fifth largest world tourist destination.

How is the population of UAE changing?

Only 1.4 million people in UAE are Emirati as the country has one of the largest proportions of migrant, mainly male, workers in the world. This has had a distorting effect on the population structure of the country (see Graph C). Immigrants

make up 90 per cent of the workforce. The biggest numbers of workers come from the nearby countries of India, Bangladesh, Pakistan and the Philippines, but also a small minority from Europe including, in 2012, 240,000 from Britain.

C Population pyramid for UAE 2017 (total population of 9,397,598)



Activities

- Look back to Lesson 7.2, page 124, Map C.
 - Find the Middle East on the world map.
 - Compare it with Map A in Lesson 14.1, page 262.
 - Draw a table to show which income group each Middle Eastern country is in.
 - Write a list of the challenges countries in the Middle East need to overcome in order to develop.
 - What is the UAE?
 - How is the country governed?
 - What makes Abu Dhabi and Dubai the most important emirates?
 - Look at Map A.
 - Describe the distribution of oil in the country.
- Why is oil important to its economy?
 - Why is it important that the country doesn't become reliant on oil revenue?
 - What is the process called where a country becomes less reliant on an export product by varying its economy?
- Study Graph B. How successful has UAE been in developing since 1970?
 - Look carefully at Graph C.
 - Why is the shape of the pyramid so distorted on the male side?
 - Why do you think UAE uses so many migrant workers?