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Emirati Foreign Aid: Overview and Foreign Policy Implications

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Abstract: The United Arab Emirates (UAE) is one of four major donors of foreign aid in the Arab World. Together, the Kingdom of Saudi Arabia, Kuwait, the UAE, and Qatar have made substantial foreign aid contributions, frequently exceeding the United Nations' development assistance target of 0.7% of Gross National Income (GNI). These generous Arab donors, however, are notorious for their opaque development programs: little is publicly known about their aid activities and allocation preferences. With the establishment of its Office for the Coordination of Foreign Aid, the UAE has made a more tangible effort to increase its transparency than some of its neighbors, but information regarding its aid program is still limited. In this thesis, I will provide an overview of the UAE's aid activity. I will also examine the UAE's foreign aid program as a foreign policy tool, analyzing its adherence to two theoretical justifications for Arab foreign policy: public opinion theory and selectorate theory.

I. Introduction

The late 20\textsuperscript{th} and early 21\textsuperscript{st} centuries have coincided with a period of immense economic development and widening political influence for the countries of the Arabian Gulf. In fact, some scholars even consider the time period in question the “Arab Gulf moment in contemporary Arab history” (Abdulla, 2010, 1). Numerous factors distinguish the wealthy monarchies of the Arabian Gulf – Saudi Arabia, Qatar, Kuwait, Oman, Bahrain, and the United Arab Emirates – from their other, perhaps more widely studied, Middle Eastern counterparts. For instance, together, these countries form the Gulf Cooperation Council (GCC), a political and economic union unique to the Arabian Gulf region. These wealthy monarchies have been relatively stable compared to their neighbors in the Levant, Iraq, and North Africa. While some domestic upheaval has taken place in the Arabian Gulf states, none has come close to the debilitating sectarian conflicts that grip Syria, Iraq, Lebanon, and Egypt today. Indeed, Saudi Arabia, Oman, Bahrain, and Kuwait have endured mild forms of domestic insurrection compared to the violence that characterizes everyday life elsewhere in the Arab World.
The region’s political stability can be attributed to a number of different factors, among the most important of which is the Arabian Gulf states’ continued economic development. Economic growth in the Arabian Gulf states compares very favorably to the world average: whereas Gulf economies sustained an average annual growth rate of about 5.8% between 2000 and 2010, the global economy only experienced an annual growth rate of 4.3% (World Development Indicators, 2013). The United Arab Emirates in particular achieved a growth rate of about 6.1%, exceeding the regional average, between 2005 and 2010 (National Bureau of Statistics, 2014). The United Arab Emirates has achieved a healthy balance of economic and political stability thanks to its early investment in human capital and infrastructure (Davidson, 2011). Moreover, a combination of copious oil wealth and a purposely small citizenry has allowed the United Arab Emirates to provide its people with tremendous fiscal benefits, securing its high standard of living and keeping domestic pressures for political reform at bay.

From a foreign policy perspective, the United Arab Emirates (UAE) is an interesting and understudied case. The Emirates’ foreign policy decisions have not generated as much analysis as those of some of its Arab neighbors to the west, considered to hold greater historical and cultural significance to the region. Proportionally immense oil wealth has increased the Emirates’ influence in the Arab World, however, and has allowed this federation of dynastic monarchies to exercise various tools to pursue its foreign policy agenda. Nevertheless, despite the increased regional significance that comes with oil wealth, Secretary of State John Kerry credits Saudi Arabia with being “really the sort of senior player, if you will, within the Arab world,” suggesting that the UAE may not be an important figure in Arab foreign policy (Hersh, 2013). Even so, the
United Arab Emirates has managed to stay out of the sectarian violence that has gripped the Levant and Iraq and the rampant political upheaval in Egypt, Libya, and Tunisia. Although the UAE has recently jailed several Emiratis with links to the Muslim Brotherhood, it is generally regarded as one of only two states (the other is Qatar) that have managed to avoid widespread civil uprising (Al Khoori, 2014). The Emirates’ lack of domestic insurrection might suggest that the ruling regime structures its domestic and foreign policies to maintain its stability and longevity. I aim to test the validity of this claim with respect to Emirati foreign policy.

Traditionally, the UAE has never been a key player in major instances of Arab war and peace. Indeed, as a modestly sized Gulf nation with an equally small citizenry, the UAE is not vying for regional leadership in the Arab World, which is the primary driver in its sometimes-muted responses to conflicts in other Middle Eastern countries. Moreover, the Emirates’ foreign policy decisions cannot be judged purely in the context of conventional international relations paradigms, such as neorealism and other systemic approaches that treat states as unitary, monolithic actors. Instead, the UAE’s wealthy and relatively diversified economy, along with its unique demographic composition, have unique influences on Emirati foreign policy behavior, which merit the consideration of other theoretical explanations, like Bueno de Mesquita et al.’s (2003) selectorate theory, Herb’s (1999) arguments with respect to dynastic monarchy, and Telhami’s (1993) public opinion theory.

In this study, I will focus specifically on the United Arab Emirates’ foreign aid program and argue that the UAE is more concerned with proliferating soft, rather than hard, power. First, it uses foreign aid to support Arab and especially Muslim neighbors,
adhering to the presence of regional norms of faithfulness to the Arab and Muslim Worlds when making foreign policy decisions. Second, the UAE uses its foreign aid program to bolster its international brand: the UAE rewards recipients who help it to achieve global recognition as a progressive, modern oasis in the turbulent Arab World, a pervasive national goal. Third, Emirati foreign aid also serves to reward recipients’ personal connections to members of the ruling families, reflecting the importance of decision-makers aside from the head of state, Sheikh Khalifa bin Zayed.

After placing Emirati foreign aid in both non-Development Assistance Committee (DAC)\(^1\) and Arab aid contexts, I will provide an explanation of the key theoretical justifications for my arguments. Then, I will conduct an econometric analysis of the UAE’s aid allocation patterns based on available quantitative data to see how Telhami’s (1993) public opinion theory, and more specifically, transnational symbols of Arab and Islamic legitimacy, appear to influence Emirati aid decisions. Finally, I endeavor to explain how certain members of the royal families of Abu Dhabi and Dubai, the emirates from which most Emirati aid comes, impact aid outcomes, sometimes with the goal of boosting the UAE’s regional and global reputation. To do so, I rely on the findings of several qualitative interviews with scholars and representatives of the Emirati private and public sectors. Ultimately, I have two goals: first, to illuminate the aid practices of a prominent donor in a relatively understudied part of the world; and second, to judge whether or not UAE’s foreign aid program follows the expectations of prominent theoretical justifications for Arab foreign policy.

\(^1\) The Organization for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC) consists of 29 members from Europe, North America, and East Asia. The EU is also a full member; the World Bank, IMF, and UNDP are permanent observers. DAC member countries are typically viewed as the “world’s leading providers of economic aid” (Tarnoff and Lawson, 2011)
II. Emirati aid in a regional and global context

Of the four major donors of foreign assistance in the Middle East, which include Saudi Arabia, Qatar, Kuwait, and the United Arab Emirates, the UAE has made the most recent efforts to increase its transparency. While the Saudi Arabia and Kuwait both have bilateral aid agencies that publish annual reports, the UAE has recently attempted to make information on its donations available to a global audience with the creation of its Office for the Coordination of Foreign Aid (OCFA) to organize the Emirates’ humanitarian efforts (United Arab Emirates Foreign Affairs Ministry, 2013). While the UAE’s efforts to increase its transparency distinguish it from its wealthy Arab counterparts, it is still understudied and less transparent relative to prominent donors of foreign aid in other parts of the world. As a result, the availability of scholarly literature on Emirati foreign aid behavior is extremely limited. Given the limited literature on Emirati foreign aid behavior, I will review two different, but related bodies of work: literature on non-traditional donors and literature specifically on Arab donors.

i. Non-traditional Donors

Some of the earliest forms of foreign aid date back to the 18th century, when the Kingdom of Prussia subsidized its military allies. By the late 19th and early 20th centuries, Western powers gave grants and loans to governments in their colonial settlements, primarily for purposes of economic development. According to several scholars, however, modern conceptions of foreign assistance have their origins in the period directly following World War II, namely with the institution of the Marshall Plan and the creation of the Bretton Woods system, establishing bilateral and multilateral trends in foreign assistance respectively (Hjertholm and White, 2000; Kanbur, 2003). In the period
following World War II, the primary goal of most foreign assistance was the rehabilitation of war-torn Europe, rather than the growth and development of previously unindustrialized parts of the world.

In the decades following the end of the Second World War, the most visible and active donors were wealthy Western countries, but late 20th and 21st centuries have witnessed a shift in foreign aid trends with the emergence of non-Western donors (Woods, 2008). Traditional, established donors of foreign aid have typically been associated with the Organization for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC), an organization of which the UAE is not a part. Non-traditional donors, a group that includes the UAE and other Gulf Arab countries, are by contrast most commonly grouped together by their lack of DAC membership. Much of the existing literature on non-traditional donors refers to them as “new” or “emerging” actors in international development; however, many have engaged in donor behavior for several decades, with the People’s Republic of China, one of the most prominent emerging donors, giving aid since the late 1940s, and a few Gulf Arab countries donating since the mid-1970s (van den Boogaerde, 1991; Villanger, 2007; Woods, 2008; Shushan and Marcoux, 2011). Scholars like Chandy (2012) discuss another defining characteristic of non-traditional donors: many such providers of foreign aid were once recipients of it. This phenomenon, however, cannot be applied universally. Many Arab donors, for instance, have engaged in donor activities since independence. This is true of the UAE, which became independent from the United Kingdom and established itself as a federation of seven emirates in 1971 (Rouis, 2010).
Non-traditional donors have been credited with a number of changes in development assistance’s allocation and effectiveness, which scholars have treated with a mixture of praise and criticism. Although DAC donors generally give more than $100 billion each year in official development assistance (ODA), scholars agree that non-traditional donors have been generous, collectively providing between $10 billion and $15 billion in aid annually (OECD, 2014). Moreover, non-traditional donor gift levels are expected to double in the next five years, while traditional DAC donor levels are expected to remain relatively stable, or even to start declining slowly (Manning, 2006; Chandy, 2012). The literature on non-traditional donors, however, reveals a few widespread critiques, pointing to many challenges they introduce to international development, particularly in the realm of aid effectiveness and transparency. One notable critique of non-traditional donors comes from Moises Naim (2007), who claims that donors like China and Venezuela are “toxic.” He argues that non-traditional donors, which are often undemocratic and newly industrialized, undermine traditional development policy by providing very generous aid to secure their own political gains unrelated to global development and without including requirements that recipients follow certain reform-minded rules, such as making sure aid goes to the poorest domestic populations and improving the efficiency of economic institutions (2007). He also argues that the immense financial might with which many non-traditional donors are equipped is “pricing responsible and well-meaning aid organizations out of the market,” highlighting another sometimes-cited argument that aid from non-traditional donors is displacing traditional, perhaps more effective, Western sources of aid due to its increasing prevalence and volume (Naim, 2007). Others, like Chandy (2012), agree with Naim,
arguing that non-traditional donors do not place enough emphasis on promoting good governance and enforcing requirements for responsible use of donated funds, placing undue focus on their own national interests. Former Secretary of State Hillary Clinton has even warned recipient countries to be “wary of donors who are more interested in extracting your resources than in building your capacity” (Bland and Dyer, 2011).

Other critiques include the argument that non-traditional donors, due to their own undemocratic nature, provide financial support to undemocratic, opaque, and corrupt “rogue” states, and that the same donors, like China, are increasing the indebtedness of poor countries by “free-riding” on debt relief programs installed by established donors. For instance, these non-traditional donors provide new loans to recipients and create fresh debts, which are ultimately costly to traditional donors in the form of increased debt relief (Schudel, 2008; Reisen, 2007). Indeed, literature on non-traditional donors highlights deficiencies in the foreign assistance they provide, but many scholars, like Woods (2008), have presented arguments to highlight the exaggerated nature of these criticisms. In her influential paper, “Whose aid? Whose influence? China, emerging donors and the silent revolution in development assistance,” Woods provides evidence that problems with development assistance are common across all donors, both non-DAC and traditional (2008). In response to the argument that non-traditional donors undermine efforts to improve governance and decrease corruption, Woods concedes that non-traditional donors have not been as engaged as established donors in developing and applying development assistance standards. She argues, however, that non-traditional donors, as well as private sector actors and other nontraditional donors, have been excluded from the
standards discussion, and that more “inclusive” standards promulgation processes should be introduced (2008, 1212).

While critics of non-traditional donors often point to China as the primary culprit of various development assistance mistakes and taboos, scholars like Dreher and Fuchs (2011) have argued that China is not motivated by the natural resource endowments of its recipients. They present empirical evidence rejecting the idea that China places special emphasis on commercial ties with and natural resources in the recipient country when making aid allocation decisions. Dreher and Fuchs conclude that “the verdict that China’s foreign aid is ‘rogue aid’ seems wide of the mark” in a direct response to Moises Naim’s 2007 argument (2011, 28). Ultimately, the literature on non-traditional donors does not come to a singular, universal conclusion on the effectiveness of non-traditional donors. There appears to be a general consensus, however, that non-traditional and traditional donors have various imperfections that can and should be ameliorated, including a lack of conditionality for the former and neglecting the poorest, though generally most politically corrupts recipients for the latter.

\textit{ii. Arab Donors}

The body of literature on Arab foreign aid and development assistance is quite small: given the notoriously opaque nature of Arab donors, it is unsurprising that relatively few articles and books have been written on their preferences and activities. In addition to recognition of the dearth of information on the subject, authors specializing in the Arab role in international development generally agree that Arab donors have been disproportionately generous compared to traditional DAC donors (van den Boogaerde, 1991; Neumayer, 2004; Villanger, 2007; Shushan and Marcoux, 2011).
Although some early overviews of Arab foreign aid exist (El Mallakh and Kadhim, 1976), Pierre van den Boogaerde’s 1991 paper, “Financial Assistance from Arab Countries and Arab Regional Institutions” was for many years the most exhaustive and expansive evaluation of bilateral and multilateral aid from the Arab World. Van den Boogaerde credits the rapid rise in regional oil revenues following the 1973 oil embargo as the catalyst for major increases in foreign aid from Arab donors. He also points to fluctuations in the oil market as a primary factor in Arab foreign aid’s decline in the 1980s, but maintains that, as a portion of gross national product (GNP), Arab states were still the most generous group of donors in the world during this time (1991). Although Shushan and Marcoux (2011) claim that, in the 20 years between van den Boogaerde’s (1991) publication and their own, Arab generosity has been declining, they emphasize that foreign aid from the region proportionate to GNP still exceeds levels from other established donors.

Due to the scant availability of public information on Arab foreign aid, much of the literature on Arab donors contains an overview of the organizational structure of bilateral and multilateral forms of assistance in the region (van den Boogaerde, 1991; Neumayer 2003; Neumayer 2004; Villanger, 2007; Shushan and Marcoux, 2011). With the exception of Qatar, each of the Arab World’s primary donors has its own national agency in charge of its bilateral commitments: Kuwait was the first to establish an agency of this type with the creation of the Kuwait Fund for Arab Economic Development (KFAED), followed by the UAE’s Abu Dhabi Fund for Development (ADFD), and finally, Saudi Arabia’s Saudi Fund for Development (SFD) (Neumayer, 2004; Shushan and Marcoux, 2011). Additionally, there are a number of regional multilateral foreign aid
institutions in the Arab World. According to Eric Neumayer (2004), while bilateral agencies offer some grants-in-aid, multilateral agencies in the Arab World deal almost exclusively in loans and guarantees. One multilateral aid agency, the Arab Fund for Economic and Social Development (AFESD), is particularly important, not only due to its exceptionally high cumulative disbursement amounts, but also because it hosts the Coordination Secretariat, the chief regional coordinating body for both the Arab World’s bilateral and multilateral institutions. Although the Coordination Secretariat was created to bring together the major Arab development assistance agencies, and has served as a vessel through which certain co-financing projects between Arab and non-Arab donors can take place, its function is limited to disseminating statistical information about its members’ donation activities (Neumayer, 2004). Nevertheless, the Coordination Secretariat does not have its own website and does not publish its statistical information in a publicly visible forum, highlighting Arab donors’ lack of transparency and illuminating the reasons for the limited body of literature on the subject.

While much of the existing literature devotes significant effort to describing Arab foreign aid and its structure, several authors have also attempted to gauge Arab motives for aid allocation (Neumayer, 2003; Neumayer, 2004; Villanger, 2007; Shushan and Marcoux, 2011). Pan-Arab growth and development is among the primary motives for foreign aid from Arab donors. In the early years of Arab development assistance, throughout the 1970s and into the early 1980s, Arab recipients were almost exclusively the beneficiaries of Arab foreign aid (van den Boogaerde, 1991; Neumayer 2003; Rouis, 2010). Indeed, the Arab and Islamic nature of Arab foreign aid is made obvious by the names of many aid agencies in the region, such as the Islamic Development Bank (IDB).
Although its name changed in the mid-1970s, the Abu Dhabi Fund for Development used to be called the Abu Dhabi Fund for Arab Economic Development (Villanger, 2007).

Neumayer’s study finds statistically significant relationships between Arab aid allocations and Arab, Muslim, and Sub-Saharan African recipients (2003, 142). Given the importance of the Palestine question in promoting transnational solidarity in the Arab World, and hence the expectation that states with diplomatic relations with Israel would be less likely to receive Arab foreign aid, Neumayer interestingly finds that recipient relations with Israel are not a statistically significant determinant of Arab foreign aid allocations (Telhami, 1993; Neumayer, 2003). Today, Neumayer is still one of the only authors to have conducted a rigorous statistical analysis of Arab aid allocations. I will partially fill this gap by statistically analyzing Emirati aid allocations in the data analysis section of this thesis, but specific and extensive quantitative analyses of Kuwaiti, Saudi, and Qatari foreign aid remain unexplored in the literature. Moreover, Neumayer concludes that Arab donors take a country’s level of income into account when considering aid allocations, making the typical recipient a low or low-middle income country (2003). While this holds true in many cases, the UAE has made aid commitments to wealthy Gulf states like Bahrain and Oman as recently as 2008 (AidData 3.0, 2011). Moreover, while other commitments to Gulf countries may have occurred after 2008, especially during political uprisings against the Sunni, and thus UAE-friendly leadership in Bahrain, available data are either unavailable or insufficient. As a result, the importance of Arab or Islamic identity may play a more important role in Emirati aid allocations, a hypothesis I will explore in the findings section of this thesis.
Ultimately, although existing literature on Arab donors offers a comprehensive and detailed overview of chief Arab bilateral and multilateral aid agencies, it may be impossible to know the full extent of Arab donor activity. A great deal of Arab foreign aid is channeled through the donor country’s ministry of finance, unrecorded and unpublicized, and some of it is distributed secretly directly from the royal families themselves (Neumayer, 2004; Villanger, 2007; Shushan and Marcoux, 2011). Shushan and Marcoux (2011) offer five distinct explanations for Arab donors’ lack of transparency: (i) Arab donors are autocratic rentier states whose citizens are placated with low levels of taxation, and therefore, do not hold their governments accountable for publicizing aid allocations; (ii) Arab donor governments may wish to keep potentially unpopular donations private; (iii) Arab donors have not been exposed to the same transparency norms as traditional DAC donors; (iv) the unclear distinction between public and private funds unique to Arab political economy makes defining official Arab development assistance difficult; and (v) Arab cultural norms frown upon publicizing financial contributions, which may appear boastful and immodest. Along with the Arab World’s apparent lack of transparency is a lack of conditionality in Arab aid allocations. Arab donors do not seem as concerned with requiring good governance in recipient countries as Western donors, and instead, appear to maintain a standard of non-interference in recipient government policy politically, economically, and otherwise (Villanger, 2007). Although Arab aid differs from Western aid in terms of transparency and conditionality, the motivations for both may be similar.

Like Western aid, Arab aid appears to be strategic in nature: it rewards recipients who choose the “correct” military alliances, for example (Villanger, 2007). During the
first Gulf War, Arab aid to countries which supported the liberation of Kuwait and the US-led coalition against Iraq increased dramatically. Political developments in recipient countries appear important to Arab aid allocations as well, regardless of Arab or Muslim identity: for instance, Egypt’s aid disbursements from Arab donors dropped significantly after Egypt signed the Camp David Accords with Israel (Villanger, 2007). Although Neumayer (2003) finds that relations with Israel do not significantly discourage the generosity of Arab donors, major transgressions of the Arab position on Palestine are likely to receive retribution in terms of foreign aid from the Arab World. Aside from Villanger’s 2007 paper, however, there is very little literature devoted to Arab motivations for foreign aid. Although many authors detail Arab donors’ overall propensity to give and the characteristics of the typical recipient, the reasons for Arab foreign aid and how they relate to foreign policy are not explored deeply (van den Boogaerde, 1991; Neumayer, 2003; Neumayer, 2004; Shushan and Marcoux, 2011). Country-specific analyses are especially absent. I hope to fill both of these gaps in part by discussing why the Emirates donate and how foreign aid serves as a tool for achieving its foreign policy goals.

In the next chapter, I will introduce and discuss two different theoretical justifications for Emirati foreign policy decisions, public opinion theory and selectorate theory, before outlining the expectations of each approach for the UAE’s foreign aid program. In the following two chapters, I will use two different approaches to analyze how theory applies to the realities of Emirati foreign aid. In Chapter IV, I aim to test the validity of Telhami’s (1993) public opinion theory in relation to Emirati foreign aid decisions with an econometric analysis of project-level data from the UAE. I have coded
Muslim and Arab dummy variables, among others, for each recipient of Emirati foreign aid, and will test the relationships between these characteristics and commitment amounts to determine if a broad Arab and Muslim identity influences the UAE’s level of generosity. In Chapter V, I will assess how well Bueno de Mesquita et al.’s (2003) selectorate theory applies to Emirati aid. I plan to relay the findings of several qualitative interviews conducted in the UAE and will present evidence pointing to the influence of specific royal family members and their foreign aid interests.
III. Emirati Foreign Aid through the Lenses of IR Theory and Foreign Policy Analysis

In this chapter, I will argue that transnational Arab and Muslim symbols of legitimacy as well as the decision-making power of royal family members aside from the ruler best explain Emirati aid decisions. The UAE has never been a driving force in Arab foreign policy, but its simultaneously autocratic and consistently stable domestic environment are a point of interest. Thus, instead of embarking on a study of Emirati foreign policy with systemic, international-level theories of international relations, it may be more germane to consider a mix of material and ideational domestic-level approaches. I will first analyze how public opinion theory (Telhami, 1993) works to influence the UAE’s foreign policy decisions, focusing specifically on the importance of transnational symbols of Arab and Muslim solidarity. Then, I will consider selectorate theory (Bueno de Mesquita et al., 2003) and how it is complemented by Herb’s (1999) interpretation of the distribution of power in a dynastic monarchy like the UAE. Then, I will determine what each theoretical justification predicts for the UAE’s foreign aid program. This section in particular will serve to elucidate the assumptions of these theoretical justifications.

i. Public Opinion Theory

Public opinion theory, both ideational and domestic-level due to its reliance on the ideas and viewpoints of individuals within polities, is the most salient approach to the UAE’s foreign policy decisions. According to Shibley Telhami (1993), while scholars of governance and international relations often study the impact of public opinion in democratic systems of government, they have often overlooked the importance of Arab
public opinion due to the existence of so many repressive autocratic regimes in the Middle East. He makes the argument, however, that public opinion should be considered due to the presence of transnational Arab and Muslim symbols of legitimacy; consequently, Arab leaders, including the most autocratic among them, must be concerned with overall Arab opinion (1993, 439). While public opinion theory takes domestic public opinion into account, Telhami’s interpretation makes the case for regional and even international public opinion, the presence of which means electoral legitimacy (or a lack thereof) within a polity is not the only factor influencing the viewpoints of the public (1993). If Arab public opinion does not favor an Arab leader, then he may have reason to fear the negative influence it may have on his own polity and, subsequently, the internal stability of his state (Telhami, 1993). In the Arab World, different polities are connected through shared language, history, and culture. Indeed, many of the borders delineating statehood in the region were artificially drawn in the early to mid-20th century, resulting in individual national populations that have existed for less than a century. When this short national history is compared to a broad Arab ethnic origin that dates back to pre-Islamic times, the idea that a broader Arab or Muslim public opinion could influence individual domestic polities seems straightforward. Although Barnett (1998) argues that Arabism and the associated idea of an Arab regional identity are on the wane as the importance of state sovereignty increases, the transnational sectarianism currently gripping the Middle East suggests the importance of Islamic symbols to the Arab public: radical Islamism and other religious currents are at the forefront of most of the region’s conflicts. Together, the brief lifetime of Arab state borders, the numerous shared characteristics among different polities in the region, and
the lack of transparency within many Arab states all motivate domestic populations to value opinions in the broader Arab World as a means of judging their own leaderships. Ultimately, they also make a strong case for the consideration of a broader Arabo-Islamic public opinion and its influence on domestic public opinion within the UAE.

Although the UAE has managed to placate a citizenry without electoral rights with the provision of ample financial benefits, which may mean that domestic public opinion is not a source of worry, the presence of aforementioned transnational symbols of legitimacy and the added consideration of regional public opinion has affected Emirati foreign policy decisions. In order to boost its image among its Arab and Muslim neighbors, the UAE has engaged in generous foreign aid donations (Davidson, 2011). According to Telhami (1993), transnational symbols of Arab and Islamic legitimacy motivate autocratic Arab leaders to consider regional public opinion in their foreign policy decision-making, even though domestic public opinion may not be especially important to them. Although Telhami concedes that Arab states, like others elsewhere in the world, are primarily considered with their own national interests, he argues, “since most political movements within each [Arab] state profess broader Arab and Islamic objectives, any Arab government must present credentials on those issues” (1993, 439). He goes on to mention two particularly important issues linking Arab public opinion and foreign policy decision-making: general anti-Western, anti-imperialist sentiments and the Palestine question (Telhami, 1993, 441). Indeed, both themes could be at play in Emirati foreign aid decisions. According to UAE commitment data, the UAE appears to fill gaps left by Western donors: whereas traditional Development Assistance Committee (DAC) donors typically favor democratic or non-repressive regimes for donation, and include
requirements for improved governance and lower levels of corruption when implementing projects in recipient states, the UAE has generally concentrated its commitments, often without conditionality, to recipients with autocratic governments (Villanger, 2007; AidData 3.0, 2013). Although this does not directly reflect an anticolonial sentiment from the UAE, it shows its commitment to a group of Arab countries, like Yemen, Sudan, and Syria that have sometimes been excluded from Western channels of aid due to their rigid authoritarian governments.

Perhaps more obviously, the UAE’s aid decisions might demonstrate an adherence to the transnational symbol of Palestinian solidarity and anti-Israeli sentiment. Throughout the Arab World, public perceptions of Israel are obviously negative, but Emirati respondents to Zogby’s Arab Values Survey gave Israel a score of 2 out of 91², the lowest of any Arab public perception of any state (Furia and Lucas, 2006). One of the clearest examples of Emirati foreign aid’s connection to the overall importance of the Palestine question pertains to the temporal pattern of its donations to Egypt. According to data from AidData 3.0 (2013), the UAE made six commitments to Egypt between 1974 and 1978, and only three in the period between 1979 and 2010. The most likely reason for this sharp decline in commitments is Egypt’s recognition of Israel after signing the Camp David Accords in 1978 and the subsequent ratification of the 1979 Egypt-Israel Peace Treaty. Income levels do not appear to have motivated this decline; whereas aid flows from donor to recipient typically slow down or stop if the recipient experiences increases in income and is no-longer considered a low-income country, Egypt has always

² Furia and Lucas (2006) measured the percentage of respondents from a subject country who have “very” or “somewhat” favorable opinions of a given object country. They have 91 subject/object “dyads” (i.e. Emirati attitudes towards Israel). The worse a subject country’s opinion of the object country, the lower the score on a 91-point scale. The UAE’s score of 2 out of 91 with respect to Israel was the lowest of any subject/object dyad relationship.
been one of the Arab World’s poorer states: until the late-1990s, Egypt’s GDP per capita (in constant US dollars) never exceeded $1,000 and was as low as $580 when the Camp David Accords were signed (World Development Indicators, 2013). Egypt was roundly condemned and boycotted for its recognition of Israel within the Arab World, and the UAE’s decision to cut off aid in the years following the Camp David Accords conforms to the transnational symbol of Arab solidarity against Israel and Zionism (Aftindilian, 1993).

No scholarly studies have examined Arab public opinion and its relationship to foreign aid. Furia and Lucas (2006) study the impact of Arab public opinion on various hypotheses regarding security and trade relations between Arab and other states, but do not have a hypothesis pertaining to foreign aid and allocation decisions. Alesina and Dollar (2000) provide statistical evidence for two different sets of foreign aid motivations only for DAC donors, and do not consider public opinion’s relationship with allocation decisions. Nevertheless, the UAE’s commitment to numerous Arab and Muslim states suggests a relationship between foreign aid contributions and the existence of a general Arabist, Islamic regional order. As a result, it is germane to consider public opinion theory as elucidated by Telhami (1993). In fact, the UAE’s foreign program “is helping the country's efforts to project benevolent behavior and friendly intentions when exercising its influence in the region” (Mitreski, 2013). In a political landscape where legitimacy is derived from transnational norms and public opinion, other Arab polities would perceive the UAE as a generous advocator of Arab ideals and prosperity. This identity arguably serves to increase the UAE’s popularity within the Arab and greater Muslim Worlds, and, if Telhami’s hypothesis holds, positively influences public opinion.
within the UAE and the country’s internal tranquility. Moreover, I suspect that Muslim symbols of legitimacy may play a larger role than Arab symbols of legitimacy in motivating foreign aid allocation as a vehicle of foreign policy: the concept of *sadaqa Islamiyya*, or Islamic friendship, dictates that it is the moral duty of prosperous Muslims to help less prosperous Muslims in their time of need.

To demonstrate the influence of transnational symbols of legitimacy, I will analyze project-level data from the UAE and how commitment amounts appear to differ based on recipient characteristics, such as having a Muslim majority or identifying as an Arab state, in Chapter IV. If Arab or anti-Zionist characteristics prove statistically significant to how much money a recipient gets, then it may be reasonable to assume that transnational symbols of Arab legitimacy influence Emirati aid. If Muslim characteristics are statistically significant, then there may be evidence that Islamic symbols are important to Arab public opinion and, consequently, motivate Arab foreign policies in favor of Muslim religious ideals. Ultimately, the available data will help elucidate whether and in what ways Telhami’s (1993) theory holds with respect to Emirati foreign aid.

**ii. Selectorate Theory and Dynastic Monarchy**

Selectorate theory is a material, domestic-level approach to international relations. It is a material approach because it stipulates that a leader will retain his or her rule by providing some mixture of private and public goods to his or her *winning coalition*, the subset of the electorate whose support is sufficient to keep the leadership in power (Bueno de Mesquita et al., 2003). The theory also qualifies as a domestic-level approach because it emphasizes the winning coalition’s role in ensuring a leader’s preservation.
Unlike Waltzian neorealism, selectorate theory assumes that states are not unitary actors and factors within a state’s boundaries are critical to explaining political survival. Additionally, selectorate theory asserts that the ultimate goal of all leaders is survival: they will do whatever they can to stay in power.

According to selectorate theory, there are two key variables in a leader’s quest to retain his or her rule: one is the size of the winning coalition, and the other is the size of the selectorate. The members of a winning coalition are drawn from the selectorate, which is the group within a society whose qualities are “institutionally required to choose the government’s leadership” (Bueno de Mesquita et al., 2003, 42). To maintain the support of the winning coalition, heads of state must provide it some mixture of public and private goods. Since autocracies are often characterized by small winning coalitions and large selectorates, their leaders will typically opt to provide their winning coalitions with a greater share of private goods, i.e. goods that are enjoyed exclusively, by the small group of individuals in the winning coalition, including cash and other fiscal benefits, university admissions ignoring merit, and other exclusionary gifts. This provision of private goods to a particular segment of the populace, the winning coalition, comes at the expense of providing public goods to society at large. The large size of autocratic selectorates means that the cost of disloyalty and other forms of defection by members of the winning coalition is high: other members of the selectorate can easily replace current members of the winning coalition.

Indeed, Bueno de Mesquita et al. (2003) argue, “In political systems characterized by small winning coalitions and large selectorates—as is common in many… autocracies—supporters of the leader are particularly loyal because the risk and cost of
exclusion... are high” (2003, 8). They also reason, however, that different forms of
government have distinctively sized selectorates and winning coalitions (Bueno de
Mesquita et al., 2003). Although an absolute monarch will choose to keep members of
his winning coalition on his side with the provision of extensive private goods, he must
also pay more attention to the political desires of its members. Since the selectorate is
small, the cost of disloyalty or defection may not be high for members of a monarch’s
winning coalition: the chances current members of the winning coalition will retain their
status if a new leader comes to power are high. In a monarchy, the leader is chosen from
among a network of royal family members who make up the selectorate. While the
winning coalition is restricted to those members of the royal family who choose its
leader, such as the outgoing monarch and his closest advisors, the selectorate is limited in
size, and more importantly, cannot be changed unless the current royal family is
overthrown (Herb, 1999; Bueno de Mesquita et al., 2003). As a result, while an autocratic
leader with a large selectorate can replace his winning coalition with other members of
the selectorate if the former displeases him, a monarch is not afforded the same luxury
and must heed the wishes of his winning coalition. To protect his rule, the leader of a
small winning coalition, small selectorate state will make foreign policy, and specifically
foreign aid decisions that elicit the approval of his or her winning coalition (Bueno de
Mesquita and Smith, 2007).

Applying the selectorate theory framework to the Emirati case, I argue that the
United Arab Emirates has a small selectorate and a small winning coalition. Each of the
UAE’s seven emirates has its own royal family and emir. Collectively, however, they are
subjects of one ruler, the president of the UAE, who is customarily the ruling sheikh of
Abu Dhabi, the largest of the emirates. Like other dynastic ruling families in the Gulf, the ruling sheikhs of the UAE enjoy support from their immediate relatives, clans, and tribes, with the Emirati “family itself [becoming] an institution that has formed a layer of structural legitimacy in its own right” (Davidson, 2005, 104). According to Herb (1999), the UAE and other Gulf monarchies have several longstanding characteristics that give members of their royal families considerable influence over the decisions of the rulers and the resulting policies that are implemented. Although the current ruler of the UAE, Sheikh Khalifa bin Zayed, is a son of the country’s first post-independence president, Sheikh Zayed bin Sultan, there is traditionally no specific order or principle that determines which member of the royal family is next in line to the throne. Moreover, within the royal families of the Arabian Gulf, the ruler typically has a handful of relatives with enough influence and resources to credibly threaten the former’s reign and longevity (Herb, 1999, 22). Before the discovery of oil in the Arabian Peninsula, land was divided into “segmentary” states: small, very centralized administrations whose rulers shared little power with others. If a ruler had outposts or fiefs near the capital of his tiny empire, he typically appointed relatives to govern them. As a result, early forms of current Gulf governments gave rulers very indirect leverage over the relatives governing their fiefs. As a result, the most prominent menace to a ruler’s power was his own relatives (Herb, 1999). Although fief-owning relatives were individually less influential than the ruler, together they outnumbered him and could overthrow him if they were displeased with his rule.

Michael Herb’s (1999) observations about the influence of close family members on rulers correspond well with Bueno de Mesquita et al.’s (2003) theory of
winning coalitions in dynastic monarchies and other autocratic forms of government. The power of the ruler of the modern UAE power is much more centralized than that of his pre-oil ancestors: he makes and informs policy decisions for all seven emirates and is generally well respected and even revered. Moreover, Abu Dhabi finances most of the country’s economic development, and other Emirati sheikhs have often depended on financial aid from the emirate (Heard-Bey, 2005; Davidson, 2008). Even Dubai, the most economically developed and structurally modernized of the emirates, has depended on Abu Dhabi’s significant financial assistance to repay many of its debts (BBC, 2009). Thanks to the dependence of other emirates on the economic largesse of Abu Dhabi, its ruler enjoys a relatively consolidated power base. The legacy, however, of segmentary statehood and its highly decentralized system of rulers strengthens the influence of the UAE’s winning coalition: although the state is more centralized than it was before independence in 1971, there is a relatively recent precedent for decentralized rule which suggests members of the royal family aside from the ruler are either accustomed to or familiar with a degree of decision-making independence members of a winning coalition in a more traditionally centralized monarchy may not enjoy.

The relationship between the size of the winning coalition and selectorate and the influence of its members is strong with respect to foreign aid. Since monarchs typically have to pay more attention to the political desires of their winning coalition, members of a winning coalition with an interest in foreign aid would likely be able to influence the monarchy’s foreign aid decisions. In a dynastic monarchy like the UAE, the influence of the ruler’s family members deserves even more attention due to a pre-independence tradition of relatively decentralized rule. Together, Bueno de Mesquita et
*al. (2003) and Herb (1999) have theories that would predict diverse interests from throughout the royal family having a role in shaping a country’s foreign aid policy. As members of the winning coalition, certain sheikhs related to the UAE’s leader would be able to influence which recipients are chosen, what projects are selected, and how much money should be donated. Although no quantitative data are available regarding specific decision-makers, evidence from several of my qualitative interviews that gives credence to the claim that certain members of the Emirati royal families influence the trajectory of Emirati foreign aid. I will analyze these interviews in connection with selectorate theory in Chapter V.*
IV. A quantitative analysis of public opinion and Emirati foreign aid

In a seminal paper on donor motivations for foreign aid, Alberto Alesina and David Dollar (2000) provide an econometric analysis of major patterns in traditional channels of development assistance. In their study, they look only at OECD Development Assistance Committee (DAC) donors, limiting the scope of their analysis to traditional Western sources of foreign aid. For this reason, their findings provide a useful contrast to non-DAC donors, like the UAE, and create a platform upon which to consider how Emirati and non-DAC donor motivations differ from those of traditional donors. Alesina and Dollar find that DAC donors tend to fall into two groups in terms of motivation: the first, which consists mostly of Scandinavian donors, tends to have “good” motivations, considering low levels of income and corruption priorities when choosing who receives aid and how much to give; the second, which comprises countries including France and Portugal, appears motivated by a perceived need for amending colonial-era ills and devotes a great deal of its foreign assistance resources to former colonies (2000). Alesina and Dollar also find that certain recipient characteristics are highly correlated with aid flows among Western donors: for instance, “being Israel” is associated with more than a 500% increase in aid allocations compared to countries that are not Israel, reflecting the importance of foreign policy in aid decisions (2000, 40). Although Israel is not poor, it is strategically important to the United States’ interests in the Middle East, which likely motivates the high levels of aid it receives.

While “being Israel” appears to have a positive and significant effect on receiving aid from traditional Western donors, particularly the US, according to Alesina and Dollar (2000), we should expect the opposite would be true for Arab foreign aid, according to
Shibley Telhami (1993). Arab polities are united by a shared cultural, linguistic, and religious history, and certain issues are important across the region. While the lack of electoral legitimacy within an autocratic Arab regime might mean that domestic public opinion’s effect on foreign policy decisions is negligible, issues like the Arab-Israeli conflict span across polities and constrain individual leaders’ and governments’ foreign policy decisions (Telhami, 1993). As a result, the public opinion of foreign Arab polities can also influence the public opinion of a domestic polity, and can impact the degree of internal stability within a state. In order to maintain a positive reputation in the Arab World, Telhami (1993) stipulates that Arab leaders adhere to certain transnational symbols of legitimacy that reflect the issues important to the regional Arab polity. The two different types of transnational symbols – Arab and Muslim – have distinct implications for foreign policy. If the former have a greater influence on Arab public opinion, then issues of ethnic and cultural importance should motivate Arab foreign policy. If the latter were more important, then the shared Islamic religious identity of the Arab World would have the stronger effect on foreign policies. Foreign policy decisions favoring other Arab or Muslim countries should help boost Arab public opinion of the state making them. Moreover, a leader cannot afford to make foreign policy decisions that favor Israel or the West, for instance, because the threat of regional backlash and its potential influence on internal stability is high. If Telhami were correct, we would expect Arab foreign policy decisions, including foreign aid provision, to reflect an adherence to Arab and/or Islamic regional norms.

I hypothesize that the UAE uses foreign aid to cultivate its image in the region as a generous benefactor to other Arab and Muslim states. In doing so, the UAE conforms to
transnational symbols of legitimacy, simultaneously preserving its internal stability and increasing its reputation and influence on the broader Arab and Muslim Worlds. Of course, the UAE’s foreign aid flows and commitment amounts are contingent upon its own income; fortunately, the Emirates have been blessed with four decades of relative wealth since independence, largely due to oil revenues. I will conduct a multiple regression analysis with commitment amount as my dependent variable, and independent variables aimed at gauging which recipient characteristics are most important to Emirati aid decisions, including dummies for Arab, Muslim, Israel diplomacy, and low-income characteristics in recipients, and continuous variables for recipient GDP per capita and the price of oil per barrel. The last independent variable is pertinent because Arab aid flows appear to be contingent upon oil prices (Rouis, 2010).

i. Preliminary Findings

In order to assess if and how well the UAE adheres to the symbolic politics of the Arab World, I use an ordinary least squares (OLS) regression to analyze Emirati project-level aid data. My dependent variable is the natural log\(^3\) of the commitment amount, which is a continuous variable whose relationship to the independent variables is likely somewhat linear. My data are a time series, however, reflecting Emirati commitments between 1972 and 2010 from AidData (2013), which means I need to take an extra step to ensure I would be able to proceed with OLS analysis. In order to test whether time-series analysis is necessary, I must determine the stationarity of my dependent variable (DV) compared to the primary unit of time, which in this case is the year. If my time series is stationary, then my DV’s mean and variance are constant over time. Although a

\(^3\) I have chosen to use natural logarithms for my continuous variables (DV and recipient GDP per capita IV) to normalize their distributions. Each case for all three variables is large (6+ digits), so taking their natural logs facilitates the interpretation of their coefficients.
few different stationarity tests exist, like the Augmented Dickey-Fuller test\textsuperscript{4}, generating a scatter plot of the DV against the unit of time is an effective and simple alternative. A random scatter indicates stationarity; a linear, bugle-shaped, or other pattern indicates a relationship between the DV and the unit of time, which implies non-stationarity and signals the need for time series regression. Since the scatter plot for my DV and my year variable indicated a random scatter, I was able to proceed with OLS regression analysis. Pictured below is the scatter plot I used to determine stationarity. The gap in points roughly centered above the 1990s is due to missing data for most of that decade. In the future, it is important to have these missing data in order to conduct a more statistically conclusive analysis.

**Figure 1: Scatter plot for stationarity**

\textsuperscript{4} An Augmented Dickey-Fuller test is a test for the presence of a unit root, which is a relationship between variables that evolve through time and can cause problems with certain types of statistical inference in time series models. If a unit root is not present, then stationarity is assumed and OLS regression analysis in a time series model is permissible. For more information on the Augmented Dickey-Fuller test, see *Econometric Analysis* by Greene (1997).
I chose a set of independent variables (IVs) intended to reflect both the recipient characteristics outlined by Telhami’s public opinion theory and those corresponding to pro-poor aid practices that conform to the norms of traditional DAC donors. Specifically, I chose Arab and Muslim dummy variables to reflect the characteristics of countries that would fit the norms laid out by Telhami’s public opinion theory; additionally, I selected a dummy reflecting recipient diplomatic relations with Israel to measure the degree to which recipients who do not recognize Israel are rewarded with greater commitment amounts. To reflect “good” selection practices (i.e. ones that favor the poorest countries), I include a dummy indicating whether the recipient is a low-income country (LIC) based on World Bank criteria and a variable for recipient GDP per capita. If the UAE follows “good” practices, it will be more likely to donate to poor and officially low-income countries in accordance with international norms. I used the natural log for the DV and the continuous IV reflecting recipient income to normalize their distributions and facilitate their interpretation. All continuous variables (commitment amount, recipient GDP per capita, and the price of oil per barrel) are measured in constant 2005 US dollars.

While most variables have no values missing, one recipient of four commitments from the UAE, Somalia, has no GDP per capita data available publicly, and four of the UAE’s commitments, two to Morocco, one to Yemen, and one to Oman, give no specific commitment amounts. Otherwise, the statistics show that the average recipient is likely to be Muslim and Arab (with means of 0.84 and 0.64 respectively), but is unlikely to be an LIC or have relations with Israel (with means of 0.19 and 0.13 respectively).

Additionally, the average recipient is a low-middle income country with a GDP per capita
of $2,170.33, but some middle-income recipients may be pulling this statistic up—the maximum recipient GDP per capita is $14,992. Additionally, like other Arab donors, the UAE appears to make very large commitments compared to Western donors, with an average commitment amount of almost $59 million (Shushan and Marcoux, 2011). Below is a visualization of descriptive statistics for all variables in the model. While recipient GDP per capita and the commitment amount are natural logs in the regression, I have presented them without taking the natural log for the sake of descriptive interpretation.

**Table 1: Descriptive Statistics**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muslim</td>
<td>247</td>
<td>0.84</td>
<td>0.37</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Arab</td>
<td>247</td>
<td>0.64</td>
<td>0.48</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>LIC</td>
<td>247</td>
<td>0.19</td>
<td>0.39</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Relations w/Israel</td>
<td>247</td>
<td>0.13</td>
<td>0.34</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Price of oil per barrel</td>
<td>247</td>
<td>40.05</td>
<td>17.70</td>
<td>13.02</td>
<td>85.30</td>
</tr>
<tr>
<td>recipient GDP per capita</td>
<td>243</td>
<td>2170.33</td>
<td>3160.56</td>
<td>186.00</td>
<td>14992.00</td>
</tr>
<tr>
<td>commitment amount</td>
<td>243</td>
<td>58,900,000.00</td>
<td>82,600,000.00</td>
<td>40,330.92</td>
<td>643,000,000.00</td>
</tr>
</tbody>
</table>

Using the tabulate command in STATA, descriptive statistics of the data bolster my hypothesis: from 247 commitments, the UAE made 207 to Muslim recipients and 158 to Arab recipients, while only making 32 commitments to recipients who recognize Israel. Nevertheless, while the model does not appear to have problems with linearity or omitted variables, the most insignificant variable came as a surprise. The regression results showed a p-value of 0.63 (displayed in Table 3) for the Arab dummy variable, which goes against the hypothesis that regional symbols of Arab solidarity motivate aid allocations. Nevertheless, the Arab dummy does not appear to be irrelevant: when omitted from the regression, it has a moderate impact on the coefficient for the LIC.

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5 Functional form and residuals matrices do not show any systematic relationships between variables, and Ramsey RESET test for omitted variable bias shows a very statistically insignificant p-value of 0.98.
dummy variable and a considerable impact on its p-value, which go from -0.46 and 0.15 to -0.53 and 0.05 respectively. This is perhaps explained by the fact no Arab countries qualify as LICs; in fact, most classify as low-middle income countries, and some among the UAE’s recipients (chiefly Bahrain and Oman) are middle-income countries. As a result, the Arab dummy variable cannot be left out of the model. The final regression model⁶ is as follows, with variables clustered for year due to the presence of multiple commitments in each commitment year:

\[
\ln(\text{commitment amount}) = \beta_0 + \beta_1 \text{Arab} + \beta_2 \text{Muslim} + \beta_3 \text{LIC} + \\
\beta_4 \ln(\text{recipient GDP per capita}) + \beta_5 \text{price of oil} + \beta_6 \text{Israel relations} + e
\]

Additionally, this correlation matrix demonstrates the strength and direction of the relationship between the DV and IVs:

<table>
<thead>
<tr>
<th>Commitment amount</th>
<th>Arab</th>
<th>Muslim</th>
<th>LIC</th>
<th>Recip. GDPpc</th>
<th>Price of oil</th>
<th>Relations w/ Israel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arab</td>
<td>0.20</td>
<td>0.00</td>
<td>-0.16</td>
<td>-0.05</td>
<td>-0.16</td>
<td>-0.09</td>
</tr>
<tr>
<td>Muslim</td>
<td>0.58</td>
<td>0.27</td>
<td>-0.53</td>
<td>0.21</td>
<td>-0.04</td>
<td>-0.28</td>
</tr>
<tr>
<td>LIC</td>
<td>-0.32</td>
<td>0.04</td>
<td>-0.50</td>
<td>0.14</td>
<td>-0.07</td>
<td>0.13</td>
</tr>
<tr>
<td>Recip. GDP per capita</td>
<td>-0.07</td>
<td>0.13</td>
<td>0.02</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price of oil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The correlation matrix confirms obvious relationships: Arab and Muslim countries, which share significant overlap, have a correlation coefficient of 0.58, and Muslim countries have a -0.38 correlation coefficient with the Israel diplomacy variable, since

⁶ The spelling of “Muslim” is changed in the model representation due to a formatting glitch in Microsoft Equation Builder
many Muslim countries do not recognize Israel. In line with the hypothesis that the UAE favors Arab and Muslim recipients, the DV (commitment amount) has the strongest, albeit still modest, relationships with the Arab and Muslim dummies. Moreover, a very weak, but still negative relationship exists between the DV and the Israel diplomacy variable. While the relationship between the DV and the variables for “good aid practices” (the LIC dummy and the continuous recipient GDP per capita variable) are weak, the correlation coefficients are nonetheless negative. The correlation coefficient for recipient GDP per capita suggests that the UAE is more likely to donate to poorer countries, but the stronger negative correlation coefficient for LICs means the UAE is even less likely to donate to UN-recognized low-income countries. These conflicting conclusions may suggest that the UAE could do more to promote a pro-poor aid policy.

The most counterintuitive relationship, however, is between the commitment amount and the price of oil per barrel, which is negative and not negligible with a correlation coefficient of -0.16. Reasons for this negative relationship will be explored with the regression results.

The final regression results are mixed. Although collectively, the independent variables have an F-statistic of 4.16 and corresponding p-value of less than 0.01, meaning there is reason to believe that, together, they explain some of the variation in the dependent variable, the model displays both intuitive and perhaps counterintuitive relationships between the DV and IVs. Nevertheless, the results should be interpreted with some important caveats in mind. Firstly, the data are suspect in nature, with many years and commitments likely missing, and secondly, the model’s errors may not be
normally distributed, which would render me unable to determine the exact distribution of my errors or to conduct hypothesis tests to determine significance.\(^7\)

**Table 3: OLS Estimation, DV: natural log of commitment amount 1972-2010**

<table>
<thead>
<tr>
<th>N=239</th>
<th>F(6, 28)=4.16</th>
<th>Prob&gt;F=0.01</th>
<th>R(^2)=0.11</th>
<th>Root MSE=1.39</th>
</tr>
</thead>
<tbody>
<tr>
<td>ln(commitment amount)</td>
<td>Coefficients</td>
<td>Std. Errors</td>
<td>t</td>
<td>P&gt;</td>
</tr>
<tr>
<td>Arab</td>
<td>0.14</td>
<td>0.29</td>
<td>0.48</td>
<td>0.63</td>
</tr>
<tr>
<td>Muslim</td>
<td>0.84</td>
<td>0.29</td>
<td>2.90</td>
<td>0.01***</td>
</tr>
<tr>
<td>LIC</td>
<td>-0.46</td>
<td>0.32</td>
<td>-1.47</td>
<td>0.15</td>
</tr>
<tr>
<td>ln(recipient GDP per capita)</td>
<td>-0.20</td>
<td>0.11</td>
<td>-1.70</td>
<td>0.10*</td>
</tr>
<tr>
<td>Price of oil per barrel</td>
<td>-0.01</td>
<td>0.01</td>
<td>-2.08</td>
<td>0.05**</td>
</tr>
<tr>
<td>Relations w/ Israel</td>
<td>0.23</td>
<td>0.22</td>
<td>1.06</td>
<td>0.30</td>
</tr>
<tr>
<td>Constant</td>
<td>18.13</td>
<td>0.88</td>
<td>20.51</td>
<td>0.00***</td>
</tr>
</tbody>
</table>

\(^7\) Errors appear to be homoskedastic, with the residuals-versus-fitted values plot showing a random scatter and results of the Breusch-Pagan test showing a p-value of 0.34. With no very strong correlations among IVs and a VIF result of 1.52, multicollinearity does not appear to be an issue. The skewness-kurtosis test for normality, however, gives a p-value of 0.000, leading me to reject the null that my errors are normally distributed. Nevertheless, the “qnorm” plot makes known the presence of a few strong outliers, which may be biasing the results of the skewness-kurtosis test. Rectifying this issue would require additional data and perhaps the omission of unusual observations.

Despite questions about the normality of the model’s errors, the regression results suggest a few things. The only variables significant at the 5% significance level are the Muslim dummy and the price of oil per barrel. The relationship between the DV and the Muslim dummy supports the hypothesis: being coded as a Muslim recipient is associated with an 84% increase in the commitment amount, suggesting that the UAE gives significantly more to other Muslim recipients and values the transnational symbol of Islamic solidarity.

The relationship between the DV and price of oil per barrel is, however, counterintuitive: a one-dollar *decrease* in the price of oil corresponds to a 1% *increase* in the commitment amount. I included the price of oil as an independent variable to test how oil price changes affect commitment amounts, hypothesizing that the two would be directly related: with increases in the price of oil (and hence oil revenues) leading to
increases in commitment amounts. How can we explain this counterintuitive relationship? Recipient need provides a possible answer. Many countries that receive aid from the UAE are dependent on remittances from the oil market. Given that many Arabs and Muslims who do not hail from oil-producing states instead depend on jobs from them, when the oil market is hit with a shock, these employees lose wages, which in turn depresses remittances that help recipient economies (Gause, 2003). Increasing foreign aid when oil prices drop may be a response to increased need on the part of recipient states that are suffering the loss of remittances their citizens laboring overseas.

Finally, the regression results appear to highlight mixed qualities in the UAE’s aid program. While one would expect a “good” donor’s commitment amounts to have a positive relationship with a recipient’s LIC status, the coefficient of 0.46 suggests that LIC recipients receive 46% less in commitment amounts from the UAE than non-LIC recipients. The LIC variable’s p-value, however, is not significant at the 10% significance level, which weakens the probability of its relationship with the DV actually occurring. Nevertheless, the UAE’s commitment amounts appear to increase as recipient GDP per capita decreases: with a coefficient of -0.2, a 1% decrease in recipient GDP per capita corresponds to a 20% increase in the commitment amount from the UAE. Given a p-value of 0.10, the significance of this relationship is more or less acceptable, but p-value of 0.05 or less would give the relationship considerably more authority in scholarly circles. Ultimately, recipient need does not appear to play as much of a role in Emirati giving as other demographic factors, like Islamic identity.

When I analyzed Emirati aid at the project level to explore the presence of transnational symbols of legitimacy, the only available data was from 1972, when records
of Emirati aid were first kept, until 2010. Recently, however, AidData 3.0 (2013) recently released 499 observations for 2011. In order to gauge the effect of the new data on my hypothesis, I pooled it with the earlier data and created interaction terms\(^8\) to see what changed. I created a dummy variable for the year 2011 and multiplied it by all the variables in my initial model, except the variable for the price of oil variable, which is unchanged in interaction with the 2011 dummy since it is invariant by year according to available data. When the project year is not 2011, the interaction terms equal zero and the model is identical to the original. As a result, when the project year is 2011, I am able to interpret the coefficients of the interaction variables, if statistically significant, as changes in the donation behavior of the UAE. The process of generating interaction terms resulted in the following model and regression output, where \(X\) is a vector representing all dummy variables (for Arab, Muslim, low-income, and Israel diplomacy characteristics), their interactions with the 2011 dummy, and the price of oil:

**Figure 3: Model including 2011 data and interaction terms**

\[
\ln(\text{commitmentamount}) = \beta_0 + \beta_{11} \text{2011} + X + \beta_{11} \ln(\text{recipientGDPpercapita}) + \beta_{12} \ln(\text{recipientGDPpercapita}) \times \text{2011} + e
\]

---

\(^8\) An interaction term is a variable that measures a particular independent variable’s effect on the dependent variable based on the presence of some third variable. For more information, see *Econometric Analysis* by Greene (1997).
The regression output for the model suggests that, for the most part, the UAE’s donating behavior did not change significantly in 2011. The coefficients on all the original, non-interaction independent variables remain the same. Statistically insignificant p-values for Arab, Muslim, low-income, and Israel diplomacy dummy variables suggest that the UAE remained just as likely to donate to Muslim countries. Moreover, the interpretation that the UAE does not appear to favor low-income countries or the absence of diplomatic relations with Israel still holds. One interesting change, however, is worth noting: a statistically significant coefficient on the interaction term for recipient GDP per capita suggests that the UAE gave more aid to wealthier countries with the 2011 data included. The magnitude of the change is interpreted by adding the two coefficients for recipient GDP per capita (the original and the interaction term). The sum of the two interactions is 0.11, which means for every 1% increase in a recipient’s GDP per capita, it received 11% more in aid from the UAE. Although the reason for the increase in this coefficient is not explicit, it may have resulted in part from the increase of Emirati donations to Latin

|                | Coef. | Std. Err. | t   | P>|t| |
|----------------|-------|-----------|-----|-----|
| 2011 dummy     | -7.85 | 1.40      | -5.59 | 0.00*** |
| Arab           | 0.14  | 0.36      | 0.39 | 0.70 |
| Arab*2011      | -0.61 | 0.43      | -1.40 | 0.16 |
| Muslim         | 0.84  | 0.43      | 1.95 | 0.05** |
| Muslim*2011    | 0.65  | 0.51      | 1.27 | 0.21 |
| LIC            | -0.46 | 0.45      | -1.03 | 0.30 |
| LIC*2011       | 0.44  | 0.48      | 0.93 | 0.35 |
| Relations w/Israel | 0.23  | 0.41      | 0.57 | 0.57 |
| Relations w/Israel*2011 | -0.69 | 0.49      | 1.39 | 0.16 |
| Price of oil per barrel | -0.01 | 0.01      | 1.46 | 0.14 |
| ln(recipient GDP per capita) | -0.20 | 0.15      | -1.34 | 0.18 |
| ln(recipient GDP per capita)*2011 | 0.31  | 0.18      | 1.76 | 0.08* |
| constant       | 18.13 | 1.18      | 15.37 | 0.00*** |

*p<0.1, **p<0.05, ***p<0.01
American countries, which on average have a higher GDP per capita than most Middle Eastern and African countries, in 2011: compared with no commitments in the 1972 to 2010 period, the UAE made almost 20 commitments to Latin American countries in 2011 (AidData 3.0, 2014). With a statistical significance of 0.08, however, this relationship does not meet the threshold of p=0.05; as a result, this relationship should be regarded with some skepticism.

Ultimately, the credibility of my first hypothesis is mixed. The UAE appears to favor Muslim countries, but not necessarily Arab countries, when making commitments. Moreover, the weakness and statistical insignificance of the Israeli diplomacy variable throws in question the UAE’s adherence to the transnational Arab symbol of anti-Zionism. Together, one of Telhami’s symbols affecting Arab public opinion – a sense of transnational Arab solidarity, which manifests in part with the fight against Israel and for Palestine – does not appear to factor into Emirati foreign aid decision-making. The fact that the Muslim variable is so strong and statistically significant, however, supports the hypothesis, and suggests that the UAE may be making an effort to increase its reputation in the Muslim World, a much more far-reaching and globally expansive group of countries than the Arab World. The fact that the Muslim variable is so strong may suggest that Islam and religious unity is more important to Arab public opinion than ethnic or cultural ties that characterize Arab symbols of legitimacy. Indeed, the importance of the Muslim symbol of legitimacy is not surprising when considering the failure of Pan-Arabism, which relied upon a shared cultural history as a unifying factor for the Arab World, and subsequent rise of political Islam as an influential ideology (Ajami, 1979; Fayoum, 2011). Nevertheless, the presence of unusual cases may be
influencing the data in other ways. Although it is possible that donation amounts could be under or misreported, the most notable outliers are a few uncharacteristically low commitments to Arab countries, which may be affecting the strength and statistical significance of the relationship between the Arab dummy and the DV. In further iterations of this model and analyses of this data, it would be useful to omit these unusual cases and see how the results change.

The UAE also appears to have a mixed conformity to “good” donor policies. While the data suggest that the UAE seemed to give more money to poorer recipients before 2011, its adherence to pro-poor policy is murkier in 2011. Additionally, the UAE does not appear to prioritize donations to LICs. The importance of Islamic identity suggests that recipient need is not the top priority for Emirati aid allocations, but recent efforts to increase transparency with the establishment of the Office for the Coordination of Foreign Aid (OCFA) and streamline aid allocation operations with the creation of the Ministry for International Cooperation and Development (MICAD) may suggest the UAE’s increasing adherence to international donor norms. If this is the case, it may be interesting to look at Emirati foreign aid allocations again in a few years’ time to see if recipient need increases as a priority. Since pro-poor aid allocation is an important norm in international development, the UAE may increase its allocation to poorer countries and LICs.

Before moving on, it is important to remind the reader that the data used in this section is missing many observations for the 1990s. The patchy and incomplete nature of

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9 With almost all UAE commitments exceeding $1 million and frequently reaching amounts in the hundreds of millions of dollars, Observation 3 (Bahrain - $322,647), observation 15 (Yemen – $40,331), observation 166 (Syria – $266,214), and observation 247 (Yemen - $) are not only obvious outliers, but they affect the leverage of the model and are particularly strong on the recipient GDP per capita independent variables, suggesting these observations have an amplified or disproportionate influence on the model.
the data is not surprising: Arab donors exist in an information-poor part of the world and are notorious for their opaqueness. In my travels to the UAE this winter, I was able to fill some of the gaps in my data with qualitative interviews that give authority to the idea that the Emirates’ reputation in the Muslim world is a top priority, and that certain members of the Abu Dhabi and Dubai royal families are critical to foreign aid decisions, a concept that I will analyze in depth in the next chapter.
V. Vacation homes and falcon hunting: how the royal families influence foreign aid

In a recent interview, Dr. Abdulkhaleq Abdulla, a member of the political science faculty at the United Arab Emirates University, revealed to me the somewhat haphazard nature of Emirati foreign aid decision-making (Abdulla, 2013). He reports that many of the UAE’s development assistance commitments are based solely on recipient requests. Whereas Western donors like the United States have many specific criteria recipients must meet before receiving aid, with some agencies like the Millennium Challenge Corporation using scorecards for levels of corruption and economic freedoms to dictate who should receive aid, the UAE lacks a highly institutionalized selection process (McQueen, 2013). Countries seeking aid can approach the UAE and its wealthy Gulf counterparts with specific projects, and will often receive some form of assistance from one or more of these generous Arab donors (Abdulla, 2013). When the UAE receives such requests, certain members of the royal family have a stake in who is chosen, how much money they will receive, and what exact development projects disbursed funds will pay for. Countries with certain characteristics, namely those with which prominent members of the Emirati royal families closely identify, are more likely to be chosen for projects.

The theories of Bueno de Mesquita *et al* (2003) and Herb (1999) work together to suggest that the ruler of an absolute yet formerly segmentary Gulf monarchy like the UAE must yield some decision-making power to influential family members on issues in which the latter are invested. Since selectorate theory functions under the assumption that the primary goal for all leaders is survival, Bueno de Mesquita *et al.* (2003) would argue that a monarch seeking to retain his rule has to allow members of the winning coalition to
pursue and influence policies that fulfill their desires, political and otherwise. As a result, although Sheikh Khalifa bin Zayed is the UAE’s president and most powerful statesman, he must yield to the expertise and preferences of relatives with a clear investment in the country’s foreign aid program. These relatives, who are appointed to top positions in the UAE’s international development sector, have a key role in selecting recipients and implementing foreign aid objectives. Specifically, the influence of relatives like Sheikh Mohammed bin Zayed, Sheikh Mohammed bin Rashid, Sheikha Lubna Al-Qasimi, Sheikh Abdullah bin Zayed, Sheikh Mansour bin Zayed, and others has had a notable impact on which recipients receive Emirati aid. Together, they are simultaneously members of the royal families and leaders within the country’s bureaucracy, signaling their importance to policy decisions and the critical space they occupy within the ruler’s winning coalition.

According to Kofi Rashid, an advisor to the Bill & Melinda Gates Foundation and formerly one of Sheikh Mohammed bin Rashid’s private sector economic consultants, Sheikh Mohammed bin Zayed has been the most prominent member in the Emirati foreign aid decision-making process, superseding Sheikh Khalifa in many aid-related activities (Rashid, 2014). As the UAE’s crown prince, Sheikh Mohammed bin Zayed ensures that the vast majority of Emirati aid policies are made in and implemented from Abu Dhabi. While Dubai’s Sheikh Mohammed bin Rashid also plays a key role in the country’s aid program and numerous charities and non-profit organizations are based in the other five emirates, they have a less prominent role than Abu Dhabi in dictating foreign aid allocations (United Arab Emirates Foreign Aid, 2013; Rashid, 2014). The minister of foreign affairs, Sheikh Abdullah bin Zayed, and the minister of international
cooperation and development, Sheikha Lubna al-Qasimi, also contribute significantly to
the aid implementation process. Finally, other royal family members like Her Excellency
Reem al-Hashimi, director of the UAE’s Bureau of Statistics, influence the UAE’s
policies towards developing countries through state-sponsored charitable organizations
like Dubai Cares, whose sectoral focus is primary education (Rashid, 2014; UAE
Cabinet, 2014).

While there are many different royal family members who partake in the UAE’s
foreign aid decision-making process, their reasons for doing so are often not explicit in
nature. After my initial interview with Dr. Abdulla, my subsequent interviewees
confirmed the haphazardness of Emirati aid decisions (McQueen, 2013; Kahwaji, 2013;
Rashid, 2014). It would be erroneous to say, however, that there is no strategy to Emirati
aid allocations. While there is no “typical quid pro co” for UAE foreign aid, invested
sheikhs and sheikhas will select recipients with an Islamic background, highlighting the
importance of “brotherly relations,” referred to as sadaqa Islamiyya (Islamic friendship)
in Arabic, with the Muslim world to UAE foreign aid allocations (Rashid, 2014).

Although the UAE selects many low/low-middle income recipients, the most typical
characteristic of an Emirati aid recipient is a majority Muslim population. The matrix
below shows the exact percentages of Muslim and non-Muslim recipients of Emirati aid
based on data aggregated over time from 1972 to 2011:

Table 5: Tabulation of Muslim vs. non-Muslim aid recipients

<table>
<thead>
<tr>
<th>Recipient Country’s Religious Majority</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Muslim</td>
<td>220</td>
<td>29.33</td>
</tr>
<tr>
<td>Muslim</td>
<td>530</td>
<td>70.67</td>
</tr>
<tr>
<td>Total</td>
<td>750</td>
<td>100</td>
</tr>
</tbody>
</table>
The importance of an Islamic identity, while signaling the presence of a transnational symbol of Muslim legitimacy consistent with Telhami’s public opinion theory (1993) described in the previous chapter, also underlines a preference within the winning coalition for Muslim recipients, which may represent a desire for Muslim allies or perhaps a less strategic wish to improve the livelihoods of peoples sharing a common religion and cultural customs or traditions. The favorability of the selection process towards Muslim recipients serves to combine the two theoretical justifications for Emirati foreign aid decisions used in this paper.

While a large majority of aid decisions favor Muslim recipients, the personal connections of influential sheikhs determine many of the foreign aid recipients. For instance, several recipients of Emirati foreign aid are neither Muslim nor low-income countries. Although these recipients may be flagged as outliers, there are reasons, albeit less predictable and formalized justifications, for their selection. For instance, the UAE has made at least thirteen commitments to the Seychelles in the last 42 years (AidData 3.0, 2014). The Seychelles is a majority Christian island nation with a GDP per capita of 14,050 constant 2005 US dollars making it one of the UAE’s wealthiest recipients.10 Although, upon first inspection, the Seychelles seems like an unlikely recipient of foreign aid, Sheikh Khalifa bin Zayed owns a vacation home on one of the Seychellois islands and promotes Emirati development assistance there (McQueen, 2013). According to experts working on Emirati aid, a large portion of the UAE’s aid commitments are based on particular sheikhs’ personal connections and private conversations with members of

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10 The recipient with the highest GDP per capita in the UAE’s donor history is Bahrain, which had a GDP per capita of 14,992 constant 2005 US dollars when it was a recipient of Emirati aid in 2000
the leadership in potential recipient countries, which helps elucidate the seemingly “random” nature of Emirati development assistance (McQueen, 2013).

The importance of personal connections to Emirati aid helps explain more than just the presence of unusual recipients. Pakistan receives more Emirati aid than any other country, and while it is a Muslim country with a host of development-related issues, Islamic identity is not the only reason why it is the most likely country to receive foreign assistance from the UAE (Rashid, 2014). Indeed, the informal connections of important sheikhs appear to influence Pakistan’s desirability as a recipient of Emirati aid. Many sheikhs from the Emirates, like Mohammed bin Zayed, travel to Pakistan every year for falcon hunting (Abdulla, 2013). Most Pakistani falcon hunting takes place in the north of the country, which is also home to some of its most rural, rugged, and underdeveloped terrain and communities (Crossette, 1990). According to Dr. Abdulla, the Emirati sheikhs who hunt falcons in northern Pakistan witness the dire state of local living conditions in the region and want to help improve the fortunes of Pakistanis living in the area (Abdulla, 2013). Indeed, many Emirati commitments in Pakistan are geographically concentrated in Khan Khwar, the Swat Valley, and Punjab province, all in northern Pakistan. Moreover, these projects typically target improving access to electric power, the construction of roads, and water purification, highlighting a focus on economic development at a basic infrastructural level (AidData 3.0, 2014). Falcon hunting sites and the typical locations for Emirati aid disbursements in Pakistan, as a result, are highly correlated (Abdulla 2013). Although evidence of such personal affiliations is anecdotal, it nevertheless provides a context for the analysis and reasoning behind some of the most prominent Emirati aid decisions. Moreover, as a question for further research, it would be interesting
to see what parts Pakistan typically receive foreign aid from other donors, both DAC and non-DAC. If these donors generally differ from the UAE in the geographic locations they preference, then falcon hunting in Pakistan and other personal affiliations more generally may be of even greater importance to Emirati aid decisions.

Although Emirati aid decisions may seem indiscriminate in many cases, some of the experts I interviewed believe the UAE is becoming more strategic with respect to its development assistance program (Rashid, 2014). According to all of the scholars and aid specialists I interviewed, the Emirati winning coalition has become more realistic in recent years, slowly shifting away from an exceptionally idealistic era under Sheikh Zayed. While Sheikh Zayed, who is best remembered by his family and citizenry as the benevolent father of the modern UAE, was in power, Emirati aid went overwhelmingly to other Arab and Muslim nations: the notion of *sadaqa Islamiyya* was even more significant in choosing aid recipients than it is today. Moreover, scholars and experts generally view Emirati aid under Sheikh Zayed as a manifestation of a compassionate and religious desire to compensate for the UAE’s immense domestic wealth and development (McQueen, 2013; Rashid, 2014). Since Sheikh Zayed’s death, however, there has been a “realist push” in aid policy, as influential royal family members gain more interest in foreign aid (Abdulla, 2013). Sheikhs Mohammed bin Zayed and Mohammed bin Rashid, for instance, are said to have an interest in spending Emirati money more “wisely” on aid projects with a view to gleaning tangible political and economic benefits, such as support for high-publicity and revenue-raising events like the Dubai Expo, for the UAE (Rashid, 2014).
One example of a potential aid-related benefit once again returns to Pakistan as a recipient and relates specifically to Dubai’s bid in the 2020 World Expo, for which it was selected as host in mid-2013 (Gulf Business, 2013). By 2020, Dubai will have constructed enough hotels to house at least 80,000 rooms and numerous other commercial establishments in anticipation of hosting over 25 million tourists for the event (Fitch, 2014). The Expo will undoubtedly bring in significant tourism-related income and other business to boost the UAE’s already steady economy, and is thus considered a momentous opportunity by government representatives, citizens, and residents of the country. The voting process, however, was closely contested and could have resulted in a win by the competing city of Izmir, Turkey (Gulf Business, 2013). As a result, the UAE was counting on votes from some important allies; when news broke that Pakistan did not vote for the UAE in the Expo, the government was said to be “stunned and disappointed” (Gulf News, 2013). To highlight their reasons for disappointment, government representatives pointed directly to their generous development assistance programs in Pakistan: according to a Gulf News editorial (2013), the government was “disappointed because [it] considers [Pakistan] to be [a] close [friend] in whom the UAE has invested so much politically and economically. The UAE is a key financial supporter of the infrastructure and development projects in Pakistan”. The fact that Pakistan could have jeopardized the UAE’s ability to host the Expo appears to have created friction in the relations between the two countries. Although there is no available data for how the Expo votes may have affected foreign aid, some analysts believe it could lead to a temporary decline in future Emirati commitments to Pakistan (Rashid, 2014).
The UAE may be using foreign aid to advance its global reputation; indeed, the government of the UAE lauded Dubai’s selection as the Expo 2020 host as an opportunity to improve its image as “cosmopolitan, open-minded, sophisticated and innovative,” which bolsters its status as an attractive location for Western business and investment (Gulf News, 2013). This could represent a shift towards a more strategic aid decision-making process in support of a concerted effort to build Emirati prestige abroad. However, my interviewees gave the impression that Emirati aid will always be more favorable towards Muslim recipients than any others, and the benevolent desire to improve the livelihoods of the Islamic community will continue to be a top priority (Rashid, 2014). Furthermore, although there appears to be a slightly more strategic element to Emirati aid allocations, their aid strategy remains “quite altruistic, and surprisingly so”: according to Dane McQueen, an advisor to the UAE Ministry of Foreign Affairs, Emirati aid aims to give the most leeway possible to its recipients when crafting development policies (2013). For instance, it is not tied and does not incorporate the same “reporting burden” and monitoring processes that typically characterize Western aid (McQueen, 2013). While this hands-off approach may translate to problems with respect to aid effectiveness (i.e. how exactly disbursed funds are spent and how well they achieve targets for economic and human development), it indicates that the UAE is willing to donate to a number of countries that are typically neglected by Western donors. For instance, the UAE donates to several autocratic, but nevertheless relatively poor countries, like Iraq and Yemen, which are sometimes barred from more traditional Western and multilateral sources of aid due to their political and economic practices.
Essentially, the power to make Emirati aid decisions lies with a small group of people who rely on various techniques for choosing recipients (McQueen, 2013). According to selectorate theory, the winning coalition in a monarchy is difficult to replace since the selectorate is so small, and is thus relatively more influential than it might be in a small winning coalition/large selectorate system of government, as in a dictatorship where sham elections take place (Bueno de Mesquita et al., 2003). As such, it is in the best interest of the survival-seeking monarch to allow members of his winning coalition to influence policy. This is especially true of a dynastic monarchy like the UAE, where the tradition of the segmentary state has translated not only to an inherently decentralized loose federation of seven emirates but also to a legacy of relatively autonomous decision-makers in the royal families (Herb, 1999). The members of the Emirati winning coalition are arguably more accustomed to a high degree of influence over the policy generation process than members of a winning coalition where the history of the segmentary state does not exist. As evidenced by the interviews I conducted with scholars and experts on UAE foreign aid, there are several key members of the Emirati royal families who have a clear investment in the country’s foreign aid program. Their level of influence is not surprising given the trade-offs that must take place between the winning coalition and the leadership as theorized by Bueno de Mesquita et al. (2003).
VI. Conclusion: Is aid policy consistent with broader foreign policy?

Together, adaptations of public opinion theory and selectorate theory help explain significant trends and outliers in Emirati foreign aid commitments. Thanks to the importance of sadaqa Islamiyya, the typical recipient of Emirati foreign aid is a Muslim country, but recipients who do not fit this profile often receive aid from the Emirates due to the informal and personal connections of key sheikhs. Specifically, public opinion theory (Telhami, 1993) helps justify why so many recipients of Emirati foreign aid are Muslim, and why commitment amounts pledged to Muslim countries are so much higher than those to non-Muslim recipients. Selectorate theory (Bueno de Mesquita et al., 2003), conversely, provides a logical explanation for which members of the Emirati royal families have influence and responsibility over the country’s foreign aid program. In particular, selectorate theory rationalizes the varied sources of Emirati foreign aid decisions; why the leader appears to occupy a relatively easygoing position with respect to his country’s foreign aid program, allowing other members of the royal family to make key decisions; and why some Emirati aid recipients do not fit into the predictions set forth by Telhami’s theory of transnational symbols of legitimacy.

Emirati aid allocation behavior also leads to some interesting conclusions about broader Emirati foreign policy and encourages the consideration of other relevant hypotheses. With respect to foreign policies relating to security issues, the UAE generally follows regional norms, typically set by Saudi Arabia (Ehteshami et al., 1991). Relatively small in size and citizenry, the UAE is unlikely to pursue regional leadership; submitting to broader Gulf Arab foreign policy trends instead helps the UAE ensure its security and the stability of its relations with its immediate, and in the case of Saudi Arabia, much
more influential, neighbors (Kechichian, 1985). The UAE’s foreign aid decisions may indeed reinforce broader Emirati foreign policy’s deferent character: in its commitment to *sadaqa Islamiyya* and the economic betterment of other Muslim countries, the UAE appears to be following a regional norm for foreign aid. The existence of major multilateral institutions dedicated to the advancement of the Muslim World, such as the Islamic Development Bank, which is headquartered in Riyadh, Saudi Arabia, and the Organisation of Islamic Cooperation, which is based in Jeddah, Saudi Arabia, highlights both the centrality of Saudi Arabia to Gulf development policies and inter-Islamic relations as well as the importance of a shared Islamic identity among Muslim countries and the efforts required to secure their welfare and progress. In the absence of similar case studies to this one on Saudi, Kuwaiti, or Qatari foreign aid patterns, however, it is difficult to convincingly argue the importance of Islamic identity to broader Gulf Arab foreign aid and foreign policy.

Although this case study offers important insights, a few important hindrances exist to the quality of analysis and inference that can be made regarding the Emirates’ foreign aid program. One of the most significant issues I encountered was the poor quality of available data on Emirati foreign aid. First, data are missing for many years, with almost all of the 1990s excluded from published aid data. The reasons for this exclusion are unclear, and could relate to the history of poor record keeping by donor agencies. Although the new Office for the Coordination of Foreign Aid (OCFA) and Ministry of International Cooperation and Development (MICAD) have made recent strides in publishing data on Emirati aid, other donors like the Emirati Ministries of Foreign Affairs and Finance lack a formalized system for publishing aid data. This is
perhaps due to the fact that neither of these ministries deals primarily with the UAE’s aid program; nevertheless, it would be very useful for analysis purposes to make these data available, either by coordinating with OCFA and MICAD or on their own. Moreover, the data are very imbalanced by year. Since Emirati efforts at increased transparency are relatively recent, with most taking place in the last five years, the data on Emirati aid before 2010 are limited to an average of less than ten commitments per year. There are over 400 observations, however, for 2011 alone (AidData 3.0, 2014). Although the abundance of this newly available data is a positive for researchers and scholars of Arab aid, it makes time series analysis difficult to conduct. Nevertheless, the available data are still useful for characterizing foreign aid, and make a few key trends in the aid process, like the preference for Muslim recipients, very clear.

The lack of available data on Emirati aid raise some concerns regarding the UAE’s level of transparency. In order to comply with international and Western aid norms, full transparency is an important requirement for prominent donors. When donors are not transparent, scholars, policymakers, researchers, and other interested parties might assume a donor is corrupt or has some reason to keep its aid activities away from the public eye. The lack of transparency also makes it difficult to distinguish between different sources of foreign aid from within the UAE, which also hinders research. In the case of the UAE, however, the apparent haphazardness of aid suggests that the Emirates may not have ulterior motives for keeping much of their aid activity private. Moreover, rather than keeping data on aid activities private for surreptitious reasons, it may be useful to consider that full transparency in terms of foreign aid might be a cultural and religious taboo. Indeed, it is considered un-Islamic and hubristic to publicize charitable
donations (Shushan and Marcoux, 2011). Since the Emirati government distributes foreign aid, it is not technically a private charitable donation, but it is still considered a donation to a less fortunate or well-off recipients (Abdulla, 2013). As a result, it could be culturally inappropriate to publicize all data on Emirati foreign aid, and may mean that the UAE and the broader Arab and Muslim worlds are not likely to become fully transparent in the future.

Despite the inadequacies of data on foreign aid, the efforts towards improved transparency bode well for future research efforts. My research raises several questions for further study. It would be interesting to conduct a sociological or psychological study to understand why foreign aid and its associated processes interest the particular members of the royal families who focus on Emirati development assistance. The dearth of scholarly literature on Arab foreign aid would benefit from a study of this sort, which could help explain more of the variation in the preferences and choices Arab donors make. Moreover, it would be useful to conduct similar research, applying theories like public opinion theory, selectorate theory, and other commonly studied justifications for Arab foreign policies to the other major donors of the Arabian Gulf. Although, as discussed in the literature review, there is some literature on Arab donors as a collective, there is a dearth of published case studies of individual Arab donors, which would help to facilitate comparisons of aid practices among Arab donors. Finally, given Emirati and Arab foreign aid’s transparency issues, research on the distinction between public and private sources of aid from the region would undoubtedly contribute to existing literature. Knowing these distinctions would allow scholars to study each form of Arab aid
differently, applying different theoretical justifications to each and seeing how they compare.

Ultimately, my research highlights the need for complete data to conduct a truly impartial and comprehensive analysis of foreign aid. My case study of the UAE helps highlight the paradox of Arab foreign aid: while Arab donors like the UAE are among the most generous in the world and merit much more study than has been devoted to them, they are also among the most opaque donors, which makes substantial and reliable studies of aid from the region very difficult to conduct. The UAE’s recent steps towards greater transparency, however, might translate to similar strides for neighboring donors, but such changes are not likely to occur for many years. Nevertheless, the conclusions I have drawn about Emirati foreign aid may help generate hypotheses for the behavior of other Arab donors. For instance, the UAE has often exhibited deference to Saudi Arabia in major instances of war and peace in the Arab World, highlighting the existence of an Arabian Gulf order where Saudi Arabia is the key actor and influencer (Ehteshami et al., 1991). Although the UAE and Saudi Arabia have different foreign aid programs, the trends revealed for one may help explain some variation in the other. I hope that my research on the UAE may motivate further study of foreign aid from the Emirates and the Arab World: there is much still be discovered and discussed.
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