THE DIVERSIFICATION OF (IN)SECURITY IN 21ST CENTURY UAE AND QATAR: CULTIVATING CAPITAL, INTERDEPENDENCE AND UNCERTAINTY

by

David J. Callen

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As members of the Dissertation Committee, we certify that we have read the dissertation prepared by David J. Callen, titled The Diversification of (In)Security in 21st Century UAE and Qatar: Cultivating Capital, Interdependence and Uncertainty, and recommend that it be accepted as fulfilling the dissertation requirement for the Degree of Doctor of Philosophy.

Date: 11/20/14
Leila Hudson

Date: 11/20/14
Maha Nassar

Date: 11/20/14
Paulette Kurzer

Date: 11/20/14
Aomar Boum

Final approval and acceptance of this dissertation is contingent upon the candidate’s submission of the final copies of the dissertation to the Graduate College.

I hereby certify that I have read this dissertation prepared under my direction and recommend that it be accepted as fulfilling the dissertation requirement.

Date: 11/20/14
Dissertation Director: Leila Hudson
STATEMENT BY AUTHOR

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SIGNED: David J. Callen
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Abstract

Neoliberal preferences by the ruling families and elite of both the UAE and Qatar have informed their decisionmaking along the lines of investors or CEOs of country corporations. Therefore, 21st century development in these countries has followed the patterns of diversifying a portfolio. While the literature speaks to the diversification of the economy, this dissertation presents the diversification of security, wherein a neoliberal worldview shapes holistic approaches to security. Given the hard power weakness of these countries, built as it is upon the foundation of temporary strength—resource wealth—that is rapidly becoming a future weakness, the leaders of these states have sought to maximize the efficient use of resource wealth by developing a broad array of capital and cooperation-producing activities that fill particular niche roles in the international community, thereby providing interdependence that contributes to maintaining the status quo and security.

In the UAE this has followed the haven approach, a pattern that develops internally to offer a depth and breadth of activity that draws in the international community and its various forms of capital. Qatar has taken the broadcaster approach, building upon a haven-like foundation to project outward through media and diplomacy for the sake of producing interdependence. Interestingly, both countries leverage sport for the diversification of security in each approach. The UAE offers sheer numbers and scope of sport that contribute to and promote the sport capital of its haven while Qatar courts fewer but grander large-scale events that present a stage for projecting its sport power.

Yet, as is the case with any strategy there are inherent risks to implementing these approaches for security purposes, chief among which is the exchange of one set of known risk—or insecurity—for another, below-the-surface set. Both countries have exacerbated or created
internal sources of instability, from rapid, untenable development and the subsequent abuse of migrant workers to challenges to traditional values and identity. Ultimately, however, the UAE's haven approach has proven the most diverse and therefore most durable, especially in light of the Arab Spring. This is shown through the press profile measure, which uses keywords derived from the (in)security characteristics of each approach to ascertain the profile of each country based on articles in the international press. It, too, demonstrates that the depth and breadth of the UAE’s diverse portfolio haven activities better situates it to present a profile of a viable partner for interdependence to the global community.

In neoliberal and investment terms, during an economic downturn the UAE held cash and a wide assortment of bonds while Qatar doubled-down on high-risk, high-reward stocks like military and political engagement as well as the Muslim Brotherhood. On one hand, as the value of these stocks plummeted Qatar's portfolio has lost tremendous value and it continues to delay "realizing" its losses by cutting ties and rebalancing. On the other hand, the UAE now has the freedom to further rebalance and diversify its portfolio of security activities by selectively engaging in prestige-producing endeavors like using a female fighter pilot to spearhead the US-led coalition against ISIS.
Introduction—On the Diversification of (In)Security

In a 2012 contribution to *Foreign Policy*, eminent international affairs scholar Stephen Walt raised the question how have the small Gulf States managed to endure as independent, secure states despite their small size and relative weakness. The answer, as Walt later hints, is a mixture of great power and regional politics coupled with the Gulf States’ value in the eyes of the global community (Walt 2012). In this sense, Walt’s realism looks at value or relevance as utility in that the Gulf States offer more as sovereign, independent entities than they could as “colonies” and that contributes to their external security as survival as a state. Going a step further, the internal security of these countries is truly what is at stake, characterized by economic, political and social challenges that threaten the continuation of the ruling bargain and legitimacy of the ruling families. Therefore, security is more closely related to maintaining the status quo for the sake of regime survival, largely by creating multiple pathways to what liberalism presents as interdependence with the international community beyond oil and gas—a process this dissertation discusses as the diversification of security.

Yet despite the prescience of Walt’s observation, security is more than just simply that the global community sanctions the existence of the Gulf States, but that the leaders of the Gulf States have the ability to cultivate this interdependence, and that in doing so they are both consolidating their sovereignty and internal security in the process. While oil has accounted for this in the past decades, for enduring security in the post-oil era and beyond, they must demonstrate that there is more to them than oil. In essence, they actively operate strategies to fill niche roles that go beyond being providers of oil, hoping that diversified portfolios of capital and interdependence-producing activities, coupled with brand promotion and the resulting global
integration, will help the rulers of these small kingdoms continue dynastic succession of authoritarianism and maintain the status quo generally.

This dissertation examines the approaches of the United Arab Emirates\(^1\) and Qatar to the diversification of security in order to find out how their strategies in the pursuit of capital and interdependence have been successful but also exacerbate existing sources of instability while creating new forms of blowback. As states seek out their own paths to interdependence and security, smaller, ostensibly weaker states like the Gulf States of UAE and Qatar construct niche roles for themselves, developing internally in order to become attractive to the international community. At the same time, leaders often aim these developments at addressing what appear to them to be significant sources of domestic instability. Essentially, security becomes a holistic matter that now encompasses a range of activities outside the realm of the military that touch all facets of the political, economic and social spectrums, and countries operate approaches to security that incorporate a range of non-traditional strategies. Therefore, these roles or approaches range from using the local political economy to the benefit of the global economy (Melissen 2005; Chong 2010) to engaging in diplomacy and mediation (Peterson 2006; Cooper and Momani 2011; Ulrichsen 2012a).

Ultimately, on these paths security stems from each state’s ability to become attractive to the international community and their ability to leverage development to create interdependence in addressing issues of internal security. This interdependence on the regional and international stages is not beyond the reach of small states and has become a crucial component in the era of globalization and the resulting interconnectedness (Nye 2004, 2008, 2011; Lee 2009; Kamrava 2013). Globalization and interconnectedness are perhaps no more pronounced than in the global

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\(^1\) As discussed further in chapter 1, given the prominence of Abu Dhabi and Dubai within the UAE’s federal system economically and politically as well as their positions as the country’s main interlocutors with the global community, when I refer to the UAE throughout this dissertation it largely means these two emirates.
political economy, where neoliberal policies as promoted through the Washington Consensus have advocated the free flow of capital across the world to places deemed most efficient, or at least presenting themselves as most efficient (Harvey 2005). Countries set up their niche roles using a broad array of activities to attract and harness these flows of capital, which are not just economic but include people, ideas, social network connections and prestige (Bourdieu 1984, 1986), in their efforts to portray themselves a viable candidates for interdependence.

I argue that both the UAE and Qatar are attempting to diversify their security through similar yet distinctive strategies—what I term the haven and broadcaster approaches—that are grounded in neoliberal preferences and rely on capital for the sake of cultivating and entrenching interdependence, but that while they ostensibly have managed to address their initial security concerns they have also diversified their insecurity by compounding domestic sources of instability and eroding their soft power potential. While attractive and seemingly progressive, there is a dark underbelly to the perceived glitz, glamour and gravitas of these grand developmental visions. Regardless, as the press profile measure outlined in a section below indicates, the scope of the UAE’s haven activities have meant that articles associating it with positive keywords related to these activities strongly outshine those that associate it with the negative keywords affiliated with potential blowback from diversifying (in)security. This is because its activities are truly diverse, as opposed to the narrowly-diverse activities and global spotlight-oriented broadcaster approach of Qatar.

On one hand, in the UAE the vision revolves around the haven approach, a pattern of development that has seen the country quickly transition into a hub for everything from finance and commerce to plastic surgery and golf. The country’s leaders in Abu Dhabi and Dubai have bet the house that accumulating capital and filling this kind of political economic niche role will
serve to maintain the status quo internally even as it invites the world to conduct all of its affairs within the confines of managed neoliberalism and excess.

Yet despite the apparent success of the country in filling that niche—or perhaps more appropriately because of it—there is a festering insecurity lurking below the towering skyline, around the artificial islands and beyond the lush fairways. The pace and nature of development has already contributed to the crash of the late 2000s, and ahead of Expo 2020 both appear to be on similar paths yet again. Demographic inequalities as well as human rights and labor issues are just some of the results of physically constructing and operating the haven approach, sources of insecurity brought about by a vision of how to attain a diversified sense of security.

On the other hand, in Qatar the broadcaster approach serves as the developmental pattern that begins with the capital of a haven-like foundation but ends with Al Jazeera and a variety of diplomatic initiatives. There are financial and commercial free zones, artificial islands and even a golf course, all of which contribute to internal development. But more broadly, these are means to the ends of using ostensibly softer, subtler methods of appealing to the international community through media, mediation and cultural diplomacy.

However, just like in the UAE the success—or at the very least the zeal—of Qatar in projecting itself and its soft power onto the region and international community has contributed to the current air of skepticism that surrounds it. Both Al Jazeera and Qatari mediation had relatively positive reputations leading up to the Arab Spring, but a transition from mediation to taking sides and all-out manipulation of Al Jazeera as a political tool has resulted in Qatar playing with fire on both counts, as evidenced by its isolation within the GCC and decline in international standing. Further compounding these issues, the country’s successful bid to host the World Cup in 2022 has not promoted brand Qatar, as it is safe to assume the leaders had
originally hoped. Rather, it has focused an intense spotlight on the same domestic challenges facing the UAE, further tarnishing Qatar’s image and ultimately undermining its attempts to gain security through the interconnectedness offered by the broadcaster approach.

I have also chosen to examine the significance of rarely-discussed but increasingly-significant component of the diversification of security: sport. In line with the overarching approaches to diversifying security, both the UAE and Qatar have begun using sport as a means to cultivate what I term in chapter 5 sport capital and sport power, extensions of alternative capital and soft power more generally. If the literature discussed below acknowledges sport, it is often only in reference to branding and not as a significant part of the broader strategy of diversifying security. As I demonstrate, the UAE utilizes sport to further its haven through sheer volume, glitz and glamour aimed at not only branding and advertising but sport tourism and the cultivation of social and symbolic capital. Qatar’s use of sport mirrors its broadcaster approach, whereby sports media, large-scale events and diplomatic outreach revolve around the projection of soft power. However, while the UAE’s depth and breadth of sport often distracts from its underlying sources of insecurity, Qatar’s insistence on leveraging the theatre of sport to showcase its soft power has actually backfired by shining unwanted light directly on its insecurities. In both cases, sport constitutes and key component of each approach to security that has not been chronicled to this point.

**Literature Review**

Over the past thirty years, but especially the last decade, the Gulf subregion has received an increasing amount of scholarly coverage because of its development and geostrategic location. The earliest wave of sources in the 1970s through early 1990s covered the history and
development of the newly-formed countries, providing valuable contributions understanding culture and society (Zahlan, 1979; Heard-Bey, 1982; Lawson, 1989; Crystal, 1992; Joyce, 1995). In the late-1980s this transitioned into a second wave that analyzed political, economic or security related developments in the subregion though the lens of the Gulf Cooperation Council in the wake of the Iran-Iraq War and the establishment of the Organization of the Petroleum Exporting Countries (Nakhleh 1986; Sandwick 1987; E. Peterson 1988; J.E. Peterson 1988; Ramazani 1988). The 2000s ushered in yet another wave of scholarship—the contemporary one discussed below—this time focused on the interplay between more than one of the previously discussed topics and ultimately the significance of the Gulf States to the international system.

The most notable group of this literature on these countries has focused on their political economic impact and potential for the future. These studies, typically edited volumes, assess the nature and performance of the Gulf Cooperation Council countries in diversifying on the path to knowledge-based economies for the sake of economic stability after oil. All cover the same range of topics, including the rentier state, sovereign wealth funds, financialization and Islamic banking, as ways to discuss both the need and outlets for diversification. Most of these edited volumes coalesce, rightly, around arguments for a new type of significance for the Gulf States; oil has been replaced by other sources of economic relevance. Legrenzi and Momani (2011) present the Gulf as a new source of “geo-economic power” while Nugee and Subacchi (2008) as a hub for “global financial power.” Kamrava (2013) uses the lens of contradictions between politics and economics to explain political economic development and endemic challenges to it, culminating in an argument about limited or tenuous integration as a power center. Monographs also tend to carry these types of themes, and Janardhan (2011) argues that despite the economic
downturn of the late-2000s further diversified development toward economic power is actually the way to accomplish “boom amid gloom” and not only recover but emerge stronger.

However, all of this focus on economic power leaves out important discussions of alternative forms of power and security. The economy is undoubtedly an important core component of addressing many issues of diversified security, but as an extension of soft power it encompasses more than merely financial strength and economic capital. It also is the social capital formed through partnerships and investments, the symbolic capital accumulated through prestigious developments and the cultural capital cultivated through art and education. Thus, diversification is for more than just economic power, Gulf leaders intend for it to resolve a variety of security concerns both internally and externally by drawing on all forms of capital and the soft power that comes along with them.

With respect to security then, the inclusion of Iraq and Iran as part of the Gulf subregion has led to no shortage of sources on challenges facing all countries in the area. Several studies focus on the international relations and security issues of the Gulf countries, Iraq and Iran included. In Kamrava’s (2011) volume the contributors address how rapid and far-reaching developments affect foreign policy and consequently heighten subregional rivalries, all for the sake of analyzing the securitization taking place near the end of the 2000s. Likewise, Gause III (2009) chronicles the development of international relations in the Gulf from independence in the 1970s through the turn of the century, focusing on the impact of the subregion’s major conflict. Legrenzi (2011) expands this discussion to a macro level by analyzing the role of the GCC as a whole in dealing with cooperation on security and policy fronts.

Yet as is often the case with security, most of these sources deal with it as an issue of regional instability to be solved or countered with hard power, and not necessarily accounting for
the use of soft power in formulating a holistic or diversified approach to security that encompasses a diverse array of means. Two works stand as notable improvements to this preoccupation with international relations theory and traditional security by defining the depth and breadth of the subregion’s security issues. Ulrichsen (2011) was one of the first to offer a comprehensive account of the long-term, non-military challenges facing the subregion, issues like demographic pressures and economic structural deficiencies as well as food, water and energy. Similarly, in their subsequent edited volume, Held and Ulrichsen (2012) tie these non-traditional security concerns to globalization pressures and the resulting transformations taking place across the Gulf socially, economically and politically. Still, despite incorporating these other aspects of security there is no real discussion of these transformations actually being part of organized strategies employed by countries to address the new scope of security concerns.

In addition to these studies, four works in particular have had profound effects on informing my argument and shaping the direction for this paper. The first is Christopher Davidson’s After the Sheikhs (2012), in which he argues that while a combination of domestic and external factors have explained the survival of Gulf monarchies through the present, a series of new pressures from within and without will ultimately lead to their impending collapse. While Davidson’s work certainly identifies key sources of security and insecurity and presents a compelling argument for a Gulf after the sheikhs, he only offers a catalog of factors that have or could affect any of the Gulf States. Different countries employ these factors in different ways, with different results and ultimately feel the effects of insecurity differently, all of which depends upon a coordinated strategy or approach.

Secondly, in Mehran Kamrava’s Qatar: Small State, Big Politics (2013) he introduces a concept he terms “subtle power” as a way to explain the organized means by which Qatar has
developed to play a significant political role despite its small size through the tools of soft power. He argues that a combination of outside security provided by the US, nation branding, investments and diplomacy are key to how Qatar has sought to address its security challenges going forward into the 21st century. Therefore, while he does offer a coherent pattern for how to utilize softer or subtler types of power that correspond to Davidson’s factors for (in)security, he fails to provide a pattern that applies in cases outside of Qatar. In other words, the other small Gulf States also enjoy the US security umbrella, wealth for investment and have begun branding themselves, but many are only involved in politics on a limited scale, not hyperactively as Kamrava describes is characteristic of Qatar’s subtle power.

The third and fourth sources round out this discussion of security and politics with the economic studies that go beyond merely the degree of diversification and/or potential power that can come from them. Adam Hanieh argues in *Capitalism and Class in the Arab Gulf States* (2011) that neoliberalism—or the free flow of capital in all its forms from one place to another—has become so engrained in the upper class of Gulf societies that there exists a class of “Khaleeji Capital.” This class operates each country with this bias informing decision-making, meaning that development and diversification policies will inherently favor operation along these lines. Similarly, in *Dubai: The City as Corporation* (2011) Ahmad Kanna presents a case study of Dubai as essentially a corporation run by the ruling family for the benefit of the ruling family, focusing particular attention on the unintended or unforeseen consequences of doing such. In order for the corporation to run smoothly not only must it offer a variety of efficient economic vehicles like para-state companies, but it must also resemble the part by developing architecture that signifies its status. However these developments come at a human cost in the form of missing workers’ rights, demographic pressures and challenges to national and cultural identity.
These two mark a step in the right direction of political economic inquiry of the Gulf States by critically analyzing the diversification efforts noted above and providing insight into both an overarching force that shapes the process as well as tracing its impacts for more than economic purposes. However, the strict focus of both on economics loses the significance of security as a driving force in the first place, as well as the power or relevance than comes from this kind of development.

Therefore, in light of the aforementioned gaps that exist in the literature, I have chosen to synthesize many of their approaches in formulating my own. Diversification is ultimately at the heart of this paper, though the focus in security. Just as the Gulf States must find a variety of new means to shore up their economies for the post-oil environment, they must also address a range of security issues. While Davidson correctly lists these issues and Kamrava offers one package of methods for addressing them that focuses on diplomacy, what is needed is a more generalizable way of discussing strategies for how these countries have started dealing with security as a holistic issue that encompasses both pressures and responses that span the political, economic and social sectors. This is what the haven and broadcaster approaches do.

These approaches offer insight into how these countries use a range of capital and interdependence resources from business and investment to airports and sport in order to bolster their sense of security, both externally and internally, shaped by the elite’s preferences for neoliberalism and a balanced portfolio of investment in sources of potential security. Both approaches start from the same foundation of economic development but end with different foci because of each country’s respective historical context and the personality of each country’s respective ruler. As a result, they are not binary categories, but gradations of how countries may utilize soft power that account for activities beyond just those in diplomatic sphere. Through
these approaches both countries have been successful in cultivating capital in their pursuit of interdependence, thereby addressing concerns of staying in power and preserving the status quo.

This model of diversified security derived from the UAE and Qatar can shed light on the small Gulf States more generally, particularly as starting pathways for how they may choose to address their specific security concerns in light of their respective historical, political and economic contexts. All the smaller Gulf States share nearly identical characteristics, namely outside security and resource wealth—with perhaps the relative exception of Oman—that enable the first stages of development in either approach to diversifying security as well as face a similar array of security concerns. Therefore, by examining the two most developed in terms of diversifying security and identifying the common foundation of their approaches, this study lays the groundwork for analyzing how Kuwait, Oman and Bahrain use capital in a holistic approach to security through interdependence. Most likely, each would start with the haven foundation but eventually develop their own takes on the haven and broadcaster approaches given the UAE’s dominance as the subregion’s haven. The broadcaster approach may be more open to replication or country-specific nuance, and indeed Janardhan (Khaleej Times 5/1/14) notes that Oman has started trying its hand at being diplomatically active but less abrasive as Qatar, but as the press profile indicates it may prove ultimately unsustainable as a marketable role for interdependence.

Furthermore, this dissertation argues that while these approaches have been successful in ameliorating many of the security challenges against which they were to defend, they have resulted in further insecurity that exists just underneath the surface. This follows the critical lines of inquiry taken by Hanieh and especially Kanna, by tracing the connection between how treating a country like a corporation and implementing grand strategies from above actually cause or complicate a host of issues below. Overall, this dissertation seeks to bring together the
often-separated issues of history, security, political economy and society—including sport—to demonstrate the new holistic and diversified nature of 21st century security in the Gulf, the approaches taken to addressing challenges to that security and how these approaches actually undermine the original aims of those who implemented them by causing many forms of simmering insecurity below the surface. However, it appears that a diversified portfolio of interdependence activities—associated most readily with the haven approach—may actually overshadow this insecurity in the international press, further presenting the country as a viable role-player for the international community and facilitating the maintenance of the status quo.

**Case Background**

The cases of the UAE and Qatar represent arguably the two most globally-integrated and relevant of the small Gulf States and the ones most advanced in finding a role that ostensibly contributes to a diversified sense of security in a future without oil. With that in mind I set out to ascertain what underlies this integration, relevance and advancement, and how has each developed to support the three. As noted above, I found that each operates a strategy to fill a particular niche role for which each is already suited and continues to develop in order to become more suitable, but that developing in these ways contributes to insecurity in overlooked or unintended ways.

Looking at the two cases together in a single study enables a comparison of what emerges as two overlapping yet distinct pathways to development for the sake of security, both of which are ripe with potential for blowback. At the core of each approach is the cultivation of soft power, either directly or by appropriating a variety of forms of capital that can serve as building blocks for interdependence down the road. Each country has implemented its respective
approach in response to historical context and the wishes of its ruling families as they seek to secure the country and the status quo.

In the UAE, Sheikh Zayed Al Nahyan of Abu Dhabi and Sheikh Rashid Al Maktoum of Dubai began the country’s haven approach in the late 1980s and early 1990s. Abu Dhabi had accrued massive oil wealth, and Sheikh Zayed realized that it could be beneficial for a variety of security-related political economic purposes if it could be harnessed for development. As he overhauled the infrastructure in Abu Dhabi, his counterpart to the north Sheikh Rashid was doing much the same. However, Dubai only had limited oil wealth, so he chose to revive the city-state’s historical position as a regional hub for entrepot trade, building ports, airports and the infrastructure necessary to support such a role. By the early 2000s, both leaders had passed but their sons recognized the utility of their fathers’ shared approach to diversifying security and therefore escalated investment in making the UAE the haven it is today.

For Qatar, the development pattern follows much the same line, since the broadcaster approach mirrors the haven approach with respect to internal infrastructure. From shortly after independence in the early 1970s until the mid-1990s Emir Khalifa Al Thani worked to create an environment within Qatar that, like in the UAE, could support security-oriented political economic development. When his son Emir Hamad sensed that these developments were not keeping pace with the potential challenges to Qatar and Al Thani—and by extension his personal—dominance, he staged a coup in order to “correct” the country’s path. Emir Hamad revived Doha’s historical position as a subregional diplomatic power and bolstered that role by creating Al Jazeera as a political tool that enabled Qatari soft power to reach the masses, thereby initiating the country’s broadcaster approach.
Methodology

The strategies these countries have begun implementing spring from a singular motivation: the recognition that oil and gas will no longer provide a durable source of interdependence, and that entrenching interdependence through a diversified portfolio of activities is a potential pathway for security. The UAE and Qatar have implemented strategies that use neoliberalism and various forms of capital to boost their profile as partners for interdependence. Essentially through either of two overlapping approaches they set themselves up to fill specific roles for the international community and promote themselves as such.

This dissertation addresses the historical and personal forces behind the approaches, then systematically describes and assesses the outcomes. For each case study, I have identified the key characteristics associated with each country’s approach to developing for the sake of interdependence. Therefore, those chapters begin with thorough descriptions of the diverse portfolios of activities that constitute each approach. After describing the activities, each chapter moves to assessing the outcomes of these activities and their overarching approaches. This is a two part process.

The first part consists of determining whether or not the approaches have contributed to diversified security by successfully entrenching interdependence. In the chapter on the UAE I accomplish this by analyzing and presenting economic performance indicators for the characteristics of the haven approach described in the first sections of the chapter, demonstrating how developing in that way has enabled the country to play a role that has boosted its profile as a viable political economic partner. For the chapter on Qatar this assessment includes these same economic indicators, reflecting the overlapping significance of economic development to both approaches. However while Qatar’s broadcaster activities of media, diplomacy and culture have
done the same for its role as a broadcaster, there are no correlating statistical indicators, so the descriptions of the extent of these activities in earlier sections serve in place of the indicators. Overall, while each country has found a certain degree of success in cultivating interdependence for security, both have also exacerbated or created sources of insecurity by developing according to the haven and broadcaster approaches. The assessments of insecurity concentrate on presenting the range of blowback and tying them to specific aspects of these approaches as well as the diversification of security generally.

---The “Press Profile” Measure

Contributing to these descriptions and assessments, both in terms of security and insecurity, the “press profile” indicates the success or failure each country has had in implementing its respective approach. For example, an increase in the number of articles mentioning the UAE and “tourism destination” could be read as an indicator of not only how well the UAE’s tourism industry has developed but also the effectiveness of the country in promoting its niche role in the global system as such. Since interdependence is at the heart of successfully diversifying security, the profile of each country in the international press reflects how well each country has managed to develop and promote their roles and ultimately the relative degree to which the international community—the target audience and source of interdependence—has linked the countries with the characteristics of these roles in news articles.

Given the fact that these countries operate similarly to companies (Hanieh 2011; Kanna 2011; Hvidt 2013), the press profile roughly equates to the increasingly common commercial practice of monitoring a variety of social media and using mentions of keywords to gauge the success of a company or its product in the marketplace (Financial Times website, Lexicon). This

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2 This statement corresponds to the description of activities found throughout chapters 3-5 as well as the largely economic indicators of both countries’ performance with respect to developing for the sake of interdependence.
practice is especially useful in the hospitality, sports and entertainment industries (MarketWatch website, Press Release), industries that have a high degree of overlap with the economic interdependence indicators of the haven and broadcaster approaches. While companies often track their performance via social media tools like Twitter and Facebook, in this case the press profile relies on articles listed under the “news” tab of Google. Although social media can be a useful tool to gauge how well these countries’ messages have been received by individuals, using traditional journalism sources captures how official media outlets have received the messages and how they then pass these messages along to the audience. Ultimately, it is the press profile, referring to the image these countries have managed to craft in the spotlight provided by the global media for the audience of countries, businesses and investors they seek to attract.

Unlike the content or textual analysis methods of the social sciences and humanities, the press profile does not systematically analyze results either quantitatively and qualitatively in order to determine the depth or tone of associations or how they are interpreted by the audience. Rather, it is a rough gauge of the global profile in quantity of associations through aggregation of articles in which each country appears connected to the interdependence-providing characteristics of the haven and broadcaster approaches, as well as keywords potentially linked to insecurity. As such, the press profile is an indicator of the image that the international

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3 I chose to use Google as opposed to LexisNexis or similar more scholarly-oriented news search engine because of Google’s relative popularity as the search engine for the international community at large. It provides access to a much larger sampling of news sources, and Weaver and Bimber (2008) concluded that LexisNexis routinely misses over half of the news sources available for a variety of reasons including LexisNexis’s lack of coverage for wire services and Google News’s larger global database of news sources. This means that not only are there more global sources available for finding press profile keywords in Google News, but that it also will document fully the distribution of the keyword across an array of individual sources as they are actually used for a variety of audiences as opposed to a just the original single article from the wire service.

4 As chapter 1 notes, part of implementing these approaches relies on the ability of each country to communicate these profiles to the international community, and they often do this through “nation branding” that seeks to promote the countries as if they were brands for consumption. Along the lines of companies employing advertising/public relations firms to strengthen their brands, countries can do the same. However, the press profile measure does not take into account the relative success or failure of these marketing schemes, if they do exist. Continuation of the research started in this dissertation will include ascertaining the role of these firms in the active strategies for image management these countries implement.
community associates with a country as a result of the global media, an image that affects opportunities for role playing and interdependence. The media is the carrier of a country’s public relations message, either actively-cultivated or passively-reported, and constitutes the key resource where countries carry out place-branding and public diplomacy strategies (Anholt 2009b). For countries like the UAE and Qatar exposure is a crucial resource for reputation and development while limited coverage is a critical threat (Lee and Jain 2009), and countries seeking to capitalize on globalization and interdependence must use the media to inform the global public’s perception of them (Freeman and Nhung Nguyen 2012). However, to promote interdependence the message should be largely positive, a factor the press profile takes into account by comparing two sets of keywords.

For Dubai in particular, but applicable generally, the news media is a “source of substantial importance” for how business professionals from the world’s leading centers perceive the city (Coombe and Melki 2012), helping make the city a “de facto place brand” (Govers and Go 2009) that its cityscape has turned into an “instantly recognizable” (Bagaeen 2007) location. Dubai’s profile has been the highest in the region and predominately positive, especially on social media, but the negative buzz around protests during the Arab Spring in Bahrain and opposition to the World Cup in Qatar outpaced coverage of Dubai’s positive developments (Govers 2012), relating to a point from the last paragraph that not all news is good news. Therefore, aggregating how the media accumulates these images into profiles and the general balance of these profiles with respect to the key areas of the haven and broadcaster approaches speaks to the potential for interdependence and the diversification of security.
Since I identified the key characteristics of each approach, I then assigned keywords (Table 1) that would serve as associations for each characteristic in searching the internet to establish each country’s press profile.

Table 1

<table>
<thead>
<tr>
<th>“Positive”</th>
<th>“Negative”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation Hub</strong>—corresponds to the country’s airports and ports as loci of commerce and transportation.</td>
<td><strong>Migrant Workers</strong>—corresponds to the association of the country with the abuse of migrant workers as part of diversification and infrastructure projects.</td>
</tr>
<tr>
<td><strong>Tourism Destination</strong>—corresponds to the country’s tourism offerings making it a desirable destination.</td>
<td><strong>Unemployment</strong>—corresponds to the creation of unemployment for nationals as a byproduct of interdependence and high numbers of expatriates.</td>
</tr>
<tr>
<td><strong>Construction Projects</strong>—corresponds to the country’s growth and need for new infrastructure.</td>
<td><strong>Terrorism</strong>—corresponds to the country’s associations with groups deemed as terrorist organizations.</td>
</tr>
<tr>
<td><strong>Business Environment</strong>—corresponds to the investment and business climate created within each country.</td>
<td><strong>Alcohol</strong>—corresponds to the erosion of traditional identity as a result of immigration and cultural liberalization.</td>
</tr>
<tr>
<td><strong>Diplomacy</strong>—corresponds to the country’s role as a political player on the global stage.</td>
<td></td>
</tr>
<tr>
<td><strong>Cultural Diplomacy</strong>—corresponds to the country’s use of cultural exchange on the global stage.</td>
<td></td>
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</tbody>
</table>

Using the Google search engine and its ability to separate results by category—like news—as well as year, I tallied the results of searches for each country and each respective characteristic keyword set by year for the past six years, beginning in 2009, the year before the implementation of national “visions” for development in each country (see Appendix A for raw data).

On one hand, the positive press profile indicators reflect the number of news articles that associate each country with keywords or phrases that correlate to key components of the haven and broadcaster approaches and their abilities to provide security through interdependence. These include their activities as 1) transportation hubs and 2) tourism destinations, their 3) construction projects and 4) business environments and their associations with 5) diplomacy and 6) cultural diplomacy. I also ran searches with a keyword set that corresponds to what has been the defining characteristics of interdependence for the UAE and Qatar for decades, namely

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The “business environment” keyword is a combination of the results for investment destination and business destination, reflecting the interplay of the two in indicating a country’s potential for business-related interdependence.
“economy” and “natural resources,” as controls against which to gauge the relative change in press profile. On the other hand, the negative press profile indicator does the same with some of the issues of insecurity I raise throughout this dissertation. It includes 1) migrant workers, 2) unemployment and 3) alcohol as well as 4) terrorism. These keywords correspond to the characteristics of potential insecurity that are either exacerbated or created by implementing the haven and broadcaster approaches. As somewhat of a control for this group I search for the term “nationals” as a test to see at what rate mentions of citizens have been increasing when compared to the others.

---Sources

In order to describe and assess these cases, answer the research question and ultimately argue for the diversification of (in)security, I rely on a variety of primary and secondary sources that cross scholarly and journalistic lines. I have made use of Arabic sources in analyzing the official presentations of developmental strategies for both the UAE and Qatar, as well as pertinent speeches made by those in charge of creating and implementing these plans as documented in the Arabic press. However, overall my research question and argument focus on how these countries present themselves officially for the sake of interdependence on the global scale, which is often done through the universal language of English as it appeals to all segments of their intended targets for the purposes of diversification. Similarly, the consequent issues of insecurity find widespread coverage in both journalistic and scholarly sources in English. Therefore, I have used sources that speak directly to issues of economics, politics and security in

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6 During searches for Arabic-language sources on the topics of strategy, security and development many of the most popular and readily-available sources were actually translations of sources originally published in English and sponsored by local manifestations of government-affiliated think tanks or strategic studies institutes like Brookings-Doha and the Emirates Center for Strategic Studies and Research. This speaks to the predominate role of English as the language for studies, discussion and presentations on these topics.
the Gulf, the vast majority of which has been produced in English. Many of my secondary sources did incorporate Arabic sources into their arguments which then informed my arguments, especially those pertaining to the histories presented in chapter 2 as well as the examples of insecurity touched on throughout.

As shown previously, engaging these scholarly secondary sources forms the backbone of this dissertation, providing the foundation upon which I built my argument as well as the basis for how this study fits within the existing literature. However, given the timeframe of publication most scholarly sources present a picture of the situation as it was a year or two ago. Therefore, I make extensive use of journalistic sources from a variety of outlets to fill in the gaps on contemporary issues, current events and the latest political economic developments. The sources range in scope from general news to economy and business to sport and entertainment for the sake of providing information directly from within the field where it is most applicable as well as access to industry-specific statistics and analysis as they emerge. They are also geographically diverse, from the US to the UK to India and a number from within the Gulf States themselves. With respect to the Gulf sources, some are state-owned and operated like The National (Abu Dhabi) while others are privately-held and operate independently like Arabian Business (Dubai), Gulf News (Dubai) and Gulf Times (Doha). A third classification includes those with affiliation to the government via patronage or ruling family ownership like The Peninsula (Doha) and Khaleej Times (Sharjah). While this serves as a general introduction to the journalistic sources, I have tried to make note of the location and affiliation of these sources when they appear in the text and warrant extra caution.

Yet given the political economic nature of many aspects of diversifying security and the neoliberal context of the global political economy, it is often less about text and more about
images or brands, the manipulation of the environment and the accumulation of capital and soft power portfolios. These become the currencies exchanged in the pursuit of relevance, integration and security as they communicate attractiveness and influence in a variety of forms. Therefore, in light of this I engage a broad spectrum of official, English-language websites of companies, organizations and institutions involved in the approaches to diversifying security. Doing so allows me to convey how these countries desire to project their images, the nature of their approaches and their suitability to fill their respective role while journalistic and scholarly sources present the deeper situations on the ground.

Finally, two months of residence and travel in the UAE and Qatar in early 2014 provided invaluable insight into the approaches, their perceived success in diversifying security and the range of insecurities simmering below the surface. In the UAE I visited everything from the ports and airports to the financial center and sports city, candidly visiting with officials, employees and passersby alike to get a sense of how well-received the haven approach has been by its target audience, namely expatriate workers and locals in the knowledge-based sectors of the economy. My time also afforded me the ability to see the lesser-known of this approach, from the migrant workers building and operating the haven to the erosion of traditional identity.

Similarly, in Qatar I visited the business and diplomatic district, cultural offerings and Aspire Zone, discussing along the way Qatar’s efforts to develop a variety of tools for interdependence. Given the timing of my trip I was able to witness the massive infrastructural transformation of the country ahead of the World Cup in 2022 and the associated workers’ rights issues along with the decline of Qatari soft power in the wake of the Arab Spring and tensions in Egypt and Syria. In total, the fieldwork allowed me to properly synthesize the evidence in primary and secondary sources regarding the approaches of these countries to finding a holistic
sense of security, how they present themselves as such and ultimately how these approaches factor into insecurity.

Outline

Chapter 1 presents an overview of the concepts at work within the haven and broadcaster approaches by situating the diversification of security within the international relations theories of realism and liberalism as well as discussing the various components of security. It then addresses specific security-related conditions that have prompted the UAE and Qatar to cultivate interdependence and capital through filling niche roles. In chapter 2, the discussion shifts to the significance of the ruling families in each country for the diversification of (in)security. After establishing how traditional authority, legitimacy and the ruling bargain influence how Gulf leaders impose development from above, it provides a brief historical account of how the recent leaders have shaped their respective countries in accordance with their personal preferences for neoliberalism and what they perceive as the most efficient tools to preserving power in their respective contexts. It also includes a presentation of official motivations and strategies for development as well as a look into how the Gulf Cooperation Council and Arab Spring fit into diversifying security.

Chapters 3 and 4 chronicle how each country has implemented its respective approach to diversifying security by describing the activities, assessing their success through both economic indicators and the press profile while introducing examples of the resulting diversification of insecurity. Chapter 3 covers the UAE’s haven approach, whereby the country’s internally-oriented developments in commercial clusters, transportation hubs, business, investment and tourism have contributed not only to cultivation of capital and the “importation” of security
found in economic diversification, partnerships and global interdependence but also to imported insecurity in terms of gross violations of workers’ rights, the erosion of tradition and demographic challenges, all the result of its strategy to be everything to everyone and have the infrastructure to support the claim.

The subsequent chapter treats the case of Qatar and the broadcaster approach in the same manner, which, like the UAE, has developed the same haven-associated sectors but to a lesser degree and for slightly different purposes. While also seeking to import security, Qatar’s broadcaster approach relies on cultivating interdependence through media like Al Jazeera, a uniquely-inclusive foreign policy that enables mediation and cultural diplomacy. However, this approach also results in the diversification of insecurity that is both literally and figuratively broadcasted, from a global spotlight on the same examples as those in the UAE to (sub)regional challenges to its foreign policy and media supremacy that undercut its soft power.

Chapter 5 then switches gears to examine how sport its into both the haven and broadcaster approaches by introducing the concepts of sport capital and sport power and documenting how each country leverages certain sports for capital or power in line with its approach. While the UAE’s focus on a prestigious portfolio of sport for capital’s sake has insulated it somewhat from blowback, Qatar’s emphasis on hosting large-scale events and using sport power for political purposes has opened it up to a host of unintended consequences that exacerbate existing sources of insecurity. Finally, a conclusion summarizes the argument as laid out in the previous chapters and offers insight into the mid and long-term implications of diversifying (in)security through the haven and broadcaster approaches as well as potential further applications for the press profile measure.
Chapter 1—Diversifying Security by Constructing Niche Roles: The Haven and Broadcaster Approaches

This chapter introduces diversifying security by discussing what is at stake for these countries in the international system, which concepts influence their underlying strategy toward those stakes and which approaches countries take to implement the strategy. Ultimately, it presents two approaches to diversifying security, the haven and broadcaster approaches, utilized by states to establish niche roles for the sake of entrenching their interdependence with the international community through a variety of economic, political and social activities. New sources of income, legitimacy and prestige help maintain the status quo while boosting the country’s profile as a partner for further interdependence. While in the haven approach a country orients itself to be an attractive destination and hub for flows of capital that can lead to soft power, in the broadcaster approach a country uses an attractive domestic foundation to bolster its efforts at communicating its soft power influence abroad. The haven is inwardly-focused, using capital to gain soft power and interdependence by providing an attractive, idealized location for a wide variety of global activity. The broadcaster is more outwardly-focused, using a haven-like platform to project its soft power by being globally-engaged in media, diplomacy and culture.

The Stakes: Small States in a Globalized Search for Security

Diversifying security as used throughout this paper entails the processes outside the scope of external, military power-based approaches to providing state security that tend to dominate discussions of security by focusing on the increasingly-important aspects of cultivating interdependence, cooperation and integration by filling niche roles on the global stage that help states deal with internal and non-military security issues. Traditional notions of security in the field of international relations stem from the realist conception of international relations being a
state-centric competition for power in a system where anarchy rules and the survival of the state is the key determinant of political behavior, conditions which cooperation cannot overcome (Mearshimer 2001). It traces its origins through the works of Machiavelli and Hobbes who outline deceit, violence and war as the means to survival. For realists, the concept of power encompasses all of these areas and enables states to outlast their rivals, particularly with respect to military power and the accumulation of resources that provide states the ability to help themselves by harming or coercing any state that poses a threat.

Classical realists like Morgenthau (1948, 1973, 1978) addressed this type of power politics as “interest defined in terms of power,” whereby the national interest plays out in the natural lust for power that characterizes all forms of human interactions, and that the states act to balance with the power of other states. Neorealists like Waltz (1959, 1979, 2008) described anarchy structurally, as the absence of a central authority to provide order, thereby necessitating that the state must undertake actions that secure its survival first and foremost at the risk of falling by the wayside. Thus, states in this system are presumed to be rational actors that pursue self-preservation and survival through war to protect independence, sovereignty and territorial integrity.

As such, realism emphasizes security through hard power—the capabilities of the state to impose its will. Countries are in a zero-sum competition for security that pits countries against each other with clear winners and clear losers where gains are relative, largely contingent on a loss for a competitor. States take action to balance power (Morgenthau 1978) or threat (Walt 1985), either aggressively expanding on offense (Mearshimer 1990) or defensively maintaining the status quo (Waltz 1979). These actions rely on hard power and the military as the ultimate means for survival.
In contrast, liberalism argues that rather than an international system characterized by conflict for the perceived best interest of the state, cooperation actually represents the best interest for all states. The focus remains on the state and its interests, but these interests are broad and not concentrated solely on military power and security; economic and social power transcend military power. Therefore, liberalism exchanges the focus on the “high” politics of the political and security realms with attention to the “low” politics of economics and culture, the ties that create the cooperation and interdependence. Rather than relative gains at the expense of other states, groups of states can achieve absolute gains through mutually-beneficial exchanges (Snidal 1991). As a result, states benefit from cooperation through alliances, networks and institutions because globalization has made economic and social power as important as military power (Keohane 1984; Axelrod and Keohane 1985; Keohane 1989; Nye 2004). A further development of liberalism, neoliberal institutionalism holds that international organizations mitigate this, arranging mutual wins and absolute gains while facilitating cooperation by providing information about cooperation, reducing the cost of cooperation and fostering expectations of cooperation (Keohane and Nye 1977; Keohane 1988; Keohane and Martin 1995; Milner 1997). Thus, security is the result of this interdependence.

Globalization and trade surely have strengthened the necessity of cooperation and the potential for security, and Keohane and Nye (1977) argued that there becomes “complex interdependence” where non-state actors and institutions share the stage with states in transnational society. The focus on interdependence through economics stemmed from the development of the European Community, the rise of Japan and the newly-industrialized countries and the oil shocks that resulted from the October War in 1973 between Israel and Egypt. Keohane and Nye posited several conditions that make this interdependence complex and
eventually useful for the variety of security purposes discussed below. First, there are multiple contact channels between societies be they direct political, informal relations or economic ties through corporations. Second, there is no hierarchy in the issues that constitute these relationships, so military security may be less important than economic and social cooperation. Therefore, and finally, the depth and breadth of interrelationships hinders external, interstate conflict and provide multiple pathways to insulate regimes by addressing an array of internal security challenges.

Regardless of theory, the concept of security itself has evolved over the past fifty years from a focus on external threats to include internal challenges and ultimately a nexus of the two where transnational issues expand the scope away from simply accumulating military power for conflict to addressing a variety of economic, demographic and socio-cultural concerns. Realists like Walt (1991, 212) traditionally defined security as the “threat, use and control of military force” for the purpose of safeguarding the state from external military threats. The focus is on the state and its ability to provide protection from invasion and the maintenance of sovereignty. Thus, this definition largely relies on an external orientation that perceives these threats as coming from other states seeking to assert their own power and security.

However, increasingly interstate military conflict has not dominated the security landscape. Rather, focus has shifted internally to issues of insecurity either within states or that transcend borders like crime and terrorism. Yet these concerns have once again proven to not encompass the entire range of security challenges. Issues of economic, human and environmental security have come to characterize. Of these, economic security is most salient to this discussion, at least in terms of the motivations and strategies for leaders in the UAE and Qatar in
diversifying security, although issues of human (in)security factor into the instability these strategies often cause.

Traditional descriptions of economic security centered on the economic foundations of the military and the potential the economy had for producing power. These realist approaches to the topic emphasized that primacy in the global political economy was and is an interest of national security, either as a prerequisite for military power or as an economic instrument of foreign policy (Kirshner 1988). This economic power was another means to impose influence on rivals, and security is obtained when a country’s economy is strong enough that it is free from manipulation by the same countries it seeks to manipulate. After the Cold War there was a subtle change in this realist approach, one that reflected the thought that in the absence of overt military conflict economics became the new battlefield. Geoeconomics essentially overlays economic issues onto the geopolitical landscape that dominates realist thought; the state is still the focus, relationships are combative and there are clear winners and losers in each interaction. In other words, economics is something that can be won for the sake of security (Sheehan 2005).

However, the military orientation of realists to economic security has given way to a more liberal definition as a result of globalization and economic interdependence. Therefore, liberalism tends to view economic security more as insulation from the unforeseen insecurities of a globalized political economy, issues like economic shocks, transnational crises and the prevalence of non-state actors. If for realists economic security is security for the state, liberals view it as security for the society, and encompasses issues of human and food security as well as sustainability. As such, this definition is tied more to maintaining or elevating the status quo through a variety of diversification efforts and in case of threats to the status quo. This is especially true in monarchies like the Gulf States, where “the conflation of ‘regime security’
with ‘national security’ is a feature of local discourses on security in the Gulf (Ulrichsen 2009), one inextricably linked to their ability to provide economic security for the society as a result of the social contract or ruling bargain—see chapter 2. Whereas in North Korea the authoritarian leadership has sought to stave off interdependence because it feels it cannot survive should these forces permeate the country and weaken its hold on the state (Zoellick 1997), in the UAE and Qatar the leadership has embraced interdependence as their means for survival and implemented the haven and broadcaster approaches to promote it.

The totality of these security challenges, from without and within as well as across the spectrum of conflict, economics and beyond, constitute the diversification of security. It is no longer just protecting sovereignty externally but also internally, by maintaining the survival and autonomy of regimes domestically, especially in the Gulf States. This includes the continued ability to safeguard and expand the status quo by diversifying political, economic and social sources of legitimacy, as chapter 2 discusses, that constitute sources of interdependence for the sake of security, as chapters 3-5 describe and assess.

Thus, maintaining these two levels of sovereignty serves as the foundational goal of all types of security. The concept of external, or state, sovereignty developed from the Peace of Westphalia in 1648 that established the precedent of not interfering within the territorial boundaries of another state. In other words, individual states, no matter how small, were legally-equal and inviolable entities off limits to imperialism. The nature of the international system has since changed and Krasner (1999) identifies four types of modern sovereignty, including external Westphalian sovereignty. Krasner adds domestic sovereignty to the list, a concept that refers to a state’s ability to control its domestic environment; for the Gulf States and other monarchies, this relates to the ability of leaders to maintain their positions as the undisputed ruling families. He
then describes legal sovereignty as its own type, stemming from the mutual recognition of states in the system. The final of Krasner’s types is interdependence sovereignty, which refers to the way globalization has challenged the state’s ability to control the flows of capital, people and goods across its borders.

Security then encompasses a state’s ability to manage all of these sovereignties. While states in theory have the right to control what happens inside their borders, actually controlling the domestic situation contributes to earning recognition from other states. This recognition ties to the state’s ability to interact with the global system and secure its position in it. Therefore, the pursuit of global interdependence by the diversification of security furthers the recognition of a state as valuable. Moreover, if a state can control the flows across its borders it can position itself to take advantage of globalization and interdependence to further its security. Thus, diversifying security encompasses the bolstering of sovereignty by harnessing transnational flows to become integral and integrated members of the international community.

The nature of small states makes this relationship between security and sovereignty even more important, as they often lack the traditional power to assert their sovereignty. At the outset of Westphalian sovereignty, the treaty recognized hundreds of smaller states in continental Europe, and decolonization and independence movements during the mid 20th century have led to a resurgence of small states in the international system. No strict definition for small states exists (Maass 2009); some use population and size (Clarke and Payne 1987) while others look at how other states perceive a given state (Hey 2003a). For this dissertation, a small state is one that is relatively small in population and size with limited domestic military capabilities. Regardless, these states are often weak—or perceived as weak—and need to respond to external pressures by taking action to alter the status quo that surrounds their international standing; they derive their
significance from the roles they play in the international community (Vital 1971). Like Lilliputians they may tie up Gulliver or entice him to act on their behalf (Keohane 1969), forming alliances with Great Powers to mitigate their internal weaknesses as they maneuver through the international system (Handel 1990).

The Gulf States have used their geostrategic positions as leverage on first the British and now the US since the 1800s. Mirroring Walt’s comment from the introduction, international recognition of these states and their territories because of their value to the global system as sovereign entities alters the status quo, endowing them with legitimacy and conveying a sense of security (for case studies see Clarke and Payne 1987; Hey 2003b; Ingebritsen, Neumann, Gstohl and Beyer 2006; Maass 2009). Therefore, their ability to survive and thrive rests on interacting with the global community in a variety of ways in order to ensure this interdependence, the ensuing integration and ultimately security (Peterson 2006).

All of these conditions apply directly to the Gulf States, situated as they are in the broader Middle East, where volatility, violence and militarization have characterized the region’s traditional security landscape since the 1990s (Ehteshami 2006, 2012; Gause 2009; Kamrava 2011a; Ulrichsen 2011a). An early-2014 report by IHS Jane’s Defence pointed to the Middle East as being home to six of the ten fastest-growing defense markets from 2011-2013, with five of those being in broader Gulf region: Oman, Saudi Arabia, Iraq, Bahrain and the UAE (Wall Street Journal 2/4/14). Iraq’s position on this list is testament to its return as a significant regional military player in the subregion after the US invasion and occupation. While the developments of the Islamic State in Iraq and al-Sham (ISIS) movement in mid-2014 demonstrate that the state of Iraq proper may not be a regional military power like it once was, they underscore the volatile nature of the subregion and the ability of transnational, destabilizing
movements to move quickly. Additionally, Iran has become “the most important country” (Hunter 2010, xiii) for the security dynamics of the subregion as it pursues both a nuclear program and influence with neighboring Shi’a communities, much to the chagrin of the Gulf States and in light of Iraq’s decline as a Sunni power holding Iran at bay (Gause 2009; Ulrichsen 2011a; Ehteshami 2012).

Therefore, surrounded by these traditional security threats the Gulf States need to alter the subregional status quo by entrenching their roles in the international system through diversifying security. In fact, the Iraqi invasion of Kuwait in 1990 and the consequent Gulf War would prove the value of the Gulf Cooperation Council and its array of alliances to the Gulf States, refocusing attention on the significance of being globally relevant for the sake of security. The Gulf States have learned their lesson, it appears, solidifying their alliances with the West while beginning to look for new strategies to become competitive in the international marketplace in response to the array of security challenges in the subregion (Gause 2009; Kostiner 2011; Ulrichsen 2011a; Barakat 2012; Ulrichsen 2012b; Kamrava 2013). The 1990s and 2000s then ushered in an era of global transformation, as globalization shrunk and weakened the constraints of size and distance on the pursuit of security, power and wealth. Gilpin (1981, 1983) departs from the realism noted above by theorizing globalization and economics in the dynamics of power, or how powers rise and fall. For him, globalization, the market and technology have made efficiency a key component of power and there is a global struggle for efficiency in an international political economy. The result has been the altered political economic landscape postulated by liberalism, with increased economic interdependence and transnationalism as well as the rise of challengers to the traditional superpowers (Keohane 2002; Etzioni 2013). The competition for resources reflected this new environment, not just
natural resources but increasingly commerce, investment, tourism and the like. Size was not necessarily as important as it once was, and countries could develop, store and wield power in a variety of different ways (Held and McGrew 2007). Thus, while globalized competition increased the potential for smaller states to fail, if a smaller state can find a niche that allows it to become competitive for resources then it can leverage interdependence to wield power beyond what its size or military should dictate (Cooper and Momani 2011; Ulrichsen 2012a).

In this environment of increased ability to interact on the global stage and compete in the global marketplace, countries needed to provide something of value that contributed to interdependence. For the Gulf States this has been oil and gas, especially from the 1970s onward, and this reliance makes the Gulf States political economy fall under the category of rentier states. A rentier state is one that obtains its income from a single sector, often natural resources, and has limited domestic employment in that sector. Because of the wealth provided in the form of rent, these societies are able to allocate resources to their citizens, thereby eliminating the need for taxation and consequently creating a population of consumers. Likewise, rent distribution enables the regime to control the population through an authoritarian social contract that exchanges political representation for economic prosperity (Beblawi and Luciani 1987; Chaudhry 1997).

Both of these factors inherently limit the structures necessary for the formation of a knowledge economy and the diversification of economics and security. However, Gray (2013), writing on Qatar, has offered an alternative explanation of rentierism in the Gulf States that accounts for the state’s actions to address its reliance on rent. In “late rentierism” a state has matured to the point that it alters its approach to the global economy and rent-seeking behavior, channeling oil rent into state-run capitalist projects in pursuit of other rent. Therefore, while still
a rentier state by every definition, this maturation has begun to shift how the Gulf States interact with the global marketplace.

To this end, Kubursi noted in 1986 that the integration of the Gulf States into the global economy was based solely on hydrocarbon production, and that over-reliance on it coupled with limited domestic development was leading to these states losing their global influence. He argued that contrary to the international community—largely the West—being reliant on the Gulf States for hydrocarbons, the Gulf States were as much, if not more, reliant on the West for everything from capital and technology to all aspects of security (Kubursi 1986). The Gulf States were losing their interdependence. Writing 26 years later, Lawson (2012) revisits Kubursi’s point by outlining the ways in which the Gulf States have redressed their over-reliance on hydrocarbons and have begun reasserting their interdependence to the international system by further integrating themselves into the globalized marketplace in a variety of ways.

While hydrocarbons still provide the foundation for Gulf State influence, the wealth it created has enabled them to develop comparative advantage in areas like investment, manufacturing, labor remittances and international organization involvement that diversify the sources of Gulf State influence (Hertog and Luciani 2009; Legrenzi and Moman 2011; Davidson 2012; Lawson 2012; Kamrava 2013). These areas aid the diversification of security for the Gulf States in the 21st century by turning them into a “strategic and commercial pivot” (Held and Ulrichsen 2012, 8) that entrenches complex interdependence.

Although traditional security challenges like Iraq, Iran and transnational militant movements have driven Gulf State leadership to search for security, many 21st century security challenges are more non-traditional and internal in nature. Demographic shifts, structural economic imbalances, resource insecurity and environmental issues are all examples of these
new security challenges (Gause 2011; Kamrava 2011a; Ulrichsen 2011a; Davidson 2012; Ehteshami 2012; Luomi 2012). “Managing people and wealth” as the Gulf States are now doing (Sultan, Weir and Karake-Shalhoub 2011) necessitates new approaches to security that address the depth and breadth of these challenges, both traditional and emerging. The UAE and Qatar have responded by developing domestically and situating themselves to control global flows of capital, people and information, thereby seeking to entrench their interdependence to the global system and find security at home. Regime responses to the Arab Spring in the Gulf States signal that their current strategy is to buy off the population, but this will prove untenable absent significant adjustments to the political economy that either enable future payments in the absence of oil or reduce the need for payments (Hvidt 2013), adjustments like those outlined in the haven and broadcaster approaches. But these approaches to the diversification of security reciprocally exacerbate many of these emerging security pressures and may lead to instability, what this paper terms the diversification of insecurity dealt with throughout the chapters.

The Strategy: Using Neoliberalism to Harness Capital for Interdependence

In light of the above discussion, neither realism nor liberalism provide a perfect fit for how the UAE and Qatar have sought to diversify their security in the 21st century. Realism’s focus on external military threats does not account for the range of internal security concerns, especially as it pertains to the ruling family managing a system for securing their position, or the use of economic and social means for providing security. The cooperation and interdependence championed by liberalism certainly shed light on the tools for ruling families to do so, and institutionalism speaks to the broad range of international organizations that these states use to
further wield these tools, but again the security element is largely state-centric and military-oriented or focused on the general population, not the regime.

Rather, what best explains the behavior of the UAE and Qatar emerges from a hybrid between these theories. There is a clear focus on accumulating the resources that enable the survival of the state, but because of the intrinsic connection between the ruling family and the state this survival is tantamount to continued rule by the family and does not necessarily entail the military power that states traditionally sought for survival according to realism. Rather, interdependence provides the tools for security, especially when it comes to adopting a diverse array of activities that can insulate the ruling families by continuing to maintain the status quo in spite of economic shocks and political crises that threaten to destabilize the ruling bargain. They have relied on their existing interdependence through natural resources to finance a transition to new and more enduring sources of interdependence and integration that center on their abilities to control flows of capital in the international marketplace. Some have sought to use the concept of soft power and the politics of attraction as means to explain this overlap and interplay.⁷

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⁷ According to Joseph Nye “power is the ability to affect others to obtain the outcomes you want. One can affect others in three main ways: threats of coercion, inducements and payments and attraction that makes others want what you want” (2008, 94). While coercion and inducements—sticks and carrots, respectively—represent the traditional ways of “hard” power in competition as discussed above, the ability to attract and/or co-opt others is Nye’s concept of “soft” power. This politics of attraction relies on communicating shared values or attractive traits to the international community in order to shape their preferences (Nye 2004). Despite the apparent focus on communicating values of cooperation, for Nye soft power is not incompatible with realism’s focus on competition; rather, soft power is exactly that, power, and another way to pursue a state’s interests (Nye 2011). Similarly, Lukes (2005a) describes soft power as “power’s third dimension,” that is, “the power to shape, influence or determine others’ beliefs and desires, thereby securing their compliance,” and aligning them with one’s self (Lukes 2005b, 486). Both Nye and Lukes emphasize that soft power is more than just influence or persuasion by argument, but actual attraction and enticement, or seduction, based upon resources possessed and mobilized by the country. Nye discusses three areas that produce attraction, thereby constituting the traditional definition of a country’s soft power: “its culture (in places where it is attractive to others), its political values (when it lives up to them at home and abroad), and its foreign policies (when others see them as legitimate and having moral authority)” (2011, 84). These areas embody a country’s ability to evoke admiration from another country or have that country aspire to be like it in some way (Nye 2004, 2008, 2011). Additionally, in analyzing soft power in East Asia, Geun Lee (2009) expands on Nye’s definition to include soft power as being power derived from soft, non-material resources, those things that produce attractiveness and respect. These include “soft resources such as ideas, images, theories, know-how, education, discourses, traditions, national or global symbols, etc.” (Lee 2009, 6).
Building on Nye and soft power, Kamrava (2013) refers to this as “subtle power.” This concept emphasizes a mix of physical security, branding, diplomacy and investments in the overall pursuit of power, relevance and security on the global scale. Subtle power operates from a position of physical security, often guaranteed by a neighboring or outside power; in the case of the Gulf States, the US provides the physical security umbrella. Once secured, countries develop softer, or subtler, forms of power through diplomacy and economic integration while undertaking actions that showcase these developments to promote the country. According to this definition Qatar is the archetype and what sets it apart is its use of a broadcast approach, most notably through its diplomacy but also in its cultural products. While the UAE also has physical security from the US, a branding strategy and resource wealth for investment, it does not engage in diplomacy to the level of Qatar. Indeed, Kamrava (2013) characterizes Qatar’s diplomacy as “hyperactive.”

Therefore, there are at least two classifications of countries utilizing soft/subtle power, one that focuses internally and one that projects outward, all for the sake of integration and interdependence. This is the foundation for the haven and broadcaster approaches presented later in this chapter and throughout the paper as approaches to diversifying security. Qatar has taken steps to be a regional and international political player, broadcasting its soft power by attempting to position itself as a neutral intermediary that is physically in the Middle East while seeking to shape global public opinion through its media. The UAE prefers to highlight its development as a location or haven for a variety of capital that serve as building blocks for elements of interdependence, though both strive for these types of capital through various forms of business, investment, tourism, retail, museums, architecture and global events. Essentially, through these approaches the countries themselves serve as the “institutions” that promote and facilitate a
range of cooperation across economic, social and political spheres, further entrenching interdependence and their role as strategic pivots for these activities with security potential.

As noted, the Gulf States have been able to become this pivot through the process of globalization, which ushered in a new era where globalized flows of capital created new opportunities for states to seek security through alternative forms of power. Put differently, alternative forms of power and their ability to establish interdependence correlates with French sociologist Pierre Bourdieu’s work on forms of capital (1984; 1986). Bourdieu conceived of capital as more than just economic, but cultural, social and symbolic and that without acknowledging all of the forms one cannot understand the social world. Actors draw upon, exchange and leverage all types of capital in their ultimate pursuit of prestige which confers upon them symbolic capital, or power. Knowledge, connections, and image are assets just as much as is money.

A country’s cultural capital refers to the knowledge, competencies and skills that provide it with a sense of distinction, separating it from others and reinforcing the separation as legitimate based upon these differences. The development of museums in Doha and Abu Dhabi, an increased preoccupation with arts-related festivals and the establishment of esteemed educational institutions in both countries are examples of creating cultural capital, as are technological development and local advancements in the knowledge economy. Furthermore, more than just sources of economic capital, the connections, alliances and networks fostered through the activities of the haven and broadcaster constitute social capital. Social capital describes the value and potential of one’s social network, and is the product of deliberate investment strategies whereby the actor seeks to gain connections for later use. Interaction with
like-minded individuals creates trust and reciprocity that both creates interdependence and can be converted into other forms of capital later on.

Power, then, comes from the ability to mobilize capital, and the relative importance of a given form of capital depends on the strategy and context. The entire social space is a series of power struggles, and though Bourdieu theorized about humans his concept applies to the international system and states’ pursuit of prestige—or symbolic power—for the sake of cooperation and interdependence. Therefore, these forms of capital are in essence a set of building blocks that a country can arrange to help constitute various levels of interdependence. Cultivating capital that leads to interdependence ultimately enable these countries to fit more closely and attractively whichever role they have chosen as their path to diversified security, both externally and internally.

Underpinning this transformation was and continues to be the economic concept of neoliberalism. Neoliberalism should not to be confused with liberalism or neoliberal institutionalism discussed above, which argue that states in the international system are interdependent and competition is not inherently the default setting. However, liberalism’s emphasis on interdependence, cooperation and alternative power in a globalized system does shape the strategies of states seeking security, which they do by using neoliberalism to fill particular roles for the international community.

Rather, neoliberalism has its roots in economic liberalism and its emphasis on free market capitalism, privatization and limited state intervention. Neoliberalism takes these concepts to the extreme, advocating for deregulation, free trade and unfettered competition; essentially it is economic freedom. The state’s responsibility is to enable capital accumulation by creating markets and providing security, be it physical or monetary, but leave the operation to the private
sector (Harvey 2005). Neoliberalism rose to global prominence through the Washington Consensus, a set of ten economic principles adopted by the Washington-based International Monetary Fund and World Bank. Because of the significance of these institutions in the promotion of economic development, they prescribed following neoliberal principles as conditions of providing aid to developing countries based on John Williamson’s observation of development policies in place in and recommended for Latin America. Some of the principles with the most direct relationship to the Gulf States include restructuring public spending to growth industries, minimizing taxation, liberalizing all aspects of trade and investment, privatizing business and deregulating commerce.

Essentially, what neoliberalism did was to liberate the flow of capital—as well as people and ideas—both within and between markets. This, combined with globalization, enhanced the competitive nature of the global marketplace as the installation of capitalism and deregulation in developing countries around the world contributed to capital flowing to wherever was most efficient. The world was now a marketplace with many vendors—states—offering similar “products” and these states needed to differentiate themselves, transforming domestically and engaging globally to stand out. Emerging markets embarked on state-capitalism projects to create and leverage comparative advantage in the production of goods and the offering of services, thereby attempting to elevate their economies and their countries to positions of global interdependence (The Economist 1/21/12). Thus, neoliberalism has underpinned how states engage in the diversification of security by providing a framework within which they can fill niche roles.

For the Gulf States, ruling families have implemented strategies that make the state a neoliberal extension of the families themselves. Kanna notes that Dubai is a family business with

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the appearance and some functions of a state—a “family state”—in his book on the city as
corporation (2011, 14). Hanieh (2011) expands the scope of this assertion by arguing that
neoliberalism has fused with the Gulf States’ identity to the point that his concept of “Khaleeji
Capital”—or Gulf Capital, khaleej being the Arabic term for gulf—reflects the neoliberal
preferences of the capitalist class across the Gulf States in their interactions with the global
economy. As the US became the key driver of the global political economy in the 1990s and
onward, the Gulf served as a linchpin thanks to its embrace of neoliberalism. Its roles as a
producer of hydrocarbons, consumer of goods and supporter of the US-led financial system
through investment of resource wealth bolstered its fit in the global capital flows.

Yet while discussions of neoliberalism often carry zero-sum connotations of either an
economy is or is not neoliberal, the Gulf States represent examples that there can exist managed
pockets of neoliberalism that serve to present an overall appearance of a neoliberal economy for
social, political and economic purposes. Both Kanna and Hanieh discuss that beginning with the
rise of oil, the ruling families have been able to use financial means to shore up the
aforementioned issues related to internal security. It started with the cooptation, or buying off, of
opposition movements and now the adoption of neoliberal economic policies serves to further
their hold on political economic power through a diversified economy that will both enable
further cooptation and maintain the expected quality of life. As a testament to this, neoliberalism
as practiced in the UAE and Qatar is comparatively highly-managed and less free-flowing than
typical notions. What the ruling families have done—as chapters 3 and 4 discuss—is define the
boundaries, both figuratively and literally, for neoliberalism within their countries. Although it is
their preference, Gulf leaders confine it to “cities” or “free zones” that allow them to project the
attractive image of being neoliberal, and therefore up to date and competitive for business and
investment purposes, while maintaining the state’s lead in the economy. Essentially they are the not-so-hidden hand guiding the “invisible hand” for the sake of overcoming internal political and economic challenges, and the hand may be just “window dressing” regardless (Hvidt 2013).

Despite how it plays out in the Gulf, critics of neoliberalism generally, including Chomsky (1999) and Harvey (2005), as well as both Hanieh and Kanna in the Gulf context, argue that rather than forming the ideal environment for healthy competition, it creates the conditions for exploitation and further entrenchment of the existing order by emphasizing individual values over collective ones. As the preferred policy of powerful countries and elites it spreads quickly and thoroughly, displacing from above any existing models while becoming the natural language of economics. Harvey notes that neoliberalism redistributes wealth to a select few rather than creates it for many, making it “accumulation by dispossession” (Harvey 2005, 159-163). With respect to globalized competition, the core of economically-powerful states still continues to be economically powerful, but now they exploit the peripheral states even more. Rather than raising up the periphery or working towards the collective good, neoliberalism lauds Darwinian competition of economies, creating or entrenching poverty and inequality while actually reducing democracy and empowering the elites that imposed neoliberalism in the first place, traits clearly found in Kanna and Hanieh’s analyses of the Gulf States.

One of the main engines for this has been selective privatization that results in crony capitalism, dispossessing the public sector of wealth so a few members of the private sector can accumulate it. State-capitalism projects enabled those with close ties to leadership or ruling families to receive preferential treatment while projecting the façade of privatization for acceptance in the international community. For many emerging markets, especially those with authoritarian backgrounds, crony capitalism plays out as the state establishes semi-private, or
parastatal, enterprises to operate on behalf of the states. In the Gulf States all oil/gas companies follow this pattern, and chapters 3 and 4 discuss significant examples of non-oil, state-affiliated domestic businesses. The best example of this is the proliferation of parastatal companies, those that blur the distinction between the public and private sectors by serving the state indirectly. In the era of neoliberal privatization they constitute a type of crony capitalism that sees elites becoming heads of businesses that help diversify the economy, with active support from the state.

As a result of the critiques note above and less-than-stellar performance on the ground, in most cases neoliberalism and the Washington Consensus lost favor after the global financial crisis. Yet many emerging markets have adapted aspects that suit their own contexts while others still search out neoliberal opportunities abroad, both to compete for capital flows in the search for security. Therefore, by using the politics of attraction developing countries can implement strategies to integrate themselves into the global marketplace, from providing domestic havens for neoliberal activities to directing flows of capital overseas.

As noted throughout this chapter so far, global interdependence underlies a country’s posturing within the neoliberal context. Without integration into the international system, attractiveness and control of capital flows means little. Applying integration to small states in their pursuit of security, Keohane and Nye (1977) assert that there are specific issue areas that are significant to the international system and that in many cases small states can wield a large amount of issue-specific power that endows them with interdependence; examples include Switzerland for financial services and the Gulf States for natural resources. This integrative power helps create bonds in the form of alliances or networks that solidify a country’s role and potential for influence; this is social capital in action. The Gulf States became relevant due to
their possession of natural resources that drove the economic engine of the world. Though these resources are finite, they will continue to provide interdependence for a while longer, but, as Lawson noted, within the last decade the Gulf States have developed diversified interactions with the international community to rectify the imbalance of influence and gain new sources of interdependence.

In terms of increased participation in networks and alliances, the Gulf States collectively have been able to wield various amounts of financial power as a result of their possession of natural resource wealth. In the six year period from 2002-2008 that saw oil prices increase seven-fold to $150/barrel, estimates suggest that the GCC countries earned roughly $1 trillion in foreign assets. These levels coupled with the beginning of the global financial crisis resulted in the Gulf States becoming the saviors of financial institutions and US automobile industry. They leveraged this to put pressure on the International Monetary Fund and the G20 to reform by becoming more favorable to emerging economies, marking an era of increased involvement by the Gulf States in what Keohane (2002) has termed the “governance of globalization” that rests on liberalism’s concepts of interstate cooperation and transnational networks (Ulrichsen 2012a).

Ulrichsen (2011b) asserts that by joining emerging powers like China and India in these efforts, along with their leadership roles in new energy and climate change, the Gulf States have become participants in “coalitions of convenience” that help to reshape the international system in response to the shifting of geo-economic power. He later notes that “their hydrocarbon reserves and capital inflows positioned the Gulf states as a geographically-central pivot in the changing global order” (Ulrichsen 2012a, 5), a factor contributing to how the UAE and Qatar have approached developing for the diversification of security. What started as economic capital providing a seat at the table has transitioned to cultural, social and symbolic capital for the sake
of entrenching interdependence as they have situated themselves to command a deeper and broader range of the global flow of capital provided by neoliberalism, as chapters 3-5 demonstrate.

One of the major patterns in this trend of pursuing global interdependence, the Gulf States have shifted their alliance orientation to the East specifically and the “global South” of emerging markets generally. This diversification of alliances and networks has been driven by the niche roles the Gulf States seek to fill—see below—and the desire to expand beyond depending on the US and the West. As this dissertation will demonstrate, the UAE and Qatar have been able to leverage their geostrategic position, resources and transformed societies to attract attention and global capital flows, enabling a diversification of alliances that include increasing cooperation with Asia, Africa and other emerging markets (Simpfendorfer 2009; Davidson 2010; Kemp 2010).

The Approach: Niche Roles and Entrenching Interdependence

--- *Diversifying Small State Security*

If the strategy is to use capital flows countries must implement approaches that afford them increased levels of interdependence than what they possess already, a change to the status quo. As noted, while undoubtedly hard power will continue to play a significant role in international politics and security, increasingly competition on the global scale does not involve wars between countries but rather jockeying for position in the politics of attraction and the flows of capital. For emerging states, this is welcome news as they lack the potential to wield durable, credible hard power to their advantage in the international community.
However, despite these “physical” weaknesses, or weakness in terms of “hard resources,” they have developed the potential to produce soft power by competitive advantage with respect to “soft resources” and their ability to construct and occupy niche roles that represent their value to the global marketplace. This aligns with the theory of constructivism, which posits that international relations are contingent upon the identities and interests of those involved. Wendt (1999) argues that the anarchy so central to realism and liberalism is “what states make of it,” meaning that interaction between states conditions and is conditioned by how states see themselves and others. Moreover, Finnemore (1996) and Katzenstein (1996) view identity as shaped by norms of the international system, so that a given state’s behavior and identity corresponds to how it should behave or fit into the broader system.

Therefore, states have a “character” that is the sum of their defining political, social, cultural, economic and religious characteristics. To be integrated, interdependent and secure this character must fit with existing norms and respond to interstate interactions. For smaller states, “smallness” may be the product of negotiation and result in a smart and salient identity that provides flexibility for operating within a challenging international system (Browning 2006). The state’s elite predominately drives this negotiation and identity process, so that elite identities or self-perceptions of identity become the pattern for the state’s identity (Gvalia, Siroky, Lebanidze and Iashvili 2013) which then draws upon existing features like natural resources and wealth (Hey 2003a; Braveboy-Wagner 2010) to create an identity that serves to reinforce interdependence and promote further cooperation. This directly applies to the Gulf States since a single ruling family in each state has and continues to create the character of these countries that are just over forty years into independence, using their wealth to underpin the crafting of niche roles.
According to Chong’s (2010) discussion of small and emerging state security strategies, early literature painted a pessimistic view of small states (Fox 1959, Vital 1967, Keohane 1969), but more recent studies depict that they may not be as vulnerable as once thought (Handel 1990; Thorhallsson and Wivel 2006; Horscroft 2007; Cooper and Shaw 2009), or at least are now gaining the abilities through the increasing significance of interdependence to mitigate their earlier perceived weaknesses. These studies of soft power and small states reveal that image management (Mellisen 2005) as well as media and international public opinion (Chong 2010) have the ability to help provide security for small states; this notion relates to the concepts of interdependence and symbolic capital discussed above.

Mellisen’s and Chong’s studies present the potential for soft power to enable virtual enlargement, or the projection of an enlarged importance to the international community for the sake of effecting small state survival. Chong (2010) identifies three pathways for “virtual enlargement” whereby small states emphasize their political economy potential, models of good governance or diplomatic mediation as means to increase their importance on the global scale—discussed below as value and interdependence. Political economy potential depends on a country’s ability to earn a reputation for this kind of activity through creating a market and attracting the outside in. Using good governance allows a country to present itself as an attractive source of emulation for other countries, thereby increasing its influence. Finally, countries may act on the regional and international levels as impartial mediators; their involvement in conflict management raises their attractiveness and value.

Similarly, Peterson’s (2006, 741) work on Qatar suggests three ways small states can effect their own security. They may take the steps necessary to live with their neighbors, even to their own detriment, or find a powerful protector. In terms of soft power, and related to Chong’s
pathways, is that small states may fill niche roles to benefit their neighbors, the region or the international community. To this end, Peterson uses examples including Monaco for gambling, banking and as a resort for the wealthy as well as Luxembourg for provision of air transport services to the EU. His discussion reveals that by positioning themselves within the flows of capital emerging states demonstrate their interdependence to outsiders by providing value as an independent entity, and that they should promote this niche value by promoting their uniqueness, i.e., through branding. Increased awareness enhances prospects for survival, allowing a country to use its soft/subtle power more effectively. Thus, for these small states, security may be situating themselves positively in another country’s calculus of what is good for that country; essentially, they are constructing an identity to cultivate interdependence through attraction and positioning.

Collectively, these features form the country’s image in the global marketplace for interdependence. There has been new value placed on culture, traditions, and nature that emphasize the role of countries that can provide niche offerings for the marketplace. This speaks to the salience of uniqueness and the character of a state, as touched on above. Given the competition, countries need to differentiate themselves and then showcase those unique characteristics. In fact, according to Nye (2008) world opinion judges the efficiency of how countries present themselves and countries have made conscious efforts to garner favorable public opinion from the international community. He takes this further in addressing soft power and a “paradox of plenty” which relates information overload to attention; essentially, when there is plenty of information there is a scarcity of attention (2008, 9). For Nye this means that credibility and reputation become paramount in attracting attention for countries; politics is competitive credibility, and countries need to undertake actions and create symbols that
demonstrate their credibility/reputation with respect to others. The interdependence-producing activities described throughout target people, who increasingly have more say in governmental activity as well as the obvious ability to shape tourism and business activity.

As such, countries can construct attraction for the sake of interdependence by making themselves more appealing through the resources noted above and/or by boosting their reputation. Indeed, while attraction is important to leading states like the US—Nye’s predominate case—non-leading states, or emerging states, have an even greater desire to construct attractiveness to situate themselves in the global competition. Lee (2009) discusses this as policy goals driving the construction of attractiveness, and his approach, grounded as it is in South Korea and Japan, applies more directly to smaller states. While not necessarily seeking power to the degree of leading states, these states can find power beyond their size in being on the world stage, providing a niche offering, gaining prestige and earning for themselves some type of positive reputation/image—together described below as the country’s “brand.” Gilboa notes that, “favorable image and reputation around the world, achieved through attraction and persuasion, have become more important than territory, access, and raw materials, traditionally acquired through military and economic measures” (Gilboa 2008, 56).

In the past, countries used public diplomacy to pursue these goals. Public diplomacy includes the activities undertaken by a government and/or its extensions to influence the publics of other countries. This influence must either be for diplomatic purposes or the general national interest of the country (Potter 2009). Given that survival is naturally in the interest of states, public relations helps the process by conveying to foreign publics the value and interdependence of a country. Therefore, Nye claims that public diplomacy is the application of interdependence and public opinion judges how effective/efficient it is (Nye 2008) and Potter that it is using
potential interdependence for economic and security-related purposes through shaping how a country is seen and heard, as well how it is presented and understood (Potter 2009).

Potter directly (2009) and Nye indirectly (2008) discuss the two classifications of the public diplomacy process. The short and midterm functions of the process represent what Potter terms hard public diplomacy. Just like hard power, these aspects of the process seek to command/control through coercion and inducement. These are done predominately by official agents in embassies or lobbyists and include propaganda, advocacy and official symbolic events. As the transition occurs from midterm to long term goals, the process shifts to soft public diplomacy that seeks to co-opt, validate and attract. These rely much more on what has been building relationships and promoting attractive images for the sake of developing cooperation and interdependence. This type of public diplomacy includes academic and cultural exchanges, investment, tourism and, increasingly, sport.

Sport has become a recognized part of many states’ strategies through its links to soft power, public diplomacy and global interdependence, and by extension diversified security as discussed in this paper. Thus, chapter 5 builds on a handful of recent academic publications that apply soft power, globalization and interdependence as a foundation for discussing the “exploitation” of sport for these political economic purposes (Cornelissen and Swart 2006; Cornelissen 2010; Grix and Houlihan 2013; Grix and Lee 2013) plus a variety of others that address the geopolitical functions of sport. In terms of public diplomacy, it can reach cross-culturally, promoting unity between and within nations. To this end, USC’s Center for Public Diplomacy has begun to produce a variety of content under the tag “sports diplomacy” to capture this role of global sport (USC Public Diplomacy website, Sports Diplomacy). Sport also provides a stimulant to domestic development, whether using sport tourism as part of economic
diversification or sport events to boost infrastructure projects. The latter also highlights the ability of sport to serve as a means to showcase a country to the world, garnering recognition and prestige—or at least the external perception of prestige—which is a key indicator of a nation’s power on the regional and international stages (Kim 2004; Grix and Houlihan 2013). Success in sport, then, is a visible, positive signal sent to the international community that the country has prowess, which can increase the country’s interdependence (Van Hilvoorde, Elling and Stokvis 2010; Grix and Carmichael 2012). Sport sponsorship further enables nations and their parastatals to project their image around the world, perhaps none more noticeably than the “Fly Emirates” logo of Dubai’s Emirates Airlines plastered across coverage of some of the sports world’s biggest international events from soccer’s World Cup to tennis’ French and US Opens and golf’s Ryder Cup.

---Corporatizing the Nation

Therefore, countries have now taken to branding themselves like companies and products—or even sports teams—attractively packaging what is inside to increase the world’s consumption of their niche, a practice captured and evaluated in the context of this dissertation by the press profile measure. Rather than a complex society, the country’s leadership constructs an identity that reflects the chosen approach to interdependence and then proceeds to peddle that through advertising and public relations tools developed for corporations. Van Ham argues that states can no longer compete for cooperation politically and economically without creating a valuable brand and that branding a nation “implies a shift in the political paradigm from the modern world of geopolitics and war to the postmodern world of images and influence” (Van Ham 2002, 252). His work situates place/nation branding in a realm of postmodern power that he claims relies on soft power utilized through public diplomacy and place branding. Fitting with
the theory of social constructivism—where constructed notions of ideas and values shape politics and ultimately interdependence (Van Ham 2008).

The “brand state” seeks to promote itself, making the country’s image—or stereotype—work to obtain interdependence. Finding a niche along the lines noted above helps make a country competitive, but in product branding anything that creates a mental image can be valuable. In some cases, nation-branding takes the form of just publicizing a country’s brand, maybe through an infomercial that features people having fun near the country’s landmarks or other forms of traditional advertising like a catchy slogan or a logo designed to appeal to a target audience and tell of the country’s suitability for tourism or business. The country becomes just another thing, and hopefully a thing that people want. Regardless, the end goal is experience, actually getting someone to visit or invest in the country. Van Ham uses Van Gelder’s (2002) strategies for branding in explaining the significance of differentiation and emotion to competitiveness:

Brand managers offer four arguments for why branding is both necessary and beneficial for commercial and political actors alike: (1) Products, services and locations have become so alike that they can no longer differentiate themselves by their quality, reliability, and other basic traits. Branding adds emotion and trust to these “products,” thereby offering clues that make consumers’ choice somewhat easier. (2) This emotional relationship between brand and consumer ensures loyalty to the brand. (3) By creating an aspiration lifestyle, branding offers a kind of ersatz for ideologies and political programs that are losing their interdependence. (4) The combination of emotions, relationships, and lifestyle (values) allows a brand to charge a price premium for their products, services, and locations, which would otherwise hardly be distinguishable from generics (Van Ham 2008 129-130).

In this case, branding is what makes a country unique and attractive, not the country itself. Or, maybe more correctly, to boost its attractiveness for political and economical interdependence the country has to artificially inflate its worth through branding, as Van Ham claims below:

One has to recognize that the unbranded state has a difficult time attracting economic and political attention. Why would we invest in or visit a country we do not know, and why would we pay attention to its political and strategic demands if we have no clue what the country is all about and why we should care? Assertive brand asset management may be viewed as central to keeping both a competitive economic and political edge. States, regions, and cities now adopt proactive branding strategies in the knowledge that as a strong, attractive place brand, they can charge higher prices, achieve higher profit margins, and expand their market and political share by creating a brand premium. The argument is quite simple. By managing
their location’s brand equity, politicians do two things. Externally, they aim at attracting more clients, charge more for their products/services, and generate overall economic/political advantage for themselves. Internally, they are making their citizens feel better and more confident about themselves by giving them a sense of belonging and a clear self-concept. Branding is therefore about both power and identity… (Van Ham 2008, 131).

Ultimately, these are the issues at play when the UAE and Qatar promote their identities as a haven or broadcaster to the international community. The countries

So when countries seek to inflate their worth through this type of branding, they need only look to any number of firms that have merely transitioned their corporate advertising/public relations engines to run on countries instead of corporations. One such consultant—who has been in high demand and even produces a nation-brand index to help his clients gauge their brand’s value—Simon Anholt, offers the most advanced technique on the market for nation branding through his concept of competitive identity. Competitive identity seeks to account for the complexity of a nation’s brand and the process behind promoting that brand. It is more than just brand management or public diplomacy, but includes remaking the entire scope of a state’s identity. For Anholt, while states cannot be contained in a logo and promoted simply via commercials and advertisements, they can create a competitive multifaceted image through strategically-selected political, economic and social developments. These include the dynamic development of tourism, foreign investment and exports, carefully chosen international cultural, sporting and political events, enhanced public and private diplomacy overseas and a visionary long-term approach to innovation, investment and education (Simon Anholt website). This amounts to initiating a campaign of corporate responsibility, constructing and managing identity by transforming how the country operates.

In this manner, competitive identity can be an extension of virtual enlargement discussed by Chong and Mellisen. Countries choose the role—the niche—that affords them the most competitive advantage, be it as an economic hub, political model or diplomatic player, then use a
combination of soft power tools to construct features of that identity for competition. To this end, Anholt suggests that countries should:

…not ask the question ‘what can we say to make our country famous?’, but ‘what can we do to make our country relevant?’ Instead of asking how that can charm or coerce people into admiring their country, they should ask themselves why [emphasis in original] people in other countries should even think about their country in the first place (Anholt 2009a, 43).

Rather than the why being the intrinsic value of the country, competitive identity and nation branding suggest that interdependence needs to come from packaging the country properly through the actions noted above. Ostensibly some of these efforts may be worthwhile, but the driving force is the pursuit of symbolic capital and global interdependence, not necessarily the holistic benefit of the country.

For the entire “brand-associated” process to work, a product has to do or earn something, creating customer experiences that drive demand. A country has to make people want to pay attention, cultivating interdependence by developing internally to create that durable demand. Anholt adds that symbolic actions go a long way in this process. Symbolic action is a subset of substance that have communicative power themselves, thereby performing the double duty of being potential resources of soft power for the brand while helping show off the brand. They include “innovations, structures, legislation, reforms, investments, institutions or policies which are especially suggestive, remarkable, memorable, picturesque, newsworthy, topical, poetic, touching, surprising or dramatic. Most importantly, they are emblematic of the strategy: they are at the same time a component of the national story and the means of telling it (Anholt 2009a, 13).

In this vein, a key component of an identity that is competitive, attractive and relevant is one surrounded by “buzz.” The development of new, eye-catching things should be part of the policy; there should be a culture of innovation to constantly reinforce/prove the reputation. This cannot be constructed through graphic design, only earned, but it can be earned through
construction on the ground (Anholt 2009a; 2007). Therefore a strategy of soft power attraction and capturing capital flow—including all the forms of capital—relies on the heavy use of actions only meant to increase a country’s appeal to the global marketplace on the market’s terms.

In this branded line of thinking, countries only become relevant when they transform themselves to become attractive to a given audience. To this end, Anholt has teamed with global research firm GfK Roper Public Affairs and Media to develop an index to the interdependence or attractiveness of countries based on six channels:

1) Tourism—The level of interest in visiting a country and the draw of natural and man-made tourist attractions.
2) Exports, including sub-brands—The public’s image of products and services from each country and the extent to which consumers proactively seek or avoid products from each country-of-origin.
3) Policy/Governance—Public opinion about national government competency and fairness, as well as its perceived commitment to global issues such as peace and security, justice, poverty and the environment.
4) Investment/Immigration—The power to attract people to live, work or study in each country and how people perceive a country’s quality of life and business environment.
5) Culture—Global perceptions of each nation’s heritage and appreciation for its contemporary culture, including film, music, art, sport and literature.
6) People—The population’s reputation for competence, openness and friendliness and other qualities such as tolerance.9

In another ranking of country brands, Bloom Consulting asserts that there are six objectives for a given country’s brand.10 Each objective has a specific target audience the country is trying to reach, and each audience has a specific need that a country must meet for them to engage in a relationship with that country. Thus, the classification is as follows:

- Investment—Investors—Advantage
- Exports—Companies—Uniqueness
- Talent—Workforce—Lifestyle
- Tourism—Tourists—Experience
- Pride—Nationals—Admiration

9 Descriptions taken from GfK Roper’s Place Branding Research division’s explanatory sheet for the Nation Brands and City Brands Indices (GfK Roper website, Indices).
Diplomacy—General Public—Respect

To explain the first example more fully, one of a country’s objectives is to increase investment into the country. The country then needs to target the investors that control those decisions, be they money managers, corporate executives or representatives of other governments. The investors need to see that the host country provides some degree of advantage and that investing there will result in gains. In this example, a country’s brand can help communicate which advantages are available. The same reasoning applies to the other five objectives as well. The ranking takes into account hard numbers of tourism or investment as well as online activity of potential tourists or investors with the goal of seeing how well supply (the brand) fits demand (the need).

The high degree of overlap between the two sets suggests that both find similar factors significant in explaining country brands/competitive identity. Tourism, Investment and Exports are overtly the same on both lists, while Diplomacy can correlate with Policy and Pride with Culture. The issue of People and Talent vary, in that for Bloom Consulting the workforce is mostly external and Anholt’s conceptualization is of the internal populace. Regardless, while Anholt’s index addresses the core components of transforming a country’s brand/competitive identity, Bloom Consulting’s inclusion of audiences and their needs represents a further example of the importance now placed by countries on strategically crafting a brand/identity to make themselves attractive, relevant and valuable to the international community, thereby effecting security.

Conversely, in his book The City as Corporation, Ahmed Kanna (2011) grapples with the harsh realities of implementing such a strategy that treats a country as a corporation, using Dubai as an example. He critiques the common trend of characterizing Dubai as an ideal-type manifestation of urbanization, looking below the skyscrapers to examine how creating the brand
so successfully—successfully in that until, and even after the economic crisis, Dubai was known to most of the Western world as inherently modern—has fundamentally restructured the emirate’s society. Of the processes that attend turning a nation-state, or city-state, into a corporation, the foundation has been the ruling family’s—or maybe board of directors’—ability to craft a national myth and identity that serve as the central component of the state’s brand.

For Dubai this has been largely entrepreneurial in nature, drawing on the history of the city as a trading hub while emphasizing the role of the Al Maktoum ruling family in being the ultimate entrepreneurs by way of their leadership in Dubai’s rise. Underpinning this process is the ruling bargain that exists, whereby the ruling family portrays itself as both the protector of the populace from the undesirable “other” as well as the protector of the other in certain cases, exchanging political rights for economic provisions. This dual function allows the ruling family to preside over the creation of a hierarchy of the population, from citizens to Western expatriate professional workers to third-world laborers; Kanna uses their narratives to paint a picture of what is really taking place as the city becomes a corporation.

Drawing on the work of Lefebvre (1974; 1991), Kanna places special emphasis on the role of architectural projects as part of a social process whereby defining the space of the city reinforces the power of the ruling class. These projects become symbols of prestige even as they reshape the historical landscape of Dubai to match the identity the ruling family desires, projecting it to the global marketplace and literally cementing the social hierarchy. Western “starchitects”—star architects—utilize Dubai as a laboratory for their trial efforts in grandiose design, hoping to make their own brand while they build Brand Dubai. The problem is that by buying into the brand identity concept of the ruling family, the architects falsely assume they are creating something on nothing when in reality they are supporting a political process that is
destroying and remodeling a society that reasserts the ruling family’s control of it—the creative destruction of a society. Representations of a new Dubai legitimized the identity by redefining the social space of the city, giving preference to towering icons of the innovative spirit while sentencing the real builders of society to live in the camps just beyond the glow of the city.

As discussed previously, neoliberalism forms the core of this entrepreneurial identity Gulf State ruling families have been developing. In contemporary Dubai consumerism has become the key indicator of modernity and progress; Kanna and Hanieh (2011) both connect consumerism with accumulation, where capturing the globalized flows of capitals aids in reinforcing the identity of the state and the ruling classes’ hold on society. The various other classes in society fall in line where necessary, with citizens being either “neoorthodox” and longing for the traditional life of the pre-oil era or “flexible” in embracing neoliberalism in support of the entrepreneurial identity crafted by the ruling family. The expatriate population, especially the South Asian workers, straddles these classifications. On one hand they are engaging in the neoliberal economy, benefitting from a freer flow of capital, while on the other they are being exploited for the benefit of the ruling family’s identity project.

In total, Kanna presents a neoliberal urbanization or symbolic economy that emerges from the corporatizing of the state. A new neoliberal identity must be formed to solidify the ruling family’s control while furthering the ruling bargain, which at present has been weakening in the wake of the Arab Spring. The accumulation of capital, from economic to symbolic, for the ruling family drives the pursuit of a neoliberal identity that will hopefully become an attractive destination for its free flow; unchecked neoliberalism creates a buzz-worthy environment. The population must incorporate the identity or fall to the margins. In order to effectively implement this change, the very landscape of the state must change as well, removing vestiges of the old
states while erecting monuments to the new state in the form of skyscrapers and other prestigious marvels of architecture that pay homage to history for legitimacy. Therefore, branding the state entails more than just simply promoting an image or strategically altering appearances and preferences to artificially inflate attractiveness on the global marketplace, it is remaking the state in the image of the rulers. Whereas for Anholt identity is all about using a brand in the neoliberal environment to make a state competitive for attention, Kanna reveals the underlying sociopolitical motivations and pressures the state’s brand tries to conceal while exposing the dangers of neoliberalism in context.

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The Haven and Broadcaster Approaches to Filling Niche Roles

States are engaging in a competitive search for security by creating identities that fill niche roles, for better and for worse, but the competition is rooted more deeply than merely for attention. Rather, it is for survival, both of the regime and the state, and the approaches employed by the UAE and Qatar in competing for tools of survival are necessarily more than just simple cosmetic procedures. The diversification of security—and correspondingly insecurity—described in this paper incorporates the political economic motivations of the state in seeking to become attractive and globally relevant. The adoption of a neoliberal identity that facilitates their roles as niche providers has become their strategy, and as befits neoliberalism, these roles vary based on efficiency, comparative advantage and context.

Since a variety of resources with the potential to create interdependence exist, the two approaches introduced below are not binary but rather fluid. As the chapter on Qatar discusses in more detail, the broadcaster approach necessarily must have a haven-like foundation, cultivating the same types of interdependence in developing the full characteristics of Kamrava’s subtle power. Similarly, the haven engages globally to communicate its capacity at home. Thus, the
approaches coexist in the same environment with more emphasis placed on one or the other depending on the context. Differences between the two approaches as implemented by the UAE and Qatar are more of scale and orientation of activities, not necessarily in the type of activities.

Borrowing from Hanieh’s concept of Khaleeji Capital as a socio-economic class, this dissertation presents these two approaches as roles that “Khaleeji Capitals”—capital cities in the Gulf States—play in their pursuit of becoming world-class, interdependent cities. The strategic use of neoliberalism to control capital flows is one of the core characteristics of this “class” of city, and there is a common identity between these cities that runs transnationally. A key commonality, and indeed the hallmark, of Khaleeji Capitals is the presence of “cities of corporations,” building on Kanna’s discussion of Dubai operating as a corporation. While the city is a corporation it is also home to literal cities of corporations, highlighting its desire and ability to fill a niche role for the international community. These concentrated areas are devoted to promoting everything from commerce to entertainment and education, ultimately seeking to provide a foundation for the new economies of the capital cities in their pursuit of harnessing capital. Therefore, a Khaleeji Capital is at once a city as corporation and home to cities of corporations. This political economic orientation is predominately the realm of the haven, but ruling families can leverage this corporate foundation to either further cement a role as a haven or as a foundation from which it can broadcast its diplomacy and culture.

On one hand, a country—or Khaleeji Capital—employing the haven approach like the UAE relies on creating the conditions and capacities necessary to setup the country as a destination or hub for a variety of international activity or capital flow. Essentially, this approach draws in the world so value and interdependence are internal, concentrated on the ability to attract people, money, business and commerce to a specific location. In terms of Anholt’s
categories from the nation-brand index, countries taking this approach emphasize tourism and investment the most. Next would be exports, so long as they are related to cultivating more inward activity, then culture and people, especially if they are able to do likewise. The policy category would be minimal, since with respect to Chong’s classifications of virtual enlargement, it fits with using political economy as the attractive feature, making governance and diplomacy less significant in the formation of the country’s identity.

As such, the most important tools of the approach are those that help establish the political economic corporate foundation for financial and commercial activity. The government offers a variety of incentives to attract corporations to relocate to and invest in that country. This starts by creating the physical infrastructure necessary to support the influx and operation of the capital flows. As noted, there are zones dedicated to presenting a conducive operational environment for a variety of activities, all featuring the concentration of a designated sector to facilitate interaction and progress—cities of corporations. These may include literal financial centers in pursuit of becoming a globally-recognized financial center as well as facilities for health care, education and media. Additionally, airports have the capacity to move the human and resource capital, as do ports and roads; airlines and shipping companies help to literally make the haven a hub.

With these established, the haven must develop policies that support this role. These range from low taxes to openness and limited corruption, with the ultimate offerings being dedicated economic free zones. The influx of foreign investment and companies serves to stimulate the local economy while integrating it into the global economy. Sovereign wealth fund activity also helps diversify domestically, as many of these investments form partnerships with
some of the world’s leading companies, and the funds themselves or their subsidiaries often back the literal and strategic creation of the haven. SWFs are havens for the haven’s capital.

In conjunction with this foundation, a haven must create some level of physical experience for the global community inside the country. Chief among these is tourism. A destination may draw on many forms of tourism to bring in visitors, from simple holiday travelers to those seeking world-class retail, real estate, entertainment and recreation. This starts by having a climate that is desirable and supplementing it with attractive features that cater to demand for consumption like malls and lifestyle amenities. These tourism developments must fit with the corresponding components of the identity, so if luxury and prestige are elements of the brand the offerings need to continuously be more luxurious and more prestigious. Housing structures need to accommodate the workers and visitors, including offering luxurious neighborhoods, high-rise condominiums and 5-star—or 7-star—hotels for the local and tourist elite. Furthermore, iconic architectural projects serve as testaments to wealth, the desire for recognition and a culture of innovation and progress.

Additionally, sport tourism is one of the most significant markets for creating a haven as it both draws people in and serves as a platform for appealing to the global community. This predominately includes regular hosting of events like golf or tennis tournaments supplemented by sporadic hosting of mega events like Olympics, the World Cup and regional games as well as the provision of world-class facilities for tourists to actively participate in sport. In this latter category, golf proves the largest draw, and the expansion of golf-related facilities has become a significant component of a haven approach. In conjunction, these developments help create the physical foundation of a haven, ensure it runs attractively and further promote its reputation as such.
On the other hand, a broadcaster like Qatar utilizes a variety of methods to project itself to the world. It all starts with a haven-like foundation of internal political economic development, in other words, a foundation from which to broadcast. To this end, a country needs to demonstrate that it has the ability to effect change or progress at home before it can legitimately position itself to do so externally. This development may take many forms, but begins with a demonstration of economic capabilities; competitiveness needs at least a baseline of proof. Some examples include economic diversification, tourism promotion and infrastructure development. The appearance of an attractive economy and society at home enables extension of that attractiveness abroad.

However, the end game is not necessarily attracting the international community into the country, but more attracting it to the country’s operations on the global stage. In this sense, the country communicates value and interdependence by drawing attention to its actions in the regional and international contexts, often setting itself up as a legitimate intermediary. Therefore, it fits mainly with Chong’s diplomatic enlargement, though good governance is another potential route for this approach. As such, the emphases placed by countries on Anholt’s categories support this trajectory; actions that promote policy as a key indicator of identity predominate, while exports and culture provide additional methods to get the message out, and people need to form a competent base. Tourism can help spread the message as well, through further exposure, and investment may actually be directed outward.

This approach uses a number of tools to promote its role to the international community and wield its soft power. Diplomacy is one of the main pathways in this approach to gain recognition and demonstrate value. Effectively mediating disputes and participating in regional cooperation help position a country in a leadership role, especially when they serve a niche
market for mediation, which may earn it more legitimacy in the international marketplace.

Similarly, the use of aid for humanitarian and developmental purposes contributes to this identity of the brand as it demonstrates a country’s ability to engage globally and communicates a common set of values. Sovereign wealth funds may also play a role in this financial soft power for countries that have access to surpluses of wealth. These funds act as extensions of the government and provide economic capital to underpin the accumulation and broadcasting of cultural, social and symbolic capital.

Additionally, a country’s cultural products may be a tool for leveraging soft power. Whether through media networks, entertainment, art or a host of other cultural productions, a country broadcasting its soft power offers something of cultural value to the marketplace for consumption. This may be through television shows, movie or music as well as cuisine and sports. It may even be controlling how other countries’ access culture in the market through ownership of media networks themselves and the communication of news through them. Sport also plays a pivotal role as a “cultural product” for the broadcaster, just as it does in the haven approach. Major international events, especially the Olympics and World Cup, signal that a country has arrived on the global scene, demonstrate its capabilities and offer the opportunity to showcase every facet of the country’s brand to the international marketplace.

The Haven, the Broadcaster and the Diversification of Insecurity

Yet, despite the appearance of “successful” diversification of security in the UAE and Qatar by way of the haven and broadcast approaches, the processes at work in each have affected a number of areas within each country that actually contribute to further instability. In some cases diversification has exacerbated these challenges and in others has been responsible for
them. In his book *After the Sheikhs: the Coming Collapse of the Gulf Monarchies* Christopher Davidson presents that while survival until now has relied upon a strategic combination of domestic and external actions undertaken by the monarchies, it will be pressures in these same areas that ultimately lead to their collapse (Davidson 2012).

Therefore, though not an exhaustive list, the following chapters touch on aspects of the other side of the UAE’s and Qatar’s approaches to the pursuit of global interdependence into the 21st century, setting an agenda for future research. Cultivating the various elements of capital and soft or subtle power to fill specific niche roles and then crafting or imposing an identity along those lines has created “blowback” in these countries (Krane 2010). Coined by intelligence agencies, the term describes unintended, harmful consequences of policies that are often unknown to the public of the country implementing them. While not covert operations, the haven and broadcast approaches were products of ruling family implementation—for better and for worse—and the ease, speed and nature of implementing these drastic political economic policies over the past decades has diversified the sources of insecurity even as they were meant to address issues of security in the first place.

By focusing on political and economic security, i.e. state or regime survival, and developing to fill niches oriented to the international community, the UAE and Qatar have caused or heightened internal sources of instability as their approaches not only changed the state but had very real effects on everyone within the state. While the Arab Spring may not have rolled through the Gulf States with as much transformative force as it did in other portions of the Middle East, it did expose that the Gulf States faced potentially destabilizing domestic challenges despite the government’s attempts to conceal them. One of the main practical challenges threatening to destabilize the Gulf States revolves around the physical construction of
these approaches and their operation. Given the small, privileged citizen populations in these countries the task of building infrastructure for the haven and for broadcasting falls to massive amounts of imported labor that is more often than not heavily mistreated.

On the opposite end of the working spectrum the national population has had limited education and skills to contribute to the developing economies, resulting in even-further bloated public sectors and labor nationalization policies for the private sector to compete with expatriate workers. The concentration of foreign businesses and foreign workers challenges the traditions and identity of the country as the national population pales in comparison, resulting in the erosion of legitimacy and efforts to preserve heritage. Finally, large populations in small, desolate areas developed for nearly everything but agriculture has lead to issues of food (in)security and increasing commodity prices that bring the discussion back to domestic challenges and the conditions of the Arab Spring.

This correlates with the demographic and social pressures facing many of the Gulf States, the same pressures that contributed to the uprisings across the region but now suppressed for another few years by unsustainable stabilization methods. Both the UAE (UN ESCWA website, UAE) and Qatar (UN ESCWA website, Qatar) have had rapidly increasing populations, with growth rates at or above per year average of 15% from 2005-2010 according to UN population statistics. While much of the increase comes from migration, with the UAE averaging 762,000 annual net migration into the country and Qatar 171,000 during the period, Davidson (2012, 115) contends that despite low birth rates the inclusion of the expatriate population in birthrate figures hides a rising indigenous population. This increased indigenous birthrate is demonstrated by the pronounced youth bulge in both the UAE and Qatar, where UN figures indicate that 37% and

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11 Unless otherwise noted, the demographic statistics in this section come from the UN Economic and Social Commission for Western Asia (ESCWA) reports listed in the previous two notes.
28%, respectively, of the population was under the age of 24 in 2010. However, both countries face severe gender imbalances which will result in challenges to the indigenous growth rate over the coming decades, with potentially catastrophic effects for Qatar given its decline in fertility rates (Winckler 2000; Berrebi, Martorell and Tanner 2009).

Compounding these pressures, both countries have extremely small percentages of nationals compared to the overall population. In 2010 the percentage of nationals in the total population of both countries was around 12%; in 2012 World Bank population estimates put the UAE at 9.2 million and Qatar at 2.2 million (World Bank website, Population). This means that if 2010 numbers held true through 2012, there were only around 1.1 million Emiratis and 260,000 Qataris in the respective countries. This population imbalance has largely been the result of both countries’ approaches to diversifying security, their adoption of neo-liberal economic policies and the resultant flows of people and capital. As the chapters to follow will touch on, these flows have put added pressure on social, cultural and economic concerns in the countries.
Chapter 2—Sovereigns and Development in the UAE and Qatar

The connection between historical context and 21st century diversification follows the path of individuals who have shaped these countries by implementing policy visions from above. With their tribally-oriented absolute monarchies, the Gulf States embody the concept of the “sovereign” in politics like almost no other country in the world today (Gause III 1994; Herb 1999; Makdisi and Elbadawi 2011; Yom and Gause III 2012). Aided by small citizen populations and tremendous wealth, key personalities from ruling families have used traditional sources of authority, legitimacy and the social contract or ruling bargain in order to dominate the developmental landscape of the Gulf States for the sake of further consolidating and perpetuating their rule. Given this combination these leaders have been able to personally shape and implement policies from above, whether acting to secure protection from regional powers, assert independence or develop economically; this is especially true when it comes to executing the haven and broadcaster approaches for these purposes.

In these cases, the ruling families of each territory—specifically those leaders of the early independence and contemporary periods—chart a vision for the future that would use a variety of development to maintain the status quo and ultimately allow them to stay in power with only limited real political reform. The early independence monarchs seized upon their position within the global historical context to do this; the contemporary monarchs are doing much the same. Even for the monarchs of the early independence period, the exploitation of natural resources and geo-strategic position centered the interdependence and security on their ability to play a role for the international community, as will be discussed below and in the next two chapters. The contemporary monarchs have since implemented more diversified approaches to role playing that include developing for global interdependence, expanding the definition of what a haven
entails and seeking to broadcast influence. Regardless, these leaders have laid the foundations for the UAE and Qatar to achieve the interdependence and outward appearance of security they have today and will continue to implement the strategy necessary to maintain, or secure, that interdependence until it is overtaken by diversified insecurity.\(^{12}\) At a higher level, the Gulf Cooperation Council represents a collective approach to diversifying security as these approaches and roles in member states translate into the GCC—which has origins in security issues—becoming a portfolio of havens and broadcasters.

**Gulf Leadership and the Significance of the Sovereign**

At the root of implementing the haven and broadcaster approaches, the nature of leadership in the Gulf States allows for the business-like operation of a “city-as-corporation” described by Kanna in his work on Dubai. Ruling families in these areas filled their positions centuries ago in many cases, cementing them along the way with a variety of actions designed to co-opt or thwart any challenges as power passed from one generation to the next. Thus, the ruling families of the UAE and Qatar, as well as the other Gulf States, rely upon a foundation of traditional authority to underpin the legitimacy of their policies and are perpetually searching for ways to bolster this legitimacy.

Writing in 1922 (but translated into English in 1958) German sociologist Max Weber theorized three types of legitimate rule for political systems. These types represent strategies for legitimization that rest on three sources of authority, wherein he defines authority as power accepted as legitimate by those subjected to it. Ultimately, these types form a pathway for progression from one type to another due to the passage of time and the context within which the

\(^{12}\) I’d like to note that many of these leaders’ accomplishments discussed below form the backbone for their respective strategies of diversifying security. As such, while a number of the activities linked to these men deserve mention—since they are in most cases the direct result of the sovereign’s hand—detailed explanations of the projects and how they fit the larger Haven or Broadcaster approaches appear in Chapters 3 and 4.
political system operates. Weber asserted that charismatic authority was often the first type of authority strategy used by a leader of a new group, relying on the personal charisma of the leader to evoke respect from followers. Once the charismatic leader passes away, the system either yields to another charismatic leader or progresses into one of traditional authority.

Traditional authority holds legitimacy because it represents a continuation of the pattern set by how things have been in the absence of a challenge to this status quo, or what Weber later terms devotion to “the authority of the eternal yesterday” or a God-given right to rule (Weber 1948, 78). Monarchies are the best examples of traditional authority; there is a tradition or custom of the ruling family being in charge and systems of patrimony or patronage help maintain this authority. Eventually, traditions and behaviors can become codified into a set of rules, resulting in legal authority that rests upon the qualities of the office or institution and not the individual that holds that position.

In the Gulf States, sovereigns have developed a hybrid charismatic-traditional authority as the foundation of their legitimacy. New generations of charismatic leaders were pivotal to the political economic decisions that secured sovereignty for the Gulf States at a variety of stages along the way, inheriting power but in many cases utilizing their own personalities to craft change. In The Muqaddimah, Ibn Khaldun observed that ‘asabiyah—often translated as “tribalism” or “clanism” but related to the concepts of social cohesion and solidarity—was the driving force in the rise and fall of dynasties during his lifetime in the 14th century. Dynasties can only be founded given popular support and solidarity, the same things that help them to endure multiple generations.13

13 In Ibn Khaldun’s dynastic cycle ‘asabiyah is strongest on the fringes of society, where the desert environment imbibes the first generation with qualities like toughness and bravery that bind them together. These groups are able to use their solidarity to overcome the existing power, but once in power the comparative luxury of the second generation begins to weaken these characteristics and the solidarity that brought the group to power in the first place.
For the Gulf States, this has been especially true since independence, where sons have sought not to just rest in their situations but actually strive to outdo their fathers in the scope and scale of developments, seeking to reinforce social cohesion, solidarity and, by extension, authority. Sharabi (1995) terms this process neopatriarchy, a concept whereby ruling families do not have to rely solely on inherited authority but can reintroduce authority, maintaining and growing it to fit the contemporary conditions. New “institutions” reinforce the existing traditional authority of the patriarchy under a façade of modernization.

Herb (1999) adds that dynastic monarchies, such as those of the Gulf, use neopatriarchy and its institutions to bestow privileged positions on challengers to the status quo, co-opting them by allowing them to bandwagon with the ruling families’ new pursuits. This process, which Brumberg (2002) discusses as liberalized autocracy, can prevent the formation of Weber’s legal authority by presenting the traditional under the guise of the legal. To this end, Davidson (2005, 104) notes that in the UAE “the family itself has become an institution and has formed a layer of structural legitimacy in its own right.”

With these characteristics rolled together, established tradition dictates that a dominant personality inherits power and uses traditional allegiances, established social conduct and the creation of dependency relationships to keep the status quo, which creates loyalty and legitimizes the authority. In terms of legitimacy in the Arab world, Michael C. Hudson (1977) described it as a consensus about national identity and a collective understanding of national priorities. Most importantly for the present discussion, he notes that reforms and gradual changes could maintain legitimacy, and even earn more, in light of an array of new challenges to traditional authority.

Finally, the third generation has been completely separated from the characteristics its forefathers possessed, leading to the unraveling of solidarity and the collapse of the dynasty after merely three generations, replaced by a different group with their own strong solidarity.
Therefore, legitimization strategies needed to be a mosaic model that uses a range of resources that can provide legitimacy.

In other words, the pursuit of legitimacy in the contemporary world relies upon the diversification of security in the realm of continued legitimacy at home first, not interdependence abroad. To this end, Davidson notes that the survival of traditional authority in the Gulf States depends upon the ability of ruling families to find new sources of legitimacy. In discussing explanations for survival, he notes that:

Especially plausible is the view that some of the most resilient traditional polities in the developing world have been those that have successfully kept reviving and reinventing traditional sources of legitimacy—including cults of personality, tribal heritage and religion—while simultaneously co-opting and controlling modernizing forces (Davidson 2012, 8).

Here Davidson speaks of diversification for the sake of maintaining the ruling bargain that exists between the ruling family and the population.

Traditionally, the ruling bargain or authoritarian social contract in the Gulf States is characterized by what Kamrava (2005) discusses as political acquiescence in return for sufficient stability and services. The rentier or allocative state generously provides for the citizen population through no taxation, the free provision of social services and a host of subsidies. These economic incentives and patrimony then sanction the ruling family to operate politics as it sees fit, so long as it continues to provide for the populace; “economics trumps politics” (Koch 2011). However, in his works on Dubai (2008) and Abu Dhabi (2009), Davidson demonstrated the pervasiveness of non-economic sources of legitimacy like those mentioned above. Rather, in his later work the impending collapse of the Gulf monarchies he presents that a combination of legitimacy sources have enabled survival on the domestic front, including wealth distribution, the role of national elites, cults of personality, environmental credentials, heritage and history and the cooptation of both expatriates and religion (see Davidson 2012, Chapter 2).
Therefore, this multifaceted—or diversified—legitimacy, at home entails the maintenance of the status quo though a variety of means. Traditional explanations for authoritarian resilience emphasize co-optation through rent-fueled patrimony supplemented by the coercive power of the police state (Gause III 1994; Bellin 2004; Bellin 2012; Yom and Gause III 2012). As a result, while the Gulf States have seen limited moves toward political liberalization (Ehteshami and Wright 2008; Teitelbaum 2009; Tetreault, Okruhlik and Kapiszewski 2011), the lack of any real, durable reform indicates that leaders have preferred instead to use the varied methods of diversifying security to temporarily pacify the demand for democratization. Yet new challenges require new solutions, alliances, sources of income and ultimately roles for new security or legitimacy, and the Arab Spring demonstrated the Gulf States’ capacity to “learn” (Heydemann and Leenders 2011). There is a necessity for sons to live up to and exceed the actions and progress of the fathers, especially in contexts where the status quo is constantly shifting upward. Therefore to remain legitimate, current and future rulers need to diversify their legitimacy activities, building upon the legacies of previous rulers while implementing new approaches to global interdependence in hopes of maintaining control, overlooking potential blowback for the sake of addressing what they feel are the most immediate threats. Their authority and dominance of the decision-making processes in each state facilitates their ability to implement these policies from above.
The Al Nahyan and Al Maktoum in the UAE

For the territories of the contemporary UAE, the socio-political foundations that would enable the leadership to begin diversifying security developed in earnest from the mid-19th through the mid-20th centuries. Given the organization of the UAE plus the development of both individual political economies and security challenges as well as collective ones, discussion of the emirates in this and subsequent chapters revolves primarily around the emirates of Abu Dhabi and Dubai. This is not to say they are the UAE, but that their positions of leadership within the federation, comparative wealth and international involvement situates them as the more gravitational and dynamic actors using the components of this study. Simple yet significant examples derive from the resource and financial wealth of the two with respect to the overall country. Based on 2013 figures the UAE ranks seventh in the world in terms of proven oil reserves, 94% of which are in Abu Dhabi. Effectively this makes Abu Dhabi on its own the seventh largest, nearly 10 billion barrels ahead of eighth-place Russia (US Energy Information Administration website, UAE). In 2010 the UAE’s total budget was nearly 43 billion dirhams

14 As noted, the UAE is a federation of seven emirates each with its own ruling family and political structure. According to an Arabic-language news portal run by the UAE’s National Media Council (UAE Interact website, Political System), at the federal level, the Supreme Council is the highest authority body, holding legislative and executive powers, and the rulers of each emirate constitute the council. Although each emirate’s vote counts equally, on substantive issues the ruler of either Abu Dhabi or Dubai must be in support of an issue for it to pass. Traditionally, since the declaration of the UAE the council has elected the ruler of Abu Dhabi—an Al Nayhan—president of the UAE and the ruler of Dubai—an Al Maktoum—vice president. The president then chooses the prime minister of the Council of Ministers, which is currently also the vice president and ruler of Dubai. The prime minister then chooses the remaining members of his cabinet with approval from the president. There is also a forty-member Federal National Council that acts as an advisory board. Each emirate holds eight (Abu Dhabi and Dubai), six (Sharjah and Ras al-Khaimah) or four (Ajman, Umm al-Qaiwain and Fujairah) seats, half of which are elected by an electoral college while the leader of the respective emirate nominates the other half. The federal government has explicitly taken major steps to situate the political structure in such a way that it is highly responsive to the country’s development process, which the president directs and the vice president devises, guides and executes. At the emirate level, the larger emirates have executive councils headed by the ruler as well as a range of authorities and agencies charged with carrying out the ruler’s visions for development and governance. Given these arrangements and the prominent positions of power awarded to Abu Dhabi and Dubai—and by extension the rulers of both emirates—at the federal level, responsibility for implementing the approaches to diversifying security discussed throughout this dissertation falls directly into the hands of the vice president, Sheikh Mohammed Al-Maktoum of Dubai with the approval of the president, Sheikh Khalifa Al-Nahyan of Abu Dhabi.
(over $10 billion); Abu Dhabi contributed 17 billion, Dubai 1.2 billion and the remainder would be paid by revenue from federal bodies that include tourism authorities as well as para-statals, all of which are in Abu Dhabi and Dubai (The National 7/27/2010).

The entirety of this area has its tribal roots in main branches of a single confederation, the Bani Yas, which migrated from Arabia and eventually settled on and around the islands of contemporary Abu Dhabi city. According to legend, on a hunting trip in 1761 a group of men from the most prominent faction of Bani Yas in the area tracked a herd of deer/gazelle (*dhabi*, p: *dhibaa*) onto a coastal island. Upon setting up camp and investigating, the group found potable water just below the surface and for providing the discovery, the group changed the name of the island from *milh* (salt) to *abu dhabi* (father of deer/gazelle). Recognizing the luxury of potable water coupled with the geo-strategic advantages offered by the island’s site and situation, this faction, the Al Nahyan, migrated to the island in the early 1790s. By the mid 1800s Abu Dhabi had become the heart of Bani Yas territory and this move to the coast had resulted in the diversification from subsistence forms of economic pursuits to include pearling and the corresponding rise of merchant activity (Heard-Bey 1982; Peck 1986; Davidson 2005; Davidson 2009).

Some ninety-miles up the coast east of Abu Dhabi, by this time Dubai town had become a subordinate of Abu Dhabi largely settled by a rival faction of the Bani Yas, the Al Maktoum. As the area developed under the two factions, coups in Abu Dhabi had threatened the continuity and stability of the area. The faction’s progenitor, Maktoum, sided with the wrong party in one of the coups, and facing severe retaliation decided to secede from Abu Dhabi with his partisans

15 The initial faction name was the Al Bu Falah, named after the Bani Yas leader who consolidated a strong military and political unit in the area. Falah’s son, Nahyan, was the first to rule over the area and his descendants have continued to rule Abu Dhabi to this day, hence the Al Nahyan or “house of Nahyan.”

16 This faction began as the Al Bu Falasah, after its leader. Maktoum succeeded Falasah as leader and his descendants have ruled Dubai until the present, thereby establishing the Al Maktoum.
in 1836, taking over Dubai and establishing it as a separate entity free from the control of Abu Dhabi (Heard-Bey 1982; Davidson 2008). These actions taken by both Nahyan and Maktoum were the foundational acts of developing sovereignty for the two areas, and these founding patriarchs established a pattern of implementing policies from above for the sake of securing sovereignty going forward.

Though these families acted as the rulers of the areas, it took the arrival of the British and the internationalization of the Gulf to cement them as ruling families. Due to piracy, or “maritime warfare,” the British entered the Gulf in force in 1819 to secure the sea initially, but soon the land as well. Having emerged victorious, the British enacted the General Treaty of 1820\footnote{In fact it was, and would evolve as, a series of treaties with similar yet idiosyncratic conditions signed with each of the “Trucial States” as well as Bahrain and later Qatar.} that built the framework within which British/Gulf Arab relations—and future trucial arrangements—would develop, not to mention the impact such truces would have on shaping the socio-political and economic trajectories of those involved. For the Trucial States that would become the UAE in particular, but all across the subregion, these agreements essentially cemented the political arrangements that existed and began the period of local rulers using outside forces to help consolidate their clan-based authoritarianism. The British recognized whichever individual, and by extension the clan, exercised control—generally based on the ability to collect taxes—over a given territory as the representative of that entity. Crucially, since the responsibility of ensuring all clauses within a given truce fell personally the ruler, the ruler was therefore the subject of all British interaction and the personal recipient of any revenue accrued through doing business with the British. Hence, although the British did police the Gulf, the truces themselves were economically beneficial and fairly self-reinforcing; this would set the
stage for the distribution of various forms of rent that would begin to arrive in larger quantities in
the early 20th century (Zahlan 1978; Morsy Abdullah 1980; Heard-Bey 1982; Peck 1986).

Perhaps most significant in consolidating these developments, in 1892 these same
sheikhdoms, now including Dubai, agreed to “not enter into any agreement or correspondence
with any power other than the British Government [emphasis added]” or allow any country
besides Britain to operate on their territory (Heard-Bey 1982, 293). By essentially agreeing to not
conduct foreign policy—even among each other—engage in business or even diplomacy, this
effectively meant that the leaders of these sheikhdoms had implemented a strategy of ceded their
sovereignty at all levels to the British in exchange for continued recognition, economic support
and ultimately protection. Thus, economic incentives, acts of diplomacy and the occasional “bit
of judiciously applied coercion confirmed an unchallenged British dominance in the Gulf” that
would endure into the post-World War I era, the results of which had set the stage for how the
sheikhdoms would develop through “autonomy” and into independence (Zahlan 1978; Morsy

For Abu Dhabi and Dubai, the 20th century began with each in a position of growing
regional prominence and developing global connections through the British, trade and the rise of
oil. On one hand, Abu Dhabi initially faced stagnation from protectionist policies emanating
from the personality of the leader, Sheikh Shakhbut—older brother and predecessor of Sheikh
Zayed—but the subsequent discovery of vast oil deposits in the sheikhdom solidified its role as a
key resource provider for the British and a number of Western companies (Zahlan 1978; Heard-
Bey 1982). On the other hand, Dubai had limited oil compared to Abu Dhabi but had entrenched
itself as a key cog in the British machine and the region at large by serving as an air
transportation hub, developing liberal trade policies and becoming the area’s main free port for
merchant activity (Davidson 2008). Thus, while the British provided security it was as a result of what the UAE could offer them and the international community in general, marking the beginning of global interdependence reinforcing the security and authoritarian rule of the Gulf States.

Furthermore, rent from oil and air leases solidified the ruling families in these sheikhdoms even more, providing the leaders a source of income independent of the population that they could distribute as they saw fit, thus beginning the pattern of strategically allocating rent while withholding political input—the Gulf social contract or ruling bargain (Zahlan 1978; Morsy Abdullah 1980; Heard-Bey 1982; Peck 1986). While the presence of natural resources provided the financial resources to fuel the ruling bargain and development in the short term, it had the potential to limit overall development in the long term. The resource curse thesis states that states with abundant resources typically fail to use that wealth to create durable development (Auty 1993; Sachs and Warner 2001). By contrast, despite displaying several of the resource curse’s negative effects, the UAE’s leadership has been on the forefront of leveraging resources for economic development that leads to regime survival and the continuation, or even increase, of the status quo since independence.18

Nevertheless, this era of autonomy would establish the pattern for how the UAE—and the other resource-rich Gulf States—would function into independence and through the present. The British announced in 1967 their intention to withdraw from their obligations in the Gulf—due

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18 The authors noted in the text identify a number of negative effects associated with resource wealth, including conflict, corruption, GDP volatility, limited diversification, Dutch disease—exchange rate appreciation leading to manufacturing sector weakness and economic decline—and a variety of other political economic effects that stem from rentierism relating to taxation and representation. While the presence of natural resources in Abu Dhabi set it up for the resource curse, neighboring Dubai needed to implement policies aimed at economic growth from the early stages of the oil era because it could not count on resource wealth at the same levels of Abu Dhabi. Therefore, upon the formation of the UAE many aspects of a diversified, growth-oriented economy already existed inside the confederation that could offset many of the negative effects and produce positive economic growth. Many characteristics of the haven and broadcaster approaches also serve to stave off the potential onset of the resource curse.
mainly to the global sentiment against colonialism, the rise of the US and the USSR as global powers and Britain’s subsequent refocus on European affairs—and revealed the true condition of the Trucial States: weak bureaucracies with limited security and no real defense capabilities; all of which contributed to economic uncertainty as foreign companies questioned the subregion’s future stability. To address these issues, the British sought to strengthen the proto-institutions they had fostered in the decade prior, assigning leadership of the Trucial States Council first to Dubai then later to Abu Dhabi given its financial power and ultimately the political skills of its leader Sheikh Zayed (Zahlan 1978; Morsy Abdullah 1980; Heard-Bey 1982; Peck 1986; Davidson 2005).

---Abu Dhabi and the Al Nahyan

The “father of the UAE,” Sheikh Zayed Al Nahyan utilized increasing oil revenues to shape the direction of development in Abu Dhabi and the UAE almost single-handedly, consolidating Al Nahyan authoritarian rule in the process. Driven by his understanding that that very oil was a finite resource, he implemented along the way a series of forward-thinking and self-preserving changes that progressed Abu Dhabi and the UAE “a century in thirty years” (Kechichian 2000). The result of the real development and a testament to his strategies of self- and clan-preservation has been a tremendous cult of personality that survived and flourished past his death, as evidenced by a 2013 collection that spans over 700 pages of reflections by world leaders on him and his policies (Wilson 2013).

Sheikh Zayed achieved such a status because he possessed the political skills necessary to manipulate Abu Dhabi and the UAE into regional and global prominence. Initially, he developed this calculating acumen by effectively managing Abu Dhabi’s second largest city Al-Ayn, also known as Buraimi, ultimately earning his position as sheikh based upon performance and
reputation for progress and consolidation of control. Sheikh Zayed was born in Al-Ayn in 1916 and would spend the first 50 years of his life in the city living and working among the population. His interactions with the populace enabled him to better address the needs of the local community, and when he became the governor of Al-Ayn in 1946 he began an complete program of economic and social development for political purposes. Advancements in health care and education in Al-Ayn proceeded ahead of those of Abu Dhabi city, and his embrace of a more Dubai-style approach to trade led to Al-Ayn flourishing economically as well. As a result, Sheikh Zayed had orchestrated such growth in contrast to the capital city that the British—as well as the Al Nahyan—recognized the need to use him to curtail Abu Dhabi’s stagnation, setting the region on stronger footing in advance of their withdrawal and signaling the success of using a diversified approach to consolidating rule (Hawley 1970; Zahlan 1978; Morsy Abdullah 1980; Heard-Bey 1982; Herb 1999; Davidson 2009).

Under Sheikh Zayed’s leadership, the Trucial States Council decided that a federal arrangement would prove most beneficial for the political, economic and security interests of all the sheikhdoms, including Bahrain and Qatar at the time. Sheikh Zayed engaged in several rounds of shuttle diplomacy, along with his counterpart from Dubai, Sheikh Rashid, eventually securing an agreement in 1971, though without Bahrain and Qatar. On December 2nd, 1971 Sheikh Zayed declared the independence of the United Arab Emirates and from the beginning Zayed and Abu Dhabi have controlled the federal government, yet another testament to the strategic exploitation of oil wealth and development for political purposes (Morsy Abdullah 1980; Heard-Bey 1982; Peck 1986; Davidson 2005).

Although Sheikh Zayed lobbied for a close-knit federation and coordinated policies, the early decades of the UAE saw his plan fall by the wayside as individual emirates chose to retain
sovereignty rather than cede any control to the federal government. Throughout the 1970s, tensions over the degree of confederation stipulated in the constitution threatened to break up the UAE because of Sheikh Zayed’s insistence on cooperation, particularly when it came to security and the establishment of a UAE defense force (Heard-Bey 1982; Peck 1986; Zahlan 1998; Davidson 2005; Davidson 2009). By the 1990s, Abu Dhabi’s oil wealth had come to contribute the vast majority of the UAE’s budget and even prop up the poorer emirates, which resulted in more acquiescence to Sheikh Zayed’s desire for close cooperation as aid was usually contingent on support for his federal policies. The most significant step in realizing the UAE was the full incorporation of Dubai in 1996 coupled with Sheikh Zayed’s support for its rapid development under his similarly-zealous and politically-calculating counterpart Sheikh Rashid, support that would solidify the UAE’s implementation of the haven approach (Zahlan 1998; Davidson 2005; Davidson 2009).

However, ultimately Sheikh Zayed’s efforts to coordinate all aspects of UAE policy failed to gain traction among the other emirates’ leaders who preferred autonomous local policy, and he turned his attention to finding new areas of security for Abu Dhabi. The limited rent and economic hardships of the first half of the 1900s had disappeared with the discovery of massive amounts of oil reserves in 1958, and Sheikh Zayed had used the resulting wealth to reform all sectors of Abu Dhabi except politics, which would not need reform should reform in other sectors pay off. The combination allowed for a reversal of the previously austere socio-economic policies, enabling the development of education and health care as well as trade and industry as he sought to make all facets of life in the UAE an alleged beacon of hope to the rest of the region and a testament to the managed hand of authoritarianism (Davidson 2005; Davidson 2009).
Clearly Sheikh Zayed leveraged his personal control over the emirate’s oil money for more than just private wealth, but rather as a political tool to secure the sovereignty of his rule, Abu Dhabi and the broader UAE. His mindset from early in his career was that oil wealth would be fleeting, and therefore should be leveraged to create the conditions necessary to ensure the survival of the status quo, and the ruling family, when oil waned or dried up altogether. Along with restructuring government to placate notables, he granted them special access to the business opportunities these new endeavors created. He also began to finance import substitution industrialization (ISI) ventures, promote trade and embark on massive public works projects that would provide the infrastructure to make it all sustainable. Most notably, Sheikh Zayed established the Abu Dhabi Investment Authority (ADIA) in 1976 as a non-governmental, privately-managed means to invest the emirate’s surplus oil wealth. What made ADIA unique at the time, and a pioneering model for other sovereign wealth funds, was its commitment to invest not just in gold or bonds but aggressively in companies that could contribute to the future development of Abu Dhabi and provide yet another diversified source of security going forward (Zahlan 1998; Davidson 2009).

Furthermore, Sheikh Zayed created emirate-level socio-economic institutions for free access to education, health care and housing/land in addition to abolishing taxes, all of which consolidated his control of population through strategic use of oil wealth in what had become an allocative state solidly under a ruling bargain with him personally. This pattern would come to characterize most states of the Gulf, as oil wealth and subsequent patronage bought the political acquiescence of the populace. Prior to the turn of the 20th century the ruling families were prominent at least partially because of the ability to control the areas in which they lived, often demonstrated by the collection of taxes. Therefore, taxation provided a baseline for the British in
determining who to deal with and ultimately who would rule. However, as rent accrued first through leases and then through oil there was a shift in policy as Abu Dhabi developed into a full-fledged rentier, allocative state under Sheikh Zayed. This development marked the ruling family’s transition from essentially being tax collectors to tax redistributors all within the same line of sovereigns/sovereignty and geared toward the preservation of power, a feature that applies to the other Gulf States as well (Zahlan 1998; Davidson 2009).

Sheikh Zayed passed this allocative mantle as well as his proactive and forward-thinking visions for maintaining Al Nahyan rule on to his son Sheikh Khalifa, the current ruler of Abu Dhabi and the UAE. Sheikh Khalifa has since taken his father’s visions for diversification to new heights by implementing more aspects of the haven approach and finding still newer developments that can be leveraged for political gain. From the outset Sheikh Zayed groomed his son Khalifa to succeed him as ruler of Abu Dhabi and president of the UAE—the name Khalifa even means “successor”—and Sheikh Khalifa has taken his father’s strategic use of economics for political and security purposes to new heights by incorporating many aspects of the new economy away from oil. Born in 1948, Khalifa was appointed by Sheikh Zayed as governor of Al-Ain in 1966, the same position that had prepared Sheikh Zayed for leadership of Abu Dhabi and eventually the UAE. Shortly thereafter, Khalifa became Abu Dhabi’s minister of defense and crown prince in 1969. By the 1970s some positions he had within the emirate started to grow into federal level positions; as head of the Abu Dhabi Defense Force, he presided over the UAE’s military once it formed, and by leading Abu Dhabi’s oil council he eventually became head of the UAE’s petroleum council, not to mention assuming the role of Minister of Finance. Additionally, he served as chairman of Abu Dhabi’s executive council until he became ruler upon his father’s death in 2004 (Davidson 2005; Davidson 2009).
Sheikh Khalifa has utilized his position to implement policies that secure Al Nahyan legitimacy locally as well as with the international community. While crown prince he oversaw the establishment of housing projects and enacted policies favorable to citizens seeking to partake in small and medium business while raising Abu Dhabi’s position relative to the world’s oil companies though renegotiation of terms and the construction of a domestic petrochemical industry. Similarly, as ruler his stewardship of Abu Dhabi’s wealth extends into the realm of foreign aid and investment, both critical pillars of facilitating the politics of interdependence for the 21st century. He has established the Khalifa bin Zayed Foundation that promotes various forms of welfare both regionally and internationally, including wells in Sierra Leone, housing projects throughout the Arab world and investment in health care facilities in the US (Khalifa Foundation website, International Projects).

Furthermore, in early 2013 Sheikh Khalifa restructured the board of Abu Dhabi’s sovereign wealth fund ADIA—now the second largest such fund in the world valued at nearly $800 billion (SWF Institute website, Rankings)—so that he is the chair. Although technically at arm’s-length from the government, ADIA has been chaired by key members of the Al Nahyan since its inception. After Sheikh Zayed’s death in 2004 his sons have rotated as chairman to oversee the transition into more growth and development oriented investments; currently six of the nine board members are Al Nahyan, five are sons of Sheikh Zayed and the other is Sheikh Khalifa’s son (ADIA website, Board). All of these developments are testament to the fact the Sheikh Khalifa understands the utility of exploiting social and economic means for political purposes.
---Dubai and the Al Maktoum

While Abu Dhabi has enjoyed tremendous resource wealth and consequent federal control over the UAE, in the relative absence of that wealth the leaders of Dubai have had to work especially hard to create a role for the city and therefore it more fully embraced the diversification of security earlier than did Abu Dhabi or the UAE as a whole. Similar to Sheikh Zayed, Dubai’s Sheikh Rashid also realized early on that oil would run out and set Dubai on a path to secure Al Maktoum rule by other means. From his birth in 1912, he came of age during the pearling crash of the 1920s, which hit Dubai particularly hard. However, his father Sa’id’s successful management of trade policy as a means to replace pearling shaped Sheikh Rashid’s outlook on being too dependent on one source of income and instead to opt for a more multifaceted approach to avoiding economically-based challenges to family rule (Heard-Bey 1982; Davidson 2008).

By the time he took over for his father in 1958, Sheikh Rashid had been involved in Dubai’s governance for nearly two decades. Not only did he see both the usefulness of oil and its long term limitations as well as the economic potential of diversifying, he had witnessed the Dubai Reform Movement that challenged his father’s government to listen more to the people and improve the state of the sheikhdom; in response, some of his first actions were to invest heavily in improving health care, education and social services in general for the sake of placating a restless population. Just as in Abu Dhabi, these advancements were free to citizens and ushered in the era of the allocative state with a firmly-established ruling bargain that consolidated Al Maktoum control over Dubai (Zahlan 1998; Davidson 2008).

This inward orientation partially contributed to Sheikh Rashid’s resistance to close cooperation in the UAE, especially during the 1970s. Although initially chosen by the British to
head such a federation, he felt Abu Dhabi’s rising oil income and consequent ability to fund
situated it to lead by the hand of Sheikh Zayed. Most likely, other considerations may have
included that the UAE should provide cooperation only in areas that are of known benefit to the
populations for the sake of the ruling families, ultimately grounded in sovereignty for each
emirate to conduct policies that enable the respective ruling families to best address their own
specific security and political concerns (Morsy Abdullah 1980; Heard-Bey 1982; Peck 1986;
Davidson 2005; Davidson 2008). In effect, the UAE represented a collective approach to security
and the looser the cooperation outside of that area the better, especially when it came to Dubai
needing to preserve its ability to conduct business as it sees fit for the sake of political
consolidation.

As a result of these experiences, for nearly all of his reign Sheikh Rashid was
preoccupied with making Dubai internally-focused but regionally and globally-relevant. He
started doing so by rekindling Dubai’s rich history of being a hub—or a haven—for trade
activity. Like his father, he embraced the potential of oil in the early 1950s whether for straight
profit or by gaining from providing the logistics to support exploration. However, for Dubai to
be the port that would provide these services, it needed the infrastructure to do so. Shortly after
assuming power Sheikh Rashid presided over the dredging of Dubai Creek in 1958-1959 to
accommodate larger vessels, and a series of further dredgings in the late 1960s and early 1970s
allowed for even more activity. Once the creek could no longer adequately handle the volume of
traffic, he opened the deepwater Port Rashid in 1972, renovated it in 1978 and also
commissioned Jebel Ali Port which opened in 1979. These ports allowed Dubai to reclaim its
position as the capital for re-exporting in the subregion and further renovations have solidified
that position while enabling Dubai to pursue other economic activities associated with trade,
thereby strengthening this tool for maintaining political power (Zahlan 1998; Herb 1999; Davidson 2008).

Later in his life Sheikh Rashid expanded his transformation of Dubai’s economy to associate general trade with finance and any commercial exchange of value. He wanted to show the world that Dubai was progressive, trade-friendly and capable for the future, characteristics that would hopefully attract foreign investment and further enable the Al Maktoum’s ruling bargain. All of the infrastructure projects he had undertaken were oversized and ambitious when compared to similar ventures. Although they aimed to provide the domestic capabilities free Dubai from dependence on the external environment, Sheikh Rashid promoted them—to desirable audiences—as globally-significant developments, which helped to bring in FDI and ultimately make it so that many international players have a vested interest in not only Dubai’s success but that of the Al Maktoum family as well (Davidson 2008).

To that end, Sheikh Rashid began implementing a number of the measures for diversifying security through the haven approach that this dissertation discusses in the following chapter, and that his successor, his son Sheikh Mohammed, has built upon. Among the most prominent steps taken to consolidate Dubai’s haven status during Sheikh Rashid’s tenure were the establishment of the Jebel Ali Free Zone in 1985 as a way to circumvent the UAE’s commerce restrictions, with more zones to follow, and the founding of Emirates Airlines to facilitate connecting Dubai with the world (Davidson 2008).

Sheikh Rashid also passed along this template for exploiting Dubai’s development to his son Sheikh Mohammed, the current ruler of Dubai, who has continued on the path and broadened the portfolio of diversification activities which can lead to political insulation. Born in 1949, he was still young when his father become ruler of Dubai in 1958, but Sheikh Rashid took
the opportunity to expose him to the behind the scenes processes of growing Dubai into a prominent and globally-relevant city-state. After education in the United Kingdom, Sheikh Mohammed returned to take control over internal security and the police in 1968 then became the UAE’s first defense minister in 1971, no doubt imbuing a sense of the fragility of Dubai’s and the Al Maktoum’s position (Zahlan 1998; Herb 1999; Davidson 2008).

When Sheikh Rashid passed away in 1990, power first transferred to older brother Sheikh Maktoum, whose rule led to closer integration of the UAE in 1996 as Dubai accepted Abu Dhabi’s standing and agreed to cede control to the federal government in a number of areas, most notably the military. Sheikh Mohammed’s control over the security apparatus both at the emirate and federal level influenced his diplomacy as his position enabled him to interact with Western military leaders and take part in resolving a number of crises around the world, often through providing aid and support instead of actual combat forces. These experiences set the tone for how he would integrate Dubai into the international fold by developing for the sake of interdependence (Davidson 2008).

Although not officially in power until 2006, Sheikh Mohammed oversaw a number of key projects implemented by his father and his older brother for roughly two decades prior to his accession. Not only had he been in charge of Dubai’s oil activities, he took control of Dubai International Airport in the 1970s and was handed the reins of the emirate’s tourism sector, which has been at the forefront of its haven identity, and shortly thereafter presided over the development of Emirates Airlines (Davidson 2008; Krane 2010). By the time he became crown prince in 1995, Sheikh Mohammed was proceeding “full throttle” in all his ventures, especially those related to tourism through the Destination Dubai slogan. He commissioned the Dubai Shopping Festival, the construction of both the many artificial islands sprouting up along the
coast as well as luxury hotels and towering skyscrapers; in general, he oversaw the overhaul of Dubai that would prove fruitful in consolidating the ruling bargain into the 21st century (Al Maktoum 2012).

Also included in this calculation, Sheikh Mohammed’s personal—and now Dubai’s—commitment to sport has led to using it as a vehicle to generate capital and alternative sources of interdependence. Described as an avid sportsman himself—predominately through his love of horseracing—Sheikh Mohammed has grown the industry to include all aspects of modern sport, including luxury events like golf and racing, while supplementing that with more traditional competitions. As part of Destination Dubai, he inaugurated the Dubai World Cup, the world’s richest horse racing competition, and has followed that up with making Dubai the location for the European PGA Tour’s season-ending—and most lucrative—event, all of which provide another pillar of support to the Al Maktoum and Dubai through the diversified activities of the haven approach.

Additionally, Sheikh Mohammed has renovated Dubai’s commercial sector, preparing it to better support economic and political goals. At the same he was developing Dubai as a tourist haven, he was doing the same for it as commerce haven by expanding on his father’s free zones as well as putting into action plans for “cities” that are free zones corresponding to various sectors of the new economy. These parks offer the world’s leading businesses incentives to operate out of Dubai including tax breaks and the ability to remain 100% foreign owned. As part of Sheikh Mohammed’s plan to promote a knowledge-based economy in Dubai, the various cities provide an international presence aimed at furthering the haven while strengthening the sectors that the local economy lacks (Al Maktoum 2012), despite the massive potential for blowback from essentially renting out the emirate.
Although inhabited for centuries, the rise of Qatar in its modern manifestation began in the mid-19th century, largely stemming from a political transition that empowered the current ruling family. Prior to this transition, Qatar was a relative backwater when compared to the trade hubs of what would become the UAE and the nearby island of Bahrain. Only small fishing and pearling communities had settled the coast and nomadic tribes meandered in and out of the peninsula until the migration of the Bani Utba tribal confederation from modern Kuwait in 1766. The leading house of the confederation, the Al Khalifa—currently the ruling family of Bahrain—presided over the establishment of a new community, al-Zubara, which quickly became an important trading center. However, the Al Khalifa seized Bahrain in 1783 and moved from the Qatari peninsula to the island because of its more established economic prospects (Zahlan 1979; Crystal 1990; Zahlan 1998).

As the Al Khalifa left, Qatar faced a power vacuum that created the political, economic and social conditions necessary to initiate the rise of a new ruling family. Al-Zubara was still an Al Khalifa trading outpost and effectively the main city, and there was no local ruler that asserted control over more than just small portions of the area and no outside powers sought to control the either (Zahlan 1979). Therefore, as the British began to assert their dominance in the 19th century, culminating in the aforementioned General Treaty of 1820, they viewed Qatar as part of Bahrain under the Al Khalifa until the 1860s, even going so far as to note that city of

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19 Similar to the UAE but even more consolidated since it is not a federation, in Qatar all authority resides in the personality of the emir. According to the official Arabic-language website of the Qatari government (Qatar Ministry of Foreign Affairs website, Political System), the emir designs and executes all policies and laws of the state, and no policy or law shall be enacted without his express approval. He also establishes and organizes consultative bodies, ministries and agencies to advise and carry out policy, for which he appoints all civil servants. These appointments include the Council of Ministers, which administers the policies developed by the emir. A forty-five member Advisory Council, two-thirds of which are elected and one-third is appointed by the emir, consults with the emir and Council of Ministers on policy and approves the state’s budget. Essentially this sets Qatar’s political structure up almost under the purview of the emir himself, and squarely within the bounds of Al Thani dominance of decision-making.
Bidaa—what would become Doha—was “entirely subject to Bahrain” and the topic of Qatar did not even need to be discussed (Fromherz 2012, 45). Qatar had returned to its backwater status, off the radar and effectively without a significant political authority to exercise control over the area.

This status granted Qatar a unique position as a home for opposition factions within the Al Khalifa, a situation that an enterprising scion of a local tribe would exploit to earn Qatar’s recognition as its own sovereign entity free from Bahrain and the Al Khalifa. Mohammed bin Thani—founder of Qatar’s Al Thani ruling family—initially showed his ability to capitalize on subregional context and play the many international powers competing in the region off of each other with his involvement in the Wahhabi challenge to Bahrain in the 1850s. The religious political movement from the Saudi state in the Arabian Peninsula sought to expand into the Gulf and Mohammed’s alliance with them reinforced his role as de facto ruler of Qatar at the same time it challenged the Al Khalifa influence. Though the British helped Bahrain avert the conflict, tensions later flared between the Al Khalifa and Mohammed bin Thani in 1867 after the Al Khalifa captured Mohammed bin Thani’s son while the son was in Bahrain negotiating a tribal dispute. Bahrain then attacked the major cities of Qatar, including what was now Doha, the main city of the Al Thani, prompting British involvement yet again (Zahlan 1979; Crystal 1990).

But this time the intervention would be to the detriment of the Al Khalifa, as the British punished Bahrain and enacted a new treaty to govern the area, thereby solidifying Al Thani dominance of Qatar in much the same way as described above with the UAE. The agreement of 1868 marked the first time the British treated Qatar as a separate entity and by negotiating with Mohammed bin Thani as the representative of the Qatari people, solidified the role of the Al Thani as the leading tribe of the now autonomous Qatar, affording it a position similar to that of
the individual Trucial States noted above. Additionally, shortly thereafter the Al Thani entered into an arrangement with the Ottomans, who had come to power around the peninsula by overpowering the Saudis in the 1870s, to govern Qatar (Zahlan 1979; Crystal 1990; Zahlan 1998).

Perhaps most significantly for the Al Thani, the future role of Qatar in the region and what would become the broadcaster approach, they positioned themselves as mediators between the rising powers in the region in order to secure sovereignty and their political power even further. The Al Thani were punching above their weight by engaging in the diplomatic activities of an early, less-refined form of the broadcaster approach employed by Qatar currently but for the same political and security-oriented purposes. Since the Ottomans had become a land-based power in the Gulf approaching the sea-based power of the British, the Al Thani needed to balance the two against each other which it could do by using its preexisting issues with Bahrain and the Wahhabis in Saudi Arabia. Over the next several decades the Al Thani deftly maneuvered between both the British and the Ottomans as they asserted Qatar’s freedom from Bahraini control. Since Qatar enjoyed Ottoman support and Bahrain British support, escalation in Qatari-Bahraini tensions had the potential to spark conflict between the two powers. But the Al Thani leaders knew just how hard to push, eventually prompting the British to force the Al Khalifa to abandon all aspirations for Qatar and solidify the ruling position of the Al Thani on the peninsula (Zahlan 1979; Crystal 1990).

While the Al Thani were now ruling in Qatar, they still needed to reassert their role in the region to earn a sovereign position under British protection like the nearby pre-UAE Trucial States had done. While these states leveraged their political economic positions to establish relationships with the British, Qatar relied on the strategic political and diplomatic dealings of
the Al Thani. This strategy had begun decades prior as the Al Thani hosted feuding tribal leaders from the nearby areas in Doha; it now continued through subtle political gamesmanship with the Ottomans to minimize their interest in Qatar, engaging in border skirmishes with Abu Dhabi and resisting Ottoman policies to eventually wear out Ottoman patience. When a resurgent Wahhabi-Saudi state further weakened the Ottoman position in Qatar, the Al Thani were able to use the British to force the Ottomans into relinquishing all rights to Qatar (Zahlan 1979; Crystal 1990). Effectively, the Al Thani were pursuing positive relations with what were now all the strongest powers on land and sea.

The Al Thani’s strategy for consolidating power over Qatar paid dividends in 1916 when they entered into a trucial agreement with the British. Fearing the spread of the Wahhabi-Saudi state into the other Gulf States and wary of being in conflict with an Ottoman ally during World War I, the British sought to shore up alliances in the gulf by bringing Qatar into the fold as a protectorate. Although Qatar ceded sovereignty to the British in the short term they codified official Al Thani control over the territory of Qatar and its domestic affairs by propping up the new ruler with economic support and a monopoly on the use of force (Zahlan 1979; Crystal 1990).

Though relatively secure politically, the Al Thani still lacked the economic development necessary to fully assert Qatar’s sovereignty until it began large-scale production of oil in the 1960s. While the British had stipulated oil concessions in their acknowledgment of Al Thani rule in 1916, the Saudis were able to pressure the Al Thani into at least hearing out the Standard Oil Company of California which was developing the Saudi petroleum industry. The rivalry between SOCal and the Anglo-Persian Oil Company in Eastern Arabia prompted the British to give favorable conditions to the Al Thani in exchange for an exclusive concession to APOC. Limited
British investment during World War II gave way to boom years in the 1950s, enabling socio-economic development and the formation of an allocative state fueled by Al Thani patronage payments to co-opt the elite and ultimately all of Qatari society (Zahlan 1979; Crystal 1990).

However, despite these developments the looming British withdrawal from the Gulf States prompted Qatar to join the other states in planning for the future. While initially on board with Sheikh Zayed’s plans for a much-larger UAE, the rivalry with Bahrain stalled talks on forming a broad confederation. As the UAE came together and Bahrain began taking measures to go it alone, the Al Thani decided to prepare for Qatar’s independence as well, the ultimate manifestation of their rule over the country. A draft constitution in 1970 asserted the sovereignty of Qatar and codified the Al-Thani as the ruling family. Once Bahrain declared independence in 1971, Qatar followed suit. But it was not the emir who issued the declaration, rather it was the newly-appointed Prime Minister Khalifa bin Hamad. His grandfather had meant succession to pass through his father, Hamad, but his uncle had other plans, making Khalifa the crown prince and deputy ruler instead. Yet in 1972 Khalifa would stage a coup against his cousin Ahmad, taking power and ushering in an era of tremendous change for Qatar’s regional and international role at the hands of the Al Thani (Zahlan 1979; Crystal 1990).

---Doha and the Al Thani

Effectively the first ruler of independent Qatar, Emir Khalifa bin Hamad’s reign established the general pattern for how Al Thani emirs would implement grand development strategies for Qatar in pursuit of political goals. Born in 1932 and finally appointed heir apparent in 1960, he spent the decade as both Prime Minister and Finance Minister while often acting in place of Ahmad bin Ali, including declaring independence in 1971. Khalifa and Ahmad differed in their plans for Qatar in a number of ways, most notably whether Qatar should join the UAE or
declare independence. As a result of this issue and Ahmad’s mismanagement of the country, in 1972 Khalifa staged a coup, leveraging the support he had earned within the Al Thani and the Qatari populace by actually guiding the country through a period of increased prosperity and influence (Zahlan 1979; Crystal 1990). Coups of this nature, plus the one that would oust Emir Khalifa in 1995, demonstrated a theme of Al Thani leaders seeking to change directions when the country and their consequent hold on power appeared to stagnate, signaling that prominent members of the family view a range of developmental activities as crucial to maintain their rule, even if on their own terms and for the sake of securing their own rule.

Once in power Emir Khalifa sought to further entrench his rule and that of his direct descendants, perhaps a righting of the wrong he felt he suffered when passed over. He immediately set about reorganizing the government by creating more ministerial positions, which he filled with loyal immediate family members, and extending the power of the state to levels not seen before. Additionally, Emir Khalifa began to institutionalize patronage beyond just the family to include housing/food programs, pensions and the link between the new education system and bureaucratic positions. During the first twelve years of his reign Emir Khalifa micromanaged Qatari development to the point that any changes were linked directly to his hand in them. His political posturing had made it so that the Al Thani and the state were so intertwined that it became impossible to see one without the other, and developments that benefited the state in any benefited the ruling family in its assertion of political power (Fromherz 2012; Gray 2013; Kamrava 2013). This would be the legacy that Emir Khalifa left for his son Hamad to carry upon Hamad’s coup in 1995.

Emir Hamad bin Khalifa built upon the core foundations of his father’s reign, but went even further in promoting Qatar’s long-term interests and increasing its global standing for the
sake of securing power for his branch of the Al Thani. While Emir Khalifa vacationed in Switzerland, Emir Hamad leveraged the connections and experience he had cultivated over the previous two decades of being highly involved in government to seize power from his father. Designated Crown Prince in 1977 at the age of 25, he soon took the reins of the Supreme Planning Council in the 1980s and presided over the social and economic development of Qatar. As he served in these positions, Emir Hamad began to feel that his father was being too cautious with economic and social reform—potentially endangering the continuation of Al Thani rule on the line that would put him next in power—so he decided to open Qatari society and business to globalization, departing from his father’s path to engage more directly in diversifying the economy, initially by leveraging oil and oil wealth to grow the petrochemical industry (Fromherz 2012; Gray 2013; Kamrava 2013).

As Emir Hamad proceeded manipulating development for security he also crushed the institutions that provided his father legitimacy, positioning himself to take power and change the direction of the country on his terms. Beginning in 1989 he reorganized the cabinet to include more members loyal to him personally, leveraged his successful military career—including the liberation of a Saudi town during the first Gulf War—and renegotiated domestic alliances through patronage to generate the social and political capital that would assure limited challenge to his coup in 1995. Additionally, just as his father had done while securing his power, Emir Hamad cultivated his relationship with the US to the point that recognition and the pledge of support came almost immediately after his coup (Fromherz 2012; Gray 2013; Kamrava 2013).

Having taken the mantle of Al Thani dominance of the state, Emir Hamad set about overhauling the political economic landscape of Qatar. Although Qatar has been, and probably will be for the foreseeable future, a rentier economy driven almost exclusively by oil and natural
gas revenue—up to 87% of total revenue—Emir Hamad has taken efforts to maximize the use of Qatari resource wealth to fuel the expansion of industry, the services sector and the transition to a knowledge-based economy in general (Crystal 2011). One of the most significant steps taken by Hamad was his establishment of the Qatar Investments Authority, a sovereign wealth fund that provides an outlet for oil/gas income to help diversify the economy, drive development and boost the status of Qatar abroad. As Chapter 4 will discuss, one way SWFs such as QIA spur internal diversification is that many investments result in reciprocal partnerships that bring the world’s leading businesses to Qatar along with their technical expertise for local implementation (Kamrava 2013). These activities provide political insulation for the Al Thani by acting as a buffer for gas wealth and broadening the sources of durability for the ruling bargain.

Essentially, since Emir Khalifa had already secured total control over an environment created to be conducive to development, Emir Hamad had free reign to initiate the Qatari broadcaster approach to diversifying security that Chapter 4 discusses in more detail. First, he used the country’s gas wealth to diversify the economy through industry, commerce and tourism, developing a foundation for his other activities. Emir Hamad then reasserted Qatar’s role as a regional mediator, which has increased its standing globally and allowed for generally positive relations with the international community. Third, he established Qatar as a key cultural hub for the Middle East through media and the arts. In addition to being a political tool for the Qatari government’s agendas Al Jazeera also became a means of cultural diplomacy unique to Qatar, as has been Qatar’s development of museums focused on Arab and Islamic culture. While media outlets and museums exist throughout the Gulf, only in Qatar do they have such regional and global reach in support of projecting the country’s potential for interdependence. On top of it all, Emir Hamad made Qatar a regional sports power, which translates into greater exposure of
Qatar, its development and its influence to the global community. From high-class sports like golf and tennis to the mega-stage of the 2022 FIFA World Cup, Qatar hosts a number of high-profile events that have come to rival the UAE for the region’s most prominent sporting scene; a role since embraced by Emir Hamad’s son Tamim.

The transfer of power from Emir Hamad to his son Emir Tamim in June 2013 reinforces the significance of sovereigns to the implementation of grand development strategies in the Gulf, especially Qatar. For the first time in the modern history of the country, the transition did not come about as the result of a coup but by the emir voluntarily abdicating in favor of the crown prince. It signals that Emir Hamad’s use of the broadcaster approach to consolidating his rule has proven durable enough to stave off a coup. In this case, the timing of the change hints that it, too, may be part of the diversification of security for Qatar in that it installs a youthful emir who is extremely active across the more modern endeavors of the country yet maintains a more traditional, conservative approach than his father at a tumultuous time for the region (BBC 7/25/13). Although the Arab Spring represents a challenge to the Gulf States that is partially the result of their diversifying security, gulf leaders—especially in Qatar—employed many of the tactics in the diversified security portfolio in their efforts to contain or even rollback the uprisings. Facing pressure from a young population and wary of the fate of authoritarian leaders who had overstayed their welcome, Emir Tamim represents an opportunity to restore the image of the Al Thani by diverting attention from Emir Hamad’s more problematic policies with respect to the Arab Spring, whether at home or in financing both revolutionaries and regimes abroad.

Named crown prince in 2003 at the age of 23, Emir Tamim has spent the past decade in some of the newest positions of prominence within Qatar, namely those associated with the
diversification of security under his father. Though groomed in a military background, Tamim has excelled as an ambassador for sports and in his role as the chairman of Qatar Investment Authority’s board of directors, much like Dubai’s Sheikh Mohammed. A member of the International Olympic Committee and chair of Qatar’s World Cup committee, he is no stranger to having success in alternative diplomacy. Nor is he inexperienced with Qatar’s most powerful source of diversified security: money. Tamim has chaired the QIA for several years, including overseeing the acquisitions of large stakes in global financial giants Barclay’s and Credit Suisse. These experiences along with his maneuvers to revitalizing culture and promoting the environment have positioned him well to leverage Qatari developments for the diversification of security and the further implementation of its broadcaster approach (QIA website, FAQ).

**Officially Articulating Development Strategies and Motivations**

In efforts to provide blueprints for each country’s direction, these leaders have begun to codify motivations and strategies for development into official visions for the future. These point to a variety of activities as part and parcel of organized and managed steps towards entrenching interdependence. Both visions are available as interactive websites as well as documents for download, in both Arabic and English; the following rely upon the Arabic presentations of the material, with transliterations of key words and phrases appearing after translations. As the text and comments below indicate, there are overlapping yet distinct plans in place that seek to guide development along particular paths, paths that find a more complete description and analysis in the upcoming chapters as the haven and broadcaster approaches.

The UAE’s Vision 2021 (UAE Vision 2021 website) organizes the country’s strategy to becoming “one of the best (preferable or leading) countries in the world” (min afdal duwwal al-
‘alim) by the state’s fiftieth anniversary in 2021, which fits squarely within the framework of luring in the international community through the features of the haven approach. Dubai’s Sheikh Mohammed is responsible for planning and executing Vision 2021, which he inaugurated in late 2010. He cites the advantages of rapid development for the country’s history and asserts that continuing on that path is the only way to address the many challenges facing the UAE in the future, stating:

An ambitious nation like ours cannot achieve its goals by relying on its past achievements. We must work harder, be more innovative, more organized, and more vigilant in examining the trends and challenges that will face us. We will start with a deep and honest analysis of our current situation, taking into consideration emerging regional and international changes. We are determined to respond proactively to all challenges (istibaaq: preempt) in a way that will bequeath to the future generations a legacy worthy of the pioneers who founded our great nation, a legacy defined by prosperity, security, stability and a life filled with dignity and respect [emphasis added].

In order to develop in response to these challenges and find a future defined by, among other things, security, Vision 2021 emphasizes six pillars of development that form the UAE’s national agenda. The Vision’s summary statement is as follows:

In a strong and safe union, knowledgeable and innovative Emiratis will confidently build a competitive (tanaafisi) and resilient (manii’: impervious/invincible) economy. They will thrive as a cohesive society bonded to its identity, and enjoy the highest standards of living within a nurturing and sustainable environment.

Given that the product of the summary is clearly tied to a competitive and resilient economy, the keystone pillar is the transition to a knowledge economy that will be “at the heart of shifts” (fii qalb hadhihi al-taḥawwulaat) in the new global political economy, and Vision 2021 seeks to make the UAE “the economic, tourism and commercial capital for more than two billion people [emphasis added]” (al-‘aṣima al-iqtiṣaadīyyah wa al-siyaaḥīyyah wa al-tijaariyyah li akthar min 2 milyar). A set of twelve indicators, including foreign investment, ease of business and competitiveness, will chart the country’s progress in this pillar, many of which find physical and practical manifestations in the descriptions and assessments of the haven approach in the upcoming chapter. Fitting closely with this pillar is one which focuses on infrastructure and the
environment, with indicators for port, airport and logistics performance as well as overall suitability of the country’s infrastructure to support its vision of becoming an economic, tourism and commercial capital.

The remaining four pillars form the social underpinnings of these two. An education pillar seeks to ground the society in a tradition of knowledge that emphasizes science, technology, engineering, math and reading, as well as the Arabic language. A healthcare pillar promotes healthy lifestyles plus the development of world-class research and hospitals that serve both Emirati citizens and global health tourists. These contribute to a pillar that aims to produce a cohesive society with a preserved identity; indicators range from adherence to national and familial identity norms and traditional values to national pride and even Olympic medals on by the UAE, signaling the significance of sport to the future development of the country. Finally, a safety pillar establishes the parameters for an elevated feeling of security within the UAE, from police effectiveness and emergency preparedness to a fair judicial system, all seeking to make the UAE the “safest place in the world” (al-baqā‘ al-a’kthar ama‘ānan ‘ala al-mustawā ‘a-l-’a‘alīm). In reality, as the subsequent chapters show, all the pillars are meant to work together to promote a diversified sense of security, and while there has been substantial progress in achieving security through the paths discussed, ultimately new forms of insecurity that actually run counter to these pillars have often been products as well.

In his National Day speech on December 2\textsuperscript{nd}, 2014 Sheikh Mohammed praised the developments of the past forty-three years of union, especially the precedents set by Sheikhs Zayed and Rashid that have shaped the direction of the country prior to Vision 2021 (Sheikh Mohammed website, National Day speech). He claims that as the current rulers follow the developmental patterns laid by the previous generation the UAE has “moved from the margins to
the heart (intaqalna min al-hawaamish ila al-qalb)...our political, economic and cultural presence has imposed itself and is now sought-after and welcomed around the world (faraḍa ḥuşuurna al-siyyaasi wa al-iqtisaadi wa al-thaqaafī nafsahu fa aṣbaḥa maṭluuban wa marḥaban fi jamii' arjaa al-'aalim).” Sheikh Mohammed’s words further indicate that the haven approach is truly alive and well in the UAE, and that he believes the key to securing the country’s future—or at least his role in it—is to further entrench the complexity of interdependence by making the country a center of political, economic and cultural significance. Achievements in these areas are reflected by “the stature our state has received and the role it is playing (makaanah dawlatina al-yawm wa dawruha).”

He then mentions the position of the UAE in a cross-section of global developmental indices, intimating that they are indicators of the prosperity, stability and security of the country for future generations. Ultimately:

…the valuable lesson that we have learned from the debate on the progress and backwardness of nations is that a state that does not seek to attain the top place will not be able to retain the place or ranking that it achieved. Rather, it regresses and then becomes too fatigued to continue its journey and eventually stops in the middle of the race. Therefore, we have no choice but to seek the first place and work at double speed if we are to retain our advanced rankings on the international competitiveness indices.

This statement marks the recommitment of Sheikh Mohammed to continuing and even strengthening the country’s haven approach, all for the sake of future security. It signals that there is a belief within the power structure that if the UAE is not striving to be at the top in all its endeavors consistently then it is declining, losing its status, interdependence and ultimately security.

Two years earlier Sheikh Mohammed addressed a gathering for Fortune 500 CEOs (Sheikh Mohammed website, Forbes speech) at the Burj Khalifa, reassuring them that the UAE and Dubai had fully recovered from the global recession are was ready to proceed as a choice industrial, business and investment location. He claimed that his personal, and by extension
Dubai’s and the UAE’s, commitment to grand developments was key to the country’s resilience and quick recovery as well as its rise to global prominence in the first place.

I would like to talk about this place around us here [Burj Khalifa/Downtown Dubai area]. A group of people brought me the drawing of a small shopping mall and a few buildings around it. I just said two words “think bigger” (fakkiruu akbar). After talking and discussions for three days, this is what it has become. Dubai Mall is the biggest mall in the world and Burj Khalifa is the tallest tower in the world. Not only the shopping mall and Burj Khalifa, the area is surrounded by many hotels and many facilities and features, just like a small city here, all because we “think bigger” (nufakkir akbar) [emphasis added].

He then recounted stories about arguably the biggest of the “think bigger” developments, Jebel Ali Port, which has been the most crucial aspect of solidifying the country’s role in global interdependence.

When I was a young boy, my father took me to Jebel Ali and there was only sand and sea water. We got out of the car and walked on the sand looking at the place. He looked at me and said, “Mohammed, I’m going to build the biggest sea port in the world.” I was a boy, so I could not say anything. But his friend next to him said, “Sheikh Rashid, we have Rashid Port which is enough for Dubai. Why do we need another port?” And he (Sheikh Rashid) said, “we must have a vision. For today, yes, Rashid Port is enough but we want to build for the future.” His friend asked “Why now?” He answered “Because building it today will be cheaper and it will make Dubai grow faster.” That was Jebel Ali which is now the biggest port in the world and one of the biggest ports for container ships.

This emphasis on “bigger” has become the hallmark of the UAE’s haven, particularly in Dubai, under the direction of Sheikh Mohammed. It applies generally to being superlative at any given activity or development—as chapters 3 and 5 describe—ranging from tallest and largest to most expensive and most exclusive. In order for the UAE to continue growing its operation and reputation as a haven it must constantly be one-upping all challengers, and even itself. The most telling statement Sheikh Mohammed made to that group with respect to the UAE’s development as a haven came when he said, “we aspire to be number one always. Nobody knows second place…we are determined to win first place (naḥnu naṭmiḥu lianna nakuun fii al-markaz al-awwal daaʾiman lianna man fii al-markaz al-thani yajhaluhu al-jamiiʾ…naḥnu muṣammimūn ʿala niil al-markaz al-awwal).” The “survival” of UAE along the lines of those noted in chapter needs that recognition and the opportunities for interdependence that it brings.
Qatar, just like the UAE, has also articulated its strategy for development well into the 21st century through the four pillars of the National Vision 2030 (Qatar National Vision 2030 website), which aims to “show the world what [Qatar] is capable of (izhaar qudrah Qatar),” aligning it with the broadcaster approach of externally-oriented interdependence. In 2008 Emir Hamad inaugurated the vision and its goal of “comprehensive development” for the sake of progress and prosperity, and in 2011 he enacted the National Development Strategy, which was the first five-year step towards realizing the National Vision and relies heavily on hosting the World Cup in 2022 as a means to show Qatar’s capacity and ultimately forge interdependence. The vision’s guiding principles were culled from the constitution proposed and ratified by Emir Hamad on 2004, as well as the personal directives of Emir Hamad, Emir Tamim and Sheikha Mozah, Emir Hamad’s wife and mother of Emir Tamim.

Underlying the vision, a pillar targeting Qatar’s economic development and sustainability emphasizes developing the infrastructure necessary to support the country’s rising prominence. The end goal is a diversified knowledge economy that relies on industry, business and investment to further Qatar’s role in and integration with the international community. Shortly after assuming power Sheikh Tamim claimed that “it is not possible to achieve development…without economic growth (laysa bilimkaan taḥqiiq al-taṭawwir…duun namuu iqtishaadi)” and that his father’s “quiet revolution…in investment and the economy (thawrah haadi’ah fii al-istithmaar wa al-iqtisad)” has made it possible to pursue the broader developmental goals of the national vision (Al Jazeera 6/26/13).

Therefore, building upon this economic pillar a social development pillar aspires to make Qatar an influential beacon to the region and beyond by cultivating local heritage, cultural values and civil rights at home and then actively promoting those abroad. This pillar stresses
aggressively growing Qatar’s interaction with the international community that enables it to “play a significant role”\textsuperscript{20} economically, politically and culturally through exchange (\textit{al-tabaadil al-thaqaafi}), mediation and an array of aid projects.\textsuperscript{21} Both of these pillars find further description and analysis in the upcoming chapters given their significance for the broadcaster approach.

The National Vision intends the remaining two pillars to bolster Qatar’s economic and social roles by developing human capital and promoting environmental sustainability. For human development, the focus is on providing the educational foundations for Qatar’s economic and political endeavors through specialized training programs and continuing to partner with leading academic and research institutions from all over the world. The Qatar Foundation is to be the “engine driving development…[and] unlocking human potential (\textit{al-muharrik li difa’a ‘ajlah tatwiir...iflaaq qudaraat al-insaan}). Additionally, sport and cultural activities are to forge bonds between Qatari that create enhanced opportunities for the everyday citizen to interact with the international community. Many of these investments in human capital are also meant to contribute to the country seeking a balance between rapid development and environmental sustainability, culminating in Qatar playing an instrumental role in the global discussion of these issues.

Both of these visions indicate that each country aims to develop across all sectors of the economy and society for the sake of entrenching interdependence through the roles discussed in the previous chapter. The motivating factor, as expressed in the visions and statements, is a

\textsuperscript{20} While the English version of the National Vision website uses this phrase, the Arabic version says “deal and interact with (\textit{al-ta’amil wa al-tafa’a il ma’a}).”
\textsuperscript{21} Literally “sponsoring and supporting dialogue and coexistence (\textit{ra’ayah wa da’im hiwaar al-hudaaraat wa al-ta’ayush})” and contributing toward “international peace and security through political initiatives and developmental and humanitarian assistance (\textit{al-ann wa al-salam al-aalimiyyin min khilaal mubaadiraat siyaasiyyah wa ma’unaat tanmuwiyyah wa insaaniyyah}).
recognition that natural resources have brought only so much interdependence, and given their fleeting nature in the 21st century new strategies must be implemented that pursue a broad array of activities that contribute to the diversification of security. On one hand, the UAE desires to be the at the heart of the international political economy by thinking—and constructing—big, setting the foundation for an inwardly-oriented developmental strategy. On the other hand, Qatar wishes to show its prowess in a variety of areas, especially when it comes to international engagement, the core of its externally-oriented development strategy.

The foremost factor for doing so in both strategies, and indeed the haven and broadcaster approaches more generally, is the stated goal of economic development in the form of a knowledge economy that is capable of both hosting and interacting with the global political economy in a variety of ways beyond just oil or gas. In the UAE’s vision, the country seeks to solidify its role as a crucial global hub for everything from finance and business to tourism and transportation, as suggested by the performance indicators and goals of the vision. For Qatar, the economic vision is more restrained, but supports its desire to reach out and facilitate externally-oriented cooperation. As outlined in chapter 1 and demonstrated in chapter 3 and the haven-like section of chapter 4, these economic developments revolve around five sectors: clustering, transport, business, investment and tourism/cityscape. This hints that both countries recognize that the process of constructing interdependence starts at home, with a strong, stable and diverse economy. Thus, with these visions, strategies and factors in place, the following chapters discuss how they play out for both the UAE and Qatar, providing descriptions, outcomes and assessments of each country’s approach to diversifying security through entrenching interdependence.
The Arab Spring in the Gulf as a Catalyst for Diversifying (In)Security

As noted in Chapter 4, the uprisings of the Arab Spring had a profound effect on the political calculus of Qatar’s diplomatic efforts throughout the region, but its effects went even further to reveal the depth and breadth of domestic pressures the governments in the UAE and Qatar have created that threaten to change the status quo these leaders seek to maintain. Just as with the rest of the region, the protestors were airing more than just economic grievances and were rising up against decades of political suppression by spreading ideas (Matthiesen 2013). The modernization and globalization that had put the UAE and Qatar on the map initially had become the tools for a new competition, one that was mobilizing the populations and eroding the states’ control over the narrative (Lynch 2012; Ulrichsen 2012a). The ruling bargain that saw oil wealth leveraged to create politically-passive populations and that had cushioned the modernization was beginning to fray, even as the countries implemented policies to further pacify the populace (Gause 2000; Ulrichsen 2012a; Matthiesen 2013; Lucas 2014).

Comparatively, the UAE and Qatar witnessed little in actual uprising compared to the rest of the Gulf States. In the UAE, a vocal opposition emerged and the resultant series of arrests and indefinite detentions for criticism of the government marked a retrenchment from the openness the country had proclaimed while exposing rifts between Abu Dhabi/Dubai and the poorer northern emirates. In Qatar protests were “conspicuous in their absence” (Kamrava 2013, 97; Colombo 2012; Davidson 2012; Ulrichsen 2012a; Grey 2013). In contrast, Bahrain brutally cracked down on protestors in Pearl Roundabout and throughout the country, erasing the memorial to the island nation’s storied past of pearl diving in order to remove a symbolic location for protests (The Guardian 3/18/11). Saudi Arabia experienced sporadic protests throughout the country, but most active in the Shi’a areas of the southeast. As such, the regimes
in these countries began leveling accusations of foreign incitement of sectarianism, billing the uprisings as Iranian interference to destabilize the countries rather than recognizing the domestic problems leading to them. This response and the quick, brutal crackdown on protests has allowed the regimes to survive another day without real reform as they deal with the terrorist threat, but further exacerbates the domestic pressures both countries will face going forward (Davidson 2012; Matthiesen 2013).

Kuwait could not claim sectarianism, as its population is Sunni and it maintains solid relations with Iran, but the government did blame foreign Islamists like the Muslim Brotherhood for inciting the uprisings. In reality, the protests were to protect what little democracy exists in the country from being swallowed up by enhanced authoritarianism (The Guardian 11/2/12) and led to the resignation of the prime minister (Ulrichsen 2012a). Likewise, Oman’s diverse foreign policy includes positive relations with Iran but its relative poverty created economic pressures that resulted in a cycle of protests and crackdowns before promises or economic and political reform stabilized the country (Davidson 2012). Though not a GCC member, Arabian Peninsula neighbor Yemen experienced protests in conjunction with insurgencies and separatist movements that President Ali Abdullah Saleh utilized for US counterterrorism support. However, even with airstrikes and drones operating in the country Saleh fell to protests via a Qatar-led and GCC-backed transition as his country became a haven for Islamist extremist movements (Hudson, Owens and Callen 2012).

In most cases, an active strategy of management, or “counterrevolution,” by the GCC countries both individually and as a whole minimized the spread of large-scale uprisings into the subregion (Ulrichsen 2011c; Hertog 2011b; Kamrava 2012), helping preserve the status quo as the “empire struck back” in a regional power grab (Lynch 2012). This strategy seeks three goals
of ensuring regime survival, effecting subregional stability and projecting GCC influence across the region, all through active intervention, providing assistance and leveraging Islamist links across the region (Alcaro 2013). To these ends, immense resource wealth enabled the countries to offer gift packages of economic incentives like salary increases, homes, jobs and further subsidies to mitigate domestic economic grievances; Saudi Arabia plunged $130 billion in emergency welfare into citizens’ pockets while Qatar increased public-sector salaries 60% and those for the military 120% (Ulrichsen 2013). For countries in the region and beyond without the wealth, the GCC states provided aid packages to help placate restive populations in Oman, Bahrain, Morocco and Jordan. In addition to patronage, the Gulf States also turned to political tools of limited reforms, meddling in neighbors’ affairs, sectarian framing and traditional repression measures of the police state (Hertog 2011b; Ulrichsen 2011b; Colombo 2012; Davidson 2012; Kamrava 2012; Matthiesen 2013). These measures, however, will be untenable in the long run; economic incentives have raised already-high expectations and the countries have failed to deal with the underlying issues (Hertog 2011b; Colombo 2012; Davidson 2012).

With respect to the police state and meddling/intervention, the Gulf States have renewed their sources of hard power in the wake of the Arab Spring. Not only did the GCC’s military force invade Bahrain to help the government suppress the protests, but it appears the UAE contracted Blackwater-founder Erik Prince’s company Reflex Responses to develop a non-Muslim, fully-foreign mercenary force in Abu Dhabi (New York Times 5/14/11) and has joined Qatar in introducing bills for compulsory military service (Al Jazeera 6/8/14). Additionally, the Gulf States have reinforced their hard power relations elsewhere. Qatar has spent hundreds of millions improving the al-Udeid airbase (Gray 2013; Kamrava 2013) and the UAE has expanded the capacity of US military installations to include greater use of a naval base in Fujairah that
bypasses the Straits of Hormuz (Al Jazeera 5/1/12), not to mention its role in maintaining the US Navy in Jebel Ali and Khalifa Ports (Davidson 2012). The expanded cooperation also includes arms deals and training, with the UAE and Saudi Arabia signing a $10 billion deal with the US in 2013 (Bloomberg 10/15/13) while the two helped secure a $2 billion deal with Russia to provide arms to the al-Sisi government in Egypt in 2014 (WINEP 3/4/14). These moves demonstrate that despite a shift to softer or subtler forms of power, the Gulf States still rely on a base of hard power that provides a foundation for the diversification of security.

The Gulf Cooperation Council: A Collective Approach to Diversifying Security?

As these developments toward legitimacy and security played out domestically, Gulf rulers also recognized the need to implement a broader, collective approach to addressing these concerns on a larger scale. The result has been the Cooperation Council for the Arab States of the Gulf, also known as the Gulf Cooperation Council or simply the GCC. It is the only international organization (IO) fully comprised of authoritarian states that exists in the world today, an anomaly since the institutional liberalism literature that emphasizes cooperation and interconnectedness often presents IOs as being the domain of democracies given their inherent predisposition to liberal policies the Kantian democratic peace theory (see, among others, Siverson and Emmons 1991; Simon and Gartzke 1996; Pevehouse and Russett 2006). Therefore, the question is what factors drive these authoritarian regimes to partner with each other?

The answer is that the GCC represents a collective approach to security and legitimacy, binding together countries with similar identities and security issues. Essentially, it is the collective manifestation of the diversification of security in the Gulf by addressing concerns related to both hard and soft power. As discussed in more detail below, the GCC has always
sought to bolster security for its members by presenting at least a nominally united front to any potential challengers, including developing a military force and becoming a sizeable arms importing conglomerate, but increasingly has done so by leveraging its sizeable economic and burgeoning diplomatic potential (Legrenzi 2011; Ulrichsen 2011a). In the softer power realms, notwithstanding the disagreement between Qatar and Saudi Arabia, the UAE and Bahrain over support for the Muslim Brotherhood, the GCC has been a relatively cohesive and significant source of aid throughout the region (Kamrava 2011b; Colombo 2012) as well as a key locus in regional omnibalancing and diplomatic initiatives (Janardhan 2013; Ulrichsen 2014).

With respect to hard power, from 2010 to 2011 total US arms sales tripled to over $65 billion, roughly $45 billion of which made its way to the individual countries of the GCC (The National 8/28/12). According to the Stockholm International Peace Research Institute (SIPRI), in the period 2009-2013 the UAE ranked fourth and Saudi Arabia fifth in terms of global arms imports, combining to constitute nearly nine percent of total imports around the world. Much of this has been in offensive and defensive air capabilities, and as Qatar joins these states in having active foreign policies that provide military support the GCC as a unit has an abundance of hardware if a lack of personnel (Wezeman and Wezeman 2014).

From the early phase of discussions surrounding the British withdrawal from the Gulf, the idea of a larger confederation of these smaller states with an orientation toward security and viability has existed. Although these countries would declare independence in the early 1970s within ten years they would establish the GCC. The reemergence of Iraq and Iran as regional players discussed in Chapter 1 mirrors the conditions that prompted the establishment of the GCC in the first place as well as the security foundations of the organization (Nakhleh 1986; Sandwick 1987; Peterson 1988; Ramazani 1988). Six countries of the Arabian Gulf—Saudi
Arabia, Bahrain, Kuwait, Oman, Qatar, and the UAE—formally established the GCC in 1981 as an organization promoting cooperation among and between them.

These countries had only relatively recently received independence from colonial powers and seen the Trucial States consolidated into the UAE, but shared a subregional identity tied to geography, religion, tribalism, regime type and, for most, rentier economies. The resulting entity is, at least on the surface, an economic institution which currently has seen the realization of a common market and aspires to monetary union. However, security concerns are at the core as one of the first tangible results of cooperation was the Peninsula Shield Force, although it deployed only three times during its existence: to help liberate Kuwait in 1991, to defend against Iraqi reprisal in 2003 and to secure the Bahraini regime against popular protest in 2011.

The GCC formed during the aforementioned confluence of conditions and events, albeit without—purposefully—Iraq and Iran (Barnett and Gause 1998; Pinfari 2009). This makes the GCC an example of a sub-regional security complex (Buzan and Waever 2003), where a common identity within a subregion prompts banding together in the face of challenges from the larger region to this identity (Harders and Legrenzi 2008). states and non-state actors, from without and from within, and traditionally and nontraditionally. Ehteshami (2012) argues that petro-politics and identity politics drive how the countries of the subregion relate to each other, noting that the significance of resources has led to interdependence but that tribal, ethnic and religious identities promote division (on sectarianism in the Gulf see Potter 2014). He adds that terrorism, weapons of mass destruction and the transnational flow of militants between conflict zones that border the broader Gulf contribute to the potential for instability. Ulrichsen (2011a; 2012b) agrees, contending that globalized competition complicates the traditional security
dynamics of the Gulf, as mobilization becomes easier and outside actors become stakeholders in
the subregion.

Therefore, the GCC rests on a foundation of providing security from challenges to regime
survival. As noted, traditionally this has been done with hard power arrangements like the
Peninsula Shield Force, even it is largely symbolic in nature. To this end, in 2007 it partnered
with NATO via the Istanbul Cooperation Initiative to promote further integration and security
cooperation between the groups given the instability of the larger region post 9/11, the US
involvement in two wars and the host of protracted conflicts (Legrenzi 2007). The GCC followed
this up by responding, at least in part, to the Arab Spring through reaching out to fellow Sunni
dynastic monarchies Jordan and Morocco for potential membership in the group (Reuters
5/13/11; New York Times 5/25/11). Both are Western-oriented, geo-strategically important for
the GCC’s access to the broader Middle East and Jordan has positioned itself as the region’s key
provider of military services, including extensive counter-terrorism training culminating in the
self-described global “Olympics of counterterrorism” (Business Insider 7/23/13; The Atlantic
5/13/14).

Additionally, in late 2013 the GCC formed a joint military command encompassing
nearly 100,000 soldiers as well as a joint police force and strategic and security studies academy,
all of which are aimed at expanding anti-terror cooperation, a term which when used by regimes
in the Middle East often connotes anti-regime activity. These measures are also meant to add
some bite to the 2000 declaration that an attack on one member constituted an attack on all
members (Defense News 12/26/13). However, despite this and added pressure from its security
umbrella, the US, to deal with the GCC as a bloc for arms sales, each country still conducts its
own deals and maintains its own defense forces (Defense News 12/7/13).
However, as Kamrava notes in his discussion of subtle power, the guarantee of hard power security is only part of the equation. In this respect, the GCC countries have put forth a globally relevant collective identity that perhaps exceeds the sum of the individual parts. With respect to interdependence, just like in the individual countries this initially has come from resource wealth. The GCC member states control over 40% of the world’s proven oil reserves and over 20% of those for natural gas, resulting in combined GDP of $1.6 trillion and an estimated $2.4 trillion in accumulated financial assets (Al Arabiya 12/11/13). This wealth enables the members to engage in diversification projects like those discussed in the following chapters, where countries develop domestic business, tourism and diplomacy as well as use investment strategically.

As a result, the GCC as a whole reflects the different approaches to diversified security and has characteristics of both the haven and the broadcaster. On one hand, with respect to the haven and a political economic role for the GCC, numerous books describe the Gulf in their titles as everything from a “global financial power” (Nugee and Subbachi 2008) to a “geo-economic power” (Legrenzi and Momani 2011) and a host of others describe the developments and transformations made in the individual countries on collective terms. On the other hand, the significance of Saudi Arabia, Qatar and even Oman to the broader regional diplomatic scene provides the GCC with the elements of the broadcaster approach; even if they often work to opposite ends, their presence in the same bloc bolsters the GCC’s interdependence with yet another role in its portfolio of diversified security strategies. These roles diversify the GCC’s sources of interdependence from being solely that of resources to those associated with softer power that are more durable into the 21st century. The next chapters expand on these approaches using the UAE and Qatar as archetype examples.
Chapter 3—The UAE: A Haven for Capital

“My grandfather rode a camel, my father rode a camel, I drive a Mercedes, my son drives a Land Rover, his son will drive a Land Rover, but his son will ride a camel.”
--Sheikh Rashid Al Maktoum (The National 12/1/10)

Sheikh Rashid’s belief in the fleeting nature of resource wealth shaped his approach to developing Dubai. In order to prevent his great-grandson from riding this proverbial camel, Sheikh Rashid sought to diversify Dubai’s global relevance by revitalizing its historical position as a leading trade hub by creating the infrastructure necessary to secure these activities well into the future. Increased oil revenue in the 1960s enabled him to construct Port Rashid, which opened in 1972. Within a few years cargo traffic through the port grew exponentially and the turnaround time for a ship increased ten-fold, from six days to 60 days (Ramos 2012).

Sheikh Rashid immediately began expanding Port Rashid to accommodate the increased activity, but he also took the initiative to begin developing a completely separate port facility on the southern outskirts of Dubai city. According to legends, when touring potential sites for a new port Sheikh Rashid chose to build in Jebel Ali, a small village with minimal development located far away from the existing port facilities and the city center. Both local and international advisors requested he reconsider, suggesting building much nearer Port Rashid or simply further expanding it. Rather, Sheikh Mohammed recounts that his father had a strategic plan for the port as a key piece in securing Dubai’s future and told him “I am building this port now because there will come a time when you won’t be able to afford it” (The National 11/1/11).

Thus, the story of Sheikh Rashid and Dubai’s ports is a story about the future, a story about a haven. It turns out that he may have been right. Perhaps his son could not have built the port later as oil wealth diminished and his grandson was indeed on his way to riding a camel—if he were even still in power, a all—but through the early stages of creating and implementing a
haven approach Jebel Ali Port has become the backbone of using political economy to make Dubai and the broader UAE globally relevant for reasons beyond resources. In total, the haven as employed by the UAE is actually a collection of havens, not just in terms of Dubai and Abu Dhabi but in the portfolio of haven activities they provide all geared toward cultivating a diverse array of capital that can become soft power. In total, the UAE offers several of the components of Kamrava’s subtle power with the exception of a strong focus on diplomatic activity like Qatar, choosing instead to focus on providing a variety of externally-oriented but inwardly-focused activities to become a haven for the international community’s capital. Yet as noted throughout the chapters thus far, the haven uniquely diversifies insecurity as well. Following an in-depth examination of what the haven approach entails and how it has diversified insecurity, a section outlines the variety of blowback it has created or exacerbated.

**What is the Haven Approach?**

The UAE represents the haven story told to its fullest extent, but the characteristics that form the pattern of a haven are increasingly the characteristics of the major cities, or capitals, of the Gulf. As discussed in Chapter 1, this concept of Khaleeji Capitals builds upon the work of Adam Hanieh and Ahmed Kanna who discuss the neoliberal appearance of Gulf State development into the 21st century. Hanieh presents a Gulf-wide capitalist class that has been the driving force for this development while Kanna analyzed Dubai as a city-corporation run by members of this capitalist class. Khaleeji Capitals describes the trend of the Gulf’s leading cities—often just one or two per country—manifesting the diversification of security through the provision of niche roles to the international community, a process that typically starts with a
haven-like platform and an orientation towards accumulating a diversified portfolio of capital for the sake of soft power.

A good point of departure for defining a haven, the “Dubai Model” of economic development addresses some key factors utilized by the emirate during its rapid rise to prominence. A haven is a place of safety or refuge, but perhaps more appropriately an oasis or port in a storm. The haven approach mirrors these definitions by providing an oasis and port for myriad activities for the international community. Therefore, a haven is both a destination and a hub for global capital flows. It seeks to attract business, investment and people into it while positioning itself as a key transfer point for all three. Along these lines, Hvidt (2007) identifies nine systemic features that together comprise the Dubai Model, all of which stem from a state-promoted pro-business orientation implemented by Al Maktoum leaders in the mid-1900s and taken to new heights by Sheikh Rashid and now Sheik Mohammed.

The first two features relate to the state, namely the (1) leading role of the ruler in developmental policy combined with his (2) ability to fast track development. Chapter 2 touched on the significance of traditional authority in the Gulf States and how it has enabled the diversification of security by implementation from above. The ruler then steers development that first (3) bypasses industrialization, moving straight to establishing a service economy before returning to promote industry. This service economy is (4) highly internationalized with a (5) flexible labor force, and (6) creates a supply in order to fuel demand. It then (7) relies on branding and (8) world-class partnerships to (9) promote an array of investment opportunities.

However, the development of Dubai and the UAE into the 21st century has modified the Dubai Model to the “haven model” described throughout the rest of this chapter. The haven model seeks to capitalize on the concept of a global or world-class city, a reference to cities that
command large portions of the international political economy and affect global affairs by their
development in financial services, transportation and infrastructure (Sassen 2001; Hvidt 2012).
The tell-tale markers of the haven are cities of corporations. These business-oriented zones dot
the landscape of a city seeking to operate as a destination. These are purpose-built to harness
flows that are facilitated by the haven’s role as a hub through ports and airports. Together, these
two characteristics contribute to the general business environment a haven seeks to promote, one
that uses neo-liberalism to generate growth and further capacity for the haven. Sovereign wealth
funds leverage resource wealth to develop this capacity through investment; in essence, they are
havens for the capital of a haven and help secure its future. Ultimately, the implementation of the
haven approach transforms the cityscape of a Khaleeji Capital. In addition to the ports, airports
and cities of corporations, the cityscape of a haven reflects the importance of tourism and iconic
architecture to cultivating capital and relevance for the city.

To some extent most, if not all, Khaleeji Capitals display at least a baseline of these
characteristics in their own development. They implement the pattern of the haven’s model for
capital and soft power and then adjust accordingly, following the direction of their respective
ruling families within the local historical context. The haven provides a foothold for a country’s
further integration into the global community and from that platform a country may launch a
variety of new relevance-producing initiatives. While for Dubai and the UAE the haven and its
capital is the defining feature in and of itself, other Khaleeji Capitals like Doha/Qatar develop a
haven to further promote their other soft power resources and corresponding niche roles, as
Chapter 4 demonstrates.

However, a number of domestic security-related and demographic challenges have ties to
the processes of diversifying security at work in the haven. Co-optation and the maintenance of
the status quo through financial incentives were not just tactics used during the Arab Spring but patterns the UAE and Qatar—and the resource-rich Gulf States—have employed more broadly in their domestic environments. Since the dawn of the oil era, the Gulf State governments have been able to leverage oil wealth to cover up and smooth over a variety of domestic and demographic challenges by selectively reforming and using financial incentives to fill in the gaps. Thus, as these challenges mount they erode the ability of the state to honor the social contract that has provided stability until the present (Davidson 2012; Lucas 2014), even as the rulers sought to enhance the social contract in the first place. Krane (2010; 2013) rightly notes this as a tradeoff between stability and sustainability, in that the decisions Gulf leaders have been and will continue to make on socio-political and economic fronts will be able to only serve one of these two goals. But ultimately it is not a tradeoff at all, as this dissertation argues, rather it is a self-perpetuating package deal that sees stability in some target areas promote instability in others. The methods to seeking stability noted above in the context of the Arab Spring and throughout this paper generally, result in unsustainable developments within society discussed in the rest of this chapter.

On one hand, Davidson (2012) identifies these methods as domestic matters that help explain survival, including the distribution of wealth, control of legitimacy and the cooptation of tribes, religion and expatriates. On the other hand, he also explains that internal pressures will be key contributors to the ultimate collapse of the Gulf States. Squandering wealth on unnecessary projects funded by public spending, bloated public sectors paired with weak private sectors and increasingly-high subsidy and entitlement costs will ultimately put so much strain on the economies of these states that they collapse under the weight (Davidson 2012; Hvidt 2012; Ulrichsen 2013; Kamrava 2013; Gray 2013).
The UAE’s haven approach has necessitated high-levels of public expenditure to create and maintain the infrastructure and environment necessary to attract companies, people and capital to the country to help in diversifying the economy, and the same holds for the haven aspects of Qatar. However, the nature of many iconic architectural projects meant to boost prestige and attract symbolic capital may not return enough economic capital to make the expenditures worthwhile, especially since the economy still needs structural adjustments to sustainably provide for the society. That says nothing of human rights concerns for the hundreds of thousands of imported workers who physical construct the haven or the impact of such unbalanced population demographics.

**Khaleeji Capitals: Cities of Corporations**

Part of the process of creating a global city, clustering organizes economic activity by similar or supporting industry with the goal of maximizing synergy and success, something Dubai and Abu Dhabi have implemented in their pursuit of becoming a hub for business, investment and tourism. According to Porter (1990), state-sponsored clustering represents a new strategy of maintaining global competitiveness, and offers to the individual firms the ability to operate on a larger scale while remaining flexible. A cluster may contain companies, suppliers, service providers as well as associated institutions and even specialized infrastructure (Hvidt 2009). Hvidt suggests that clusters offer the leading cities of the Gulf States three policy implications:

- First, economic activities cannot be established as stand-alone projects, which until the late 1990s often characterised efforts to establish manufacturing entities. Second, without effective clusters within the industries of choice, international firms will not be attracted, and are thus likely to invest in a higher performing cluster elsewhere in the world. Third, due to eagerness to ‘catch up’ with the developed world and not least the competition from already-established industrial centres worldwide, clusters must make significant sectors fully operational at the same time (Hvidt 2012, 200).
Essentially, clustering provides a pathway to physically build cities within cities for the sake of improving the competitive identity of a brand through the haven approach. These are bastions of the policies discussed above, particularly the Free Zone concept, and represent physical locations for the accumulation of social capital for both businesses and by extension the haven itself (Thorpe and Connell 2013).

Since only 3% of Dubai’s GDP comes from oil, it has spearheaded the push to utilize clusters/cities to become a haven for knowledge-driven international activity (Janardhan 2011, 62; Thorpe and Connell 2013). All of Dubai’s free zones operate under the clustering concept, which results in geographic “cities” of concentrated activity across the city’s landscape. The government utilizes foreign capital and expatriate labor to help solidify a cluster according to a comprehensive policy of implementing strategically-targeted sectors (Mitra and Thorpe 2010). In addition to industry and trade-related zones that accompany the hub facilities discussed below as well as retail, Dubai has embraced the innovation and knowledge-intensive cities like Media City, Internet City, Silicon Oasis and Knowledge Village that target multimedia, telecommunications, software, and logistics firms as well as the educational resources necessary for training people to work in these sectors (Thorpe and Connell 2013).

This suggests that Dubai in particular, and the UAE more broadly, is approaching a more advanced level of competitiveness as a haven given the focus on realizing the development of these sectors while pushing on toward R&D, education, nanotechnology, biotechnology and pharmaceuticals (Mitra and Thorpe 2010). In this vein, the World Economic Forum rates competitiveness of countries in three stages based on the variety of activity present in an economy, from factor-driven requirements like infrastructure to efficiency-driven enhancers such as market development and ultimately innovation-driven factors of sophistication. The UAE
rates in the third classification, an efficient economy being driven by innovation, especially prevalent in the pervasiveness of clusters (Hanouz and Dusek 2011).

The Dubai International Financial Center (DIFC) operates as a special type of haven within Dubai. Under constitutional provision in 2004 DIFC became an independent jurisdiction complete with its own legal system for business-related law and operated by an independent regulator, the Dubai Financial Services Authority, all with the purpose of being a base for companies to operate in the emerging markets of the Gulf and nearby subregions. There are over 800 companies within DIFC, including 18 of the world’s top 25 banks, 8 of the top 10 asset managers, 6 of the 10 largest insurers and 6 of the top 10 law firms, all attracted by the cluster concept and the range of incentives offered by the free zone (DIFC website, Corporate Flyer). It is also home to the NASDAQ Dubai, the international financial exchange of the Middle East, which offers regional companies the ability to raise capital internationally without leaving the region while leveraging the global reputation of NASDAQ markets.

Dubai Media City (DMC) and Dubai Internet City (DIC) represent the push for development in IT and telecommunications, seeking to make Dubai the hub for engaging these sectors across the region by creating “ecosystems” within which these firms can thrive and spread. DMC began operation in 2001 as a free zone for global media and advertising firms and currently houses over 1,300 firms of various sizes and genres, from global giants like CNN, BBC, the Economist and Rolling Stone to regional television networks and even freelance individuals (DMC website). With PricewaterhouseCoopers projecting that the MENA, Turkey and India markets will dominate Entertainment & Media growth rates over the next decade, DMC seeks to establish Dubai/the UAE as a central location through which the world can penetrate this region. This is especially important given that the growth will be partially fueled

\(^{22}\) The official websites of both DMC and DIC describe themselves as ecosystems on their home pages.
by advertising expenditure, which PWC predicts the UAE’s rate will lead the entire MENA region (PWC website, Global Media and Entertainment Outlook).

While DMC targets telecom, nearby DIC operates as an IT park supporting the projected $15 billion IT industry for the UAE in 2014. DIC and its affiliate Dubai Outsource Zone are home to 1,600 business partners, including 60% of the Fortune 500 companies from related sectors (DIC website, Press Release). HP, Microsoft, Oracle and Facebook have set up regional operations in DIC. And Sheikh Mohammed recently announced plans to leverage DIC and its IT affiliates to make Dubai a “Smart City” that is completely wired on a road to sustainability (Emirates 24/7 3/5/14). Similarly, Silicon Oasis adds an industrial component to the technology cities by providing manufacturing and distribution capabilities (Dubai Silicon Oasis Authority website).

Dubai Knowledge Village (DKV) and Dubai International Academic City (DIAC) underpin the entire process of developing the knowledge necessary to support the haven approach, and do so with an increasing amount of local talent. Established in 2003, DKV now has over 500 partners serving to help make it a hub for all aspects of professional development, from business consultancies to HR firms (Dubai Knowledge Village website). Although DKV originally had a small number of universities present in the zone, in 2007 DIAC took over as the zone for higher education. It currently hosts 21 international branch campuses from universities in 10 different countries with a student population in excess of 20,000 from 125 nationalities participating in over 400 programs, making it the largest concentration of campuses in the world as well as the largest free zone dedicated to higher education (Dubai International Academic City website).
Similar to Dubai, Abu Dhabi has begun to develop these types of cities to further the haven identity for both the city and the country. One of these, named “twofour54” after the coordinates of Abu Dhabi, provides a zone for the dedicated development of Arabic content for various forms of communication across all types of media; it is an entrepreneurial Dubai Media City, in Arabic, by Arabs, for Arabs. In addition to providing film, TV and business facilities and services, it features a vocational training academy to facilitate the growth of associated skills like web and graphic design, broadcasting/production and animation plus an on-site investment center to help secure start-up capital for entrepreneurs looking to produce Arabic media and entertainment (twofour54 website, Overview).

The most unique and potentially impactful city for the UAE’s soft power (The National 1/26/14), Masdar City, seeks to operate as a zero-carbon haven for all things renewable energy and sustainability. With the UAE’s push to become a global leader in this sector—“transforming oil wealth into renewable energy leadership”—Masdar represents not only a means to diversify the economy and attract investment in the sector, but help it continue to stay at the forefront of energy issues into the 21st century (Reiche 2010) by re-branding itself as a new type of energy leader (Sim 2012). This maintains the value and relevance of the UAE to the international marketplace and positions it as a hub for future innovation, a developer of knowledge and technology not just an importer. To this end, the International Renewable Energy Agency (IRENA), the main organization for helping countries pursue sustainability, relocated to Abu Dhabi in 2009 on an interim basis, then members voted to instate the city as the permanent location in 2011; its future headquarters will form a centerpiece of Masdar City by the end of 2014 (IRENA website, Future). The move marks the first time a developing country has been chosen as the headquarters of an international organization (Janardhan 2011, 198).
Since the UAE is one of largest per capita users of water and emitters of CO₂ in the world there has been pressure to develop policies for sustainability around reduction of energy/water and using solar/wind power (Mezher et al 2011), not to mention the general role of the oil industry and regional conflict impacting the Gulf environment (Janardhan 2011). Masdar City is a free zone for “cleantech” industries, those that represent clean energy as well as sustainable products and services (C-NET website, Cleantech). This sector experienced $160 billion of investment in 2012, fueled by renewable energy representing nearly 20% of global use in 2010 and reports indicating that despite large increases in expenditures, new mining discoveries of fossil fuels remained flat (McKinsey & Company 4/12). In the UAE alone, an estimated almost 10% increase in energy demand per year will translate into a nearly $10 billion market for renewable energy (Janardhan 2011, 198-199).

Therefore, the city offers a space for development and testing of advanced energy and water-saving technologies while also drawing upon traditional, regional methods of cooling and water use from ancient cities—modernity with a traditional twist (Foster and Partners website, Masdar). Currently, German tech giant Siemens is the main manufacturing company operational in the city which also houses the Masdar Institute of Science and Technology, a specialized graduate-level university for advanced degrees in cleantech partnered with the Massachusetts Institute of Technology (Masdar website).

Hubs for Capital: Ports and Airports

Since the very definition of being a haven involves attracting people and business into the destination, a well-developed transportation infrastructure sets the foundation for moving people and goods into, out of and through the haven. Becoming a literal transportation hub also
contributes to the formation of a world-class city and promotes the country’s identity as a crucial political-economic link for the international marketplace. As discussed in the previous chapter and at the opening of this chapter, Dubai operated as a hub for a variety of activity during the 18th through 20th centuries and has taken the steps necessary to develop into a 21st century hub, as well. Dubai operates the largest port in the region in the Jebel Ali Free Zone (JAFZA). JAFZA is the largest free zone in the world, with more than 7,000 companies from over 100 countries operating within its boundaries, all benefitting from the aforementioned pro-business policies of free zones.

The mainstay of JAFZA, the Jebel Ali Port opened in 1979 and covers 52 square miles in the southern reaches of new Dubai. Sheikh Rashid’s forward thinking, and grandiose, plan to build such a large port facility has since paid off, and become the largest commercial draw for Dubai. The port is the largest man-made harbor in the world and one of the world’s largest ports. Lessons learned from creating the harbor have since been applied to other man-made structures off the Dubai coast including the Palm Jumeirah and the Burj al-Arab hotel, both discussed below (The National 11/1/11). Recent improvements to the port have given it a total capacity of over 19 million TEUs (Twenty-foot Equivalent Units, essentially one container) per year which run across its 90 weekly services connecting the port with over 140 ports worldwide (DP World website, Jebel Ali Port). The commitment of the port and Dubai Ports World, the logistics and shipping company that runs the port and JAFZA, to being ahead of the curve assures that Jebel Ali Port will always be relevant and valuable to the international container/cargo community.

During a tour of the facilities in January 2014 a representative of DP World highlighted some of the port’s main developments. He said they have made sure the port can service the largest container vessel in use today, which is nearly 400 meters long and carries 16,000 TEUs,
as well as every vessel currently slated for production in the foreseeable future; it can handle ten of these newest generation vessels at one time. Additionally, the port features the most advanced technology in shipping today, using over 60 rail-mounted gantry cranes (RMGs) under autonomous operation turnaround times—unloading and reloading full vessels—have decreased to between 9 and 22 hours, depending on the vessel’s size. The process of offloading containers to trucks for road transportation around the Arabian Peninsula has been updated to a paperless system that uses mobile applications for smartphones and tablets in conjunction with x-ray stations and RFID (radio frequency identification) tags on both containers and trucks to bring total time for a truck in the port down to just 45 minutes. The representative also revealed plans to develop a fourth terminal at the port made up of man-made islands that allow for 4-sided operation of keys instead of just one.\textsuperscript{23}

The newest addition to the area, Al Maktoum International at Dubai World Central (DWC) will serve as the core of Dubai’s newest plans for being a fully-integrated global hub. Air travel is a recognized destination-builder, especially for Gulf-based airlines which are within an eight hour flight of two-thirds the world’s population, and it provides multi-faceted economic impacts that touch all sectors of a haven economy (CNN 5/29/14). Of this potential, Dubai’s head of airports noted that roughly 40% of arrivals enter the UAE for one reason or another while the other 60% are transfer passengers, who at the very least gain exposure to the city—especially as they see the cityscape from the windows—that may spark an interest to experience it (Arabian Business 5/19/14). To this end, Dubai International Airport (DXB) in old Dubai, has already established the city as a hub by being the seventh busiest airport in the world, servicing over 66 million passengers in 2013 with a capacity of 75 million (Airports Council International website, Rankings). In total over 125 airlines link DXB to more than 260 destinations across six

\textsuperscript{23} Interview/tour with Anas Saleh of DP World, January 27, 2014.
continents (Dubai Airports website, Fact Sheet), and in Q1 2014 DXB surpassed perennial third place London Heathrow’s numbers by over 2 million on its way to a projected 70 million despite runway closures (The National 5/11/14). However, just as the plan to build Jebel Ali Port despite the presence of an already-functioning port was an investment in the future of Dubai’s ability to fill a niche role as a haven, so too is the plan for DWC. The new airport will boast annual capacity of 160 million passengers with a total of five runways each capable of handling simultaneously the largest superjumbo jets in service today and slated for production (Dubai World Central website, Details). DXB has been the home hub of Dubai-owned Emirates Airlines, but most services will gradually transfer to DWC.

Centered on Al Maktoum Airport, and with direct access to the Jebel Ali Port and JAFZA, Dubai World Central will emerge as the pinnacle of free zone, transportation and commerce in the UAE. The name itself supports the strategy of creating in the UAE a central haven for the world’s activity focused on aviation, and the infrastructure is slated to deliver tangible results towards cementing Dubai’s position as a logistics and commercial hub. Upon completion it will offer a geographic space devoted to travel and logistics twice the size of Hong Kong (Mitra and Thorpe 2010, 85). The strategy behind the development is to capitalize on the legacy of trade in the subregion and leverage the geostrategic location as a link between East and West, all while paying special attention to the increasingly significant “airport city” and the Gulf’s leading position in the airline industry. With over one-third of the world’s total trade value dependant on air freight, the vision for DWC is to position Dubai and the broader UAE as the crucial link in global trade. To this end, DWC connects to Jebel Ali Port with a logistics corridor that forms a single customs area with JAFZA. As a result, any transfer of cargo from air
to sea or vice versa is only subject to a single customs screening, which, along with the planned automated logistics linking the two zones, will expedite the process and lower costs.

DWC also operates as a free zone, with a number of districts focusing on creating a complete “city” experience. In addition to the airport there are districts dedicated to logistics, aviation and residential with planned expansions to include humanitarian, commercial, leisure and exhibition districts by 2020. The proximity of the districts to the airport and the port offer competitive advantage to companies involved in any aspect of trade or aviation, all in a free zone environment, with value-added in the form of entertainment, leisure and residential space all on site. Additionally, the location in Jebel Ali situates DWC within 20 minutes of the heart of new Dubai via a major highway in one direction and within 45 minutes of Abu Dhabi in the other.

Of further value for DWC, Dubai and the UAE, DWC will literally host the world with Expo 2020, bringing together the world for six months to share innovations and make progress on the international community’s most pressing issues. The slogan for Expo is “Connecting Minds, Creating the Future,” which is what DWC has the potential to do for Dubai and the UAE by offering the haven through which to connect and create. Reports estimate that 25 million will attend the event, 70% of whom will come from outside the UAE, making Expo 2020 the most international Expo ever and further reinforcing the potential for the UAE to act as a hub or haven. 2020 also marks the first Expo held in the Middle East, Africa or Southeast Asia, signifying that the world recognizes the UAE’s standing in creating world-class infrastructure and linking a variety of regions through multiple activities (Expo 2020 website).

The Abu Dhabi end of the spectrum includes Khalifa Port and Khalifa Industrial Zone Abu Dhabi (KIZAD) as well as Abu Dhabi International Airport and the airport’s Business City. Completed in 2012, Khalifa Port serves Abu Dhabi’s goal of becoming a regional and global in
trade and commerce, furthering buttressing the haven approach. It is partially a man-made island 3 miles off-shore serviced by on-shore activities in KIZAD via a causeway. Its current capacity is 2.5 million TEUs but plans are to have it operating near 15 million by 2030. Despite being centrally-located between Abu Dhabi and Dubai, and therefore very near JAFZA, the operators of both areas—Abu Dhabi Ports Company and Dubai Ports World, respectively—insist that competition will be minimal, and that KIZAD is a destination for cargo while JAFZA is a transshipment point (Gulf News 9/1/12). Like JAFZA, KIZAD is an industrial cluster but is not entirely free and adds focus on the manufacture of steel, glass, pharmaceuticals, petrochemicals and aluminum, for which it is the home of the largest smelter in the world in conjunction with Emirates Aluminum (Bechtel Engineering website, Khalifa Port). Between 60-70% of these manufactured goods will be exported to regional and global markets through a variety of transportation means available across the entire country, further reinforcing the haven/hub nature of the UAE. The overall goal is attract FDI and employ both Emiratis and expatriates alike, all while contributing up to 15% of Abu Dhabi’s non-oil GDP (KIZAD website, About).

Since 1982 Abu Dhabi International Airport (AUH) has served as the capital’s main airport connecting the city with the world. It is currently servicing 90 destinations in 54 countries via 41 airlines and welcomed 16.5 million passengers in 2013, a 12% increase year-on-year and several million over capacity, placing projected figures to upwards of 20 million by the mid-2010s. To remedy this, the Midfield Terminal Complex addition will boost capacity to 30 million upon its completion with facilities in place to service 2 million tonnes of cargo (Abu Dhabi Airport website, Intro). Surrounding the airport is Abu Dhabi Airport Business City, a free zone targeting aerospace/aviation industries as well as cargo and logistics (Abu Dhabi Airports website, Business City). Still under construction, the city will be an “aerotropolis” in line with
the overarching plan for DWC, where a variety of businesses can conduct operations with on-site residential, lifestyle and recreational districts. The 114,000 sq m Logistics Park district was at 85% occupancy by the end of 2013, with global leader in logistics DHL leasing an entire warehouse as a base for their regional and East-West operations Abu Dhabi Airports website, Companies release).

An interesting component of AUH furthering the haven identity is the recently-opened US Customs checkpoint inside the airport. Under agreement with the US, US customs officials will operate a checkpoint inside AUH to prescreen passengers bound for US destinations and thereby exempting them from customs procedures upon arrival (The National 4/19/13). AUH is just the 16th airport worldwide to offer this feature and the only one in mainland Europe, Asia, the Middle East and Africa; the other locations are in Canada, the Caribbean and Ireland (CBP website, Preclearance). This feature potentially sets AUH up as the haven for international travelers wanting to avoid the hassles of customs inside the US, especially those that may have difficulty entering due to no-fly lists after 9/11. Since Abu Dhabi-owned and AUH-based Etihad Airways is the only carrier operating flights from the airport to the US, it is also positioned to benefit directly from increased ticketing for this reason (The National 1/25/14).

**Business and the Haven**

These developments underpin the transition of a Khaleeji Capital into a haven, especially for business purposes. The overall process starts with diversification of the political economy,²⁴

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²⁴ Though the concept of economic diversification is a part of the haven approach, the theoretical and practical aspects of the process have been dealt with extensively elsewhere. Therefore, this subsection just briefly introduces the overarching concept for the sake of grounding the following discussion of the operating environment in the haven. For a concise explanation see Hvidt, “Economic Diversification in GCC Countries: Past Record and Future Trends,” Research Paper, Kuwait Programme on Development, Governance and Globalisation in the Gulf States. January 2013, Number 27.
from a rentier and allocative style to one based on knowledge and production (Beblawi and Luciani 1987; Hvidt 2013). The UAE, and Dubai in particular, has managed to position itself as a key hub for innovation in business (Hvidt 2013) and PricewaterhouseCoopers ranked Dubai sixteenth on its list of Global Cities of Opportunity. The list seeks to ascertain the significance of cities to the international economy, and Dubai placed first in a number of categories including lowest tax rate, highest construction activity and highest airport connectivity to business centers (PwC website, Cities of Opportunity). To achieve this, Khaleeji Capitals across the Gulf discerned the opportunity to transition from being users of financial services to providers of them, or at least havens for them. This is especially significant given the role of active investment through sovereign wealth funds and the rise of the global legitimacy of Islamic finance, both of which could now be capitalized upon by utilizing the more capable domestic private sector (Abboud 2011; Hertog 2011a). This has also promoted intra-GCC structural investment as well as the desire for strategic partnerships and long-term co-investment (Rehman 2010). Going a step further, Pacific Asia has become a crucial market for these diversified activities of the Khaleeji Capitals’ business haven. Growing bilateral trade in all sectors, both hydrocarbon and non-hydrocarbon, as well as diplomatic and strategic relations attest to this cycle, though Gulf hard power security still remains firmly in the hands of the US and the West (Davidson, 2010; Simpfendorfer, 2009; Kemp, 2010).

---Domestic Businesses

The most significant demonstration of the success the UAE has had in diversifying their economy emerges from the number and variety of domestic businesses operating in and in

support of the haven. The oil economies of the Gulf States have begun diversifying away from a heavy reliance on oil by using the wealth it provides. Concentrating investments from oil on development in non-oil areas seeks to produce competitive advantage while building on the country’s legacy as a hub for trade and travel. The Chief Investment officer of Emirates NBD Bank cites hospitality and the non-oil sector as the heavy lifters of the UAE’s 5% GDP growth, with development/real estate leading the way but manufacturing on the rise (Gulf Business 5/13/14). The following discussion is not exhaustive, but meant to serve as a cross-section of UAE’s domestic business activities and highlighting examples that demonstrate diversification in pursuit of solidifying the country’s competitive identity in the haven approach. Companies in Dubai tend to dominate the list, but that is natural given that over 98% of the emirate’s GDP is non-oil; accordingly, the subsequent section on investment skews toward Abu Dhabi, as its oil surpluses afford it nearly $1 trillion for investment.

Many of these ventures originate from the haven as a hub concept noted above, especially in the maritime, aviation and manufacturing industries. As Sheikh Rashid laid out the story of Dubai’s haven by building the ports that make it a shipping hub today, he also laid the foundations for what would become the two largest contributors to the emirate’s income in Dubai Ports World and Dubai Aluminum. DP World grew out of Dubai Ports International, which took over operating all the ports in Dubai’s portfolio from Dubai Ports Authority once the company expanded internationally. What started with Port Rashid and Jebel Ali Port expanded to ports in Saudi Arabia, Djibouti, India and Romania before entering into a period of large-scale acquisition (DP World website, Journey). In 2005 a $1 billion purchase of American firm CSX added nine ports to the list, including in the shipping powerhouse countries of China and Hong Kong (CSX website, DP release). The following year it added another 29 facilities in 19
countries by spending $7 billion to acquire a British company, making it the fourth-largest port operator in the world (The Guardian 2/11/06), though not without issue. Currently, DP World operates 65 ports across six continents that produce in excess of $3 billion in annual revenue (Khaleej Times 4/29/14), making it the second-largest contributor of income to the government of Dubai.

Dubai Aluminum—DUBAL—holds first place on that list, and has recently made plans to cement that role while positioning the UAE as the global hub for aluminum. The UAE generally has a geostrategic location that positions it between three regions with limited manufacturing capacity—Africa, India and the subcontinent and Central Asia—that Dubai can step in to fill (Gulf Business 5/13/14). Another global relevance project of Sheik Rashid, DUBAL opened in 1979 alongside Jebel Ali Port as the largest basic industry in the world at that time. Its first year of production saw all of its 135,000 tonnes presold to two North American companies. By 2008, it was seventh globally in production now presells its 1 million tonnes to over 300 companies in more than 57 countries.

Having already established Dubai as a key aluminum provider, DUBAL joined Abu Dhabi sovereign wealth fund Mubadala Development Company—discussed below—in a venture to create an over 1 million tonnes capacity smelter in Abu Dhabi. The product, Emirates Aluminum or EMAL, has the largest aluminum smelter in the world at the aforementioned Khalifa Port. Subsequent partnership between Mubadala and Dubai SWF counterpart Investment Corporation of Dubai created Emirates Global Aluminum, an equal joint-venture that integrates DUBAL and EMAL into the fifth-largest aluminum producer in the world. Creating a “global

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25 The British company’s holdings included six ports in the US, which prompted a bipartisan outcry from US officials about a Middle Eastern firm owning a port in the US post-9/11. Despite then-President George W. Bush’s approval of the deal (New York Times 2/21/06), DP World divested of the American ports shortly after the acquisition (Washington Post 3/10/06).

26 Interview/tour with Anas Saleh of DP World.
industrial champion” (Mubadala website, EGA) firmly establishes the UAE as a global hub for aluminum, capitalizing on competitive advantage of the country as both an energy haven and transportation hub while durably developing local economic capacity.

The airlines themselves are driving these links that not only cement the UAE as a hub for travel but as a haven for tourism and business alike. For Dubai, Emirates Airlines serves as the medium. The company now has 215 aircraft in its fleet flying to more than 140 destinations in over 80 countries, with 1,500 flights departing Dubai each week. Part of Emirates success has been constantly building for the future, which it has done through massive purchases of state-of-the-art airplanes and innovative offerings. In early 2014 it had 370 planes on order for a total of $162 billion (Emirates Airlines website, Story) and entered into alliance with Qantas of Australia, enabling it to overtake Singapore Airways as the key Australasia carrier (The National 5/25/14), making it well-poised to continue expanding its operations in bringing the world into the UAE.

In Abu Dhabi, Etihad Airways serves as the “national” carrier linking the capital city to the world, seeking “to reflect the best of Arabian hospitality—cultured, considerate, warm and generous—as well as enhance the prestige of Abu Dhabi as a centre of hospitality between East and West.” It has since been one of the fastest growing airlines in the world, with 66 planes serving 87 destinations across 55 countries in 2012, at around 1,300 flights per week out of AUH (Etihad Airways website, Factsheet). Since 2010 Eithad has been growing its “Equity Alliance,” and extension on traditional air alliances and codeshare agreements that includes taking an ownership stake in the companies; it currently holds stake in seven global airlines, with a potential eighth in Alitalia, once again situating the airline industry in the UAE on an upward trajectory to continue fueling the haven’s operations.
A few developments have made the UAE airlines capable of growing so quickly. One is purely economic; they operate in a pro-business environment under direct mandates from their corresponding governments to grow the country as a transportation hub and tourism destination. Other national airlines, and definitely those in the US, are unable to compete with such state-sponsorship. As such, Emirates and Etihad are able to offer young, luxurious fleets with the highest standards of service and amenities (CBS News 5/19/14). Both routinely rank at the top of lists and while many airlines are doing away with first class cabins altogether, Emirates and Etihad are boosting their offerings and becoming the sole providers of true luxury air travel experiences.

Emirates has been atop the list of first class providers, flying more long-haul first class seats than global competitors British Airways and Lufthansa, and its partnership with Qantas will add the Australasia market to the mix as well (The National 5/25/14). In early 2014 Etihad announced many of its new long-haul A380s and 787s will feature “the Residence by Etihad,” a three-room suite complete with bedroom, living room and shower room with personalized service by an elite butler trained at the Savoy Butler Academy. Prices for the Residence start at $20,000 each way, but include up to two guests. Additionally, most planes will offer “First Apartments” that are private rooms with separate seats and beds (The National 5/4/14b). Similarly, Emirates responded by saying a “bedroom concept” on par with a hotel suite or luxury yacht is in the works for its new A380s and 777s. The current first class suite on Emirates cost $500,000 each to build and install, representing a total investment of $750 million across the current in-service fleet (The National 5/21/14).
---A *Business Event Haven*

Contributing to the business haven almost as much as these companies, business-oriented events serve to both draw in the international marketplace and demonstrate the UAE’s utility as a haven. As noted, one-third of the world’s population is less than five hours from the UAE, so a comprehensive strategy of hosting them for one reason or another is crucial to building all aspects of a diversified economy. Therefore, business travel has emerged as key component of experiencing the UAE as haven, given the processes of diversification noted above. The World Bank and International Monetary Fund have regularly held meetings in the country, as does the World Economic Forum (Gulf News 5/17/14).

Given the significance of the UAE as a hub for transportation as well as the rise of Gulf-based airlines, airshows have taken off as the most strategic business tourism events in the country. Abu Dhabi’s aviation industry is increasing, and many private jet firms operate out of the city’s Al Bateen Executive Airport (Al Bateen Airport website), so even though it is only its third year, the Abu Dhabi Air Expo has become one of the largest general aviation displays in the Middle East with 175 exhibitors, 100 aircraft and over 15,000 visitors (Gulf News 2/25/14). The Dubai Airshow, however, is king in the region. Although it began as a small, civilian-oriented show in 1989 at DWTC with 200 exhibitors and 25 aircraft but the rising influence of the Gulf for the aviation industry has taken the show to the next level, including expansion for military aircraft as well.

In 2013 the show welcomed over 1,000 exhibitors from 60 countries, more than 60,000 visitors plus 1,700 members of the media and 163 aircraft for display—the US Department of Defense showed twelve—at DWC for the first time, heralding the successful development of the aerotropolis and showcasing the potential for Dubai as a key aviation haven (Dubai Airshow
website, FDI). Orders placed at the show topped $200 billion, with Emirates Airlines spending nearly $100 million on a mixed order for Boeing 777s and Airbus A380s (Gulf News 11/17/13). The event was a launch for the new 777 and Boeing received $95 billion in orders from Emirates, Etihad and Qatar Airways (Dubai Airshow website, History). It also served to grow FDI for the UAE-based aviation industry, announcing partnerships between global aerospace leaders seeking entry into the MENASA market and UAE companies (Dubai Airshow website, FDI).

**Sovereign Wealth Funds and Investment: Havens for a Haven’s Capital**

While resource wealth has underwritten all of these developments, most, if not all, Khaleeji Capitals operate their countries with large surpluses of income even after financing development. The origin of leveraging this excess wealth on the international stage lies with the concept of petrodollars and their recycling. The concept of petrodollars (PD) refers to oil wealth denominated in American dollars that are above and beyond the absorptive capacity of the local Gulf State economies. Hence, these PDs need to be “recycled” externally, largely through the economy of the United States but also the international market and typically involving holding government debt in the form of bonds by the Gulf States. Such investments in the US and the West are exchanged for political and geostrategic concerns and stable, if minimal, financial returns. This process started with the oil boom of the 1970s that resulted in massive profits by the 1980s. Consequently, Gulf States—as well as other members of the Organization of Petroleum Exporting Countries—ran massive trade surpluses while the rest of the world amassed significant trade deficits. Thus, the recycling of PDs effectively used the liquidity of Gulf State oil wealth
priced in dollars to support the debt of oil-importing countries, thereby buttressing the global
debtor economy (Spiro 1999).

Despite the significance of petrodollars to the global system, the Gulf States have begun a
global-scale monetary diversification in order to counteract the economic shocks of oil booms
and busts, the core component of which is the sovereign wealth fund (SWF). Essentially, the
SWF is a haven for the capital developed within the haven of the Khaleeji Capital; and they are
not alone. The SWF Institute, a global organization for the study of SWFs, reports that at the end
of Q1 2014 there were nearly $6.5 trillion in SWFs across the world, approximately $3.8 from
oil/commodities and $2.6 from other sources. 40% of the SWFs are tied to an Asian government,
largely non commodity-based, and 35% to a Middle Eastern government, all of which are
oil/gas-based (SWFI website, Rankings). They also determined that between 2005 and 2012 32
new SWFs were created and that between 2008 and 2012 the value of global SWFs increased
nearly 60% (SWFI website, SWFs).

While PDs have traditionally been held in bonds, SWFs are essentially akin to venture
capital or hedge fund firms which manage the investment of a state’s surplus petrodollars more
equity-oriented positions seeking aggressive growth. They mark a transition from the passive
circulation of oil wealth in the global system via PDs to an active role through managed
investment directly in companies that represent either growth/earnings potential or potential to
aid domestic development; they are state-owned investment funds. Therefore, just as with PD
recycling there are underlying strategic concerns and a give/take relationship in Gulf SWFs
(Bahgat 2011; Ziemba and Malkin 2011).

To these ends, the IMF, and most large financial firms, identify five classifications of
SWFs. Reserve investment corporations seeks to offset the potential costs of holding large
amounts of foreign currency in reserve and therefore intend to use the reserves to outpace inflation. Somewhat similarly, pension reserve funds expect payouts to increase over time and invest to earn enough to be able to cover those payouts. One of the most common of the classifications, savings funds aim to preserve wealth for future generations typically by converting resource wealth into financial assets. They often act in conjunction with a country’s stabilization fund that seeks to insulate resource-based economies from price shocks. Finally, development funds transform wealth into domestic development by a variety of means including financing infrastructure projects and “importing” companies. In the latter, the SWF invests in a company with a desire for that country to participate in the domestic economy of the SWF in some fashion (Al-Hassan, et al 2013).

Others outside the finance industry take a different approach to the significance of SWFs, namely by emphasizing “sovereign.” They argue that SWFs act to reinforce a state’s sovereignty in an increasingly globalized world by enabling either engagement or resistance to the international political economy. If SWFs engage, they may seek to rectify a sovereignty deficit between their countries and more (hard) powerful countries by incorporating themselves into those countries’ economies; this is an extension of economic power, and results in the SWFs home countries being taken more seriously and increasing their status on the world stage. Similarly, engaging SWFs may utilize connections to the international economy to help alleviate problems at home. Conversely, a SWF that resists seeks to build the capacity to insulate the home country from external interference and protect domestic policies (Dixon and Monk 2012).

Both of these approaches to SWFs fit with the diversification of security though either the haven or broadcast approach to competitive identity, and are not mutually exclusive. The “financial” goals of SWFs align with the “sovereignty” goals. For the UAE’s haven,
stabilization, savings and development funds play crucial roles in making its soft power known to the international community and improving the brand in the marketplace while minimizing the potential for outside forces to interfere. They help diversify the economy by investing in companies, sectors and technology that advantage the country domestically and internationally; they are havens that safeguard a Khaleeji Capital’s ability to finance development, and therefore they safeguard the haven’s future. While these actions contribute to diversifying security, SWFs are the vehicles often used to literally purchase food security in the form of overseas land-grabbing and buying stakes in foreign agricultural companies—see Chapter 6.

---The UAE’s SWF Portfolio

A variety of SWFs operate out of the UAE in support of development and investment mandates. Though primarily in the hands of individual emirates, the UAE has one federal SWF, Emirates Investment Authority, which manages over $10 billion in federal stakes across over 30 companies throughout the GCC (SWFI website, EIA). On one hand, Dubai’s SWF activity is, understandably, considerably less than that of Abu Dhabi, and the emirate has only one large-scale SWF, the Investment Corporation of Dubai (ICD). Established in 2006 by transfer of funds from the Department of Finance, ICD has predominately acted as a development fund but also turns a significant profit for Dubai. As is the case with most SWFs, accurate information is not readily available unless the funds themselves divulge details; some do, others do not.

Until early 2014 ICD had limited release of operating information to the public, but SWF watchdogs estimated its value to be around $70 billion. In advance of a potential $1 billion bond issue, ICD published a prospectus that outlines its values and holdings to potential investors. The prospectus states that ICD controls nearly $160 billion and made over $2 billion in profit across the first six months of 2013. Its investments include large stakes in Dubai’s key players in
industry and finance, concentrating on trade, transport and tourism. Emirates Group, the airport free zone and Dubai Duty Free fall under its umbrella, as do Emaar Properties, DUBAL and ENOC plus the largest banks in Dubai (The National 5/20/14). Emirates Group alone paid dividends of almost $280 million to ICD in fiscal year 2013/2014 (Emirates 24/7 5/8/14).

On the other hand, Abu Dhabi’s combined SWF value outpaces every other country in the world, and collectively they serve as development, savings and stabilization funds. The SWF Institute catalogues four SWFs in Abu Dhabi with combined estimated value over $900 billion. The largest of these, Abu Dhabi Investment Authority (ADIA), is one of the largest SWFs in the world. SWF Institute places its value at $775 billion, second to Norway’s Government Pension Fund at $838 billion (SWFI website, Rankings). Though transparency is not a hallmark of ADIA, it does produce an annual review of its activities, but without values. Established in 1976, ADIA operates “to secure and maintain the future welfare of Abu Dhabi” (ADIA website, Review 2012) with surplus oil income to the emirate from ADNOC; in the event of surpluses, 70% goes to ADIA and 30% to Abu Dhabi Investment Council (ADIC), a subsidiary of ADIA created in 2007 and focused on local economic development (SWFI website, ADIA).

ADIA invests wholly outside both the UAE and the Gulf generally, the largest component in its portfolio are developed equities in North America and Europe but it also holds equity, real estate and bonds in the West as well as in developed Asia and emerging markets (ADIA website, Portfolio). Its 2012 report listed annualized returns at around 8%, meaning that it may have earned profit in excess of $60 billion (ADIA website, Review 2012). In addition to ADIA and ADIC, Abu Dhabi operates the International Petroleum Investment Company (IPIC) and Mubadala Development Company. The value of IPIC is approximately $65 billion and that of Mubadala $55 billion (SWFI website, Rankings), the former invests in the hydrocarbon value
chain (IPIC website) and the latter “in key social infrastructure and creating globally integrated industry sectors in Abu Dhabi” (Mubadala website, Home).

While many of these funds have a development emphasis and either invest locally for growth or internationally for partnerships, they ultimately seek to make money regardless of location and industry. In some cases, however, development or money may not be the only goals; they seek prestige in the forms of “trophy” investments. These trophies—a sample of which are below—secure symbolic capital while furthering the relevance and value of the UAE’s brand. Buildings are among the most common, and SWFs from Singapore and Norway get in alongside UAE SWFs on skyscrapers in Manhattan (Financial Times 11/13/13), including the iconic Chrysler Building (New York Times 7/10/08). ADIA has bought hotels in Miami, New York City, across Australia and in London (Hotel News Now 2/26/14), where it even owns an airport (Reuters 2/5/10). At one point or another Abu Dhabi’s SWFs have owned large stakes in Barneys New York, Dunkin Donuts, Baskin Robbins, Daimler-Benz, Tesla, Ferrari and the London Eye (Arabian Business N.D.). One of IPIC’s subsidiaries bought a large share in Virgin Galactic, and is now hosting a competition to send an Emirati into space by the end of 2014 (Gulf News 4/20/14).

Not to be outdone, Dubai’s SWF and investment companies have also bought a variety of trophies, mostly revolving around the city’s desire to be an entertainment hub. In one bought 20% of Cirque du Soliel, which it then leveraged to bring the show to Dubai (Cirque du Soliel website, Dubai release). Through other subsidiaries it later bought iconic cruise liner the Queen Elizabeth 2, which sat in port for three years only to be used for a lavish New Year’s Eve Party in 2011/2012 (The National 12/26/11) before being shipped off to become a luxury hotel in Hong Kong or Singapore (BBC 5/20/14). The company also partnered with MGM to build
Mirage’s CityCenter in Las Vegas (USA Today 8/22/07), which has sprouted into cooperation on developments in Dubai—see below. And all of this has nothing to with the world of sport, which sees billions of dollars worth of UAE investment, as Chapter 5 will show.

Bolstering SWF expenditure inside the UAE, foreign direct investment (FDI) serves as an indicator of global financial activity and interest inside the country as well as the relative strength of its haven. The World Bank defines FDI as “the net inflows of investment to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor” (World Bank website, FDI). This may occur by buying a portion of a company in the target economy, relocating a company or portion of operations to the target economy, opening a new subsidiary in the target economy or establishing a joint venture. Countries can make themselves attractive for FDI through incentives like free zones and limited taxation/ interference as well as providing a desirable operating environment generally.

To facilitate inflows of FDI Dubai established Dubai FDI, which helped 165 new companies transition to the emirate in 2012. The company’s CEO, Fahad Al Gergawi, emphasized Dubai’s role as a haven for business activity saying, “we are attracting investments because we are able to show them growth [across the region]. We will take them to Saudi Arabia, Qatar and Egypt” (Gulf Business 7/29/13). He added in mid-2014 that:

Dubai’s world-class infrastructure, tourism boom, thriving retail sector and high disposable incomes provide further opportunities for luxury brands to develop and expand to promising markets…Dubai accounts for a major share of the local and regional luxury market today. The leadership in Dubai sees the brand-consciousness and appetite for luxury among residents and visitors as strong grounds to promote economic diversification and further infrastructure development (Emirates 24/7 5/12/14).

In essence, creating a haven has yielded increased opportunities to grow FDI, which in turn has created a reciprocal impact on local development and the ability for the UAE to function even further as a haven and hub.
The Cityscape as a Haven: Tourism and Architecture

As the Khaleeji Capital’s haven takes shape the cityscape changes to support new development, becoming the most significant and recognizable manifestation of the haven. Much of this development focuses on attracting tourists to the haven, offering a variety of niche roles and activities that culminate in a platform to boost reputation and prestige. Studies show that when developing a market for tourism, it must have both the infrastructure necessary to support a wide range of tourism activities, stability and an identity that is attractive to tourists (Morakabati et al 2014; Alvarez and Campo 2014). Therefore, infrastructure is more than just the transportation and business-related projects noted above but includes tourist attractions and iconic architecture, all of which furthers the city’s ability to project its status as a haven.

Leaders in the UAE clearly understand the significance of boosting tourism activity through all these methods, and have both strategically-planned their cities accordingly and actively taken to promoting their brands. And with the UAE only a 3-5 hour flight away for roughly one-third of the world’s population plus stability, safety and a variety of entertainment opportunities, it makes sense to do so. In early 2014 Sheikh Mohammed established the Dubai Corporation for Tourism and Commerce Marketing, an affiliate of the governmental department with the same name. Its mission is to establish offices in key cities around the world to promote Brand Dubai and market the Dubai as a world-class city (Arabian Business 1/27/14).

CEO of the DCTCM Issam Kazim summed up Dubai’s—and increasingly the UAE’s—approach to tourism—when he stated:

Due to our landmark projects and unprecedented developments, Dubai is known around the world as a “must-see” city…one of our objectives is to adapt this narrative so it becomes known as a city that “must-be-experienced” - it’s a subtle shift but one that supports the reality of what the destination has to offer: a breadth and depth of remarkable experiences that deliver beyond the expected (Arabian Business 5/4/14).
To create the “must be experienced” reputation, the UAE has developed a series of attractive features that not only pique the interest of tourists but offer them value, which then becomes associated with the UAE as a whole. These include one-of-a-kind attractions from architectural marvels to thrilling experiences as well as a world-class events circuit.

---Iconic Architecture

Standing as literal testaments to the status of the haven, iconic architectural projects in the UAE demonstrate its capacity to provide abundantly for those seeking to use its haven. In his work on urbanism and Dubai, Ahmed Kanna looked at the role of star architects, and iconic architecture generally, and remarked:

Downtowns have become transformed from contexts primarily for functional centrality to centers of symbolic capital. With the development both of information and design technologies, it has become possible to design increasingly radical and flamboyant (or “iconic”) buildings and to disseminate images of this photogenic architecture instantaneously on a global scale (Kanna 2011, 82).

Although he joins other academics as critical of the “superficial and profit-driven” (81) nature of architecture in Dubai and other major cities of the Gulf States, Kanna admits that these structures are significant for brand and reputation building; these features put the haven at the front of people’s minds (83). Indeed, the symbolic capital gained by amassing iconic architecture boosts reputation and prestige, they become tourist attractions and in and of themselves as well as marketing tools for the haven’s development and capabilities, not to mention symbols of the haven as a world-class city. They can become a brand marker in the physical sense for a location, a signpost conveying a distillation of the city’s features. To this end, Kanna quotes Broudehoux’s work on urbanization in China where she says that “cities around the world have embarked on a competition for global preeminence by building the tallest, most daring, and most technologically advanced buildings” (Broudehoux 2007, 384-385 in Kanna 2011, 86). The UAE
embodies this competition for preeminence, and the billions poured into constructing innovative and eye-catching projects demonstrate that the leadership is playing the game to win.

When it comes to iconic architecture in the UAE, none garner as much attention as the Burj Khalifa. Originally the Burj Dubai but renamed in 2010 to reflect the generous patronage of UAE president and Emir of Abu Dhabi Sheikh Khalifa bin Zayed, the Burj Khalifa stands 828 m high (2,716.5 ft) with 163 floors and holds seven world record for height. At its foot the $218 million, 900 ft long Dubai Fountain with its 6,600 lights, 50 color projectors and fountains that shoot over 500 ft in 1,000 different expressions (Emaar Properties website, Burj release). It is the centerpiece of the Downtown Dubai development the newest iconic representation of Dubai and the UAE to the world. Developer Emaar Properties says:

> We are standing on the edge of a definitive moment in Dubai’s history. Downtown Dubai is an inspired urban concept, which reconfirms Dubai’s status as a global player. Burj Khalifa is the pivotal axis for this revolutionary development. Giving the world a new point of reference, the plan provides the answer to modern city living. The tallest building and the largest shopping mall in the world gives unprecedented dynamism and scale to the overall project, but this is not just about size. It’s about awesome design solutions shaping our lives for the better (Emaar Properties website, Downtown).

Furthermore, with respect to symbolic capital and prestige, the Burj Khalifa delivers in spades. One observer has credited it as the “quintessence of Dubai…[representing] an approach and an attitude that can only be expected of a place like Dubai” (Gulf News 4/21/14b). It is the most visited site in Dubai, hosting almost 1.9 million visitors in 2013, a 15% year-on-year growth, is the home to world-class fireworks presentations and even was the centerpiece of Hollywood blockbuster *Mission Impossible: Ghost Protocol* as star Tom Cruise scaled the façade with only futuristic gloves. However, it also has the title of “vainest building in the world” from the Council on Tall Buildings and Urban Habitat due to its 244m of unusable height. This is a trend in the UAE more broadly, home of half of the council’s top 10 vainest skyscrapers in the world and an average of nearly 20% vanity height in the country’s 19 tallest buildings, suggesting that there is a strategy of building for attraction (NBC News 9/5/13).
Besides the Burj Khalifa, the series of artificial islands off the coast of Dubai provide the original examples of the push to build iconic architecture for global recognition and relevance. After reviewing initial plans, Sheikh Mohammed suggested the designers build a date palm—the national symbol of the UAE—to convey authentic local identity while maximizing coastline for beachfront real estate, which they did by using dredging techniques developed for Jebel Ali Port (Krane 2009). Palm Jumeirah, the most complete island, extends five km into the Gulf and added 120 km of beachfront real estate potential to the 67 km that already existed in the city; the Palm trilogy was planned to add a total of 520 km of coastline (Elsheshtawy 2010, 143). Additionally, Nakheel Properties—the parastatal developer of all the islands—recently declared “the World back on the map,” referring to the 300 islands\(^{27}\) in the shape of the countries of the world (Nakheel Properties website, World release).

---Experiences and Attractions

In addition to the iconic architecture, the UAE offers a variety of tourism attractions and experiences. Some are built on the historical legacy of the region with travel guides and tourist literature replete with trips to the desert for dune-bashing and traditional Arabian desert activities like camel riding or falconry. There is expansion of Dubai Creek, the historic heart of the city (Arabian Business 5/14/14), as well as an increasing importance of art and culture in the official tourism strategy. This includes an historical district, a remodel of Old Dubai plus the development of museums (Travel Weekly 5/10/14). Sheikh Mohammed even wants to turn Dubai into an open air gallery for the UAE’s artists to display their works and by extension the “rich diversity and pioneering spirit” of the country. A representative of the endeavor said, “from

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\(^{27}\) In early 2014 only two islands had been developed, one with a show home and helipad and another, Lebanon, as a beach club for private and corporate retreats. However, development was nearly underway for “the Heart of Europe” project that essentially will offer Germany, Austria, Switzerland, the Netherlands, Sweden and St. Petersburg islands as miniature manifestations of their namesake countries (The National 5/10/2013).
the moment a visitor lands in our city until the moment he or she leaves, we want Dubai to surprise and delight them. We want Dubai to linger in people's minds. Other than a city's architectural landmarks and we have plenty of those, the true soul of a city is its culture, its heritage, its creators and innovators” (Arabian Business 5/12/14a).

Although these legacy developments ground the haven approach to some degree in something not so superficial, the modern attractions and experiences represent the bulk of official plans by developing the UAE into an entertainment haven, or maybe more accurately, a haven for entertainment havens. Dubai is even capitalizing on this tradition/modernity divide by building the Dubai Frame—a $32 million, 150m tall transparent window that shows old Dubai with the Creek and Deira through one side and the Burj Khalifa and new Dubai through the other (Arabian Business 5/15/13)—demonstrating its emphasis on entertainment-oriented development. The first foray in the “entertainment haven” was Dubailand, a planned 3 billion sq ft of leisure, entertainment and lifestyle offerings dedicated to family experiences, including Dubai SportsCity (Dubailand website, About)—discussed more in Chapter 6.

As if one land of entertainment were not enough, the ruler of Dubai is set to have his own namesake entertainment neighborhood as Mohammed bin Rashid City takes shape in the lead up to Expo 2020. At its launch in late 2012, Sheikh Mohammed emphasized that “the current facilities available in Dubai need to be scaled up in line with the future ambitions for the city…to enable it to enter a new era in which it will become the capital of entrepreneurship, arts, culture, and family tourism for over 2 billion people” (Emirates 24/7 11/26/12). The over $8 billion project will have four districts centered on 600 hectares of parkland—including one 20% larger than London’s Hyde Park—7km of lagoons and 14km of man-made beach, all surrounded by
100 hotels, 54 million sq ft of prime freehold land across 1,500 villas plus yet another largest mall in the world (The National 1/29/14a).

And for when neighborhoods are not good enough for an entertainment city, there is always the entertainment island. In February of 2014 Sheikh Mohammed announced plans to develop the $1.6 billion Bluewaters Island off Dubai’s coast near the Palm Jumeirah. The island supports the “must experience” vision of Dubai’s tourism industry in seeking to place the city and country as the key tourism hub in the world; estimates forecast 3 million annual tourists once the project is complete (Arabian Business 2/14/13). The focal point of the development is the Dubai Eye, a Ferris wheel piggybacking on the success of the London Eye/Millennium Wheel but on Dubai-scale—the London Eye has a 120m diameter, the current largest Ferris wheel the High Roller in Las Vegas is 167m and the Dubai Eye is set to be 210m (The Telegraph 9/11/13). The entire project adds to the list of iconic architecture in the city while serving as yet another location—joining the Burj Khalifa and Dubai Frame—from which to view the entire physical manifestation of Dubai’s haven in all its glory.

Abu Dhabi’s version of the entertainment island, Saadiyat Island—“happiness” island—sits 500m off the coast of the city and offers a variety of luxury-based experiences. Developed by the Abu Dhabi Tourism Investment Company, the island features six districts across 27 sq km designed to promote every aspect of tourism in one location from beaches and spas to golf, dining and retail (Saadiyat Island website, Districts). Despite this focus on entertainment, part of the island will be a cultural district consisting of museums and a commitment to world-renowned educational opportunities more broadly. Saadiyat Island’s cultural district will boast a Guggenheim as well as a Louvre, both of which jut out from the island to seemingly float in the waters themselves, and will be home to the Zayed National Museum of the UAE which towers
above the district. The district will also feature branches of the US’s New York University and prestigious UK academy the Cranleigh School as well as primary school facilities.

McKinsey & Company identified these types of culture as some of the most essential parts of a city becoming world-class, and Bilbao, Spain emerges as an example of how a culture center can help put a city on the map. In 1997 Bilbao opened a branch of the Guggenheim Museum and spending by tourists drawn to the museum in the first three years of its existence raised over $100 million in taxes alone. Now it attracts nearly one million visitors per year, and now nearly two dozen other cities are looking to it as a model for building reputation through culture to the tune of over $250 billion (The Economist 12/21/13). In fact, the practice of cultural diplomacy, or using culture for soft power and influence—discussed in more detail in the context of Qatar in Chapter 4—in the UAE appears to also be haven-oriented, focused on attracting people inward through these types of large-scale cultural developments as opposed to facilitating exchange or broadcasting the local culture out (Rugh 2014).

While Saadiyat Island’s museums and academic institutions represent some examples of accreditation activities that borrow soft power from existing brands— as do the plans to fully replicate Paris’ Champs Elysees boulevard in Dubai (Arabian Business 4/10/14)—the UAE has developed a multitude of experiences based on global preferences for entertainment, some of which also carry international brand names. The most notable of this trend is the series of theme parks either developed or planned across the country, namely in Dubai but also around Abu Dhabi. The existing theme parks are water-oriented, with Wild Wadi and Atlantis Aquaventure

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28 In this approach, countries use well-known, often preexisting, events and attractions to add to their reputation. Essentially, they borrow—or buy—soft power/capital from other brands to then use with their own. One example may be using established events like sports, expositions or meetings of international organizations to draw important people and much-desired attention to the host country. Another would be setting up internationally-recognized attractions, like a Six Flags theme park or a Guggenheim museum, trying to use the established brands to add proven attractiveness. Finally, countries may create their own manifestations of these previous two examples, piggybacking on successful patterns of events and attractions to promote their own distinct offerings (Ooi 2011).
in Dubai and Yas Waterworld in Abu Dhabi and negotiations for a Busch Gardens/SeaWorld park on or near Palm Jebel Ali in the future (Arabian Business 5/16/14).

But upcoming years could change that as Legoland (Arabian Business 10/31/13), Six Flags (Arabian Business 4/12/14) and IMG’s Worlds of Adventure are set to open by 2020. Worlds of Adventure will be the world’s largest temperature-controlled indoor entertainment destination, combing three themed—Cartoon Network, Marvel Universe and dinosaurs—entertainment zones (Zawya 5/4/14). There is even the $7 million Holy Quran Park under construction patterned after descriptions of the garden of heaven in the Quran with depictions of events from the book and facilities for family interaction (Arabian Business 6/22/13). But that is not all, in an attempt to round out tourism offerings, and capture the more active side of tourism—discussed as sport tourism in Chapter 5—Dubai has launched a project named Wire World near the Meydan City sports development. The largest adventure theme park in the world, it will feature a rope course with “70 obstacles set in trees, across rocks and on poles and posts” (Hotelier Middle East 4/30/14). The park will join SkydiveDubai’s free-falling, bird’s eye view of the city and SkiDubai’s indoor ski slope as attractions for the thrill-seeking or fitness tourist (The National 4/29/14).

However, as much as the trend of excitement exists as a theme for tourism, health and general well-being does also. The government has targeted medical and healthcare tourism as an emerging component of the overall tourism strategy. With one plastic surgeon for every 18,000 inhabitants—the US is 1:50,000 and Brazil 1:44,000 (Gulf News 4/28/14)—the UAE offers the ability to get a smaller nose to fit those newly-purchased, nearly $400,000 diamond-studded Chopard sunglasses (Emirates 24/7 4/29/13) and then recover in style on the beach. The combination of luxury, safety and quality offers a combination not matched by many medical
tourism destinations (The National 5/18/14), especially when surgeons to the stars make special field trips to Dubai for exclusive sessions (Gulf News 4/28/14). But the results are “more than a cosmetic procedure,” as Dubai Health Care City recently partnered with the US-based Medical Tourism Association to consult on improving the industry, especially through DHCC’s offering of two hospitals, over 120 outpatient medical centers and diagnostic labs staffed by more than 4,000 licensed professionals (Medical Tourism Magazine 5/12/14).

Dubai hopes to attract over 500,000 medical tourists per year by 2020, and to facilitate this rise the Dubai Health Authority in conjunction with its Medical Tourism department will implement a medical tourism package in September 2014. The package includes “executive full body checkup and will cover treatment costs, visa, accommodation as well recreational activities for families who accompany the patient” and the authority will rate the hospitals providing the package on performance, facilities and comfort/ease as well as “checking whether they have translators (and) chauffeur services…which will all be part of the medical tourism package” (Khaleej Times 5/13/14).

Abu Dhabi also operates a medical tourism strategy. The consolidation of Abu Dhabi’s existing health care services in 2005 resulted in Sheikh Khalifa Medical City, which currently operates a large hospital, 14 outpatient clinics, a blood bank and an urgent care facility, all managed by leading US health care provider Cleveland Clinic (SKMC website, About). Cleveland Clinic treated late Saudi ruler King Khalid bin Abdul Aziz and UAE founding father Sheikh Zayed and chose the city over seventy other potential locations due to potential fallout from “Obamacare” in the US, making Abu Dhabi truly a haven for the clinic (Reuters 4/11/14).

In sum, the UAE hopes that its reputation as a tourism destination already, plus Dubai’s plans to build 22 hospitals, will increase its ability to grab a significant part of what reports estimate to be
a $30 billion annual industry. With projected growth to nearly twice that by 2020 (Emirates 24/7 5/13/14), medical tourism receipts could reach $700 million per year in Dubai alone (Medical Tourism Magazine 5/12/14).

---*Hospitality Havens*

While these attractions and experiences help create demand, UAE cityscapes adapt in response to host visitors as only a haven can, with iconic hotels that match the architecture and entertainment offerings, becoming part of the haven experience themselves. The most notorious of these is the Burj al-Arab, the “World’s Only 7-Star Hotel” (The National 7/17/09) and the fourth tallest hotel in the world at 321m—joining six other UAE hotels in the top ten. The hotel stands in the shape of sail, mimicking those of the traditional dhow vessels of the Gulf, on an island nearly 300m off the Dubai coast. In a TV show for *National Geographic* documenting the hotel, a member of the design group said, “the client wanted a building that would become an iconic or symbolic statement for Dubai; this is very similar to Sydney with its Opera House, London with Big Ben, or Paris with the Eiffel Tower. It needed to be a building that would become synonymous with the name of the country.”

This is a testament to building a brand through construction of an iconic building and providing a variety of experiences to bolster a reputation for prestige.

Similarly, the JW Marriott Marquis Dubai and Atlantis the Palm act as bastions of the haven approach to attract tourism through both business and entertainment. At 355m each, the two towers of the JW Marriott Marquis Dubai make it the tallest hotel in the world and the first with the prestigious “Marquis” designation outside of North America (CNN 2/28/13). Since Emirates Group owns/operates the hotel and has a strategic partnerships with Marriott across the

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29 “Dubai's Dream Palace - Burj Al-Arab Hotel.” *Megastructures.* Episode 70.
world aids in developing an integrated MICE haven (Arabian Business 5/8/14). Atlantis the Palm also operates on a tourist-oriented platform, seeking to boost visitors by offering a unique and expansive array of entertainment. Iconically-situated at the apex of the Palm Jumeirah, it is only the second Atlantis resort in the world besides the original located in the Bahamas.

The luxury accommodation game is on in Abu Dhabi as well. The city plays host to an increasing amount of over-the-top hotels, including Emirates Palace and Yas Viceroy which sits between a world-famous race course and a yacht club—discussed in Chapter 5. At its construction Emirates Palace was the most expensive hotel ever built with a tag of over $3 billion, now surpassed only by Singapore’s integrated resorts. The ruling Al Nahyan family built it in 2005 to mimic their personal palace, which is visible nearby, and it has also picked up the “7-star” moniker (Business Insider 2/3/14). There is even an “ATM” in the lobby that issues gold bars and coins, the first outside of Germany (The National 7/16/11), and in 2010 the palace set up a 40-foot Christmas tree bedazzled with over $11 million worth of luxury jewelry to help its Western guests get into the seasonal spirit during their stays in the haven (Daily Mail 12/17/10).

But it is not just hotels that offer luxury accommodations. Most of the developments described above feature residential districts and golf course real estate, discussed in Chapter 5, has continued to be a key market. This is especially true in Dubai, where high-rise condos form a forest of luxury living, trimmed by entertainment zones and dotted with several residential golf courses developments, especially the Emirates Living cluster that features four of the most desirable neighborhoods in Dubai, fully-freehold and fully-custom designed, framed by three golf courses (The National 1/9/14). In fact, Dubai is home to seven of the ten tallest residential buildings in the world, four of which are in Dubai Marina neighborhood where Princess Tower’s 441 meters ranks it as the tallest in the world (The National 10/29/13).
Apartments in these towers and on the Palm Jumeirah dominate the ten most expensive list in Dubai, ranging from $5 million to over $10 million (Arabian Business 1/22/13). There was even a mansion listed for $70 million on the Palm Jumeirah in 2012, the plot for which is nearly four times the size of that for villas on the palm. The agent in charge of selling that home commented on the highest-end luxury living market, “The super-rich will remain super-rich. They operate outside normal market conditions” (The National 7/14/12). As demonstrated by the foregoing, appealing to this group is a key component of the UAE’s approach, not just in being a haven for iconic entertainment and development but in offering a haven for consumption.

As noted in Chapter 1, the connection of prestige to interdependence drives countries to take actions to increase their reputations. Having world-class things conveys that a country is world-class; having superlative things conveys that a country is superlative. While the country of the UAE officially engages in conspicuous consumption through its attractions, it also sets itself up as a place where those looking to consume conspicuously can do so to their hearts’ content. This is a reciprocal arrangement. Offering world-class retail attracts those with world-class aspirations or who already are world-class, and their presence in, or preference for, that location bestows another round of symbolic capital (see Humphreys 2011, for a discussion of the reciprocal transfer of symbolic capital through these types of offerings).

The UAE, namely Dubai, has actively promoted retail as a pillar of its tourism strategy over the past few decades, and the efforts have made the country/city synonymous with over the top retail. To attract the shopping tourist, countries need to offer a wide variety of low-cost or low-tax goods in an environment conducive to shopping and advertised extensively as such (Getz 1993; Timothy and Butler 1995). The UAE has become perceived as a shopping haven because of these reasons and the fact the government of Dubai endorses a number of initiatives
to promote retail tourism like the month-long Dubai Shopping Festival, Dubai Summer Surprise and Eid in Dubai (Anwar and Sohail 2004).

The country’s central location between East and West and role as a leading transportation hub facilitate the move of people and goods, while its policies are geared towards developing it as a stable haven for a variety of activity. The overall range of high-quality tourism offerings attract visitors and support their activity in an open, flexible society. This support structure is what makes the UAE/Dubai a haven generally, while the retail-specific offerings add one more element to attracting a different target audience or getting more value from those already visiting (Peter and Anandkumar 2012; Peter et al 2013).

As with most successful commercial activity in the UAE, the retail sector falls in line with the clustering concept. These retail cities—or, more commonly, shopping malls—are the main draw in this sector, and although many feature the world’s top designers at highly-competitive prices thanks to limited taxation and import duties, it is often the entirety of the experience in the mall that attracts tourists. Abu Dhabi has been relatively quiet on the retail front until recently, with only a handful of malls and no supermall, but that is set to change with Yas Mall in late 2014 (The National 11/26/13). Dubai, on the other hand, boasts two of the largest malls in the world, each of which has held the title of world’s largest shopping mall at one point and helped push the value of Dubai’s fragrance, beauty and retail sectors to nearly $60 billion in 2013 (Emirates 24/7 4/17/14).

Built in 2005, Mall of the Emirates (MoE) offers over 2.5 million sq ft of retail space for over 560 global brands and 90 restaurants (MoE website, Factsheet). It has two luxury hotels on-site, one of which, the Kempinsky, announced in April 2014 a $35 million head-to-toe renovation in advance of Expo 2020 (The National 4/28/14). While seventh on the list most
profitable malls in the world by the International Council of Shopping Centres—the Middle East’s only mall on the list—at $1,400 in earnings per square foot (The National 9/29/13), the experiences offered outside of shopping constitute a significant component of the attraction. One of MoE’s entertainment options is SkiDubai, an indoor ski center with five slopes, a snowboard stunt park and a group of penguins (SkiDubai website).

Just up Sheikh Zayed Road in the shadow of the Burj Khalifa, Dubai Mall stands as a testament to retail’s powers of attraction. The mall opened in 2008 with over 600 stores and now has over 1,200 served by four luxury hotels. In 2013 the mall welcomed over 75 million visitors, a 15% increase year-on-year, making it the world’s most visited destination for the third year in a row and highlighting Dubai’s status as a global shopping haven (The National 1/29/14b). As for entertainment, Dubai Mall is home to the Dubai Aquarium and Underwater Zoo, with one of the world’s largest acrylic panel viewing areas providing shoppers a window to over 33,000 marine animals. The Dubai Fountain is just outside and the entrance to Burj Khalifa’s At The Top experience is located in the mall’s basement. It is also possible to fly an Airbus A380 simulator (Wall Street Journal 4/21/14) or take in a Vogue fashion show (Arabian Business 5/20/14), and just so visitors do not lose their cars amid the other 14,000 in the parking lot a new system will even help them find their cars digitally (Arabian Business 5/16/14).

But shopping in Dubai was not always mega-scaled, and the souks throughout the city serve as testaments to that tradition. The trade entrepot legacy led to the development of a number of long, branched marketplaces as the ruler had exempted foreign traders from taxes. The first modern mall opened in 1981, but the souqs did not fully disappear. Today, there are souks for everything from fish and meat to perfume and spices, as well as the popular Gold Souk. Dubai saw over $75 billion worth of gold pass through the city in 2013, a continuation of
its role as a gold hub from the 1940s (The National 5/3/14), but with Gold-to-Go ATMs popping up across the UAE dispensing gold trinkets stamped with insignia of tourist attractions to the tune of $7 million in 2012, one does not need to go to the souk or the mall (Arabian Business 8/12/12).

The souk concept has been reincarnated into modern malls, trying to add a sense of culture and tradition to the process of conspicuous consumption. The Dubai Mall features an indoor souk area, with luxury jewelry stores arranged like a marketplace, and nearby the Souk al-Bahar is an entire “Arabesque shopping mall” in the Burj Khalifa Lake with 100 boutique shops highlighting Arabian heritage (Emaar Properties website, Souk). Similarly, Madinat Jumeirah takes this blending of traditional and modern even further as the hotel chain’s 40-acre resort designed to look like a traditional Arabian town, featuring a souk, two luxury hotels plus residential apartments, a variety of restaurants and waterways complete with traditional boats (Jumeirah Group website, Madinat). Therefore, whether blending the traditional and the modern in retail or architecture, the UAE’s cityscape joins its cities of corporations, ports/airports and business/investment environment in supporting its capacity to fill a political economic niche role through the haven approach.

The Haven and the Diversification of Security

The diversification of security entails a variety of methods designed to entrench interdependence with the global community, organized by development geared towards filling a certain niche role. The UAE’s haven approach to filling a role as a political economic destination through these developments described above has translated into increased cooperation and flows
of people, goods and investment into and through the country, culminating in official recognition by the financial world of the country as an emerging market.

Key to identifying the success of the approach has been the increasing number of visitors to the country for one reason or another. The new strategy as played out in these developments described above is part of Dubai’s plan to attract 20 million tourists per year by the arrival of Expo 2020, after which the goal will be 25 million. These numbers would have Dubai set to surpass London as the most visited city in the world, which currently welcomes 16 million per year; in comparison, Dubai welcomed 11 million in 2013, an increase of 10% year-on-year. Abu Dhabi has also seen increasing tourism numbers. The capital city welcomed 2.8 million tourists in 2013 with 2014 numbers expected to reach 3.2 million (Gulf News 2/10/14).

With respect to the hospitality and tourism industry, The UAE ranks 28th globally and 1st in the Middle East in terms of travel and tourism competitiveness, with valued-added from the sectors reaching almost 15% GDP at roughly $53 billion in 2012. A key reason for this is that nearly $25 billion in investment supported the sectors in that same year (Khaleej Times 5/6/14), mostly through the developments listed below. Also contributing to these numbers are the government’s efforts to promote the city as a tourist destination in a variety of emerging economic powers, including a drive though China (Gulf News 5/10/14), a “charm offensive” in Brazil (Gulf News 4/21/14a), and leveraging sports in India (Financial Express 5/5/14).

These increasing numbers have translated into higher performance for the UAE’s hospitality industry. The country now offers three of the fifteen most expensive hotel rooms in the world, ranging from $19,000 to $35,000 per night (CNN 2/18/14), with supply, demand and prices only set to increase ahead of Expo 2020 (Gulf News 5/6/14). On the heels of 11 million guests in Dubai hotels during 2013, in April 2014 Dubai reached its highest levels of hotel
performance indicators since the crash six years ago. Despite an increase in average daily rate of 11% to nearly $300 per night, occupancy rates reached 85% with demand increasing 10% and supply 8% (Arabian Business 5/12/14b). Demand has risen steadily 7.5% per year on average since 2003 while supply has roughly matched that pace including 71 hotels with 22,000 rooms set to open in advance of Expo 2020, and the average rate of a room places Dubai as fourth most expensive city in the world behind Monaco, Paris and New York but ahead of London (The National 5/12/14). The performance, given the global economic context, has prompted Deloitte Middle East to declare that Dubai has established itself as a leading global tourism hotspot and the planned developments discussed above have it poised to continue to climb (Arabian Business 5/9/14). Abu Dhabi also experienced increases, welcoming over 800,000 visitors in the first quarter of 2014, up 32% from Q1 2013, with an occupancy rate of 80% and an almost full night increase in stay duration from 2.3 to 3.1 nights (The National 4/30/14).

The UAE’s airlines have emerged as some of the best and most profitable in the world despite such close proximity to each other, ultimately facilitating the flow of people to and through the country’s haven. Thanks to Emirates Airlines and Etihad Airways, the UAE’s three main airports—DXB in Dubai, AUH in Abu Dhabi and SHJ in Sharjah—are on the cusp of servicing a combined 100 million passengers in 2014. Add a rising DWC to the mix and it is almost assured that this milestone will be reached and surpassed in short time. Based on 2013 figures, DXB jumped from tenth to seventh on the list of world’s busiest airports, and is set to jump to fourth by year’s end, passing the likes of LAX in Los Angeles and Chicago O’Hare despite runway closures for the aforementioned improvements. In 2013 UAE airports provided over 600,000 departing seats to India, almost double the individual numbers of the next two closest countries in Saudi Arabia and the UK. The US experienced a 40% increase in seats with
China at 23%, demonstrating a commitment to grow the industry in these key areas (Airline Network News and Analysis 5/21/14). Fiscal year 2013/2014 saw Emirates carry 44.5 million passengers and operate at over $1 billion in profit for its parent company Emirates Group (Arabian Business 5/8/14) while Etihad boosted profits almost 50% to $62 million by carrying nearly 13 million passengers (The National 3/3/14).

Further contributing to the successful operation of the UAE as a haven, business events tourism has bolstered the performance of domestic businesses, attracting people, business and investment. The MICE (Meetings, Incentives, Conventions and Exhibitions) market is the fastest growing sector of business travel, and makes up 20%-30% of the UAE’s total tourists (Gulf News 3/27/12). Dubai World Trade Center (DWTC) is the region’s largest venue operator and event organizer, and in 2013 DWTC welcomed 2.2 million visitors over 373 MICE events, with visitors from 153 countries and presenters from over 130; roughly 40% of participation for trade events was international (Emirates 24/7 4/19/14). A partner at KPMG’s operations in the lower Gulf remarked that the infrastructure put in place by Dubai ahead of Expo 2020, including MbR City, DWC and an expanded DWTC, will serve to boost the levels of business tourism even after the expo ends (Zawya 5/5/14).

This trend holds for Abu Dhabi as well. In 2013 the emirate felt a direct economic contribution of over $660 million from MICE events and business travel, and forecasts call for a 7% annual growth through 2020, when numbers will reach $1.4 billion. In support of that, the Abu Dhabi Tourism and Culture Authority has sought to quadruple MICE events and double MICE visitors (Gulf News 3/27/12). To support this strategy the Abu Dhabi National Exhibitions Company (ADNEC) acts similarly to the DWTC, providing venue and management services to companies looking to hold MICE events. It hosted 328 events in 2013, with a total attendance of
1.5 million (Zawya 5/14/14). Additionally, Yas Island plans to utilize its sports and leisure offerings like Ferrari World and the Yas Marina Circuit for value-added in bids to host MICE events (The National 5/15/14a).

According to UN analysis, in 2012 the GCC was the destination for $26 billion in FDI while the rest of the region recorded only $21 billion, and that year Saudi Arabia and the UAE combined for 83% of the GCC’s inflows (UNCTAD website, West Asia release). This figure makes the country the third most desirable Middle East destination for FDI, narrowly behind Turkey and Saudi Arabia by less than $1 billion. In 2013 reports indicate that the UAE received $12 billion of FDI, up from just under $10 billion in 2012 and nearly triple the amount from 2009. Though still behind a high of $14 billion high pre-crash in 2007, domestic growth and developments including Expo 2020 has increased the country’s attractiveness and should result in over $14 billion of FDI in 2014. In Abu Dhabi alone recent figures for FDI stand at nearly $15 billion per year (Gulf News 1/16/14).

As an overall testament to the success of the UAE’s operation as a haven, global market index provider MSCI (Morgan Stanley Capital International) recently upgraded the country to emerging market status, joining Turkey and Egypt—and now Qatar—as the only regional countries on the list. MSCI’s indices, which measure the value of a section of the stock market, have been the standard by which investors measure performance in a given sector for decades. The company grades countries into three classifications—developed, emerging and frontier—based on 71 indicators of economic development, size & liquidity and market accessibility. Developed markets have a very high level of performance in all categories while emerging markets have lower but increasing levels, and frontier markets have at least nominal levels; standalone markets do not rank at the minimal levels to be included in classification (MSCI
website, Classifications). The emerging markets classification covers over 800 companies from 21 different countries across the developing world, including Brazil, Russia, India and China, and thanks to government investment in infrastructure, developed non-oil sectors and pro-business policies—the haven approach—the UAE’s economy has strengthened to the point of inclusion.

MSCI announced the upgrade in June of 2013, and the effects began immediately. In the year between the announcement and the upgrade, the Dubai market has been up 126%—including up over 50% in Q1 and Q2 2014—and Abu Dhabi’s 40%, compared to just a cumulative average of 2% for the emerging markets. Initial opening of the market to the global investing community is set to bring in over $1 billion of FDI just from index followers alone (The National 5/15/14b). Long term the upgrade has the potential to further boost FDI in the country, supporting continued development. Investors typically earmark billions of dollars for emerging markets yearly, so the ease of access granted by the UAE index will likely bring an initial influx of FDI supported by longer term investment as well. A key part of this pattern is that the more the index creates desire for—or curiosity about—the UAE market, the more global investors will want to experience what the market has to offer by visiting the county and becoming involved with the companies listed. At its opening in May 2014, as with most emerging markets, the UAE’s nine companies skew towards financial services but industry and real estate features prominently as well with Aldar Properties, Emaar Properties, Arabtec Holdings and DP World (MSCI website, UAE factsheet). Increased interest, investment and even scrutiny could drive across the board improvements to these companies and, by extension, the UAE as a haven.
For the UAE, the results of the press profile measure showed that it has been highly successful in communicating its role as a haven, and its positive characteristics generally (Figure 1). Every category increased articles at least thirteen-fold over the period 2009-2014 except business environment and construction projects, which both increased ten-fold. The highest performing keywords were tourism destination and transportation hub (at over twenty-fold and nearly eighteen-fold, respectively), fitting with the country’s strategy of developing as a hub for all forms of capital and attracting people to promote interdependence. Cumulatively, the UAE’s positive press profile in terms of the volume of articles associated with these keywords increased fourteen-fold during the period. The control keyword set of natural resources economy increased nearly forty-fold over the six year period, aided by a tremendous proliferation of articles.

However, since 2010-2011 the rate of year-on-year increase has declined each year, and has

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30 1) Transportation Hub increased from 221 articles in 2009 to 4,090 in 2014; 2) Business environment from 2,385 to 15,920; 3) Tourism Destination from 3,440 to 75,000; 4) Construction Projects from 6,330 to 74,800; 5) Diplomacy from 538 to 9,390; and 6) Cultural Diplomacy from 1,700 to 24,200. The Overall increase was from 14,614 in 2009 to 213,760 in 2014.
resulted in decreases of articles the last two years. This demonstrates the marked improvement in diversifying the press profile of the country away from natural resources, reflecting the country’s haven approach to wide variety of interdependence-producing activities.

The Haven and the Diversification of Insecurity

As noted earlier in this chapter as well as the introduction and chapter 1, haven activities in both the UAE and Qatar have resulted in such successful integration and interdependence that foreign workers have overtaken the local population. This creates and exacerbates a wide variety of insecurities, from labor issues to the loss of tradition, all of which have the potential to undermine the maintenance of the status quo, challenging the legitimacy and authority of the regimes. In some way or another, nearly all of these foreign workers contribute to developing or furthering the haven aspects of a given country though private sector employment or exploitation in the construction and service industries.

These foreign workers form the backbone of the economy in these states, from the natural resource industry of the old economy to the construction and service industries of the new economy, and they are necessary for the continued development of these economies along the paths chosen by the governments. It is a catch-22, of sorts, in that the economies as they exists now would not be possible without massive amounts of foreign workers, be they skilled or unskilled. Yet their presence limits the potential for national workers and contributes to the erosion of traditional society discussed below. For the most part, workers in the business sectors enjoy high salaries and good working conditions, though there is income discrimination against non-Western workers. Hanieh (2011) notes that as part of Khaleeji Capital the economy shifts to a reliance on foreign workers that are temporary, replacing an indigenous workforce. Ali (2010)
adds that just below the glitzy surface lies a three-pronged system of employment, with indulgent Western expatriates filling white collar positions while many passive natives watch from the bloated public sector as third world expatriates actually run the country. Mirroring Hanieh’s insight, he remarks that these third world expatriates function in a state of “permanent impermanence” as transients in a rapidly-developing society (Ali 2010, ix).

These migrant workers in the construction and low-skill service industries suffer most from the diversification of security through slavery-like conditions as they literally build the haven’s new economy (Berrebi et al 2009; Ali 2010; Krane 2010; Hanieh 2011; Davidson 2012; Kamrava and Babar 2012; Gray 2013; Kamrava 2013). The kafala, or sponsorship, system—discussed in more detail in the following chapter on Qatar given the spotlight on the issue in that country—sets up a relationship wherein migrant workers must acquire sponsorship from an in-country sponsor, usually the employer. One of the worst offenders in the UAE’s haven approach has been Abu Dhabi’s Tourism Development and Investment Company, responsible for the Saadiyat Island mega-development. Investigations revealed that, as is often the case with kafala sponsors, TDIC failed to uphold the vast majority of its responsibilities, especially troubling given the group’s alleged championing of reforming labor practices. Of particular concern were the groups working on NYU’s branch campus on the island and the Louvre, where workers had to work for nearly a year just to pay back their “recruitment fees” (Human Rights Watch, 3/21/12; The Guardian 12/21/13).

On top of these brutal conditions and harsh treatment of workers under the kafala system, flows of people and capital to these countries raise issues of human trafficking and stateless persons. Documenting more than just issues of labor and migration in Dubai, Mahdavi (2011) discusses the informal economy in Dubai by telling the stories of trafficking victims and those
forced into the sex trade. Her work also covers the sexual mistreatment of female workers under the kafala system and the inefficiency of international efforts to address workers’ rights issues in the Gulf States. In 2014 Human Rights Watch issued a report titled “‘I Already Bought You’: Abuse and Exploitation of Female Migrant Domestic Workers in the United Arab Emirates.” The report documents the plight of nearly 150,000 female migrant domestic workers by all manner of physical, psychological and sexual abuse including assault, rape and starvation over the course of their twenty one-hour work days (Human Rights Watch 10/23/14).

Another issue has been the growing amount of those without citizenship in the countries, known as *bidoon jinsiyya* or “without nationality,” and discrimination against them. In many cases these stateless persons have been in the countries for decades as migrant tribesman or workers but have fallen through the cracks of citizenship, especially as the governments tighten the requirements due to rising populations already straining their abilities to honor the increasingly-robust social contract (Ali 2010; Davidson 2012; Kinninmont 2013).

As expatriate workers fill the vast majority of private sector positions Gulf State governments have sought to nationalize the sector’s workforce, providing an outlet for citizen employees outside the bloated bureaucracy of the public sector. According to a Reuters report in 2010, only 1% of the private sector workforce in the UAE is Emirati while 5% of Qatar’s private sector is Qatari (Reuters 10/21/10). This corresponds to Hanieh’s (2011) explanation of Khaleeji Capital, where what would be the labor class of a non-Gulf economy has become an upper middle class that feeds on the rentier wealth of the public sector while imported labor now occupies the vacated lower class. Mirroring this, Davidson (2012) notes that the sentiments of some nationals in richer Gulf States lean heavily toward the public sector where they can work less for more money and engage in voluntary employment as they hold out for government jobs.
In the UAE, for example, the unemployment rate in 2010 was around 23%, with official government reports claiming that the majority of those were jobless by choice (Reuters 10/21/10). Davidson claims that the cultivation of an elite class in the rapidly-developing, resource-rich Gulf States contributed to the onset of this problem by creating:

…citzenries that are now not only accustomed to material benefits and to no forms of extraction, but are also—with all the various sponsorship systems, soft loans, and public sector employment opportunities—being deprived of any motivation to gain meaningful qualifications or enter into a more competitive job (Davidson 2012, 117).

These policies enacted by these governments over the past few decades have now created the untenable and potently destabilizing problem of a private sector that is to be the backbone of the new economy but not producing nationals that can staff it to any large degree.

To rectify this problem, many Gulf States have enacted labor nationalization programs such as “Emiratization” or “Qatarization” that seek to increase the amount of nationals working in the private sector as part of economic diversification, efforts to alleviate unemployment—both voluntary and involuntary—and a realization that the public sector is saturated beyond capacity (Berrebi et al 2009; Ali 2010; Forstenlechner and Rutledge 2010; Davidson 2012; Fromherz 2012; Hertog 2012; Gray 2013; Kamrava 2013). These programs implement strategic visions for high percentages of national employment in the private sector, usually 40-50%, through laws and quotas. However, these programs often fail after only a few years. The top-down method of imposing nationalization on the private sector creates state-business conflict and makes hiring nationals a burden in that it is tantamount to taxation, making the cost of business much higher than if it continued to rely heavily on expatriates as it has to work much harder to absorb the nationals. This is especially true since foreign workers are often cheaper and in some cases easier to exploit, resulting in lower wage costs for employers.

Regardless, the rising amount of unemployed nationals in the face of an over-extended public sector threatens to destabilize Gulf States socio-economically, especially as capital flight...
from imposed nationalization programs is a real possibility. As seen in the Arab Spring, un- and underemployment can be a highly-motivating factor for change and financial band-aids may not hold up unless these countries begin addressing the structural problems behind unemployment (Hertog 2014). Overall, the focus on creating foreign stakeholders through diversification has contributed to the development of a passive portion of the population that has been given a stake but either does not care about holding it or has not been equipped to hold it.

Given these developments, one particular challenge unique to the UAE’s federal nature, the resource-poor northern emirates offer an example of the wealth gap that exists across the subregion as a result of the unbalanced flow of people and capital. Abu Dhabi and Dubai contribute roughly 88% of the UAE’s total GDP, with the other five emirates—Sharjah, Ras al-Khaimah, Umm al-Quwain, Fujairah and Ajman—contributing the remaining 12% combined; Abu Dhabi and Dubai only contribute just over 3% of their combined GDP to the UAE’s operating budget, which supplies aid to the other five. The tremendous wealth disparity and unemployment rates double that of Dubai prompted increased social unrest in these emirates compared to Abu Dhabi and Dubai during the Arab Spring, resulting in federal aid packages aimed at development (Davidson 2012; Ulrichsen 2012a).

However, the relative poverty in these areas and the consequent lag behind the country’s two global cities has made them alternatives for entering the UAE market in lower-cost areas. In fact, the northern emirates have embraced these roles and recently begun implementing development plans to cater to business by acting as “auxiliary service providers to bigger industries in both Dubai and Abu Dhabi… kind of a safety escape valve. When things get too expensive and too crowded in places like Dubai, they start to look more interesting as opportunities” (Arabian Business 4/30/14). The federal government sees this as an opportunity
for further economic diversification, which would alleviate the strain on Abu Dhabi and the UAE while reducing socio-economic and political pressures. One initiative has been to develop Fujairah as a strategic location within the UAE given its location outside the Straits of Hormuz, and it is the location of the new US naval bases discussed above as well as an increased role as a transportation hub (ibid.). Additionally, Ras al-Khaimah has begun to get into the tourism and residential game, doubling its available hotel rooms in 2014 in developing golf and beach resort communities (CNN 3/13/14). Yet this, too, is also not without blowback, as these emirates have served as havens for traditional society and culture within an otherwise liberalized context.

Therefore the challenges and insecurity do not stop with demographic or economic imbalances, the impact extends into both the labor market, discussed below, and national identity by contributing to the erosion of tradition (Alsharekh, Springborg and Stewart 2008; Ali 2010; Kanna 2010; Davidson 2012; Gengler 2012; Fromherz 2013). Developing diversified, globally-integrated economies and societies as part of the haven and broadcast approaches has meant that the countries of the Gulf must absorb large amounts of foreign workers. As noted, the private sector runs on foreign labor and as a result the populations in these countries are predominately foreign, drastically so in some cases. The countries that have performed best in attracting flows of capital and people have certainly seen economic advantages, but at increasing costs to the social fabric of these societies. Economic liberalization has caused social liberalization, as countries become inundated with workers and visitors from different cultures with different values. There is a transformation of the local culture, identity and traditions to fit with those of a global city. For expatriates, especially the middle and upper-class ones, cities like Dubai, Abu Dhabi and Doha become like bubbles or havens for the Western, cosmopolitan lifestyle with all its vices in an otherwise conservative region. These bubbles are ever-expanding, now including a
larger number of national youth who dabble in “non-traditional” activity out of boredom from their idleness (Davidson 2012).

The incorporation of these outsiders into the Gulf States begins to erode the identity and traditions of the societies that existed before the influx of expatriate workers. The most significant examples are pressures on the Islamic nature of these societies where the religion is enshrined in constitutions as the guiding principle for the countries. Islam is not the only religion in these countries anymore, especially in the UAE and Qatar where haven activities have taken off at a much higher pace. Challenges to the status of Islam include the rise of Christmas as a consumption-fueled, “secular” holiday—call to mind the diamond-adorned Christmas tree in the lobby of Emirates Palace—and the shift of public sector weekends from the traditional Islamic Thursday/Friday to a hybrid Friday-Saturday that offers one more day of interaction with the global markets.

Likewise, the sanctity of the holy month of Ramadan is eroding as the portions of the populations not observing the daytime fast increases and becomes brasher about it. Restaurants have begun operating throughout the day with limited consideration given to the observant population, not to mention that supermarkets and restaurants are increasingly selling pork products. While Islamic finance has helped ease the marriage of modern economies with traditional societies, forbidden practices like interest and gambling have made their way throughout the Gulf States. In the UAE one can bet at horse races and UAE SWFs have recently partnered with US-based companies that specialize in gambling (Davidson 2012). Another challenge is the immodesty of dress for expatriate women compared with that of the local populations, a trend even further inflamed by the increasing presence of sex workers throughout the subregion. On top of all this, the loss of Arabic as the language of communication in many of
these countries serves as a daily reminder of foreign predominance throughout the society. Western businessmen communicate with Indian taxi drivers and Southeast Asian waiters in English, leaving the 10% national population to speak Arabic only when communicating with each other.

Yet perhaps the best example of this erosion of tradition, the increasing consumption of alcohol in the subregion embodies all of these challenges, even in countries that are still officially dry like Saudi Arabia and Kuwait. Given the amount of non-Muslims living in them, countries like the UAE and Qatar have begun selling alcohol in hotel bars or at liquor stores to holders of liquor consumption licenses. However, in most cases these IDs are not required to purchase alcohol except at certain stores and almost never in hotel bars. Additionally, the sprawling alcohol sections of airport duty free shops serve as a means to keep the alcohol-consuming populace supplied while capitalizing on the airport as a hub and providing another source for state income.

As core components of the haven approach, the tourism and entertainment industries rely on alcohol to help boost traffic, especially in Dubai but elsewhere in the UAE and Qatar also. In 2010 the UAE became the world’s leader in scotch consumption, edging out France, and the demand for cocktails in the club scene fueled a rise for ultra-premium flavored spirits (Davidson 2012; Euromonitor International website, UAE alcohol). Many of the MICE venues are attached to hotels, which offer bars for the events, and golf courses can serve alcohol both in the clubhouse and on the course itself. Events in Dubai Festival City can make use of the city’s status to serve alcohol inside the venues, in fact many of the outdoor concerts, like Dubai Jazz Fest, set up bars on-site and offer all-you-can-drink VIP sections. Moreover, Dubai is home to the all-you-can-drink Friday Brunch, challenging traditional Islamic values through an emphasis
on the consumption of alcohol during the most important prayer time of the week while often scandalously-clad young expatriate women flock to venues as Muslims head to and from mosque (CNN 10/23/13).

Therefore, it comes as no surprise that less-liberal elements of these countries have begun to push back against the wave of expatriate excesses eroding local traditions. As they become strangers in their own land, they witness that their “social significance in their own place is declining in the public sphere” (Ali 2010, 184). In response, they assert the need to balance modernization for global relevance with the preservation of tradition, reactively pushing back against the further erosion of society they created in the first place. This ranges from modesty movements and regulating alcohol more strictly to the politicization of the immigration debate and xenophobia. One of the most visible responses is the differentiation of nationals from expatriates by wearing national dress, the traditional *thawb* and *gutra* (robe and headdress) for men—which even distinguished them from other non-Gulf Arab men—and the *abaya* and *shayla* (cloak, or covering, and headscarf) for women. This is the epitome of “performing national identity,” signifying the elitist and exclusive nature of Gulf State nationals as tribal traditions descend on the modern (Cooke 2014). In the UAE, most responses have been limited to the northern emirates, which at once offer themselves as opportunities for a more traditional, Arabic life while serving as cheaper outlets for alcohol sales than the big cities. But as Dubai and Abu Dhabi seek to attract even higher amounts of capital and people, there is a lack of official initiatives and the general sources of insecurity from the haven approach continue to fester.

On the negative side of the press profile tied to these insecurity issues, the total number of articles mentioning negative keywords in association with the UAE increased nine-fold from
2009-2014, roughly 65% the rate of its positive articles increase (Figure 2). The driving force behind this was a rise in covering migrant workers (twelve-fold), signaling the ever-increasing population imbalance and potential for insecurity as a result of the UAE’s haven approach and the corresponding workers’ rights issues. In total, however, the UAE has increased from a positive to negative press profile ratio of 1.68 to 2.42, a 44% increase over six years. This was fueled predominantly by the country’s ability to capture positive associations across the board at a much higher rate than negative ones. The large gap between the increase in positive and negative articles indicates that the haven approach’s emphasis on a truly diversified portfolio of actions as described throughout this chapter is largely successful in portraying itself as a viable partner for interdependence to the international community through the global press.

Figure 2

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Increase in Articles (2009-2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migrant Workers</td>
<td>1216.77%</td>
</tr>
<tr>
<td>Alcohol</td>
<td>879.24%</td>
</tr>
<tr>
<td>Unemployment</td>
<td>540.15%</td>
</tr>
<tr>
<td>Terrorism</td>
<td>935.75%</td>
</tr>
<tr>
<td>Overall</td>
<td>915.14%</td>
</tr>
</tbody>
</table>

31) Migrant Workers increased from 1,610 in 2009 in 21,200 in 2014; 2) Alcohol from 2,890 to 28,300; 3) Unemployment from 1,320 to 8,450; and 4) Terrorism from 2,870 to 30,300. The Overall increase was from 8,690 in 2009 to 88,250 in 2014.
Chapter 4—Qatar: Broadcasting for Interdependence

“I believe criticism can be a good thing and some discomfort for government officials is a small price to pay for this freedom [of the press].”

--Sheikh Hamad bin Khalifa Al Thani (Powers 2012, 8)

With this in mind, the story of Sheikh Hamad’s use of Al Jazeera is one about Qatar’s future as a broadcaster, both literally and in the sense of the broadcaster approach to diversifying security. Under Sheikh Hamad Qatar has embarked on a hybrid path that by developing as a haven to support its broadcasting of political and cultural positions that fill niche roles. Filling these roles helps create international stakeholders in the long-term viability of Qatar, a process supported by Kamrava’s concept of subtle power (Kamrava 2013). Just as Sheikh Rashid began the forward-thinking, subtly-powerful era in Dubai and his son Sheikh Mohammed has taken it even further, Sheikh Hamad initiated a similar era in Qatar a few decades later. There was the desire to project value to the global marketplace, and Sheikh Hamad’s Qatar sought to brand itself as regionally and globally engaged (Fromherz 2012). In examining these aspirations, an NPR article claimed that Sheikh Hamad’s Qatar “set about becoming not just rich, but also valuable,” citing Fromherz, Kamrava and Shadi Hamid of Brookings-Doha who all elaborated on the need to obtain security through these measures (NPR 12/20/13).

Engagement and value stem from Qatar’s ability to interact with the region and world by using its broadcasting tools, from Al Jazeera to diplomacy, culture and sports. Therefore the statement above by Sheikh Hamad can be interpreted as a thinly-veiled reference to how he and Qatar have used Al Jazeera as a forum for airing the dirty laundry of rival autocrats. Basically, it is using media to support a strategy for regional posturing. For decades, analysts of Arabic media have asserted that satellite television often is the vehicle through which regional powers struggle for political influence (Amin 1996; Alterman 1998; Hafez 2006; Kraidy and Khalil 2009;
Figenschou 2014); historically the struggle has played out between Egypt and Saudi Arabia (Saqr 2001). So when Sheikh Hamad staged a coup to overthrow his father in 1995 one of his first acts was to establish Al Jazeera and direct its potential for discomfort at both countries, which were seen as supportive of returning Sheikh Khalifa to power (Fandy 2007) and discretely controlling Qatar behind the scenes (De Lage 2007). The broadcaster approach takes this into account, incorporating the unique position of media to bolster haven-like activities with political and cultural initiatives as Qatar tries to be hyperactive for the sake of its security. Yet this hyperactivity and manipulation of media and, at times, culture results in diversified sources of insecurity that may actually destabilize the country more than the stability that is gained or sought by implementing the approach in the first place.

**What is the Broadcaster Approach?**

Through the establishment of Al Jazeera and then a host of other diplomatic and cultural activities, Qatar literally embodies the broadcaster approach for a Khaleeji Capital. As discussed in the previous chapter, Khaleeji Capitals have developed a pattern of internal development as havens to various extents, and the UAE chose to consolidate that haven. The broadcaster uses the basic pattern of a haven as support for its external focus on other niche roles in diplomacy and culture. In order for Qatar to be effective it must present Doha as a world-class city on par with its competing Khaleeji Capitals and other cities around the world vying to fill these same niches.

While the scale and orientation of the haven differ from one approach to the other, the broadcaster’s real distinction lies in its ability to project outward. For the broadcaster like Qatar, projecting goodwill and culture are the key structural distinctions between what are essentially typologies of how countries use Kamrava’s (2013) subtle power. When countries use subtle
power, they must start from a position of security typically provided by an outside power like the US. From there, the tools of subtle power are diplomacy, investments and branding or promotion. Havens like the UAE have the same level of security and use investments and branding to promote their political economic niche, but their relative lack of diplomatic activity differentiates them from a broadcaster like Qatar that is highly active in projecting goodwill and culture.

On one hand, goodwill refers to diplomatic activities like mediation and aid that demonstrate the broadcaster’s role as an active member of the international community in good standing. These are the most softly or subtly powerful components of a broadcaster approach like Qatar’s; the ability to broadcast goodwill across the world stems from a uniquely-inclusive foreign policy, thus positioning the country to play mediating roles in a wide variety of scenarios. Kamrava (2011b; 2013) describes Qatar as having a “hyperactive” diplomacy grounded in a “maverick” foreign policy, and both are the result of its subtle power resources converted from potential to actual influence.

While the following characteristics stem from the Qatari context, they apply generally to most broadcasters just like the Dubai model does for havens. First, diplomacy contributes to the broadcaster’s ability to raise its international profile strategically, thereby avoiding the anonymity and vulnerability often associated with emerging states while learning from the experience of Kuwait (Cooper and Momani 2011; Roberts 2012; Khatib 2013). This fits with Chong’s example of using diplomacy for virtual enlargement, whereby filling the role of a mediator elevates the country’s attractiveness, value and interdependence to the international community (Chong 2010). In addition to raising the country’s profile, diplomacy also expresses the country’s autonomy while diversifying its security portfolio away from a strictly hard power
reliance on the US (Wright 2012). Furthermore, a lack of historic baggage throughout the region and beyond enables the broadcaster to present itself as relatively neutral in mediation while reforms bolster legitimacy (Ehteshami and Wright 2008; Teitelbaum 2009; Davidson 2011; Tetreault et al. 2011; Held and Ulrichsen 2012). Aid also factors into its global role, whether for humanitarian reasons or as part of financial incentives in mediation or the pursuit of foreign policy goals (Kamrava 2013; Gray 2013; Barakat 2012; Ulrichsen 2012a; Kamrava 2011b).

On the other hand, culture encompasses the range of products distinct to the broadcaster or appropriated by it. To diversify its broadcasting, Qatar has added cultural diplomacy to its portfolio of foreign policy, aid and mediation. Cultural diplomacy uses exchanges of culture like ideas, information and various forms of art to foster mutual understanding between countries as a means to develop sources of goodwill independent of politics and economics. A country broadcasting in this way offers something of cultural value to the marketplace for consumption; this may be through television shows, movies or music as well as cuisine and even sports, as demonstrated in Chapter 5. Most importantly, it may be by controlling how other countries access culture in the market through ownership of media networks, a method for which Qatar leverages Al Jazeera to great effect. Countries can then use culture to influence another country’s decision-making while demonstrating its own competitiveness and the scope of its power (Lenczowski 2009). As such, it is one of the three original pillars of Nye’s soft power and can provide a less superficial form of attraction than pragmatic political and economic actions (Nye 2004). Therefore, it has become a linchpin of public diplomacy more generally by enabling a country to project the best of itself for the sake of attraction, prestige and value (US Dept. of State 2005).
To these culturally-oriented ends, in 2012 the Qatar Museums Authority’s Office of Strategic Cultural Relations initiated the “Year of Culture” program to pursue bilateral cultural diplomacy efforts with select countries across the globe. The office is not only wonderfully-named, but serves the purpose of furthering Qatar’s ability to strategically use cultural diplomacy in its pursuit of global engagement and interdependence. With respect to the program, for a one-year period activities in both countries highlight the other’s legacy, the ties between the two and the future potential for the relationship. The program’s first exchange was with Japan, and the subsequent years have been with the UK in 2013 and Brazil in 2014; the UK event reached over 400,000 in both countries combined. Upcoming countries include Saudi Arabia, China, Germany, Russia, India and France (Ghose 2013).

The Qatar Foundation (QF) provides the financial underpinning for the majority of Qatar’s pursuits in the areas of culture, as befits its previously-mentioned role as the engine of Qatar’s Vision 2030. Sheikh Hamad and his wife Sheikha Mozah established QF in 1995 to develop the country’s educational, social and health systems by focusing on the formation and growth of a knowledge-based economy. To that end, QF invests in a variety of projects related to education, community development, science and research, including Education City and the research initiatives discussed throughout this chapter. Ultimately, it seeks to make Qatar a role model for the international community by developing the country as a haven for these areas and then broadcasting Qatari culture and accomplishments around the world (Qatar Foundation website, About).

Again, just as with the haven approach, the broadcaster approach brings along with it a wide variety of insecurity. At the foundational level, all of the challenges noted in the previous chapter on the haven are present in the broadcaster given its grounding in haven activities.
However, because of the externally-oriented nature of the approach, the spotlight shines much brighter on these issues than in the haven. Additionally, the factors unique to the broadcaster approach—namely media and diplomacy—present their own unique pressures not found in the haven. Although the methods are examples of diversified security, Qatar’s broadcast approach has proven narrowly-focused by putting all of its proverbial eggs in only a few baskets.

In essence, it diversified into the most potentially-divisive sectors and pumped all of its resources into only a handful of initiatives in these sectors. While Al Jazeera had been a significant source of soft power, Qatar’s manipulation of its coverage of the Arab Spring eroded its legitimacy. Furthermore, both during and after the Arab Spring Qatar pursued and maintained several problematic alliances that have since resulted in blowback for the country’s foreign policies and prestige. The transition from being a neutral mediator for conflicts to a hyperactive supporter in conflicts forms the foundation of losing soft power in this way. Even Qatar’s use of sport mirrors this rise and fall as chapter 5 discusses, largely in the context of focusing on the World Cup for its potential interdependence and soft power benefits but ultimately the event has become a spotlight on the ugly side of Qatar’s broadcaster approach from the exploitation of migrant workers to its regional policies.

**A Haven from which to Broadcast**

Although not as robust as the offerings in the UAE, Qatar’s haven foundation affords Doha the position of a Khaleeji Capital on par with the others. It has all the characteristic features of a haven but to a smaller extent, and many of these are designed to bolster its externally-oriented policies in broadcasting through media, diplomacy and culture. In most cases the broadcaster is trying to “play catch-up” with the haven when it comes to these activities. Its
haven infrastructure is underdeveloped and it must rapidly develop to form the platform capable of accommodating the global engagement and value the broadcaster desires. By nature, it will generally always lag behind the haven because the haven is solely focused on these areas; as the broadcaster’s haven catches up, the haven has already pressed on—see the host of planned adjustments to the UAE’s cityscapes discussed in Chapter 3. However, as will be seen in the sections on culture and education, the globally-engaged and interactive nature of Qatar’s broadcaster approach have actually positioned it to surpass the UAE in what at first glance appear to be haven activities.

---Cities of Corporations

In the past decade, Qatar has begun establishing cities of corporations in and around Doha to promote business and development. The Qatar Financial Center (QFC) and Qatar Science and Technology Park (QSTP) are two examples. With the Gulf region’s emphasis on developing knowledge-based economies, countries have been seeking ways to attract international companies like building cities of corporations (Gulf Times 4/30/14). QTSP operates as a free zone dedicated to a “post-carbon” economy similar to Masdar City in Abu Dhabi that seeks commercialized developments in clean energy, the environment, health science and IT. Its location adjacent to parent company Qatar Foundation’s (QF) Education City, discussed below, situates it to capitalize not only on the growing educational prowess imported to Qatar but also on QF’s massive investment in knowledge capital. It even offers funding for local startups in related industries, an extension of government projects to build entrepreneurial spirit in Qataris for the sake of diversification (QTSP website, Facts).

While QSTP is a free zone, QFC is not. Although it does offer nearly all the incentives of a free zone as found in the UAE—including full foreign ownership, repatriation of capital and a
distinct legal system—there is a 10% tax on corporate activity. However, what makes QFC stand out from some of its financial services cluster competitors is the fact that it is not technically a cluster. Since its inception in 2005, QFC has operated out of a several building complex in the diplomatic area of the prestigious West Bay development, next to the Ministry of Foreign Affairs and near dozens of embassies. Among these embassies are those of the GCC states, and QFC claims to offer easy access to $1 trillion in investment capital represented by those countries. But as potentially successful as the physical location may be, QFC is not a property development and the legal framework under which it operates allows buildings across Doha to receive QFC status, effectively turning all of Doha into a city of corporations (QFC website, About).

In addition to these havens for financial and technological activity, Qatar has also taken steps to establish industrial zones to support further broadening of its economic base. The Qatari government created the Economic Zones Company (EZC) in 2013 for the sole purpose of expanding the country’s industrial base, providing it with over $1 billion dollars. Three new areas will more than double the existing industrial space around Doha, piggybacking on the $125 billion in projects ahead of the World Cup. These Qatar Economic Zones (QEZs) focus on value-added downstream manufacturing, largely in metals, petrochemicals and the aviation and maritime industries (Gulf Times 4/14/14); EZC even hired a French PR firm to brand Qatar as an manufacturing haven (The Drum 1/24/14). QEZ 1 adjoins the new airport, forming the commercial backbone of the planned aerotropolis. Similarly, as part of the New Port Project QEZ 3 will be a haven for manufacturing and the maritime industry. QEZ 2 will supplement the existing industrial area of Doha, focusing on smaller firms with specialized activities so that Qatar can fill niche roles as they arise (The Edge 8/14/13).
---Hubs for Capital

As noted with the UAE, becoming a hub cements a haven’s role in commerce and Qatar has taken this aspect to heart, recently finishing an airport with a port under construction. The $15 billion Hamad International Airport (HIA) opened in May 2014 with Qatar Airways involved in all aspects of planning, making it purpose-built for the sake of strengthening Qatar’s role as a hub. Not only is it the fifth largest airport in the world, but the first custom-built to be fully-equipped for A380 service across the facility (HIA website, FAQs). This feature will prove useful in its race against Dubai and Emirates Airlines to maximize the potential of the world’s largest passenger airliner at up to 850 per flight (Airbus website, a380). Current capacity at HIA is 30 million, reaching 50 million when construction is complete. HIA will not only promote Qatar’s hub by increasing passengers, but also by implementing components of the aerotropolis city of corporations concept found at neighboring Dubai World Central (HIA website, FAQs).

These plans also include developing a port to underpin the new Qatari economy. The $7.5 billion New Port Project (NPP) will handle six million TEUs per year by its opening in 2016, roughly one-third that of Jebel Ali Port (NPP website, Overview). However, unlike Jebel Ali the focus is not on becoming a global leader but rather developing Qatari capacity to service its own growing economy effectively, especially to reduce bottlenecks and facilitate imports ahead of the World Cup (Doha News 1/23/14). It will also play a significant role in both food security, with dedicated areas for agricultural products, and general security, by housing the navy and coast guard. Over 5,000 personnel and the ability to host ships up to destroyer class\(^\text{32}\) will surely factor into Qatar’s diplomatic role in the region (IHS Jane’s Defence Weekly 5/20/14).

\(^{32}\) The destroyer class ship is fast and maneuverable with long range, designed for surface combat operations including anti-piracy and counterterrorism support.
Haven-like Business

These developments form a backbone for Qatar’s move away from a purely resource-driven economy as laid out in the Qatar Nation Vision 2030. Based on 2012 figures, Qatar is the fourth largest gas producer in the world—behind the US, Russia and Iran—and has been the world’s largest liquefied natural gas (LNG) producer since 2006 (US EIA 1/30/14). OPEC figures indicate that the oil/gas industry provides nearly 60% of Qatar’s GDP, compared to 40% for the UAE (OPEC 2014) and 55% in Abu Dhabi (Gulf News 3/17/14). This leaves roughly 40% of GDP for non-oil activities, a number set to rise to over 50% by 2015 thanks to the above-noted projects as well as domestic businesses like Qatar Airways, FDI and SWF investments (Arabian Business 12/8/13).

Indeed, natural gas has enabled Qatar’s rise from often-overlooked peninsula to globally-engaged player in a number of ways. Obviously the financial benefits of its gas deposits have allowed Qatar the ability to invest in its own development and finance its ambitions. But as discussed in the subsection on investment below, the gas sector has been a crucial arena for the cultivation of ties that surpass simple classification as economic relationships. Rather, Qatar has used its gas sector for both economic and political purposes. It creates international stakeholders in not only Qatar’s economic success but also its political stability. Qatar’s energy interdependencies with diverse global powers like the UK and China demonstrate how LNG functions for both purposes. Furthermore, a September 2014 pipeline deal with Turkey through Syria highlights how gas also underpins its diplomacy, representing the blurred lines between Qatar’s role as a diplomat and a businessman as it pushes to position itself as the main regional supplier of both “peace” and gas (Gulbrandsen 2010; Ulrichsen 2014).
Yet as significant as this connection is, Qatar recognizes the necessity of operating in sectors beyond resources to more fully support its broadcaster approach. To this end, Qatar Airways has proven to be the key component in using this resource wealth for economic diversification, especially in supporting the haven foundation and keeping Doha in line with its Khaleeji Capital counterparts. As Skytrax’s Airline of the Year in 2012 and 2013, as well the Middle East’s leading airline for the past seven years, it serviced 138 destinations in over 70 countries with 131 aircraft in 2013, set to increase to 170 destinations by 170 aircraft by 2015 thanks to $50 billion of aircraft on order (QA website, Factsheet).

These numbers are set to rise even higher as operations commence at HIA and the airline enters the oneworld global alliance; other airlines in the alliance include globally-relevant carriers like American Airlines, British Airways and Cathay-Pacific. While Emirates operates independently and Etihad has an equity alliance, Qatar Airways is the first of these three to join one of the established global alliances in its effort to grow its customer base and its brand. This aspect of Qatar’s haven boosts its broadcasting potential as the oneworld alliance will now service roughly 480 million passengers to over 1,000 destinations across 170 countries (oneworld website, Qatar release), at once realizing Sheikh Hamad’s goal of Doha being a global hub while showcasing the country’s potential (Qatar Airways website, Story).

Yet despite the success of improved capacity to act as a hub and Qatar Airways emerging as a service sector business, Gray (2011; 2013) argues that in these cases Qatar has just progressed from rentierism to “late-rentierism.” In this category, countries:

- have become more globalized and seemingly spend their rentier wealth more intelligently to develop their economies and societies, diversify away from their strong reliance on oil...[and] build new international images and roles for their cities and states (Gray 2011, 2).

Gray’s work supports the notion that interdependence and value to the international community are part of a strategy of diversifying security. Although Qatar is diversifying economically, the
gas industry still dominates the economy, as noted above, and he cites a Qatari policy expert who claims that the involvement of a variety of foreign firms in Qatar’s gas industry is a strategic plan to build linkages and create stakeholders in Qatar’s continued stability (Gray 2013, 99). Ultimately these linkages are the backbone of interdependence and the diversification of security.

---SWFs and Investment

Yet for as much as Qatar has connected with the world economically, as a country with GDP per capita over $100,000 it does not necessarily need large FDI inflows to stimulate the economy. Rather, the FDI functions to aid diversification in much the same way as it does for the UAE. Chief among the benefits is that FDI often brings technology and institutional knowledge not readily available in the local market that then transfers to domestic start-ups, something Qatar actively courts (Gray 2013). However, inward flows of FDI have been less important than outward by Qatar. On one hand, the World Bank reports that inward FDI to Qatar was only $326 million in 2012 and 2011Qatar actually witnessed net flows of -$86 million (World Bank 2014).

On the other hand, Qatar’s SWF, the Qatar Investment Authority (QIA), contributes to transfer by investing for development purposes while also serving other traditional SWF goals of savings and stabilization, plus the requisite trophy-collecting. It also tries to boost awareness of Qatar’s value; many of its investments have been in countries with historic security ties or the potential to offer protection in the future (Davidson 2012). The SWF Institute estimates QIA’s value at over $170 billion, ranking tenth on the list of most valuable SWFs (SWFI website, QIA). Its subsidiaries are responsible for international strategic investment (Qatar Holding), domestic real estate development (Qatari Diar) and sports and leisure acquisitions (Qatar Sports Investment, discussed in Chapter 5), as well as investments geared toward food security—see
Chapter 6. QIA has been very active in the UK for all the reasons listed above, buying a large stake in luxury retailer Harrod’s, acquiring iconic properties like the old Chelsea Barracks and American Embassy and financing Europe’s tallest skyscraper, the London Shard (Davidson 2012). Property investments in Europe totaled $4.3 billion in 2012 on eight projects, including the London Olympic Village and a mall on the Champs Elysees in Paris, and QIA bailed out a number of financial institutions and stock markets across the region from 2008-2010 (Kamrava 2013).

---The Cityscape

Yet Qatar has more than just a grand infrastructure portfolio abroad, just like in the UAE an altered cityscape at home physically marks the transition of a Khaleeji Capital into a haven. Although tourism arrivals are roughly one-seventh those of the UAE, 90% of tourists visiting Qatar do so for business-related reasons and all tourist tend to spend more than those to the UAE. This strategy of seeking high-end, luxury business and leisure tourists means Qatar has more potential benefit if it can adequately develop attractive world-class infrastructure (Morakabati, Beavis and Fletcher 2014). The Qatar Tourism Authority (QTA) once implemented a grassroots branding project called “My Qatar,” which asked Qataris to develop “authentic” logos and slogans (Doha News 10/23/13), but has since moved to allow 100% foreign-owned tourism companies to implement the aforementioned strategy. The goal of the move is to drive tourism and its affiliated industries to over 8% of GDP by promoting its haven and buttressing its broadcaster roles (The Peninsula-Qatar 10/23/13).

In early 2014 the Qatar Tourism Authority amended its contribution to Vision 2030 by setting its sights on attracting seven million tourists per year by 2030, roughly a five-fold increase over current figures. This amendment marks a break from the high-income and business
tourist oriented strategy discussed above, seeking to double the percentage of leisure tourists from 36% of the total to 73%. The means to accomplish these goals are the haven activities described above for the promotion of economic interdependence as well as the transformation of Doha into a desirable leisure tourism destination through investment in attractions and events along the lines of those discussed below (Doha News 2/24/14).

With respect to this world-class infrastructure, one of the most notable examples of iconic architecture in Qatar borrows from the Dubai model of constructing coastline for prestigious developments that are both attractions and experiences. The Pearl Qatar adds 32km of coastline to Doha near the city’s West Bay development that houses the financial center, diplomatic row and the luxury hotels that offer fine dining and alcohol. The $15 billion project is a reclaimed island set on the country’s former pearl diving hotspot, with a design meant to evoke a string of pearls—yet another blending of the modern with the traditional. Ten districts of mixed-use retail, entertainment and residential developments for 40,000 across waterfront villas, high-rise condos and five-star hotels provide a superior entertainment haven (Arabian Business 1/26/14).

Additionally, Qatar has taken yet another page from the UAE’s entertainment haven playbook, going above and beyond constructing cities for commercial purposes to actually construct a brand new city. Not far from the Pearl, Lusail City will be a 38 sq km area capable of supporting a population of nearly 500,000 across 19 districts for residential, retail and entertainment (Lusail website, Vision). Planners intend for it to be a self-contained city, not just a neighborhood; at once a complex manifestation of Qatar’s modernity and vision rooted in tradition (Qatari Diar website, Lusail). Essentially, it is a master-planned world-class city, a depiction of Qatar’s haven and its potential as a broadcaster. To aid in this goal the focal point of the city will be Lusail Iconic Stadium—the name even boldly captures the spirit of iconic
architecture—an 86,000-seat stadium set to host opening/closing ceremonies and key matches of the World Cup. The modern-traditional design evokes the sails of a pearling dhow floating in the Gulf, complete with a moat surrounding the stadium for effect (Government of Qatar 2014).

The World Cup represents the pinnacle of a growing events circuit in Qatar, the foundation of which is the Qatari government’s targeting of MICE tourism. The Qatar MICE Development Institute is responsible for managing what the Qatari government has termed the “MICE ecosystem,” (QMDI website, Ecosystem) a $13 billion industry contributing 7% of GDP (Hotelier Middle East 11/25/13). Supplementing this sector, a variety of sporting events—see Chapter 6—and an increase in foreign governmental delegations demonstrate the strides Qatar has made in positioning itself as a regional events haven as well as the effectiveness broadcasting goodwill and culture has had for the country’s international standing (The Edge 6/20/13).

Furthermore, tourism marks a point of overlap between the haven and broadcaster approaches. Qatar is not only expanding its cultural offerings for domestic purposes but also to fill a cultural niche in the international marketplace. The leading vehicles for cultural tourism are the museums of Islamic and modern Arab art discussed in the next section, but the Souq Waqif also stands as another testament to bridging the traditional and modern as well as the haven and broadcaster. Originally built around1900, Sheikh Hamad and Sheikha Mozah (re)constructed the area in 2006 to look traditional for modern purposes. It now has all the features of a traditional marketplace, from spices to fish, plus a special section for birds where the modern practitioner of traditional falconing can buy a GPS guidance system on cobblestone streets lined by tourist-oriented “Oriental” cafes patrolled by mounted police on Arabian horses (BBC 8/3/11).

Qatar has even developed a “culture city” that is at once a haven and a tool to broadcast Qatari culture. Situated between West Bay and the Pearl, Katara opened in 2010 as the host site
for the Doha Tribeca Film Festival designed to facilitate art and cultural exchange. The name represents the early term for the Qatar peninsula, and the idea behind it:

…was born out of a long held vision to position the State of Qatar as a cultural beacon a lighthouse of art, radiating in the Middle East through theatre, literature, music, visual art, conventions and exhibitions. This village shall be a glimpse of the future of a world where people of different cultural backgrounds overcome their national boundaries and embrace common causes to promote a united humanity. Katara is where the grace of the past meets the splendour of the future (Katara website, About).

The film festival has been there ever since and a variety of cultural events call Katara home, from TED Talks and operas to Croatian and Italian culture festivals. Upcoming developments will add even more global dining options as well as retail and luxury residential, supporting a “sophisticated standard of living” while furthering Qatar’s use of culture as a bridge between its domestic political economy and international aspirations (Katara website, Development).

Therefore, these haven developments serve as part of the broadcast approach through cultural diplomacy. Though often overshadowed by Qatar’s niche diplomacy in mediation, this broadcasting of culture is a significant extension of the country’s soft power. Following an introduction to broadcasting goodwill, or Qatar’s broad array of more traditional political tools like media and diplomacy, the discussion shifts to expanding on this important element of the broadcaster approach where it excels the haven.

**Broadcasting Goodwill: Foreign Policy, Media and Diplomacy**

--- *A Uniquely-Inclusive Foreign Policy*

The uniquely-inclusive nature of Qatar’s foreign policy shapes its diverse array of diplomatic activities by providing the underlying strategy for how and who it can engage. It maintains a wide-variety of neutral or positive relations with seemingly counterintuitive parties, like the US and Iran or Hamas and Israel, all for the sake of cultivating a level of ambiguity in foreign relations. This inclusivity or ambiguity enables Qatar to fill a niche role with respect to
goodwill because it can approach multiple or even all sides in a given dispute. Kamrava identifies this strategy as hedging, which he defines in Qatar’s case as:

…taking up a big bet one way, as with security and military alliance for example, and smaller ones another way, as with friends who can be dispensed with if need be. For Qatar this has meant seeking shelter under the US security umbrella while at the same time maintaining cordial relations with Iran and Hamas (Kamrava 2013, 13).

With the US providing the foundation of security for the Gulf, Qatar is free to pursue other relationships that suit its role as a broadcaster of goodwill through softer or subtler power. Gray (2013, 198) calls this a move maintaining a “balanced portfolio of foreign relations” not overly burdened by a particular policy, another example of diversification. In terms of mediation, as more countries feel Qatar could be a legitimate broker for them the more Qatar becomes an engaged and valuable regional and global player in this niche.

Therefore, Qatar pursues a pragmatic policy of pleasing as many players as possible and cultivating a broad range of potential partners in interdependence. As noted in a wikileaked US cable and supported by Sheikh Tamim, Qatar must do so because it cannot afford to alienate anyone (Khatib 2013). Gray (2013, 15) notes that Qatar “is building links with all the major regional and sub-regional actors to ensure that they have a stake in its stability and current economic trajectory.” Peterson (2006) acknowledges this as one of three complementary survival strategies for small states, noting that reaching a *modus vivendi* with neighbors complements finding a powerful patron on the way to exploiting a niche. Creating stakeholders through attraction and interdependence underpins this pragmatic strategy to foreign policy; since that is the overall goal of diversifying security, Qatar’s broadcaster activities support it.

Being attractive to two countries characterizes the policy of pragmatism. On one hand, the US represents deep, durable commitments for Qatar through security, trade and cultural ties that Qatar has referred to as a “broad strategic partnership” of highest priority (Kamrava 2013).
Although official relations began in 1973 it was not until after the 1991 Gulf War that Qatar worked to solidify a defense-oriented alliance, and even then it took Sheikh Hamad’s accession to power in 1995 to continue Qatar’s pragmatic policy of utilizing an outside power to provide regional security (Wright 2012). Sheikh Hamad had been Minister of Defense and Commander-in-Chief, positions that gave him insight into both strategic vulnerabilities and possibilities once he took office (Gray 2013). Qatar built the al-Udeid airbase, which became the forward base for US Central Command in the region after 9/11, and gradually began to elevate its position vis-à-vis Saudi Arabia in regional security issues, especially given Saudi Arabia’s reluctance to participate (Wright 2012). Defense cooperation has since expanded to include counterterrorism activities and increased arms purchases, with nearly $25 billion announced in the year from June 2012 to July 2013 (Blanchard 2014) and another $11 billion in July 2014 (Al Jazeera 7/15/14). The relationship with the US also includes strategic extensions to US allies, most notably the quasi-normal relations with Israel that even extend into the business arena (Rabi 2009).

On the other hand, relations with Iran take the form of shallow, albeit “friendly,” interactions for a number of strategic purposes. Kamrava (2013) notes the hedging role of the Iranian friendship, providing Qatar with counterbalance to the closeness of its relationship with the US but in a secondary role that ultimately is expendable. Likewise, Gray (2013) uses a security pact between the two in 2010 to point out Qatar’s willingness to use a variety of means to pursue a foreign policy independent of the US. But it is not just the US; engagement with Iran underlies the diplomatic tools of Qatar’s regional power bid against Saudi Arabia, an outspoken critic of Iran and its allies across the region (Khatib 2013). Of utmost significance for friendly relations between the countries despite fairly antagonistic ones throughout the rest of the Gulf is the fact that Qatar and Iran share the largest gas field in the world, the North Dome/South Pars.
Though not always smooth, the two states partner with and target different countries for their gas industries, so outside of a few claims of overexploitation by Iran against Qatar there has been minimal friction (Gray 2013). Additionally, a large minority Shi’a population in Qatar has shaped relations with Iran; up to 20% of the population could be Shi’a, most of whom arrived in the 1960s and 1970s from Iran. Although they have integrated into Qatari society better than in other Gulf States, placating them still figures prominently in Qatari policy (Kamrava 2013).

A number of other problematic players join Qatar’s friendship with Iran as less than ideal relationships in the eyes of the US, but critical to Qatar’s inclusive foreign policy for the sake of interdependence. These include relations with Syria until 2011, Hamas in Gaza and Hezbollah in Lebanon as strategic balances to its Western-oriented policies (Kamrava 2013; Gray 2013; Khatib 2013; Barakat 2012; Cooper and Momani 2011; Kamrava 2011b). One of its most daring relationships has been with the Taliban, which has maintained an office in Doha off-and-on since 2012, positioning Qatar in the middle of any negotiations involving Afghanistan like the prisoner swap in 2014 (BBC 6/21/13).

These associations with non-state actors have been problematic for several of Qatar’s allies, especially when they are of direct support not just recognition. Though rumors suggest Qatar may have funded al-Shabab in Somalia, most of its Islamist relationships are in the context of the Arab Spring. Gause III claims that since Qatar is securely in the US’s strategic interests for the region, it can pursue relations with emerging groups as “loose change” (Washington Post 11/28/12). This analogy also applies to Qatar’s penchant for taking in “all manner of strays and exiles,” a policy that reflects pragmatism and realpolitik in trying to find potentially-overlooked winners as opposed to any durable affiliation with their ideologies (Roberts 2012).
As discussed in the next section, the nature of these relations has shifted to being support-based, challenging Qatar’s role as strictly a neutral mediator particularly when it comes to the relationship with the Muslim Brotherhood (MB). As it appeared Egyptian leader Hosni Mubarak was on his way out, Qatar increased its overt support of the MB by using Al Jazeera and billions of dollars, especially once the MB’s candidate for president, Mohammed Morsi, emerged victorious in mid-2012. One year later a coup led by recently-elected President Abd al-Fattah al-Sisi toppled Morsi and the MB regime, but Qatar still held onto the relationship.

Roberts (2014) notes that the MB-Qatar relationship dates to the 1950s, when Qatar imported MB intellectuals to support a religiously-inspired agenda and serve in bureaucratic positions, but limited the group’s ability to perform the social functions that form its base elsewhere. Though ostensibly Wahhabi, like Saudi Arabia, Qatar could not use Wahhabism as a foundation for the state, lest it automatically become subservient to Saudi Arabia. Therefore, although present in Qatar the MB was always an outwardly-oriented group that served Qatar’s strategic interests vis-à-vis Saudi Arabia. Kamrava (2013) observes that Qatar’s affiliation with the MB and other Islamist groups serves both internal and external strategic interests. Externally they offer outlets for hedging while internally they allow Qatar to stifle a local Islamist movement by highlighting their role as patron for these groups.

In addition to symbolizing the shift to active support instead of mediation, this close relationship with the MB—and Islamists in general—sheds light on strained relations within the GCC precisely because of Qatar’s foreign policy. At the center of the tension stands its rivalry with Saudi Arabia and increasingly non-conformist actions in the region. Saudi Arabia had been Qatar’s security provider under Sheikh Hamad’s father, Sheikh Khalifa, but as the Gulf War exposed Saudi weakness Sheikh Hamad pursued a national security fueled by resentment of
Saudi interference (Kamrava 2013). Therefore, although it sees the benefit of GCC participation, it has tried to balance that with independence, especially by relations with Iran and Islamist groups (Gray 2013). Janardhan (Khaleej Times 5/1/14) claims that Oman has begun following in Qatar’s footsteps by putting its own strategic interests first but within the framework of GCC interests. Both countries fear insecurity in the region, but have had friendly ties with Iran while maintaining strong relations with the US and engaging Israel. Yet Qatar’s wealth, use of Al Jazeera and highly-publicized non-conformist actions have made it a target for the GCC while Oman has been more discreet.

Qatar’s wealth serves this foreign policy in a variety of ways. The discussion of the sovereign wealth fund Qatar Investment Authority in the first section of this chapter highlighted some of QIA’s investments for technology transfer as well as others that serve to reinforce its existing relationships while building new ones (Davidson 2012; Kamrava 2013). It even underpins the growing US relationship, where aid after Hurricane Katrina in 2006 has since blossomed into mutually beneficial investment opportunities through QIA and multinational corporations (Gray 2013).

Between QIA and the government itself, Qatar’s “business diplomacy” (Gulbrandsen 2010; Barakat 2012) plays a significant role in its broadcaster approach by using commercial capacity to drive diplomacy and mediation, a role another scholar has referred to as simply “checkbook diplomacy” (Rabi 2009). According to Barakat (2012), Qatar attached nearly $500 million and $300 million in potential reconstruction efforts to mediations in Yemen and Lebanon, respectively, with rumors of potential investment in Syria to secure its cooperation in Lebanon. As part of mediation and humanitarian efforts, Qatar has also given substantial aid to Sudan, including up to $4 billion in conjunction with Libya during the Darfur mediation. The
Arab Spring saw Qatar utilizing its checkbook as never before, financing and providing military support to rebel groups while propping up friendly regimes and helping stabilize new ones (Gray 2013; Kamrava 2013; Khatib 2013; Barakat 2012; Ulrichsen 2012a; Kamrava 2011b).

--- Media as a Political Tool for Interdependence

The hallmark of the broadcaster approach, Al Jazeera (AJ) utilizes the soft power potential of media to support these aspects of Qatar’s foreign policy and provide another outlet for it to be globally-engaged. The value of a (state-affiliated) global media network to a country’s strategic interests on a variety of levels has been on display since the establishment of the BBC, and even the BBC recognizes the growing “soft power battle” for influence and attraction that it is facing from AJ, Russia Today and China Central TV (The Guardian 11/13/13). AJ’s rise to global prominence began in 1996, as one Sheikh Hamad’s first official acts after deposing his father when he abolished the Ministry of Information and set up the network. Its initial capital investment of over $135 million plus another $100 million each year since has sustained it success, fueled also by its mission to report multiple and often unreported sides of events through a cadre of professional journalists with local knowledge and access to an array of communications infrastructure (Powers 2012).

Regardless of whether this connection to the Qatari government affords AJ operational autonomy—which is outside the scope of this discussion—even from the beginning AJ played a strategic role for Qatar. Seib (2012, 2-3) characterizes AJ as global wealth-based influence, but with no real objectivity at home and Figenschou (2014) discusses how AJ dutifully covers issues abroad while avoiding many at home unless in support of broadcasting the aforementioned “goodwill” components of Qatari foreign policy. Henderson (2000) and later Seib (2008) dubbed this the Al Jazeera Effect, whereby new media generally alters the process for political decision-
making and produces geopolitical shifts as developing countries begin to broadcast the news. Adding to this, El-Nawawy and Gher (2003) speak specifically to the AJ effect as stemming directly from the network’s visible presence in broadening the scope of interaction within formerly-closed societies, across the region as a whole and ultimately on the global stage; the numerous attacks on and censorship of AJ is testament to its effectiveness in this area, especially those discussed in the previous section that have resulted in severe tension within the GCC.

Essentially, in broadcasting along these lines AJ broadcasts Qatar’s public and cultural diplomacy as well. Acknowledging the managed nature of AJ, Figenschou (2014) declares it a public diplomacy tool that utilizes soft power and branding while acting as a platform for global engagement, a bridge between East and West and an actor on these stages itself—all symbols of the broadcaster approach with a haven foundation. Davidson (2008; 2009) discusses how Gulf States develop domestically to find new ways to interact with the world, and AJ represents a tool for international recognition and attention, both of which contribute to creating opportunities for interdependence. Even wikileaked cables from the US Embassy in Doha reiterate these observations when they discuss AJ as a useful political tool and source of leverage over the region while being an instrument of Qatar’s influence and an expression of its foreign policy (The Guardian 12/5/10). Gilboa and Powers (2007) cite AJ’s global recognition, attractiveness and perceived value as aiding its ability to communicate these types of messages; in fact, they found that in 2005 it was the fifth most-recognized brand in the world, at less than ten years old. This brand recognition for AJ directly translates to the Qatari government’s pursuit of diversified security in the form of global interdependence by the broadcaster approach.

By being both messenger and message AJ can showcase Qatar and its developments while communicating interdependence and value itself, helping Qatar command media attention,
deal with regional rivalries and ultimately put the country on the map. Figenschou, using Rugh’s (2007) assessment of AJ as a calculated policy tool, astutely discusses this connection in *Al Jazeera and the Global Media Landscape: The South is Talking Back*:

…the Al Jazeera project seems to correspond with Qatari foreign policy by strengthening Qatar’s position (towards Saudi Arabia), by balancing Qatari needs in the country’s controversial partnerships (with the US), or by emphasizing Qatari initiatives (and highlighting the proactive Qatari role in regional conflict resolution). Primarily, Al Jazeera’s political attitude can be regarded to some extent as the result of a policy of putting Qatar on the map by emphasizing the ways in which it diverges from its neighbors and challenges regional and global powers. By these means, Qatari political elites use Al Jazeera to stir up controversy in a controlled way [Rugh 2007: 12]. (2014, 42)

This statement emphasizes that not only is Qatar broadcasting goodwill or diplomacy to diversify security through interdependence and value, but AJ’s broadcasting of that—along with other aspects of Qatari culture—further reinforces the message to the world. She continues addressing this role of AJ in Qatar’s pursuit of interdependence and value through the promotion of Qatar’s image, this time drawing on Fromherz’s (2012) observation of what corresponds to Qatar’s haven activities:

…Qatar does not traditionally attract news coverage in major foreign or international media. By circumventing the news agenda in mainstream international media, the Al Jazeera project both increases Qatar’s newsworthiness and offers Qatari authorities a platform from which to discretely promote and frame the Qatari success story (its expansive economy, booming gas exports, health care system and investments in higher education and architecture) to an international audience. According to this idealized marketed image of Qatar, Fromherz [2012: 2] writes, ‘Qatar seems full of venues for dialogue that enhance Qatar’s image and the image of the ruling Al Thani family’ (2014, 47).

Essentially, this captures Qatar’s broadcaster approach: develop internally while using that as a foundation to operate externally.

In order to facilitate this promotion of Qatar’s identity abroad, AJ founded an English language service, Al Jazeera English (AJE) in 2006. AJE had its roots in the regional developments several years prior, as the US-led Iraq War fueled the world’s desire for reporting from a different perspective. AJ was already an established name and Qatar’s regional and global presence was becoming more pronounced, so in response to requests from global media about what AJ was in Arabic the network launched AJ Net. AJ Net was a website in English meant to
be global forum for much of AJ’s Arabic coverage of the war, but the network soon found that producing English-language content was too charged, as Western government led by the US began to crack down on AJ Net, and needed an adjusted format (Powers 2012).

In response, AJ would later launch AJE as a bridge between different regions of the world and a targeted portal for the global citizen. At over 80% funded by the Qatari government AJE was spreading the message to 260 million across 120 countries by mid-2103 (Figenschou 2014, 40), supported by the network’s purchase of former US Vice President Al Gore’s Current TV and the subsequent creation of Al Jazeera America (Al Jazeera America 1/2/13), which at least one outlet has touted as a test in whether money can buy relevance (The Hollywood Reporter 7/18/13), and by extension help create interdependence. Moreover, El-Nawawy and Powers (2010) assert that AJE serves as a conciliator, providing a voice to the voiceless, promoting open-mindedness and serving to underpin Qatar’s role as a mediator on the global stage. As the voice of the global south, AJE—and AJ generally—provides a contraflow of information that has changed the developing world from an importer of news to an exporter, challenging traditional hegemony (Sakr 2007). But its operation in support of Qatar’s other broadcast efforts for the sake of international interdependence and value could signal a new type of hegemony.

One of the best examples of AJ serving this broad spectrum of Qatari interests both regionally and internationally emerged during the Arab Spring. Lynch (2011, 304) identifies four contributions new media, of which AJ is a part, made to the Arab Spring environment: 1) promoting contentious collective action, 2) limiting or enhancing the mechanisms of state repression, 3) affecting international support for the regime, and 4) affecting the overall control of the public sphere. Others note that AJ Arabic served to drive, frame, legitimize and broadcast
the protests (Alterman 2011) while AJE then took the drama worldwide (Ricchiardi 2011). Because of these features AJ could potentially shape the narrative, and Qatar was able to leverage AJ to manage the news while avoiding scrutiny. In other words, by AJ largely focusing on the actions of authoritarian regimes throughout the region they kept the focus externally-oriented even while Qatar and the other Gulf States faced the same problems. Regardless of the bias, AJ and media in general have been a potent source of soft power for Qatar, complementing its other means of broadcasting culture through art and knowledge.

---Diplomacy: Mediation

Ultimately, its diverse connections and command of the media enable Qatar to broadcast goodwill through its diplomacy. With all-encompassing foreign policy relationships comes the opportunity to serve as a mediator between sides in conflict, especially when accompanied by a reputation for neutrality and the ability to influence opinion through the media. This type of “niche diplomacy” serves Norway well, as evidenced by its involvement in a variety of global conflict mediation efforts, and enables countries to play notable roles in the international community that are often beyond those their power should command (Henriksen 2005). Because of Qatar’s involvement in numerous mediations during a short time frame Kamrava (2013) has dubbed its filling of this niche as hyperactive diplomacy, aided by the tumultuous nature of the region combined with Qatar’s wealth, limited history of intervention in the region a pre-screening process for mediation. Similarly, Gray (2013) terms Qatar an activist microstate that is using its foreign policy to “punch above its weight” (Roberts 2011a) and activate another layer of branding. What results is solid track record of global engagement and successful mediation, the publicized nature of which translates into another channel for Qatar to broadcast its
accomplishments while gaining prestige. Essentially, Qatar’s reputation for mediation gives it a world stage to broadcast itself as relevant to the international community.

Though Qatar’s mediation efforts had been in place before, a two-year stint on the UN Security Council in 2006-2007 may have contributed to the country’s rise to prominence as an impartial mediator in part because Qatar used its brief period as president of the council to propose an Arab-Israeli peace initiative. Qatar followed this by hosting a UN summit on “Sustained Peace in the Middle East,” a move in the direction of garnering support for Qatar to take a leading role in the not just region but projecting to the world Qatar’s potential to be the go to player for the international community to engage issues in region (Barakat 2012). The New York Times even referred to the country as a “nonstop mediator” that was “playing all sides” in its newfound role on the international stage (New York Times 7/9/08).

These descriptions fit with Khatib’s (2013) four motivations for Qatari mediation: 1) its own security/regional security; 2) strategic relations with Iran; 3) challenging Saudi Arabia; and 4) appealing to and leveraging the international community. The fourth motivation is the global engagement that underlies the broadcaster approach; whether though foreign relations, Al Jazeera or mediation, Qatar can increase its ability to address the other security related motivations. With respect to mediation, Barakat (2012) and Kamrava (2011b) offer concise chronicles of Qatar’s major roles as a regional peacemaker prior to the Arab Spring, both citing its ability to bring bitter rivals to the negotiating table as a key factor in the country’s rising international influence and its ability to shine in place of traditional regional mediators. However, they also note in their assessments that Qatar has been much more successful in mediation efforts that temporarily solve issues than it has been in finding long term resolution.
Qatar presided over two separate accords in 2007 and 2008 as part of an effort to resolve the running civil war in Yemen between the government and the Houthi Shi’a living in the country’s north near the border with Saudi Arabia. Though in the end the Qatari plans did not prove durable they succeeded in displaying the country’s potential utility in a prominent regional role, demonstrating to Saudi Arabia that Qatar was on the rise. In the wake of the 2006 war between Israel and Hezbollah civil conflict gripped Lebanon once again, resulting in sectarian violence and political gridlock from 2006-2008. In the immediate aftermath, scholars pointed to the parties’ faith in Qatar as a mediator and Qatar’s insistent use of personal intervention as significant to initial success (Haddad 2009; Hajjar 2009), though civil conflict would return in 2011. During 2008 Qatar also acted to resolve the Darfur conflict in Sudan at the same time it was lobbying the UN to block the trial of Sudanese General Omar al-Bashir for war crimes, resulting in a cease-fire in 2010. Barakat notes that Qatar leveraged its history of humanitarian aid in the country as a foothold, while Kamrava adds that the would-be lead mediator from Qatar independently traveled the region and visited capitals with stakes in the conflict to facilitate the process even prior to Qatar stepping in.

Additionally, in late 2011 and 2012 Qatar mediated two highly-publicized interactions with global ramifications. In Palestine, Qatar brought together Hamas and Fatah for the first time since Hamas took control of Gaza in 2007 and it also was working to facilitate the Palestinian bid for statehood in the UN (Barakat 2012), even while rumors swirled from Iranian state media that Emir Hamad himself was personally responsible for helping Israeli satellites track, target and assassinate high-ranking Hamas members (PressTV 11/17/12). Perhaps more notable, in 2012 Qatar began to promote itself as the mediator between the US and the Taliban by allowing the Taliban to open an office in Doha and billing the move as a means to negotiate prisoner
release from Guantanamo Bay (BBC 6/21/13). Despite a rocky few years Qatar did preside over the controversial exchange of five Taliban prisoners for a US prisoner of war in June 2014, pledging to keep the freed Taliban prisoners under surveillance in Qatar for a year (Al Jazeera 6/1/14). The move signaled that in spite of the shift in policy discussed below, Qatar still wields significant influence in its niche role as a mediator through its diverse array of foreign policy connections.

---Diplomacy: Taking Sides

However, while in these instances Qatar functioned as an impartial mediator, the Arab Spring ushered in a new era for Qatari diplomatic efforts wherein it began to take sides and provide military support. As uprisings swept the region Qatar must have seen an opportunity to get out ahead of rivals for regional influence who were more hesitant to get on board with regime change, relying on its “wealth, will and vision” to fill a newly-emerged niche role of immense global interdependence that it was uniquely-situated to fill (Barakat 2012, 25). While potentially damaging to its reputation as an impartial mediator, this new direction may signal yet another pragmatic move by Qatar to respond to changing circumstances and stay ahead of its competitors. Khatib (2013) asserts that as Islamists across the region gain influence, active Qatari support could translate into political influence, as reactive as it might be; Barakat (2012) notes that this shift represents a change in circumstances, not policy; Roberts (2011a) suggests that it is a reaction to a change in the state of affairs, not of strategy, adding later in an interview that Qatar’s support of the MB and Islamist groups is tactical and although damaging to the country’s reputation currently the link could provide utility in the longer term (The National 3/19/14a). Regardless, Qatar has moved away from the impartial mediator role it had crafted for itself over nearly a decade, facing increased scrutiny in its bid to remain a key global player.
While taking the side of the Muslim Brotherhood in Egypt—as noted above—was contentious, Libya emerged as the best example of Qatari military support signaling its shift to taking sides in regional conflicts. Not only was it the first Arab state to officially recognize the rebel government, but its actions against Qaddafi’s regime in both the Arab League and the UN played a significant role in ultimately securing the no-fly zone and NATO intervention that turned the tides in favor of the rebels. Yet these were still diplomatic actions in favor of the rebels, and once the plans were in place for intervention Qatar began to shift diplomatic action into military support. It provided six jets to patrol the no-fly zone and supplied the rebels with fuel and $400 million in financing along with arms, materiel and training. Qatar even began selling Libyan oil on behalf of the rebels to further finance their actions against Qaddafi’s regime and put hundreds of troops on the ground to liaise between rebels and NATO forces (Roberts 2011b; Barakat 2012; Ulrichsen 2012a). As the Qaddafi regime fell, it was a Qatari flag flying atop one of the former leader’s compounds alongside the new Free Libya flag, demonstrating the significance placed by those on the ground on Qatar’s multifaceted support strategy (Ulrichsen 2012a; Barakat 2012).

Qatar’s actions in Syria further proved that actively supporting rebels constituted a new page in its playbook for interdependence. As with Libya the first moves were more diplomatic in nature, with the Qatari foreign minister personally coercing the Arab League into falling in line with country’s policy and then pushing Syrian President Bashar al-Assad to accept Arab League solutions or face international intervention (BBC 11/13/11; BBC 12/2/11; Barakat 2012). Once the Arab League efforts fell apart, Qatar began pushing for international military intervention and funneling financial aid and arms to the Syrian rebels. This kicked off a game of Qatar and Saudi Arabia supporting different factions of the Free Syrian Army, as Qatar’s relations with the
Muslim Brotherhood network drove its decisions and Saudi Arabia’s dislike for the MB drove its decisions (Abouzeid 2012; Ulrichsen 2012a).

This displays Qatar’s independent and, to use Kamrava’s term, “maverick” foreign policy as the country allegedly supports a wide range of Islamist groups inside Syria, and continuing its policy of pragmatically pursuing relationships with groups that give it an edge on competitors for regional influence. As of early 2014, with the conflict in Syria still raging, Qatar seems unlikely to give up support for these rebels despite pressure to do so by other GCC states and the development of tension within the alliance (Reuters 3/20/14). Additionally, according to a PBS Frontline documentary Qatar has even been providing a secret base for the US agencies to train rebels in insurgent tactics (PBS 5/26/14).

Yet while actively promoting the uprisings in North Africa and Syria, Qatar and the other GCC states actively repressed uprisings in the subregion through a counterrevolution. GCC actions revealed a double standard in that while taking immediate steps to side with the regimes they were suppressing protests against the same grievances they were supporting elsewhere (Barakat 2012; Colombo 2012; Davidson 2012; Ulrichsen 2012a). While Bahrain, Saudi Arabia, Oman and Kuwait faced the brunt of the uprisings in the Gulf, the strategy that emerged for dealing with internal issues across the GCC states remained constant. Increased economic incentives, patronage efforts and carefully-crafted reforms joined the traditional police-state repression apparatuses in reining in uprisings (Colombo 2012). As noted in Chapter 2’s discussion of the GCC, it even took to shoring up its base by reaching out to the region’s other monarchies, Morocco and Jordan, for potential membership. They also took to framing the uprisings as fueled by Shi‘ite sectarianism, especially in light of Bahrain’s brutal suppression of what it claimed were rebellions by the countries Shi‘a in conjunction with Iran (Colombo 2012;
Davidson 2012). Ulrichsen (2012a) notes that as Qatar was pressing for military intervention in Libya to support the protestors it was complicit in the GCC sending Peninsula Shield forces to help the regime squash protests in Bahrain, though it did not send troops.

Taking these contrasting roles in conjunction, it becomes clear that Qatar’s strategy matched with its approach to gaining global interdependence. Hypocritical as it may have been, Qatar sought to take the actions necessary to maintain and even develop alliances, leveraging its foreign policy and penchant for active diplomacy to broadcast itself in a niche role that other countries in the region were reluctant to fill. It helped its GCC allies and reached out to other monarchies in trouble at the same time it was distancing itself from their efforts to stifle the uprisings elsewhere and promoting its own actions there for the international community (Davidson 2012; Colombo 2012).

Broadcasting Culture: Beating the Haven at its Own Game?

While foreign policy, media and niche diplomacy clearly constitute a soft power advantage for the broadcaster, Qatar has managed to establish itself as the leading provider of what on the surface seem to be haven offerings of high soft power value. As discussed below, cultural productions like art and knowledge hold significant soft power value. When offered in the cluster format of which Khaleeji Capitals are so fond, cities of art (museums) and cities of knowledge/education seem to be the domain of the haven. However, in the case of Qatar and the UAE it is the broadcaster that has been at the forefront of filling these niches and the UAE’s haven has been playing catch-up.

Yet the strategy and overarching goal of the broadcaster should make this reversal of fortunes come as no surprise. The broadcaster’s emphasis on externally-oriented global
engagement best situates it to capitalize on the soft power potential of art and knowledge. It needs to perform well in these areas because it needs the connections and cultural substance to underpin its ability to broadcast on the global stage. This interactive nature of the broadcaster means that its museums and education cities are geared for more than just tourist activity, they support its foreign policy and diplomacy: less glitz and glamour, more function and utility.

Therefore, rather than simply import a Guggenheim or Louvre, Qatar built museums that make it a cultural center instead of just a destination. Likewise, although Doha’s Education City features imported, high-profile institutions, each was chosen for the purpose of furthering Qatar’s ability to play its role on the global stage. So, what appear to be haven activities are actually core components of the broadcaster’s externally-oriented portfolio, which explains why Qatar outperforms the UAE in these areas.

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Art

As Bourdieu observed, art and knowledge represent more than merely things possessed but rather a form of capital the possessor can leverage in the pursuit of other capital. It conferred cultural capital and distinction on those who had acquired the capacity to truly appreciate it. However, art is not what it once was. Don Thompson, an economist and marketing professor in the UK, has published two books—*The $12 million Stuffed Shark* and *The Supermodel and the Brillo Box*—that explore the new art world order, described by one reviewer as emerging “in the wake of the 2008-2009 financial crash…the old maxims about buying art no longer apply and where cash and celebrity trump connoisseurship as the ticket into the cultural establishment” (The Globe and Mail 5/30/14). In this vein, Qatar had hosted the Doha Tribeca Film Festival from 2009-2012, utilizing the Tribeca brand—and a host of movie stars from Hollywood to Bollywood—to develop Qatar’s ability to fill a niche role in broadcasting the regional film
industry (Doha News 4/30/13). That said, art still constitutes a type of Bourdieu’s capital, if less cultural and more symbolic.

Related to the both types of capital, art and museums project a country’s soft power and are often at the forefront of cultural diplomacy, whether official or not. Nye includes them as components of the cultural pillar for soft power and many times governmental organizations facilitate this role, like the British Council in the UK or the Alliance Francaise in France, which the French government established for the sake of restoring prestige after the Franco-Prussian War (Nye 2008). In this sense, museums become embassies or political institutions that communicate the soft power of a country through culture. Museums may host foreign exhibitions or engage in exchanges of collections, the types of socio-political activities typically carried out through an embassy. In a piece for the Institute for Cultural Diplomacy on museums and soft power, Hoogwaerts (2012, 5) uses Bennett’s (1995) observation of the political nature of art as a display of power:

"The effects of hosting an exhibition of this nature are twofold; on the one hand, to use Bennett’s phrase, it broadcasts a message of power to society through the sheer impressiveness of the exhibition that is visited by a very international public, while on the other hand also operating as a manifestation of an implied nation-wide appreciation for foreign art, demonstrating a cultural value that is likely to be welcomed by foreign countries.

Put differently, countries’ broadcasts often include museums with international-scale exhibitions so that they can project prestige, helping to further distinguish themselves in their niche roles.

Yet even prior to this externally-oriented role, museums served the strategic interests of the state, helping craft national identities by showcasing what the culture of that country was or was supposed to be. In the case of Qatar and other Gulf States, the relative youth of the countries on the international political scene coupled with the small numbers of citizens creates issues of authentic identity, a topic touched on in Chapter 6. Therefore, while the UAE may be importing the Louvre and Guggenheim for the cultural section of Saadiyat Island in Abu Dhabi to boost its
haven, Qatar has taken an ostensibly more traditional and authentic route by setting itself up with museums that represent the cultural heritage of Islam and the creative spirit of the Arabs packaged for export. Seib (2013, 215-216) notes that Islamic art constitutes a path that uses religious heritage to reach out to the international community, and corresponds to Qatar’s broadcaster approach.

The Qatar Museums Authority (QMA) contributes to Qatar’s broadcast approach by developing world-class museums devoted to upholding the country as a beacon of Arab and Islamic heritage for the region and the world. In fact, QMA’s Deputy Director Sumantro Ghose delivered a paper at the Institute for Cultural Diplomacy in late 2013 on museums as tools for cultural diplomacy. Discussing Qatar’s museums, Ghose stated they operate in support of the Qatar National Vision 2030 by helping create a knowledge-based economy and socio-cultural development. This contributes to Qatar being a platform for the global art network, with an emphasis on QMA’s collaboration with museums throughout the world (Ghose 2013).

Sheikha Mayassa, daughter of former ruler Shiekh Hamad, sister of current ruler Sheikh Tamim and chair of the QMA also stated that the museums act in support of Qatar’s foreign policy objectives, though not in as many words. She told the New York Times in 2010, “My father often says, in order to have peace, we need to first respect each other’s cultures…and people in the West don’t understand the Middle East. They come with bin Laden in their heads,” adding that she hopes museums will help “to change that mind-set” (New York Times 11/27/10). The sheikha and the QMA have responded, with 2013 estimates putting the value of Qatar’s run on the art market in preceding years at well over $1 billion (New York Times 7/23/13), making the thirty year-old sheikha and the country the most powerful players in the global art world and capable of contributing to the country’s reputation for diplomacy (The Guardian 4/16/12).
Doha now houses two operational museums that help broadcast culture and one under construction. Opened in 2008 with a fireworks display and a Yo-Yo Ma concert, the Museum of Islamic Art (MIA) is a stunning IM Pei-designed building on a private island in the waters of Doha Bay. Pei had to be coaxed out of retirement to design the building and spent nearly six months traveling the Middle East to get authentic inspiration for the project (11/23/08). As a result, both the building and its collection serve Qatar’s identity project that reinforces the country’s identity as an Islamic country (Ghose 2013). The collection spans the geographic scope of Islamic art and architecture, from Spain to China, once the focus of world culture and now centered in the Gulf State of Qatar. To this end, the museum recorded its one millionth visitor in 2013 (MIA website, About). Ghose noted that all diplomatic visit itineraries feature stops at MIA (Ghose 2013) and the fortress-like structure rises above the bay along the main transportation artery from Doha’s airport, standing as a testament to heritage against a backdrop of high-rise steel and glass.

Less imposing, Mathaf: the Arab Museum of Modern Art furthers Qatar’s role as a culture purveyor by adding a new dimension for discussion. Situated near QF’s Education City, roughly a 15-minute ride by free shuttle from MIA, Mathaf occupies a former school redesigned by a renowned French architect to house an Arab perspective on modern art. The collection includes art from the 1840s to the present from every Arab country, supporting the vision of becoming a world-wide resource for the region’s modern art (Mathaf website, Museum). In early 2014 Mathaf featured an exhibition of works by Mona Hatoum, celebrated in Mathaf’s official literature as an artist who engages with the contemporary moment and provides opportunities for discussion of current events. Hatoum’s works address issues from conflict in her native Lebanon to the Palestinian-Israeli conflict and beyond, all the while emphasizing the interconnectedness

Exhibitions like these from Arab artists across the world reinforce the power of art for sparking cross-cultural discussion and addressing globally-relevant topics, at once elevating Qatar’s position as a leader in the art world and as a diplomatic player.

---Education/Knowledge

Just as the media and museums represent increasingly-significant stores of soft power, they also contribute to the overarching soft power potential of education and the production of knowledge. For the Gulf States specifically, Davidson (2012, 98-104) discusses education and knowledge as “soft power in the West” through “financing universities and manipulating research,” referring to the countless chairs endowed by the Gulf States at prestigious Western universities and their funding of policy research initiatives (New York Times 9/6/14). More generally, Nye (2005) contends that institutions of higher education help reshape the notion of power in a globalized age, using academic exchanges and research and development initiatives in support of diplomatic strategies. He then cites a 2001 quote from then-US Secretary of State Colin Powell, “I can think of no more valuable asset to our country than the friendship of future world leaders who have been educated here” (ibid., 13-14).

With the US being such a major player in global higher education, it is logical to conclude that relationships and knowledge built through educational experience in the US could shape the future of US involvement with the world. To this end, London’s The Times Higher Education analyzed wikileaked cables from the US and determined that the academy plays a strategic role in the “great game of international politics” (Times Higher Education 2/2/12). The report discusses how universities both accept people from all over the world and send people all
over the world, and reveals that US officials view universities as tools for the exercise of global power to strengthen alliances or even recruit assets, i.e. spies.

But these US officials feel challenged for dominance in this area, as emerging powers have escalated their education and knowledge-production efforts in recent years. The UK has held a leading position in educating the world’s elite for decades, and a recent study by a UK conglomerate that views education as an “export” good sought to examine the significance of networks and connections in conducting business and diplomacy. It found that in addition to boosting the UK’s prestige and attraction on the world stage, that roughly one-fifth of the world’s central bankers—as well large amounts in other fields—have educational ties to the UK and these ties increase the likelihood of one responding favorably to anything UK-related (Times Higher Education 213/14).

For all these reasons, China has gotten on board the soft power education train through its collection of foreign universities and the Confucius Institute program, which seeks to promote Chinese culture across the world by establishing institutes at major universities (Yang 2010). The Wall Street Journal revealed in May 2014 that Confucius Institutes in the US were now reaching out to over 20 secondary school districts through a partnership with the College Board, adding to the influence of their 1,100 institutes in 120 countries, 450 of which are in the US alone and serving their role as soft power tools for the Chinese government through PR and propaganda (Wall Street Journal 526/14). Like China, education has been one of Japan’s key soft power tools for over a decade (Yasushi and McConnell 2008), while Russia (Russian International Affairs Council website, Soft Power) and even Turkey (Daily Sabah 5/24/14) have taken to it in the last few years.
In 2012 the Rockefeller Institute of Government held a colloquium on the role of higher education in international relations. More than 50 academics, researchers and foreign-service officers concluded that education provides extensive international engagement which means that educational institutions have become key global actors. One of most prominent features of education as an actor is the presence of satellite or branch campuses, which not only educate students but support their host countries interests as well (Chronicle of Higher Education 3/12/12). Qatar provides an excellent example of this trend, rivaling China and Singapore as destinations for US institutions (Cross-border Education Research Team 8/6/14).

In particular, Qatar has invested heavily in the transformation to a knowledge-based economy quite literally. While the UAE offers a haven for various kinds of development through its myriad “cities” and government policies, Qatar’s engagement with “knowledge capital” extends beyond just being a friendly environment for development to include exporting knowledge produced in the country to the global marketplace in support of gaining attention and interdependence. The cultural institutions noted above play a role in this, from Al Jazeera to the Qatar Foundation, but initiatives like Education City (EC) and directed research programs are the foundation (Weber 2014).

Established by the Qatar Foundation in 2003, EC’s collection of foreign university franchises and research initiatives spans 14 sq km and serves the broadcast approach by producing knowledge for global consumption using world-class brands. One of EC’s lead executives, a member of the ruling family, said in 2012 that the project was to jumpstart Qatar’s transition to a knowledge economy by bringing in established, reputable universities, develop the country as a bridge for exchange and promote education as a key global resource (BBC 6/8/12). It allegedly provides a critical, American-style education with advanced opportunities for women
(New York Times 2/11/08). However, even if the goals are grand and philanthropic, Gray’s (2013, 136-139) observations of EC paint it as highly practical, even strategic. He notes that the universities only offer specialized programs in areas in which they are world class: Texas A&M has only engineering programs, Virginia Commonwealth teaches fine arts, Northwestern offers journalism and communications, Cornell a medical school, Georgetown a school of foreign service, to name a few. This makes EC different from other educational havens like those in the UAE, as does its emphasis on research.

This emphasis on research mirrors the government’s focus on R&D being a path to domestic development and regional prominence. Nearly 3% of GDP is tagged for R&D and many of the universities partner with the government on state projects (Financial Times 10/20/13). University College London—also in EC and renowned for its programs in archaeology as well as library and museum studies—works closely with the Qatar Museums Authority (UCL website, Qatar), including excavation for the Origins of the City of Doha project (Origins of Doha website, About). Northwestern collaborates with Al Jazeera for the sake of knowledge-transfer and professional development (Northwestern-Qatar website, Al Jazeera). Georgetown’s School of Foreign Service trains regional international affairs specialists while facilitating Qatar’s educational links to other countries through outreach, including leveraging historic and contemporary connections to link EC to India (Zawya 6/4/14).

But it is not only universities that support this mission, Doha has welcomed a number of prestigious think tanks to the country in the past decade that help position it as a key provider of policy research and recommendations to and about the region. Think tanks do more than just produce research and policy recommendations, but serve as prestige-gathering tools while forging links to the global political elite (Abelson 2002). The RAND Corporation advised the
Qatari government on its educational reform projects, including EC and the Qatar National Research Fund which provides funding for projects deemed critical to the national interest (Gray 2013, 135; 138). However, the Qatari government let the ten-year partnership lapse in late 2013 (Doha News 9/23/14).

Yet Doha is still home to a branch of the Brookings Institution, one of the world’s leading think tanks whose influence over US policy is nearly unmatched (Huffington Post 1/18/12). Established in 2008 in conjunction with the Qatari government and featuring Qatar’s former prime minister and Minister of Foreign affairs as co-chair of its advisory council, Brookings Doha Center pursues policy research in the areas of democratization and political transition, Middle East relations with Asia, conflict resolution and Gulf State reform (Brookings-Doha website, About). These areas of emphasis directly correspond to Qatar’s broadcast approach by using soft power and diplomatic engagement to attract and cement alliances.

Furthermore, the UK’s Royal United Services Institute has established Doha as its hub for defense and security policy throughout the region (RUSI-Qatar website, About). The presence of these world class institutes in Qatar provides the country one more way to frame the narrative besides the media, adds a new dimension to educational influence and positions Qatar to have a subtler diplomatic impact on other countries. Therefore, it brings the discussion of the Qatari approach full circle, developing the haven while broadcasting multiple layers of global interdependence.

The Broadcaster and the Diversification of Security

Like with the UAE’s haven approach, assessing the diversification of security for Qatar’s broadcaster approach relies on observing the extent to which its range of activities have resulted
in interdependence. Since the foundation of the broadcaster is essentially a haven, the same indicators for the UAE’s success in these areas apply to Qatar as well, including the same seal of approval as an emerging market by the international financial community. Over and above these indicators that generally reflect economic interdependence, Qatar’s more broadcaster-specific activities have also contributed to a broader scope of interdependence through diplomacy, mediation and cultural exchange, as noted above. However, as the next section shows, the durability of these gains has come into question over the past few years, leaving the economy and tourism as the most significant and enduring indicators of entrenched interdependence.

Qatar’s numbers across the board in these areas generally pale in comparison to those of the UAE, but are on an upward trend as a result of new investment in infrastructure and attractions discussed above. In 2013 1.3 million people visited Qatar, roughly a 13% increase over 2012. Nearly 22,000 hotel rooms were under construction in 124 new buildings, and occupancy for existing hotels increased from 60% to 65% for its existing 14,000 rooms despite the constant addition of new rooms. Overall, the hospitality industry saw revenue rise 13% in 4- and 5-star hotels to nearly $1 billion; these hotels constitute 86% of the country’s hospitality offerings. Additionally, the World Economic Forum rated Qatar 41st in the world for travel and tourism industry attractiveness and potential for development, thirteen places behind the UAE but ahead of all the remaining GCC countries (Doha News 4/2/14). According to QTA’s mid-year report, in the first half of 2014 there were 1.4 million visitors to Qatar, eclipsing the 2013 mark in six months. Occupancy increased another 9% to 74% while revenues rose 4% to roughly $550 million (Zawya 11/24/14).

Prior to 2014 Doha International Airport (DIA) had been the sole international airport servicing these tourists, flying over 23 million passengers into and/or through the country in
2013, almost double the airport’s official capacity of 12 million (Doha Airports website, Statistics). The parastatal Qatar Airways bemoaned the strained operations and lackluster infrastructure at DIA, filing a $600 million lawsuit for lost revenue against a design firm the airline thought was responsible for the bulk of delays (Wall Street Journal 9/16/13). Additionally, in May 2014 the state bought out the former prime minister and other investors to make the airline a fully state-owned enterprise, bringing its 2013 revenue in excess of $10 billion totally under the purview of the state (Reuters 5/5/14). It has averaged double-digit year-on-year growth since its re-launch in 1997, making it arguably the fastest growing airline in the world (Qatar Airways website, Story). 18 million passengers chose Qatar Airways in 2012/2013, with increases of over 1 million passengers each year the past 5 years (QA website, Story). The opening of Hamad International Airport with its capacity of up to 50 million should position Qatar well to capitalize on rising numbers of visitors for leisure and business ahead of the World Cup in 2022.

With respect to business and the economy, Qatar has transformed its domestic economy to be more business friendly, using parts of the Dubai model as a blueprint for how Khaleeji Capitals could remodel society to attract world-wide attention. When hard power is not an option, a stable and growing economy is an easy way to make the international marketplace pay attention. Qatar has seen some of the fastest growth over the past decade, with rates in 2011 and 2012 at an astounding 17% and 19% respectively plus the years since beating projections at above 6% (Arabian Business 4/2/14).

Additionally, Qatar ranks second, just behind the UAE, in the World Bank’s “Doing Business” rankings for taxation, though overall it ranks 48th to the UAE’s 23rd (World Bank Group 2014). Global banking power HSBC identifies limited taxation as one of the key reasons
for doing business in Qatar, adding limited corruption and high levels of government expenditure on infrastructure including transportation and business clusters (HSBC 3/13). The Qatar National Vision called for $65 billion in spending from 2011-2016, adding another $140-200 billion in projects since the awarding of the 2022 World Cup (Arabian Business 4/2/14). They include a long-anticipated 40-km causeway—the longest over-water bridge in the world—linking Qatar and Bahrain to boost cooperation between the two rising business centers (Al Arabiya 10/30/13).

Perhaps Qatar’s greatest accomplishment for economic cooperation has been its accession to MSCI’s emerging markets classification, further boosting Qatar’s attractiveness and connections to the international community. Just as with the UAE, MSCI upgraded Qatar based on its recent economic performance, domestic development and future potential. In the year preceding the May 2014 transition, Qatar’s index rose nearly 50%, spurred on by what HSBC projects as a potential $650 million influx of investment. Furthermore, while Qatar’s market had seen a one-year daily average around $150 million in total activity, during the week ahead of the upgrade trading tripled to nearly $470 million as investors jockeyed for position. Aiding this build up was Sheikh Tamim’s announcement that foreign firms could now hold up to 49% of a Qatari company, up from 25% previously and obviously geared toward making Qatar more attractive as a capital haven in light of the MSCI upgrade (Bloomberg 5/27/14).

The move worked, its first day as an emerging market saw record highs for the Qatari market. Net inflow of foreign investment increased to $370 million on day one, nine times the previous high daily value, and the total market capitalization—the value of all the shares in the market—rose by over $1 billion. Mirroring the ten-company make-up of the MSCI Qatar Index, real estate, financial services and telecommunications were the largest-gaining sectors (Gulf Times 5/29/14). It was the second highest gaining market in the Gulf for the day, behind Abu
Dhabi but ahead of Dubai. In total, the market’s year-to-date performance as of close May 29, 2014 was up 31%, between Dubai’s 50% and Abu Dhabi’s 23%. This spike in interest proves that, along with MSCI, global investors feel Qatar has demonstrated its value and progress over recent years, validating the effectiveness of its policies and development (Gulf Times 5/30/14).

Qatar’s numbers for the press profile reflect the haven activities of its broadcaster approach altering its profile along similar lines as what the results indicate for the UAE, but to a lesser degree across the board (Figure 3). Articles linking the country’s economy to natural resources only increased seven-fold, failing to outpace significantly every other positive keyword except business environment (six-fold), and the cumulative rate of positive article increase was nearly eight-fold. The highest performing sectors were transportation hub (thirteen-fold) and

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33) Transportation Hub increased from 377 in 2009 to 5,180 in 2014; 2) Business Environment from 5,560 to 26,170; 3) Tourism Destination from 8.89 to 96,900; 4) Construction Projects from 4,350 to 37,500; 5) Diplomacy from 2,380 to 17,800; and 6) Cultural Diplomacy from 2,820 to 22,200. The Overall increase was from 24,377 in 2009 to 217,080 in 2014.
tourism destination (ten-fold), echoing the country’s use of sport and culture to promote tourism and the rise of Qatar Airways.

The Broadcaster and the Diversification of Insecurity

Despite the advances in security from interdependence, because of the approach’s focus on being overactive in the international spotlight, it draws attention to the failures and ugly facets of Qatar, ultimately resulting in less interdependence and at times isolation. This is especially true for those flaws characteristic of the haven approach discussed at the end of the last chapter like deplorable treatment of workers who construct the haven, which coverage of the World Cup has brought to the world’s attention. Underpinning the plight of these workers, the kafala system essentially makes the vast majority of them slaves. The kafala, or sponsorship, system sets up a relationship wherein migrant workers must acquire sponsorship from an in-country sponsor, usually the employer. The sponsor is then responsible for the entirety of the worker’s legal status—job, visa, housing, food—for the duration of the relationship, most often formed for unskilled workers in the construction and domestic services industries, and can terminate the relationship at any time. The worker is tied to that sponsor for the duration of the relationship, or longer, must obtain the sponsor’s permission before taking almost any action—leaving the country, changing jobs, getting a driver’s license—and cannot end the relationship.

Because of this disparate power given to the sponsor and the limited rights of the worker, the system is inherently predisposed to exploitation as sponsors often confiscate passports, withhold pay and abuse the workers who have no legal recourse and cannot escape (New York Times 4/14/13). Yet kafala is only a practice, not a law, and its prevalence is a testament to how big of a business it is for sponsors in economies that will always welcome more workers (The
Guardian 2/26/14). Human Rights Watch and Amnesty International have described the system as forced labor and slavery, and the UN has called for an end to the system (The Guardian 4/25/14). Despite these issues workers still come to the region in droves; Gardner (2012) suggests that this is because wages are highly competitive compared to the home region, an entrenched network of disinformation misleads workers and the workers themselves often hide the nature of their conditions. Though the kafala system exists throughout the Gulf States, the lead up to the World Cup in Qatar has shed increased light on the system in practice as the country implements massive development projects. As noted in more detail in Chapter 5, the World Cup is a key component of Qatar’s approach to diversifying security, signaling to the world that it has arrived while showcasing its development.

Similarly, Qatar has also adjusted its attitude toward alcohol, announcing during its 2022 World Cup bid that it would take a “flexible approach” to the sale of alcohol in designated fan zones (The National 11/11/09). Since FIFA re-upped its partnership with Budweiser through 2022 and has stipulated that beer must be sold in World Cup stadiums, prompting Brazil and Russia to amend alcohol consumption laws (BBC 1/19/12), Qatar’s acquiescence to the demands could continue FIFA’s goodwill toward the country, especially during rising anti-Qatar World Cup sentiments.

Qatar has taken a slightly more schizophrenic approach to dealing with these challenges. On one hand, it also actively promotes flows of people and capital through its borders, loosening restrictions on alcohol sales to facilitate development in these areas. On the other, it intends cultural initiatives like Katara and the Arab and Islamic museums to recapture tradition, reminding the citizens, region and the world that it is Qatari, Arab and Islamic at the same time it is integrating to the global community. Furthermore, Qatar recently enacted the “Reflect Your
“Respect” poster campaign that demonstrates what qualifies as modest dress respectful of Qatari tradition; one poster reminds tourists that “leggings are not pants” (The Telegraph 6/3/14).

While these sources of potential instability largely stem from the haven-like foundation, as touched on in the sections covering media and diplomacy the broadcaster has specific insecurity associated directly with it. Foremost among them with respect to broadcasting has been the increasing skepticism of Al Jazeera. What was once a soft superpower for Qatar has been hemorrhaging credibility. The network no longer provides the contraflow that made it the legitimate news outlet it was even five years ago, rather, it has been exposed as just another policy tool carrying out the government’s bidding by obscuring the truth and supporting regime allies in Egypt, Syria and beyond (The Guardian 4/3/12; NPR 7/18/13).

As Qatar backed the Muslim Brotherhood it appears the government also used AJ to do so as well, according to 22 staffers in the network’s Egypt bureau and four Egyptian staffers in Doha who resigned in mid-2013 as a result of the alleged policy (Gulf News 7/8/14). They claim that management pushed a Muslim Brotherhood bias, and that in the end AJ aired lies that continued even after the fall of MB to General al-Sisi (Washington Times 7/9/13). In early 2014 the new Egyptian government charged 20 AJ journalists for supporting or belonging to the now-banned MB, essentially accusing them of sabotaging the state despite no real proof other than Qatar’s supports of the MB (The Guardian 1/29/14). Later, in early June 2014 three of the journalists were still on trial, held without bail for over five months despite contradictory witness testimonies (The Guardian 6/1/14).

The same type of bias existed with respect to AJ’s coverage of Libya and Syria as well as the lack of coverage on issues in neighboring Bahrain (The Economist 1/12/13). AJ remained relatively mute across all its channels with respect to the brutality in Bahrain and while AJE
produced a documentary on human rights abuses that resulted in a diplomatic dispute with the regime, AJA managed to bury its lack of coverage under a mountain of coverage on the uprisings elsewhere (Figenschou 2014; Davidson 2012). As noted, the perceived pro-MB bias of AJ was one reason for the withdrawal of GCC ambassadors to Qatar given that an outspoken spiritual guide to the MB has a show on AJ, which he has used to attack these GCC states (Gulf News 3/15/14). To provide a counterweight to this perception Qatar has announced plans to establish a London-based Arabic-language news station—AlAraby—that is critical of the MB. The move may constitute a way for Sheikh Tamim to salvage media soft power, compete with Saudi’s Al Arabiya and “correct the image of Qatar, not assert its interests,” according to the deputy director of the Royal United Services Institute for Defence and Security Studies Qatar (The National 5/4/14a).

Yet this strategy of playing with fire diplomatically and using soft power for its own sordid purposes has not been without regional consequences for Qatar that will challenge its ability to remain an influential player in the short and medium term. Even though Qatar worked with its GCC neighbors to counter the spread of uprisings in the subregion, its pursuit of a leading role and transition to supporting outright the more controversial members of its foreign policy portfolio has led to strained relations between the member states and furthered the country’s insecurity. Despite spending over $20 billion in its efforts to support rebels across the Arab Spring (The National 3/19/14a), Qatar has found that “money can’t buy an airtight foreign policy” (Christian Science Monitor 7/28/13) and there are limits to its now over-extended, reactive foreign policy pragmatism that has it trying to play catch-up (Khatib 2013). In March 2013, Saudi Arabia, the UAE and Bahrain withdrew their ambassadors from Qatar, citing Qatar’s support of the Muslim Brotherhood as being in breach of a clause against jeopardizing the
security and stability of the GCC. Egypt also withdrew its ambassador after the new al-Sisi government declared the MB a terrorist organization. At the heart of the dispute is Yousef al-Qaradawi, a spiritual guide to the MB and outspoken critic of Saudi Arabia and the UAE who uses airtime on Al Jazeera to spread his message (The National 3/19/14b).

Consequently Saudi and Emirati money flowed into Egypt to the tune of $12 billion, eclipsing Qatar’s pledge of $8 billion to the Morsi government (Al Jazeera 3/18/14), while both Egypt and the UAE used airstrikes against Islamist militias in Libya to challenge Qatar’s influence there (Hammond 2014). All three dissenting countries have pushed Sheikh Tamim to bring Qatar’s foreign policy in line with that of the GCC generally and expressing concern over close relations with the MB, Turkey and Houthi rebels in Yemen as well as the continued opposition to the new Egyptian government and media outlets critical of GCC regimes (Gulf News 3/5/14), not to mention Qatar’s alleged funding of militant Islamist groups from Libya to Syria and seemingly everywhere in between (The Telegraph 9/20/14).

Yet Qatar appears dead-set on continuing to operate this failing foreign policy and refusing to realize its losses rather than abandon its investments and diversify in a new direction. During the first half of 2014 Qatar seems reluctant to stop supporting rebels and Islamists, with current Foreign Minister Khaled al-Attiyah saying, “the independence of Qatar's foreign policy is simply non-negotiable” (Reuters 3/20/14). It continues to align with the MB, perhaps more because it has already drawn a line in the sand and that withdrawing would be embarrassing (The National 3/19/14b) and/or reflect poorly on Sheikh Tamim capitulating to Saudi pressure so early into his rule (Christian Science Monitor 4/18/14), thus undermining a central theme of Qatar’s foreign policy in “unambiguously asserting Qatar’s independence from Saudi Arabia” (Council on Foreign Relations 5/6/14).
In a move that clearly shows the maverick nature of Qatar and its intransigence in the face of failed policies, Sheikh Tamim congratulated al-Sisi on his election victory in June 2014 even as the Qatari ambassador in Egypt attended the inauguration, despite not being extended an invitation (Gulf News 6/9/14). Whether a move signaling at least minor acceptance of the new post-MB situation in Egypt or a cocky, party-crashing assertion of its independence, this apparent intransigence in the face of pressure underlines the importance that Qatar places on broadcasting a diverse and increasingly-active diplomacy in its pursuit of externally-oriented global engagement and interdependence. That said, while Ulrichsen (2014) notes that the return of a mediatory role like that with the Taliban, over the war in Gaza and participating in the US-led coalition against ISIS may signal that Qatar has recognized its maverick actions during the Arab Spring hurt its standing and that a return to what brought it to diplomatic prominence is in order, the insecurity and rebuffed interdependence caused by the broadcaster approach will likely endure in the short and medium terms, especially given the intense spotlight on all facets of the country’s behavior due to the World Cup.
With respect to the potentially-negative indicators of the press profile, Qatar’s numbers increased just over seven-fold from 2009-2014 (Figure 4). The most problematic associations are with unemployment (eleven-fold) and terrorism (nearly nine-fold), stemming from the influx of foreign workers and relative lack of local labor force development as well as the country’s high-profile affiliation with the Muslim Brotherhood and rebel groups around the region.

Ultimately, during the six year period Qatar’s press profile ratio only rises just over 10%, from 1.74 to 1.92. This, in conjunction with the comparatively small gap between the increase in positive and negative articles, indicates that the broadcaster approach is not as effective in communicating its role as a partner for interdependence through the global press as is the UAE’s haven approach. A more detailed comparison of the two with respect to these indicators and their significance can be found in the conclusion.

34 1) Migrant Workers increased from 3,480 in 2009 to 30,100 in 2014; 2) Alcohol from 5,160 to 29,600; 3) Unemployment from 1,070 to 12,500; and 4) Terrorism from 4,260 to 40,600. The Overall increase was from 13,970 in 2009 to 112,800 in 2014.
Chapter 5—Golfing the Gulf: Leveraging Sport in Diversifying (In)Security

The “Race to Dubai,” the “Dubai Ports World Tour Championship,” the “Omega Dubai Desert Classic”: all significant components of the European Professional Golfers’ Association Tour, and all ways in which the city of Dubai has branded itself a haven for golf in the Middle East. Also in on this “game” for soft power and prestige, nearby Abu Dhabi hosts the “HSBC Abu Dhabi Championship” and Doha the “CommercialBank Qatar Masters.” Collectively, the European Tour swings through the Gulf for three weeks beginning in mid-January, and the events have become a favored pre-season warm-up for the game’s top names. Even more significant, the European Tour culminates in Dubai, where players “race” to the city by earning points throughout the season. So, quite literally, Dubai is a haven for many of the world’s professional golfers, and Abu Dhabi and Doha have teed themselves up for the match as well.

These events draw tens of thousands of spectators from various nationalities while television deals and lucrative sponsorships ensure both an even broader reach and secure association with the world’s iconic brands—cumulatively economic, social and symbolic capital. The nearly 20 golf courses in the UAE, and another in Doha, enable these countries to tap into the estimated $20 billion annual golf tourism market with approximately 50 million golf tourists across the globe (Hudson and Hudson 2010). Many of these golfers are comparatively wealthy and contribute high-value-added travel, representing three to four times the value of a regular tourist by staying longer in higher-class accommodations and frequenting a variety of high-end retail (Readman 2003), thereby mixing economic with social and symbolic capital. But it is not just tourism that provides this capital, the value-added of the courses for real estate and development further contributes to the sport’s utility.
From these aspects of golf to the media potential of soccer and diplomacy of mega-events, sport offers an ideal outlet for the diversification of security by providing yet another niche role for the haven to fill and another medium for the broadcasting of interdependence. Not only does it promote domestic political economic development, but it also serves as an advertising/public relations campaign to boost prestige and notoriety, thereby promoting the haven’s or broadcaster’s activities in a unique way. Sport becomes a means of competition for cooperation and prestige, and each category of sport has its own set of infrastructure and practices that uniquely situate it for the cultivation of interdependence and various forms of capital.

Notwithstanding the depth and breadth of its detrimental environmental effects (see Wheeler and Nauright 2006 for an introduction), “landscaping” through golf adds perceived attractiveness to the haven in a variety of ways. Most literally, the sport provides lush greenery for parts of the city deemed to be choice parcels of real estate, typically for luxurious residential developments but increasingly as supplements for entertainment, business and industrial districts. The courses themselves offer five-star accommodations and multi-million dollar villas, not to mention environments suitable for the “club” atmosphere that is the very essence of social capital played out through sport. Furthermore, partnerships with icons of the game increase symbolic capital among the sport’s predominately Western—but increasingly Eastern—and undeniably upper-class following. All of these avenues tap into the sport’s potential for prestige, or symbolic capital, that helps boost the country’s reputation for everything from tourism receipts to the business environment.

Similarly, soccer offers an outlet for havens to promote themselves and the roles they can fill across the globe. In this case, it is not about building soccer pitches for greenery or iconic
stadia for tourism. Rather, it’s about advertising, and the billions of dollars spent on naming rights and sponsorships demonstrate how these countries feel about the effectiveness of using the sport as a means to communicate their economies, prestige and soft power to soccer’s massive global audience. From branding on the uniforms and stadia of Europe’s most prestigious clubs and the sport’s premier entities like FIFA and the World Cup, they use soccer to promote their image while growing social and symbolic capital.

Like golf and soccer, horse racing, tennis and cricket also reach specific target audiences around the world while cultivating attractiveness and prestige at home. Horse racing has both traditional and modern appeal, and as the sport of kings holds prestige beyond most others. Tennis, a “country club” sport like golf, spans the globe and the professional tours hold events in the world’s iconic cities. Cricket uniquely reaches South Asia, especially significant given the labor force and demographic makeup of the Gulf States. In combining golf and soccer with a diverse array of other sports, the haven’s overall depth and breadth of sport emphasizes its attractiveness and prestige through sheer numbers in a glitz and glamour approach to interdependence.

For broadcasters, the approach to leveraging sport for prestige and interdependence builds upon a haven foundation by acting as non-traditional platforms for them to communicate diplomacy and culture. Qatar’s foray into sports media piggybacks on the success of Al Jazeera by providing a new outlet for soft power. Golf and soccer not only landscape and advertise, but allow for the promotion of culture and influence through outreach programs. Similarly, hallmark events like the Asian Games and World Cup demonstrate both their development and capacity to act on the global stage, all while leveraging the diplomatic nature of sport with respect to soft power.
Sport and Diversifying Security in Khaleeji Capitals

---Sport Power & Sport Capital

As noted in the earlier chapters, interdependence plays an increasingly important role in political economy and security, and the UAE and Qatar have begun to cultivate and leverage it in a variety of ways. One of the most underrated means for cultivating interdependence is sport, particularly as it pertains to soft power. The academic publications cited below apply soft power and alternative capital as foundations for discussing the “exploitation” of sport for political and economic purposes, essentially by developing and promoting a haven for sport and broadcasting sport for public diplomacy. In engaging sport this way countries seek to gain recognition and prestige, which often indicates a nation’s power on the regional and international stages (Kim 2004; Grix and Houlihan 2013). States are in constant competition for attention and resources as well as prestige and profit, and need to differentiate themselves from each other in any way possible (Guttmann 2002; Nye 2004; Van Ham 2008). Sport enables this distinction by showcasing to the international community how a government has developed prestige by filling niche sporting roles (Grix and Houlihan 2013; Grix and Lee 2013). Success in sport, then, is a visible, positive signal sent to the international community that the country has prowess (Van Hilvoorde, Elling and Stokvis 2010) and can compete on the international stage (Hall 2006), both of which can increase the country’s standing, relevance and security.

With these characteristics in mind, this chapter builds on these arguments and those in Chapter 1 on interdependence and alternative capital generally to pose the concepts of sport power and sport capital. On one hand, sport power is an extension of soft power, Nye’s politics of attraction played out on courts, fields, pitches and courses. It is predominately the realm of broadcasters like Qatar and South Korea from chapter 4, which stage fewer but more significant
events with an international focus. They use sport to supplement their extension of interdependence and soft power abroad, whether through high-level performance, sports media, cultural exchange or diplomatic support. On the other hand, sport capital refers to the social and symbolic capital derived from sport. It is the connections gained, the prestige earned and ultimately the image or reputation. The UAE, and havens generally, focus largely on the cultivation of sport capital which fits with their internal orientation and general sport strategy of glitz, glamour and sheer numbers.

A number of academics (Winckler 2005; Cornelissen and Swart 2006; Preuss 2007; Cornelissen 2010; Jago, Dwyer, Lipman, van Lill and Vorster 2010) recognize a two-tiered strategy employed by governments for either domestic or foreign purposes wherein they leverage sport—sport power and sport capital—for social, economic and political use. In essence, sport and sport events have become policy instruments and the impetus for accomplishing a wide array of goals by developing and utilizing sport power and capital. Broad categories of goals include: 1) modernization/globalization; 2) social development; 3) international integration/recognition; 4) regional competitiveness; 5) image and branding; and 6) economic diversification/sustainability.

Domestically, sport can play a role in a nation-building or development process. It offers a collective experience that can help formulate an “imagined community” and increase patriotism (Anderson 1991; Maguire, Jarvie, Mansfield and Bradley 2002) along with instilling a sense of pride, increasing participation and celebrating heritage (Fedline, Jago and Deery 2003). It also offers economic incentives in the form of tourism as economic diversification (Winckler 2005), strategic development plans and follow-through (Cornelissen and Swart 2006), investment opportunities and the general revitalization of economies (Terret 2008). Political uses
are not only the strategy behind social and economic uses, but also the means of packaging these internal developments for external consumption. In other words, sport for political purposes helps develop the haven and then functions as a tool to broadcast both that haven and diplomatic or cultural messages.

Therefore, most important to interdependence and soft power, sport offers the opportunity to showcase the country and its culture, image and accomplishments to the international community (Lin, Lee and Nai 2008; Potter 2009; Grix and Houlihan 2013). Often this relates to the economic development or modernization and globalization of the country. International sport events act as coming out parties for the countries and their economies, announcing their graduation to the global stage with a guaranteed audience for their brand (Black and Van der Westhuizen 2004; Financial Times 1/25/11). As geopolitical instruments, sport enables countries to signal their international standing, demonstrate their prestige—Bourdieu’s symbolic capital—and project their exceptionalism, often through a “money is no object” attitude (Cornelissen 2010).

Furthermore, since this has become an accepted tool for countries across the globe, countries can either avoid being disadvantaged because of competitors who are engaging in sport or rise above the competition to become a recognized leader in sport (Berry and Berry 2007), which carries with it prestige and increased opportunities for global relevance. As a result, these countries can then use the relevance to promote their brand and market themselves as a haven for various forms of tourism (Ritchie 1984; Getz 2005; Getz 2008). Going a step further, the broadcaster can market the cities as havens (Jago et al 2010), then hosting the events becomes the goal (Getz 2007; Getz 2008) that stimulates and enhances its interactions on the global stage (Roche 1994; Roche 2006).
To these ends, Grix and Lee (2013) argue that sport works in the realm of soft power through the politics of attraction, and that the combination allows countries to exercise their own agency in improving their social and symbolic capital through all the goals listed above. Just like for brands, image management takes center stage, be it trying to add, reinforce or change reputation (Jago, Chalip, Brown, Mules and Shameem 2003). This is particularly important for countries with less-than-stellar international image who can overcome negative history or perception by using soft power to express similarity, engaging sport as common ground in the construction of attraction (Qobo 2013). This successful performance of sport as public diplomacy can create favorable impressions, increase understanding and strengthen cooperation (Leonard and Smewing 2003; Potter 2009; Sharp 2009; Grix and Lee 2013) while persuading other publics, governments and businesses that the countries are attractive and open for business despite unattractive domestic features (Grix and Houlihan 2013).

Recent studies of sport and soft power analyze the rising significance of the emerging powers, the BRICS, to international sport for the sake of increasing their stores of alternative capital on the global stage. Cornelissen and Swart (2006) identified a common agenda for these countries in terms of the geopolitics of sport. They can showcase economic achievements, signal their diplomatic importance and project their soft power; all of which fit into a “political imagineering” process that shows off what they have created or crafted in terms of their state/society while communicating the position they desire in international politics. Brazil’s hosting of the World Cup in 2014 and the Olympics in 2016, Russia earning the rights to the 2014 Olympics and 2018 World Cup, India hosting the 2010 Commonwealth Games, China’s

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35 Brazil, Russia, India, China and South Africa.
36 The Commonwealth Games are the third-largest multi-sport event in the world, behind the Olympics and the Asian Games. Up to 70 different teams of participants hail from the 53 members of the Commonwealth of Nations, most of whom were formerly part of the British Empire. (theCGF.com).
Olympic games in 2008 and South Africa’s World Cup in 2010 all demonstrate the growing influence of the BRICS—on behalf of all emerging powers—to international sport, which serves as a testament to their increasingly powerful positions in the global political economy. This shift to the emerging powers and global south in sport—see also South Korea and Japan hosting the Olympics in 2018 and 2020, South Korea hosting the Asian Games in 2014 for the second time in four rounds, as well as Qatar hosting the World Cup in 2022, discussed below—indicates that the international community has acknowledged their political and economic ascendance and offered them platforms for additional showcasing because of sport power and capital.

This showcasing has the most profound effects for a country’s pursuit of soft power and global relevance through the accumulation of social and symbolic capital. Every major media outlet has a sports section. Most major television networks broadcast at least one live sporting event and there are multiple sports-specific networks in most markets. Some people make extravagant wages playing sports at a high level, often on television, and then parlay that notoriety into lucrative endorsement deals. Major companies—even ones not directly related to sport—compete with each other to secure these athletes as spokespeople and sponsor events or teams for exposure, and many pay just to have their names on infrastructure in the vicinity of sports or even buy the time in between the sporting event itself. Fans wear apparel with likenesses, logos and emblems while commuting to events as well as to their jobs. In other words, “sport permeates any number of levels of contemporary society, and it touches upon and deeply influences such disparate elements as status, race relations, business life, automotive design, clothing styles, the concept of hero, languages and ethical values” (McPherson, Curtis and Loy 1989, 16 as cited in Kurtzman and Zauhar 2012, 294). Capitalizing on these flows of
influence and the resultant forms of capitals positions a country to be globally engaged and relevant.

Along these lines, and one of the most important means for sport to impact development and diversification, sponsorship creates visibility and enables development of sport capital. The increased visibility and desirable associations create stronger demand for the product, be it the internal features of the haven or the externally-oriented actions of the broadcaster. According to Deloitte Sports Business consultant Alexander Thorpe:

> There are many reasons why companies choose to sponsor sports properties. It can range from clear commercially minded partnerships that fit into the wider strategy of an organisation to partnerships that are borne out of more personal motivations…however, at the core of nearly all sponsorships is the exposure it provides. By its very nature as a spectator focused business, sport provides a great vehicle for organisations to be seen, often to a degree that few other sponsorship properties can rival (Arabian Business 1/31/14).

Therefore, the goals of sponsorship are two-fold: posturing against competitors and gaining proximity to the market (Tribou 2011). In posturing, the company or location seeks to distinguish itself from its competition by sponsoring sports that make it stand out (Trout and Rivkin 1997). Proximity refers to the way sport enables the sponsor to reach their target market by placing itself in an environment that appeals to that market (Speed and Thompson 2000). This is most successful when fans perceive sincerity on the part of the sponsor and view it as similar to the event in some way. This similarity may be natural, deriving from an innate connection to the event, like a sporting goods company. It may also be targeted, whereby the sponsor uses the sport to co-opt its capital, like a luxury automobile company might do in emphasizing performance, elegance and sophistication in association with a golf event. In these ways and for these reasons both the haven and the broadcaster sponsor sport events, most often though parastatal companies, as part of leveraging sport in a Khaleeji Capital.
Undoubtedly the pinnacle of sport and tourism development, sports and leisure cities have sprouted up across the cityscapes of Khaleeji Capitals—introduced in Chapter 1 and discussed more in chapters 3 and 4—over the past three decades. The leaders of the UAE and Qatar have for years sought to maximize the potential of sport and tourism in their countries by building sports infrastructure. Like cities of corporations and iconic architecture, “cities of sport” are physical manifestations of the strategic decision to leverage sport for political economic purposes in the diversification of security. Mirroring the relationship of the haven and broadcaster approaches as differing mostly in scale and scope, cities of sport are inherently havens but become platforms for broadcasting, especially when the broadcaster uses them in support of its diplomatic and cultural initiatives.

Rather than entire cities that brand themselves as destinations for sports—relevant as that concept is to Khaleeji Capitals—cities of sport are purpose-built zones within a city that feature a planned concentration of sport and sport-related industries, services, activities and attractions (Brown, O’Connor, and Cohen 2000). Their significance lies in their ability to provide “value-added experiences” (Howell 2005) while still promoting themselves as destinations for significant international events, ultimately cultivating sport capital and displaying sport power (Smith 2010). Recent behavior by the International Olympic Committee suggests that a developing trend in awarding regional and international mega-events favors site compactness (Munoz 2006), so providing premier facilities in a contained zone may help secure future sport power and capital. But for all the time the city is not hosting an event, studies suggest investment in “soft infrastructure” focused on the social and symbolic capital of sport, like developing skills, networking and even shopping helps maximize its impact (Smith 2010). In other words, sport
developments provide a “safe, sanitized, consumption-oriented space” (Silk and Amis 2005) that often fits the broader nature of a haven.

While the cost of developing these zones hinders their development, particularly in Europe, cities of sport in Khaleeji Capitals seem to be used much more for their social and symbolic capital, soft power and long-term benefits than short-term returns. They also go much further in providing for the complete experience, offering the idealized sporting lifestyle, opportunities for socialization—the “soft infrastructure” noted above—and training academies for local and global competitors. Therefore, these developments in conjunction with their world-class stadia, geo-strategic location and government commitment to leveraging sport for a variety of purposes—not to mention the budgets for bids—situate cities of sport to cultivate sport power and capital in support of the Khaleeji Capitals’ approach to diversifying security.

The UAE’s cities of sport mirror its haven approach by providing an idealized location for sport, sport tourism and affiliated leisure activities along the lines of the haven’s entertainment cities, all focused on the development of sport capital though sheer numbers and variety. The first project to try to profit from on this connection emerged yet again from the vision of Sheikh Zayed, who established Zayed Sports City (ZSC) in Abu Dhabi in 1980. ZSC has grown to cover twelve million square feet in downtown Abu Dhabi that is home to twenty-eight different sports and twenty-seven sports organizations, not to mention a training base for UAE national teams and sports figures—like Zahri Lari, the first UAE national to win an international gold medal in figure skating. It also is an increasingly popular training location for prestigious European soccer clubs, fielding over forty requests for accommodation in 2013 (The National 3/24/14). This year ZSC will host a number of prominent international competitions,
including the World Tennis Championships for both men and women as well as the World Bowling Championships (Zayed Sports City website, Events).

ZSC witnessed growth on all levels in 2013, further boosting its sport capital and that of the UAE generally. During the year it hosted 143 unique events, up over 40% from the previous year. This increase in events resulted in 1.2 million visitors, a 20% increase, and ultimately a 12% increase in revenue. Undoubtedly, these boosts contributed to ZSC winning Sports Industry Award for Best Sport and Recreation Venue in the Middle East. The largest events included the first monster truck festival in the Middle East and the World Tennis Championships. The top-grossing event, however, was the arrival of US professional wrestling in the form of WWE Raw which boasted ticket prices of up to $550; as an additional boost to UAE’s tourism industry and role as a sports haven, 30% of the event’s attendees came from outside the country for the one of a kind experience that distinguished ZSC from competitors (Emirates 24/7 3/24/14).

Though not yet completed—late 2013 estimates place it just over 90%—Dubai Sports City outside Dubai represents this sport/tourism development concept to its fullest: a city within a city, all centered on sport. In 2005 DSC President Khalid al Zarooni stated that the goal of the development is to offer the “ultimate sporting lifestyle” within an atmosphere full of superlative features (DSC Newsletter July 2006). Covering fifty million square feet at an estimated cost of over $4 billion, the development plans feature four stadia, with a combined capacity of nearly 100,000. Fitting with the haven’s sport strategy of being all things to all people, DSC has the abilities to “have American football, ice hockey and cricket all taking place at the same time”; it can even host Australian Rules Football which requires the largest surface of play of any sport (DSC Newsletter July 2006).
Additionally, the integration of residential, commercial and retail space makes DSC stand out as a haven for sport capital. It can support a residential population of 30,000 (DSC Project Update 2013) with all the amenities found in a normal city, from schools and hospitals to malls and movie theatres in over four million square feet of retail space. One of the schools, Bradenton Prep, is a college preparatory academy that seeks to incorporate DSC’s sports academies into its world-renowned American curriculum, essentially inculcating students with sport capital from their earliest exposure to school (Bradenton Prep website). Overall, DSC represents the goals of using sport to promote the UAE’s haven and sport capital through its array of lifestyle offerings and the prestigious alliances it has formed with other brands like the International Cricket Council, Ernie Els and Butch Harmon (Smith 2010).

Also in Dubai, the Meydan City development uses equestrian activities as a means to integrate sport, lifestyle and business in the pursuit of sport capital. The city is the product of the Sheikh Mohammad bin Rashid’s vision “to create not just the ultimate venue for horseracing, but an integrated city that is sustainable, environmentally responsible and one that positions Dubai at the centre of the competitive global business stage” (Meydan website, About). Centered on the Meydan Racecourse—home of the world’s richest horse race, the Dubai World Cup—Meydan City features four development districts. The Racecourse district is home to not only the track itself, and affiliated facilities, but also the world’s first trackside hotel as well as restaurants and other entertainment offerings like a golf course, IMAX theatre and corporate business suites. The Godolphin Parks district focuses on the world-renowned Godolphin stables as well as a mall and residential real estate. The Metropolis district offers a free zone for commercial real estate and business parks while the Horizons district is a residential community with plans for a marina (Gulf News 12/15/09). Leveraging the prestige of horse racing for the sake of business, Meydan
provides an example of how in the minds of Khaleeji Capital leaders sport capital and capital generally are interconnected.

Like at Meydan, recent development trends incorporate all facets of sport, leisure and business on a grand scale for the sake of sport capital, including Yas Island northeast of Abu Dhabi and the previously-discussed Saadiyat Island. Centered on a marina full of luxurious yachts, Yas Island features a Dubai-style concentration of luxury entertainment, largely based on the comingling of sport capital and business. Although the marina is the center of the development, the focal point is the Yas Marina Circuit location of the Formula 1 Abu Dhabi Grand Prix, F1’s second race in the Middle East, first ever day-night race and the culmination of the global F1 racing season. The entire facility is all about sport capital derived from this fast-paced sport. Set partially on land and partially in the marina, the Yas Viceroy Hotel is connected to and overlooks the racing facility. In fact, the circuit and the marina are so close that arguably the best place to be during and after the race is on one of the hundreds of yachts tied together on the water. In addition to a number of other races throughout the year, the circuit offers bucket-list type experiences for race enthusiasts and general thrill seekers alike in some of the world’s most recognizable performance cars, even custom-made Aston Martins, as well as academies that teach high-performance racing techniques and conference facilities for businesses.

But Yas Island’s sport and leisure entertainment offerings do not stop with the circuit itself. It also features Ferrari World, the world’s largest indoor theme park, in partnership with a brand that oozes symbolic and social capital. Ferrari World features the history of the brand and its racing legacy as well as state-of-the-art racing simulators and the world’s fastest roller coaster, reaching speeds of 150 mph in 5 seconds (Ferrari World website, Formula Rossa). Across the street sits Yas Links golf course, the best golf course in the Middle East and one of
the top 25 courses outside the US. With this range of offerings, Yas Island fits within the broader haven strategy of dotting the cityscape with sports, leisure and entertainment cities and islands across the UAE for the sake of cultivating soft power and prestige.

Although similar to the UAE’s cities of sport Qatar built its version in line with the broadcaster approach, using it to not only attract sport capital to Doha but to help spread Qatari culture and diplomacy, thereby boosting the country’s sport power. Originally Khalifa Sports City, Aspire Zone is the cornerstone of the country’s low-volume, high-quality mega-events strategy that seeks to present the country as a viable power in sport and beyond. To this end, according to official literature Aspire Zone seeks to:

- provide a contemporary opportunity designed to attract the business of international sport federations, national sports associations and global sport event companies. Qatar is committed to showing the world itself and the heart of its people and sport is the only universal activity to be able to encapsulate or convey these values (Aspire Zone website, Media).

The government has since established the Aspire Zone Foundation to oversee the country’s strategy for developing sport power and capital. The foundation’s Vision 2015 emphasized sport capital goals like brand awareness and a sports economy, and Vision 2020 amended the goals to include becoming “the reference in sports excellence worldwide” (Aspire Zone website, Vision). As a result of this commitment to growing sport capital, Aspire Zone won the 2011 World Travel Award for World’s Leading Sports Tourism Development Project and has garnered nominations for Middle East’s Leading Sports Resort for several years running (World Travel Awards website, Aspire). Even the highest body in sport, the IOC (International Olympic Committee) has recognized Aspire Zone significance, a testament to how sport capital has come to serve sport power; IOC President Jacques Rogge once stated that “Aspire goes beyond anyone’s imagination. I had heard and read a lot about Aspire, but what I have seen went further than my dreams of a state-of-the-art sports venue” (Aspire Zone website, Brochure).
In order to effectively turn sport capital into sport power, Aspire Zone needs a broad collection of prestigious facilities oriented toward large international events. As such, the visual centerpiece is Khalifa International Stadium, a 50,000 seat piece of iconic architecture geared towards soccer and track and field that offers internationally-approved competition surfaces as well as amenities like luxury suites, high definition (HD) videoboard and HD broadcast capabilities. However, the real sport capital and power engine of the zone is undoubtedly the Aspire Dome, the largest indoor multi-purpose dome in the world. Under the dome are thirteen distinct multi-sport halls, including a FIFA-sanctioned soccer field, IAAF-certified banked track, Olympic swimming and diving pools and gymnastics equipment, among others. The zone also features Qatari firsts, a female-oriented Ladies Club and Sports Hall that highlight the “progressive” nature of the country’s sport power.

Further servicing its sport power potential, the facility offers an array of world-class support features that build upon its role as a sport haven to include local, regional and global outreach that bolster its broadcast approach. Since its inception in 2004 Aspire Academy has been the main component, offering sport and academic development for young Qatari male student-athletes from 12-18 years old in hopes of “realizing aspirations in regional and international sports competitions.” Students undergo a rigorous selection process after being identified as potential Aspire material, complete with statistical analyses and competition, to determine if they possess “gifted sporting traits”; those that possess these traits enter into the academy, with most placed into a specific sport at the discretion of the academy’s staff for the betterment of Qatari sporting prestige (Aspire Academy website, About). The academy’s staff of sport scientists also helps develop Qatar’s sport power as they have published eighty-three articles in international, peer-reviewed science journals and presented at nearly sixty sport
science conferences, a further example of the country broadcasting sport power (Aspire Academy website, Research).

Following the line of using science and education for sport power, Aspire houses Aspetar, the Gulf’s first specialized orthopedic and sports medicine hospital. It features a number of state-of-the-art technologies that made it a leading provider of healthcare services for all the international competitions that take place in Doha and beyond, from digitally-equipped operating theatres to anti-gravity treadmills and a normobaric hypoxic dormitory for altitude training of elite athletes. In the lead up to the 2014 World Cup in Brazil, Morocco (Aspetar website, Morocco), Algeria (Aspetar website, Algeria) and Ivory Coast have chosen Aspetar to be their preferred medical provider with Aspetar staff even accompanying Ivory Coast to Brazil (Aspetar website, Ivory Coast). The hospital’s Research and Education Centre is currently focused on supporting the 2022 World Cup through cutting-edge research into heat and thermal stress on an athlete’s body (Aspetar website, Research).

Aspire Zone also house a logistics division that has developed a range of sport capital offerings along the lines of those found in the UAE’s cities of sport. The Torch-Doha is the tallest hotel in the country at 300 meters, offering views of Aspire Zone from its torch-shaped façade housing luxurious sports-themed rooms. The Grand Heritage Hotel and Spa offers full spa amenities and business facilities for Aspire’s patrons. Connected by walkway to the Torch and directly across from the Grand Heritage, the aforementioned Villagio Mall offers a luxury, Venetian-themed shopping experience complete with ice rink and indoor theme park.

The combined offering has enabled Aspire Zone to be a theatre for the broadcasting of Qatar’s sport power though offseason training, rehabilitation, retreats, conferences and academies. Manchester United, Bayern Munich and Paris St. Germain are some of the soccer
clubs that have made use of Aspire Zone, representing further examples of not only Qatar as a
destination but of it broadcasting its image back to the home markets though media coverage and
word of mouth. A number of national teams have also set up shop at Aspire Zone in advance of
major international competitions including French and British national teams.

Aspire Zone and the cities of sport and leisure in the UAE all represent moves by
Khaleeji Capitals to cluster sport in the same way they cluster business and commerce. Not only
do these cities support tourism and economic development, but they promote the country and its
niche role to the international community. For Qatar as the broadcaster, the physical sport haven
of Aspire Zone underpins its desire to push for the functional use of sport power for diplomatic
and cultural purposes through country-oriented multi-sport events. The amount of sports and
leisure cities in the UAE fits with its overall use of sport in volume to emphasize the sport capital
of its haven.

Sport and the Haven: Sport Capital in The UAE

---Golf: Landscaping the Haven with Sport Capital

As touched on in the introduction, golf has emerged as arguably the key manifestation of
sport operating in support of the haven over the past decade, in no small part thanks to its role in
facilitating the cultivation of sport capital. Sports and leisure activities have long been outlets for
social capital, as Robert Putnam described in his work *Bowling Alone* (2000). He observed that
bowling alleys in the US used to offer a prime venue for cultivating and leveraging social capital
through civic engagement and social intercourse. The decline in participation in bowling leagues,
and thereafter bowling alone, signaled a decline in the engagement and intercourse that
constituted social capital.
However, golf has become, at least for many portions of the white collar or upper class population, a new venue for the playing out of social capital even as it provides symbolic capital. As a sport, golf occupies a fairly unique position. It is one of few others that can be played from the time one can stand as a child until he or she cannot stand any longer, with the help of motorized—even air conditioned—carts to ferry him or her around in the meantime. It allows for roughly four hours of uninterrupted camaraderie or competition, provided the community has spent millions developing and maintaining what amounts to a glorified park for the wealthy, often depriving other areas of scarce water resources. If so, four old friends can compete for literal pocket change while out in San Diego basketball superstar Michael Jordan is losing $1.25 million to a businessman (Los Angeles Times 6/3/93).

In her work on “golfing capital,” a subset of sport capital, Claire Humphreys (2011) applies Bourdieus’s alternative capital to the sport, focusing on its role in developing symbolic capital—status and prestige—as well as social capital through engagement and intercourse along the lines of Putnam’s take on bowling. Her work looks at the role of reputation in destination selection for golf tourists, both how golf tourists can bestow reputation onto a destination and most importantly how traveling to the destination can enhance the golf tourists’ reputation. The destination works hard to promote its prestige as a whole, but also benefits from the prestige of the constituent parts—in this case not just courses, but the other tourism-related offerings like malls, beaches, accommodations and bars—and a destination’s collective reputation may become greater than the sum of parts. Combined with these factors, the old adage “reputations are made, not born” implies that havens can build prestigious reputations by altering the cityscape, something Chapter 3 presented they do actively.
Put differently, the haven can landscape through golf for purposes of social and symbolic capital. Exclusivity, renowned course architects and hosting global events contributes to a prestigious reputation and facilitates interaction. Golf also complements the MICE and general tourism offerings for those that wish to gain more value-added from their experience in the haven, and courses have become the centerpiece of recently-developed high-class neighborhoods while featuring prominently in upcoming development plans. Ultimately, “this mutual relationship is underpinned by the construct of social and cultural capital” (Humphreys 2011, 107). Bourdieu’s capital, in these forms, allows for the exchange of non-monetary value that can be an asset for both golfers and havens. This is Humphreys’ “golfing capital,” which “acknowledges the possibility that a range of benefits may be obtained through being part of a ‘golfing realm’” for all parties involved (Humphreys 2011, 109). Along these lines, while traveling in the UAE and Qatar informants mentioned that the club atmosphere of courses—and the fact that besides hotels they are the only other public venue for the consumption of alcohol—promoted interaction on almost unprecedented levels for expatriates and that relationships forged on the course or in the restaurant after rounds often became go-to partners for business ventures.37

Therefore, these tangential benefits of golf extend to facilitating an array of business endeavors. In an article for a business magazine Denise Campbell writes:

Long considered an indulgence of the affluent and elite, golf is the perfect blend of sportsmanship, etiquette, and mental challenge. But more than that, it’s a business tool skillfully wielded by deal makers,

37 While playing a round of golf at a club in Abu Dhabi, I caught up with and joined a group of Americans who were in Abu Dhabi training the Emirati Air Force. They invited me to meet them for another round at their home course a few days later, a different venue also in Abu Dhabi. After the subsequent round we sat for dinner and drinks in the club’s restaurant which was full of expatriates from Europe, the US, South Africa and Australia. Within a few hours I had met dozens of security, oil industry and financial sector personnel, and exchanged numerous business cards. When my hosts had to leave, a different group invited me to join them for another round of food and drinks. By the end of the evening I had witnessed over 3 hours worth of business introductions, deal closings and requests to play future rounds for the sake of discussing potential business ventures, all thanks to the social capital built within the confines of what Humphrey’s called the “golfing realm.”
Campbell follows these statements with anecdotes from business leaders who play golf, relating their experiences using golf for business. They laud the social capital and networking potential of golf, especially during business travel. Former PGA of America CEO Jim Awtrey echoes these sentiments in an article he wrote for another business magazine, in which he states these features of golf in business allow relationships to form on a higher plane than those forged in conference rooms (Insurance Journal 8/4/03).

With this in mind, several outlets have seized on the business connection to offer resources for cultivating social capital through golf. Business consulting firms offer seminars on “Business Golf” designed to facilitate relationship-building (Strelmark Consulting website, Business golf) and a number of the US’s leading universities offer a course called “Golf: For Business and Life” that is an introductory course to the game and its potential for business, often required for MBA students. The McCombs School of Business at the University of Texas-Austin has taken to inviting recruiters to play rounds with students interested in their sectors as lead-ins or replacements to formal interviews (Business Week 6/14/2005). As a follow up, the PGA of America recently introduced the “Get Golf Ready Employee Talent Development Program” that targets executive-level employees from Fortune 500/1000 companies for instruction to facilitate them using golf in the professional lives (PGA of America website, Employee development).

This fits with an interesting, if wholly unscientific, piece in The Economist (11/21/11) which touts links between business and golf, citing the inclusive—age and ability, if not socio-economic—nature of the game, inherent bent towards revealing character and four-plus hour
leisurely play time as reasons for why much business is either conducted on the course or facilitated by playing. Therefore, golf helps landscape the haven both literally and figuratively by providing added layers of attraction, symbolic and social capital to complement the rest of the haven’s offerings.

Although golf in the UAE began in the desert sands—literally, with no grass courses—in the 1970s, as with most development in the country’s haven it quickly outpaced anything seen previously. In 1988 the first grass course appeared and the following year, the European 38 PGA (Professional Golfers’ Association) Tour ventured out of its traditional home to the deserts of Dubai for the first event ever held in Asia. Over the past 25 years, the event that is the Dubai Desert Classic—currently title-sponsored by luxury watchmaker Omega—has placed the UAE on not only the minds of the European golf community but that of North America as well. Since then, the UAE has become a haven for recreational and professional golfers alike, earning nominations every year since 2009 for the International Association of Golf Tourism Organizers award as “Best Golf Destination” plus a number of wins for both Dubai and Abu Dhabi across a variety of categories (IAGTO website, Awards).

With respect to maximizing the use of golf for tourism related purposes, the haven needs to match its offerings to the preferences of the golf tourist while making sure to design the “golf haven” to maximize social and symbolic capital development. The golf tourist ranges from someone casually playing golf on their existing trip as value-added for the tourism and hospitality industry to someone whose primary motivator for traveling and choosing the destination was to play golf (Readman 2003). On one hand, business golfers, family golfers and their associates represent ways the haven capitalizes on demand for the sport within the

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38 Although predominately European in nature, the European PGA Tour has been the outlet for professional golfers from nearly every region of the world besides the United States, where the PGA Tour serves as the sport’s highest field of competition.
framework of existing tourism. Business golfers play 8-24 rounds per year as a desirable addition to their business-oriented travel for entertainment purposes and to further connections made at conferences or meetings. Family golfers play less than 7 rounds per year but in destinations that offer other leisure attractions, family activities and mid- to high-end accommodations. All of these groups make extensive use of the “19th hole,” the term given to the apres-golf festivities in the clubhouse. On the other hand, avid golfers travel solely for golf purposes, play more than 25 rounds per year and tailor trips around their desired golf experience, which often includes world-renowned courses in areas with high-end accommodations and nightlife; all of which are present throughout the haven (Readman 2003; Weed and Bull 2004; Tassiopolous and Haydam 2008).

Not only do these groups represent economic impact for the haven, but they contribute to its symbolic capital and soft power. Prestige motivators lead many of them to engage in travel to new places for symbolic capital, be it new experiences, luxurious facilities or even just to “collect places” for their portfolio of golf conquests, thereby enhancing their ego (McIntosh and Goeldner 1986; Weed and Bull 2004; Priestly 2006; Tassiopolous and Haydam 2007; Humphreys 2011). Additionally, since many business professionals view golf as a skill for the business world as noted above, golf becomes a key component of business travel, especially as the haven courts the MICE sector and seeks to advance its social and symbolic capital for business purposes (Ceron-Anaya 2011; Vamplew 2011). If havens can develop these features, they can earn the associated sport capital.

Both Priestly and Ashworth (1995) and Readman (2003) identify a four-fold typology of how a location may become a golf haven and court this capital. First, *championship or “trophy” courses* are those that have hosted significant international events or are attached in some way to icons of the game and therefore are highly prestigious. These courses immediately command an
increased following from the golfing community that seeks to either attend the event or earn a figurative trophy by playing where the pros play. Second, golf courses associated with property developments that are residential in nature boost the value of the property through association with the course—often the trophy course—the air of exclusivity and the access to well-manicured vistas. This is especially true in otherwise barren areas like Palm Desert, California and the Phoenix/Tucson areas of Arizona or the Gulf. The state of Arizona, one of the US’s top 10 havens golf havens, reports that homes on golf courses in Scottsdale average $70,000 higher value than those not on a course, and pre-recession (2004) estimates valued the total premium on all golf course homes ever built in the state at over $2 billion (InBusiness Magazine 10/1/12).

Third, networks of golf courses forming golf regions maximize the reach of the individual courses by providing a larger, more diverse, and often more notable product. A string of nearby facilities may choose to group market a country as a golfing destination. Spain rebranded its Costa del Sol beach region as Costa del “Golf” to capitalize on the region’s ideal climate for golf tourism, and organizations in the UAE have begun doing the same. Finally, the integrated resort sets up the course’s immediate environment to be a haven in and of itself, complete with hotels, spas, restaurants, teaching academies and virtually anything else the patron could want. Golf havens often combine a number of these products into a single location thereby increasing the potential to cultivate sport capital through golf. This is especially true in the UAE, where iconic real estate developments prominently feature trophy golf courses and the regularity of events boosts the country’s reputation as the destination for golf in the region and beyond.

The UAE’s Golf Haven and Its Capital

As part of the larger strategy in the UAE, golf supports the sheer volume and variety of sport in the country designed to develop sport capital and focus attention on the glitz and
glamour of the UAE’s haven. Given the UAE’s business-like approach to development, it is only fitting that golf has become a key component of the country’s advertising/public relations campaign and crucial backbone of the tourism machine. The leadership of the UAE has recognized this utility, within the broader framework of sport, and has presided over the creation of a number of entities to facilitate the growth and development of the game not just in the UAE or the Gulf but the broader MENA region.

The first step in this process was the creation of Golf in DUBAi in 2005 “to promote Dubai as one of the world’s leading golfing destinations and to underline Dubai’s other international attractions to a worldwide audience” along the lines of the network approach above (Golf in DUBAi website, About). Golf in DUBAi then developed the Sheikh Maktoum Golf Federation in 2006 to promote Arab talent for the world stage; shortly thereafter the federation presided over the creation of the MENA Golf Tour in 2011, which provides a stage for golf in the Middle East over eleven events in five countries—Morocco, Qatar, Saudi Arabia, Oman, and the UAE. Also in 2011 Golf in DUBAi developed Golf Citizen, a website that facilitates real-time booking of tee times at courses in the UAE as well as Thailand and Vietnam. Abu Dhabi later established Golf in Abu Dhabi, to provide a coordinated effort to boost the emirate’s attractiveness in the golf tourism market. Additionally, the Emirates Golf Federation has served as the governing body for golf events in the UAE since 1995 but also appears to be an outreach tool for sport capital and business. Former Secretary General of the GCC Fahim bin Sultan Al Qasimi acts as the patron sheikh of golf in the UAE by serving as the chairman of EGF’s board, which also happens to boast a number of business executives from prestigious firms like HSBC, oil and gas power ESNAAD-ADNOC, investment firm ASCORP Holdings, natural gas services giant Dana Gas and luxury retailer Rivoli (EGF website, Board).
Yet real estate has proven to be the key visible manifestation of golf’s utility in landscaping the haven for capital. The top courses in Dubai feature villas or golf estates lining the fairways, and are often the centerpiece of whole neighborhoods that build upon the aesthetic juxtaposition of the lush course with the barren surroundings framed by the backdrop of the city’s most ominous real estate developments: the high-rise condominiums. Although new course and associated residential construction has been limited in the wake of the real estate bubble bursting, the general recovery of the sector and the announcement of Expo 2020 in Dubai have prompted developers to once again use golf courses to landscape the haven for the sake of sport capital. Q4 2013 and Q1 2014 saw plans for nearly 7,400 acres—roughly 11 square miles—of new golf course developments in Dubai (The National 2/1/14), and they are tailor made to deliver sport capital in spades.

The most notable, the Dubai Hills neighborhood by Emaar Properties of Burj Khalifa fame sold its initial seventy units at $10 million-plus in just over an hour (Arabian Business 12/10/13). Others include two projects associated with the master of all forms of capital, Donald Trump (Damac Properties website, Trump release 2), one of which features prestigious designer Gil Hanse, the architect of the course that will host golf’s vaunted return to the Olympics at the 2016 games in Rio De Janeiro, Brazil (Damac Properties website, Trump release 1). There is also a new course for the aforementioned Dubai World Central complex, not to mention reviving talks about going through with a Tiger Woods development and completing the final two of four planned courses at Jumeirah Golf Estates (The National 2/1/14). Additionally, the host site of Expo 2020—also developed by Emaar—will include another golf course framed by residences, hotels and yet another mall (The National 12/11/13), underlining the significance of the sport to the UAE’s development of all forms of capital ahead of the big event.
Currently the UAE boasts nearly 20 courses that form its golf haven and the core of its sport capital from the game. Many of them have received international renown, like Yas Links on Yas Island, Golf Digest’s 24th-best course outside the US (Golf Digest website, Top 100). Nowhere else in the world can a golfer find the concentration of courses designed by the game’s most prestigious names as is found in the UAE, centered on Dubai. Nearly all of the courses feature symbolic capital as a result of playing legends turned world-renowned designers like American Jack Nicklaus (Arabian Ranches), South Africans Gary Player (Saadiyat Beach) and Ernie Els (the Els Club), Australian Greg Norman (Jumeirah Golf Estates) and Englishmen Sir Nick Faldo (Emirates Golf Club) and Colin Montgomerie (The Montgomerie). Further symbolic capital for six of the country’s top courses stem from their operation by Arizona-based Troon Golf, the largest and most prestigious golf management company in the world, known for its commitment to luxury, service and consistency. These courses form part of its global holdings of nearly sixty courses in twenty-four countries outside the US and over ninety courses in thirty US states (Troon Golf website, Information).

As if this were not enough symbolic capital, luxury residential in the form of villas and five-star hotels surround nearly every course in the country. At Emirates Golf Club, a past global top 100 course (DubaiGolf website, Emirates), there are eighty-four luxury, four-bedroom villas for lease between $77,000 and $90,000 per year (DubaiGolf website, Live Emirates). Partner course Dubai Creek underwent a $100 million redesign in 2004 that included a 225-room 5-star Hyatt resort and ninety-two luxury, four-bedroom villas for lease from $90,000 per year (European Golf Design website, Dubai Creek; DubaiGolf website, Dubai Creek). At Jumeirah Golf Estates there are over 1,000 villas across 13 uniquely-themed developments ranging in price from $1 million to over $10 million (Jumeirah Golf Estates website, Districts).
In addition to an island green in the shape of the UAE, The Montgomerie offers lots for over 600 villas, including some of Dubai’s most lavish. In 2013 nine of the ten costliest villas in Dubai were in the Emirates Hills neighborhood with views of the course; prices ranged from $11 million to $18.5 million (Emirates24/7 8/14/13). At Dubai Sports City, well over 1,000 villas ring the course for between $46,000 and $144,000 per year or over $1 million (Dubai Sports City website, Residential). At Arabian Ranches an Emaar community offers 4,000 villas across 19 different neighborhoods (Emaar Properties website, Arabian Ranches). Even areas outside Dubai and Abu Dhabi cities have joined the competition for sport capital through golf. The oasis city of Al-Ain in Abu Dhabi emirate has a course, as does Sharjah, and Ras al-Khaimah offers two.

+Partnering for Prestige

In addition to the courses themselves landscaping the haven, partnerships with major golf personalities add another layer of sport capital to the haven. The most famous golf personality is Tiger Woods, and his relationship with the UAE began in the early 2000s when he started playing regularly in the Dubai Desert Classic. Organizers were trying to take advantage of the “Tiger Effect,” a phenomenon where ratings for tournaments without Tiger regularly reported 18-30% falloffs in viewership and revenues from those in an event he plays; this explains why events Dubai and Abu Dhabi pay Tiger upwards of $3 million just to show up (Hudson and Hudson 2010) and bring his own personal cache of sport capital in tow. This eventually grew into his first ever design project being a course affiliated with Dubai Sports City rumored to have included plans for twenty-two palaces and seventy-five mansions (The National 2/1/14).

However, during the financial crisis, the desert reclaimed the partially landscaped holes and golf at Dubai Sports City partnered with South African star Ernie Els and Tiger’s former coach Butch Harmon for its fix of sport capital through golf. Harmon is the world’s top golf
teacher, named best instructor by his peers in a survey conducted by Golf Digest for twelve years in a row, and his list of students includes many of the game’s modern global stars—like Tiger Woods, Ernie Els and Greg Norman—as well as prestigious international figures—like actor Will Smith, recently at the Academy in Dubai, King Hassan II of Morocco and US President Barack Obama (The National 1/23/14; Butch Harmon website, Bio; USA Today 2/15/13).

While entities within the UAE pay Tiger to play at an event or two in the UAE, other players have become brand ambassadors for the country and its businesses, essentially being leveraged for their sport capital as well. Before the DP World Tour Championship in Dubai at the end of 2013, many of the notable players at the event—which already featured only the top players on the European Tour—visited the Atlantis Hotel on the Palm Jumeirah to shoot a commercial for the hotel, the event and Dubai’s golf scene. It featured the players hitting a shot to a floating green from the balcony of the presidential suite, which occupies the bridge connecting the two towers of the hotel (Arabian Business 11/14/13).

Furthermore, the aforementioned Golf in DUBAi contracts seven golfers from a variety of tours and nationalities to promote playing golf in Dubai, all of whom wear the slogan prominently on their apparel, as does Golf in Abu Dhabi global ambassador Matteo Manassero of Italy. Etihad Airways has a partnership with German golfer Martin Kaymer, a former world number one, two-time major champion and three-time winner of the Abu Dhabi Golf Championship. Jumeriah Golf Estates—host site of the DP World Championship—recently partnered with Sweden’s Henrik Stenson, also a former world number one and the first ever winner of both the PGA and European Tour playoffs.

However, the most notable partnership remains that formed with current world number one and global superstar Rory McIlroy of Northern Ireland, who experienced a meteoric rise to
stardom in the late 2000s with Dubai-based hotelier Jumeriah Group riding along on the front of his hat. The group was instrumental in offering McIlroy exemptions to play in both the Dubai Desert Classic and the Abu Dhabi Championship while he was still an amateur, and when he turned professional in 2007 jumped on the chance to get an early claim on his sport capital. McIlroy went on to win his first professional event at the Dubai Desert Classic and shot to stardom by becoming the youngest player since Tiger to win one of golf’s four major tournaments in 2011 at the age of 22. Soon, the Jumeirah brand was all over television as McIlroy’s every shot became newsworthy and his likeness made its way into many media outlets. He even did photo shoots from the helipad at Jumeirah’s “seven-star” Burj al-Arab hotel.

The relationship ended once McIlroy signed with Nike Golf in 2013, but not his relationship to golf in Dubai. Nike planned the launch of its first golf-only retail store in the region to coincide with the 2014 Dubai Desert Classic and had McIlroy on hand for the ribbon cutting. He scrawled his name in Arabic on the wall as contest winners scrambled around trying to get exact replicas of the apparel and equipment he would use during the tournament. McIlroy also has a partnership with luxury watchmaker and Dubai Desert Classic title sponsor Omega, which filmed a commercial with him during the tournament week that has been run nearly non-stop since his back-to-back major wins to close out the 2014 season. The commercial features slow-motion footage of McIlroy hitting a ball directly into the iconic architecture of the Dubai Marina skyline set to a soundtrack portending his hall of fame status, displaying the watch, his iconic silhouette and the skyline in an elegantly gaudy display of symbolic capital.

+Golf in the Gulf by the Numbers

All of the landscaping listed above, whether courses or partnerships, provides the haven opportunities to cash in on golf in a variety of ways. From courting a piece of the sport tourism
industry to using golf for business purposes, it is all about sport capital and promoting yet
another aspect of the haven. To this end, the Golf Business Forum, spearheaded by KPMG’s
Golf Advisory Practice and supported by HSBC, met at Abu Dhabi Golf Club in April 2014. The
intent of the forum is to facilitate business-to-business interaction for any company involved in
any facet of the golf industry across Europe, the Middle East and Africa (EMA). The group
chose Abu Dhabi as a leader in the emerging golf markets and because it is “a hub for all facets
of industry whether golf, tourism, business or lifestyle…golf, along with culture, is at the pillar
of the Abu Dhabi Tourism & Culture Authority (TCA) and the country has become an
international destination for the golf tourist” (Golf Business Forum website, Abu Dhabi).

According to KPMG’s 2013 Golf Travel Insights for the EMA region, the UAE ranks as
the sixth most desirable hotspot for global golf tourism in the upcoming years behind the idyllic
climates of Spain and Portugal, the historic homes of golf in Scotland and Ireland, and
interestingly Turkey (KPMG 2013). A previous study by the same firm found that golf course
architects named the UAE third on a list of places they view as most desirable to design a course
(KPMG 2008). KPMG also reported that for 2010 the UAE tops the list of actual performers in
the EMA region in terms of both rounds and revenue, with an 18-hole course averaging 40,000
rounds per year and revenue around $10 million (KPMG 2010a). Typically, just over 50% of
these rounds are played by members with the remainder being non-members, roughly 25% of
which are considered to be “overseas” rounds. In terms of revenue, courses in the GCC obtain
between 30%-50% of their revenue from food and beverage sales, indicating that the course
offers a significant venue for social and business interaction as well as alcohol consumption
(KPMG 2011). Andrea Sartori, head of KPMG’s Golf Advisory Practice in EMA noted that:

the GCC region still proves to be the highest performing region in all of Europe, the Middle East and
Africa from a golf course revenue perspective. Local golf course operators have pointed out that demand
for golf in the GCC continues to outstrip supply during the peak seasons and golf is starting to establish itself as a major pastime albeit mainly for the expatriate population (KPMG 2011).

Additionally, the performance of major tour events in the Gulf States indicates the significance of the sport to the haven’s sport capital activities. Within the past decade, the prize money purse at a golf tournament on the PGA Tour averages over $4 million while the European Tour averages around $2.5 million (KPMG 2011); purses for the four European Tour events in the Gulf States average roughly $5 million (European Tour website, Tournaments). This increase in purse is the direct result of increased sponsorship activity. Sponsors are attracted to golf because of a desire to associate with the traditional values it represents (honesty, honor, dignity), to reach its global fan base, and to leverage the player/spectator demographics (high disposable income, opinion leaders, white collar professionals). According to KPMG (2010b), among the five headline golf tours, the following five industries represent half of all title sponsors: 1) banking/finance; 2) automotive; 3) tourism authorities; 4) energy; and 5) alcoholic beverages.

Despite the economic downturn, the PGA and European Tours witnessed little impact on sponsorship, partially because the targeted demographic endured the downturn. This sponsorship activity aligns favorably with the sectors emphasized by havens during their development and diversification, demonstrating a match between the sport, its capital and the haven approach.

Overall, the golf economy for the EMA region produced nearly $27 billion of direct revenue in 2006 from course operations and associated tourism and real estate. This figure soars to nearly $70 billion of total involvement when factoring in the indirect effects. Put differently, for that year golf alone impacted the EMA to the tune of $19 billion in GDP, a number only slightly below the combined GDP impact of the Olympics in Athens, Sydney, Barcelona, Atlanta, Seoul and Los Angeles. KPMG research also found that golf tourists in the EMA region spend approximately $325 per day on a golf trip of 7-9 days, only around 25% of which is on
golf, and that buyers of golf course property in EMA are prepared to pay up to 30% in premiums over similar developments without golf courses (KPMG 2013). As one of the top performing subregions in EMA, these numbers indicate that golf havens in the Gulf are poised to contribute significantly to the cultivation of sport capital and the overall functioning of the haven for many years to come.

---Soccer: Promoting the Haven’s Capital

While golf uses sport capital to accentuate the characteristics of a haven, soccer promotes these characteristics abroad. It is the most dominant sport in terms of global marketing, advertising and sponsorship activity, commanding 12% of the total market in sport sponsorship activity (Wall Street Journal 9/17/12). This is especially true for the Europe and Middle East region, which is the second most valuable sporting region at $43 billion in annual revenue and $620 billion in annual sponsorship spending. Commercial revenues for the top twenty clubs in the region routinely surpass $3 billion per year, indicating the extent of their sport capital and the desire of companies to piggyback on it (Arabian Business 1/31/14).

In total, five of European soccer’s twenty richest clubs feature sponsorships by Gulf-based companies—notably Emirates Airlines, Etihad Airways and Qatar Airways—the largest of which include names and logos on uniforms as well as stadia. The sports business division of global accounting firm Deloitte noted that this trend corresponds to a desire on the part of the Middle Eastern companies to leverage soccer’s sport capital in order to expand their own brands as well as their country’s/city’s brand. At the same time, it satisfies the clubs’ desire to find lucrative and enduring sponsorships beyond economically-weakened Europe, demonstrating the reach of the Gulf States into many areas of the global political economy (BBC 1/10/13).
This move by the airlines represents a strategic decision undertaken for the sake of social and symbolic capital. According to the head of sports and entertainment consulting giant IMG’s Middle East division, Seth Holmes, the fit with soccer, as well as a diverse array of sport sponsorships generally, is perfect for airlines looking to become global brands since “it works from both an inbound and outbound perspective; presence in the foreign markets publicises their brand overseas and from a domestic perspective, the particular popularity of sport in the region offers a great way to reach potential domestic customers” (Arabian Business 1/31/14). The UAE has become a key source of this funding, and a highly-publicized match between English Premier League clubs Manchester City and Arsenal—sponsored by Etihad and Emirates, respectively—was billed in the lead up as “Abu Dhabi vs. Dubai” (BBC 1/10/13).

Emirates Airlines regards sponsorship, particularly of soccer, as a crucial component of the company’s marketing strategy. As the second largest source of income for the Emirate of Dubai—behind Dubal and ahead of Dubai Ports World—the airline is key to diversifying the economy of Dubai and ultimately its security going forward, operating in support of a multi-faceted tourism and business-oriented travel industry that helps sustain the local economy.

Emirates CEO Sheikh Ahmad bin Saeed Al Maktoum relates the sport capital significance of sponsorships to the company by saying, “we believe sponsorships are one of the best ways to connect with our passengers. They allow us to share and support their interests and to build a closer relationship with them” (Emirates Airlines website, Soccer).

Although the group currently sponsors numerous clubs, teams and events across nine global sports, soccer constitutes the bulk of its focus. Emirates is an official partner for soccer’s global governing body FIFA and the World Cups it hosts; in fact, the airline adjusted its flight schedule to serve three Brazilian cities with daily flights from Dubai in advance of Brazil hosting
the 2014 World Cup. A 2010 report by German company Sport+Markt revealed that Emirates was the fifth most recognizable brand in global soccer, this coming with no real recognition in the Spanish and Italian markets that have reach far beyond their borders (Sport+Markt 2010). Now that Emirates has upped its association with AC Milan and Real Madrid it may have moved even higher on that, forming more connections and relationships for sport capital.

This portfolio of European soccer clubs leads the way for the company’s global outreach through sport capital. Since 2004 the airline has been in partnership with Arsenal Football Club of North London, UK. It recently inked a $238 million extension to its uniform and stadium naming rights deal with the club through 2028, keeping its name on the front of Arsenal’s jerseys through 2019 and the club playing in—and fans frequenting—Emirates Stadium (Arabian Business 11/23/13). Arsenal touts a fan base of well over 115 million global fans (Marketing Week 9/13/11) and is unique in English Premier League soccer for allowing fans to share ownership stock in the club. This feature integrates fans into decision-making, essentially partnering them personally with Emirates and helping the company develop social capital (The Telegraph 8/18/10).

Emirates also sponsors the uniforms of Spain’s Real Madrid, soccer’s most successful and richest club, which allows it access to a range of social and symbolic capital. The airline will pay the club $39 million per year for the rights to feature the company’s name on the front of uniforms through 2018 (Reuters 5/30/13). Reports estimate that Real Madrid boasts 500 million global fans, nearly 50 million of whom are active on social media, with over 2 million “talking about” the club each week on Facebook alone, making it number six on the global social media chart (Forbes 7/15/13). Additionally, the club features arguably the best player in soccer, Cristiano Ronaldo, who is also the sport’s biggest social media star. Ronaldo won 2013’s Social
Star Award for Sportsperson and recently ranked 30th on Starcount.com’s global social media chart, one spot behind his sponsor Nike—the entire company, globally (Starcount website, Ronaldo). Ronaldo also lent his sport capital to Emirates when he became a brand ambassador for the airline just ahead of the World Cup, participating in a commercial onboard an Emirates plane with Brazilian soccer legend Pele.

These partnerships open a vast realm of sport capital and promotional consideration to the UAE and its companies, a realm further opened by partnership with AC Milan of Italy in a four-year, $82 million uniform deal (BBC 2/12/10). The US-based Forbes magazine, infamous for its lists of wealth, ranked these three clubs—Real Madrid, AC Milan and Arsenal, respectively—in the top six of soccer’s most valuable in 2013 with a combined value of close to $6 billion. Real Madrid is even the most valuable sports franchise in the world across all sports (Forbes 5/7/14). Clubs this valuable typically have a history of being great, and great clubs typically have massive international fan bases, as noted above. Therefore, these sponsorships enable symbolic capital transfer from their prestige and social capital transfer from their fans that ultimately manifest in economic capital for Dubai.

Similarly, Abu Dhabi’s Eithad Airways leverages soccer for symbolic, social and economic capital. It currently sponsors the uniforms of English Premier League power Manchester City, including stadium naming rights, for $63 million per year (The Guardian 7/8/11). Etihad Stadium (the City of Manchester Stadium) sits at the heart of a new development in Manchester built by Etihad in conjunction with the club and the city. Etihad Campus, as it is known, will be a training facility for the club as well as the core of SportCity Manchester, essentially making Etihad the sponsor of a city of sport in the UK and all of its associated sport capital. As part of this multifaceted sport capital cooperation, Etihad will establish a UK hub at
Manchester Airport (MCFC website, Etihad release). Additionally, a consortium lead by Sheikh Mansour bin Zayed Al Nahyan of Abu Dhabi’s ruling family actually owns the club (BBC 9/23/08) and since the change in ownership and influx of sponsorship money it won the EPL in 2012 for the first time in forty-four years, thereby increasing the sport capital accruing to Etihad and Abu Dhabi (BBC 1/10/13).

Sheikh Mansour has also spearheaded further moves by Abu Dhabi to leverage soccer’s sport capital. He recently partnered with the New York Yankees—another sport capital giant—to capture the US market’s capital by establishing a new club in Major League Soccer. Etihad’s first sports sponsorship in the US is to be the official airline partner of the MLS. Soccer offers a unique way into American sports capital, given that its popularity is limited, but the MLS appeals to soccer fans all over the world. Still, according to one London-based sports branding expert “it’s quite a smart move, you become a global brand operating in America. You can talk about Africa, India and China and these are all clearly global markets, but unless you have a big presence in America, you can’t truly call yourself a global brand,” or fully realize the capital potential of sport (The National 3/25/14).

At the core of this potential lies the significance of sponsorship to developing social capital. Cornwell, Weeks and Roy (2005) emphasize the effectiveness of sponsorship through the kind of low-level processing and reactivation afforded by soccer. Psychological and emotional reactions influence image transfer and strengthen associations between sport, sponsor and fan (Speed and Thompson 2000), which transfers social capital from the club to the sponsor. This “experiential sponsoring” earns the sponsor sympathy and sets them up as partakers with the fans in a convivial relationship (Holbrook and Hirschmann 1982; Tribou 2011). Thus, for Emirates and Etihad—as well as the Qatar Foundation/Qatar Airways, discussed below—sponsoring
venues and uniforms taps into these effective methods of increasing brand awareness and growing their social network. The significance of this type of exposure finds a poignantly innovative example in a recent move by Intel to sponsor the *inside* of FC Barcelona’s uniforms given the players’ tendency to lift their shirts over their heads after scoring a goal, thereby revealing the sponsor’s logo and associating it with the exuberance of the goal (Bloomberg 12/12/13). At most high-level European soccer matches “Fly Emirates” and “Eithad Airways” are commonplace throughout the experience, from the name on the stadium, to the placards ringing the field to the uniforms on the players. So not only are those watching being exposed to the brands, but the brands are being incorporated into the memories created by the fans; this increases the likelihood that should topics ranging from tourism to business and even politics arise, these companies, their corresponding emirates and the entire UAE easily come to mind.

Furthermore, teams transcend their markets and even their sports to reach new heights of sport capital in society at large. In other words, logos of sports teams are often seen as status symbols outside their locales and for those not necessarily interested in their sports. For example, hats featuring the logo of the New York Yankees baseball team are worn all over the world by fans and non-fans alike, even those that do not particularly like baseball. The logo becomes like a Lacoste gator or a Ralph Lauren polo player (Richelieu, Lopez and Desbordes 2008). The nature of soccer sponsorship compounds this effect. While in baseball—and most team sports in the US—uniforms only feature the name and/or logo of the team, soccer uniforms often feature the sponsor’s name more prominently than the club’s logo or crest. So much so that the color scheme and sponsor logo are the initial clues to the uniform’s club. For example, if one of Real Madrid’s 500 million fans wears a uniform he or she instantly becomes a walking Emirates Airlines advertisement, complete with all the sport capital potential of future interactions.
---The Diversification of the Sports Haven

Despite the massive amounts of investment in land and money for golf and soccer, as noted earlier the UAE seeks to provide a diversified haven for all types of sport in its competition for sport capital. These other markets help to complete the set, ensuring that the UAE and its associated companies are able to reach nearly every sector of the world’s population through the universal language of sport. Therefore, targeting a variety of audiences through sponsoring their favorite sport helps ensure that the UAE saturates the market, maximizing exposure and the potential for sport capital though sheer volume. While not an exhaustive list, horse racing, tennis and cricket are examples of how hosting a number of frequent and varied sporting events bolsters the capital potential of the UAE’s haven.

Nowhere in the world is horse racing’s moniker, “the sport of kings,” more apt than in the UAE. With a long history of camel racing as a traditional sport, it was only natural that horse racing would become both a hobby and business for many from the country, including the ruler of Dubai himself, Sheikh Mohammed bin Zayed. The Sheikh’s personal love for horse racing started as child, and prompted him to establish Godolphin Racing stables in 1992, named after the Godolphin Arabian, one of three stallions said to have been the foundation of contemporary thoroughbred racing bloodlines. Since its inception Godolphin has produced over 3,600 horses, nearly half of which have won a combined total of just under 2,400 races, or one in every four starts. At the highest levels of racing the stables have almost 800 wins, including 211 of top-level races in twelve different countries. All in all, Godolphin horses have earned $275 million in prize money since 1992 (Godolphin website, Statistics) making it one of the most prestigious stables in the world and a significant source of sport capital for the Al Maktoum, Dubai and the UAE.
To realize the full potential of horse racing’s sport capital, Dubai’s Meydan racecourse plays host to the world’s most lucrative horse race, the Dubai World Cup. The logo for the race even includes the phrase “the world’s richest horse race” framed under the outline of a running thoroughbred, the flowing mane in the shape and colors of the UAE flag. The event awards $25 million in prize money across nine races that attract the best horses from all over the world, including $11 million in the headline race (Eurosport 3/28/14). On top of all this sport capital, luxury automobile maker Jaguar sponsors the “Style Stakes,” a fashion extravaganza that culminates in seven awards for best dressed (Dubai World Cup website, Style). The 2014 running of the event marked the seventh time a horse from Sheikh Mohammed’s Godolphin Stables has won the event, further solidifying its prestigious reputation (Emirates Racing Authority website, DWC).

Yet despite the appeal of lavish prize money, the Dubai World Cup has lost popularity as an offseason racing haven for horses from the US, arguably the sport’s most critical capital provider. According to a US-based horse racing marketing insider, the transition to the synthetic track at Meydan resulted in an increased amount of injuries and a subsequent decline in US owners making the trip. With the country’s considerable horse racing capital absent, the prestige of the event began decline. The previous location of the race, Nad al-Sheba Racecourse, featured a dirt track designed by Sheikh Mohammed to mimic exactly the conditions at the iconic Churchill Downs in Kentucky, the home of the Kentucky Derby. In early 2014 Meydan announced it would return to a dirt track for the 2015 cup and carnival, and has gotten a favorable response from US owners who will once again lend their sport capital to the event.

The UAE has also made a push for tennis’ sport capital by hosting events as well as sponsoring governing bodies and major global events. Dubai hosts the Dubai Tennis 39 The following information comes from an interview with Joel Cunningham of PM Advertising on May 28, 2014.
Championships, currently sponsored by Dubai Duty Free, for both men and women. Dubai Duty Free values its return on sports sponsorship investment to be around $300 million annually, much of that coming from the tennis championships which the company values at providing $245 million in advertising exposure (Arabian Business 1/31/14). Additionally, Abu Dhabi is home to the Mubadala World Tennis Championships, which take place in Zayed Sports City. The event, created to promote the game and build on the success of tennis in the Gulf, features six of the top men’s players in a winner-take-all $250,000 exhibition with an all-star feel. Aiding the capture of sport capital through tennis, contemporary legends Roger Federer, Novak Djokovic, Rafael Nadal and Venus Williams have each won three or more times in the UAE.

Additionally, not one to miss a branding opportunity, Emirates Airlines became the official airline of the men’s Association of Tennis Professionals tour in late 2012 in a deal that also made it a platinum partner of ATP World Tour and the Barclay’s World Tour Finals, which are now “Presented by Emirates,” as well as the title sponsor of the ATP rankings (Arabian Business 12/28/12). It also sponsors the Emirates Airlines US Open Series, a ten-event stretch across the US leading up to the US Open, one of tennis’ four major titles, of which it is also a sponsor. Overall, Emirates Airlines has become one of the largest tennis sponsors in the world, an arena that now reaches over $700 million in value; one report has it holding 21% of all tennis properties (IEG Sponsorship Report website, Tennis).

The most recent addition to the UAE’s tennis haven, the International Premier Tennis League brings an interesting twist to the sport that is unabashedly all about courting sport capital. The IPTL features teams of players that will compete on behalf of four cities across the world—Dubai, Singapore, Bangkok and Mumbai—all of which are rising powers as havens on the global economic scene. To start the league, seventy of the top players from the ATP and WTA
submitted their names for a draft, or auction, that took place in Dubai in March of 2014. Delegations from each city took turns drafting seven players each; the combined bids for the 28 players topped $24 million. Team Dubai invested in Novak Djokovic as its men’s headliner and former world number one—and golfer Rory McIlroy’s ex-fiancée—Caroline Wozniacki as its women’s headliner (The Telegraph 3/2/14). Organizes took the format from the Indian Premier League for cricket to provide for a wealth of sport capital and business-related transactions for each of the four cities (The Telegraph 2/25/14).

With respect to cricket, the International Cricket Council moving its headquarters to Dubai in 2005 opened up a path to South Asia’s sport capital. The ICC cited proximity to the South Asian markets as well as Dubai’s tax-free business haven as key motivations for the move (Asia Times 4/23/05). The ICC set up shop in Dubai Sports City, which houses a dedicated cricket stadium and now the ICC Academy. The academy has become a preferred destination for a number of the game’s most successful national teams, including becoming the new home of Pakistan’s team since 2008 given the country’s domestic turmoil while Afghanistan has been playing its home matches in Sharjah (Gulf News 4/14/14). While these moves represent ways to connect with the millions of South Asians working in the UAE and their “capital” (The National 3/27/14; The National 3/31/14) many parts of the population that revere cricket—Pakistanis, Indians and other south Asians—are prevented from even playing sport, forced to assemble by the hundreds on Fridays in empty parking lots that feature six or more matches crisscrossed among each other until the police arrive to break up the gathering.

Most significantly for sport capital through cricket, in early 2014 the UAE won the right to host early rounds of the aforementioned Indian Premier League (Emirates 24/7 3/12/14) and tickets sold out in the lead up to the first tests (ESPN 4/15/14). Created by consultants at IMG as
an “unashamedly commercial marketing concept,” the IPL features player auctions and the use of celebrities to boost the image of the sport and increase sport capital opportunities for companies and the cities which host the franchises (IMR Sports Marketing website, Cricket). There are even rumors of expanding the IPL outside of India for the first time ever with a UAE-based franchise; previous expansion considerations before the global economic downturn had the base price for a franchise at upwards of $220 million (The National 4/3/14).

Hosting international matches and now the IPL offer the UAE yet another avenue to showcase its haven while developing social capital in a market that includes nearly one-third of the world’s population. India’s ambassador to the UAE claimed that as the “safest place in the world” the UAE was the logical choice to hold a significant portion of the IPL given strained security in India due to elections (The National 4/6/14). The stability of the UAE—and Qatar—is a critical characteristic of their image and a backbone of the sport power and sport capital strategies they employ. This kind of backing from the world’s largest democracy and a key emerging power signals that these small states are effectively communicating their haven roles to their target audiences, and that sport is an invaluable tool for directing that image. The ambassador went on to add that this endorsement and the eagerness of India’s elite to promote the UAE as the destination will boost tourism—aided by UAE airlines slashing prices (Economic Times 4/14/14)—and trade between the countries, already valued at $75 billion annually (The National 4/6/14).

Additionally, Gulf companies have shown significant interest in using cricket to earn sport capital in the subregion. Emirates Airlines is now the official airline and worldwide partner of the ICC, granting sponsorship rights to all major events (Emirates Airlines website, Cricket). In early 2014 Etihad Airways signed on to sponsor the Mumbai Indians, reigning champions of
the IPL and one of the teams slated to play in the UAE rounds of the league (The Financial Express 4/11/14). As a country of over one billion people, this connection to the Indian public has the potential for massive returns for the airlines and the UAE, especially given the country’s role as an employment, travel and tourism hub for Indians and many across South Asia.

**Sport and the Broadcaster: Sport Power in Qatar**

--- *Golf & Soccer: A Sport Haven Foundation, with a Broadcaster Twist*

In line with its overarching approach, the broadcaster establishes the basic pattern of how a haven leverages sport and then goes one step further to add a diplomatic or cultural element of sport power. Just like Al Jazeera provides soft power through media, the development of the beIN Sports television network enables Qatar’s media to quite literally broadcast sport power throughout Europe, Asia and North America. Formerly Al Jazeera Sports, the rebranded collection of global sports channels now operates under Qatar Sports Investments and holds broadcast rights to the most prestigious and well-followed soccer leagues throughout the world. For example, during October 2014 beIN was the exclusive provider of coverage in the US for a match between the iconic clubs of Manchester City and FC Barcelona, advertising across a variety of platforms including through Pandora internet radio on mobile devices.

In 2012 beIN began bidding and undercutting existing sports channels for these rights, prompting numerous complaints that the company is deliberately running at a loss to steal the rights and the sport power associated with carrying the games. Regardless, the network represents an opportunity to do with soft power in the sports arena what Al Jazeera does with it in the diplomatic and cultural arena. Industry experts believe that beIN’s goal is to become one of the top five sports broadcasters in the world, rivaling the likes of global sports media
powerhouses ESPN and FOX International, by the time the World Cup arrives in Doha in 2022 (The Guardian 4/3/14).

This move characterizes how Qatar leverages the sports haven foundation provided by golf and soccer, but generally on a smaller scale and with a narrower scope. Instead of twenty golf courses, Qatar has one; instead of a vast portfolio of soccer clubs and stadia, Qatar deals with two. Yet as befits its role as a broadcaster, Qatar is able to turn the platform offered by these two sports—especially soccer, as noted with beIN—into significant sources of sport power, rather than simply sport capital; just as with the country’s use of art and knowledge there is comparatively less glitz and glamour, but more function and utility. Golf provides an added bonus for the burgeoning business sector and white collar expatriate population plus the benefits that go along with hosting a major tournament, not to mention the two planned courses that will landscape Lusail City ahead of 2022. Soccer not only offers the ability for advertising, but Qatar has seized upon its utility for cultural and diplomatic endeavors. Overall, the strategy behind Qatar’s use of sport emphasizes quality over quantity, using a select few examples of events and sponsorships that align with its desires to be globally-engaged and externally-oriented through the broadcaster approach.

In Qatar the availability of golf pales in comparison to the vast offerings of the UAE, but that does not mean it cannot be used for sport capital and power. The beginnings of golf in Qatar, as in the UAE and most of the GCC, stem from the internationalization of the area in response to the rise of the oil industry. Workers from the UK and the US introduced the game as a pastime and developed small courses wrapped around settlements and airfields. In 1953 many oil companies around the Gulf region, headed by Saudi Aramco, established the Middle East Oil
Industry Golf Association to coordinate tournaments between companies and foster social and symbolic capital (Saudi Aramco World 7/1/72; Qatar Golf Association website, About).

During 1997 the state developed Doha Golf Club, the country’s first and currently only grass course, which has helped further promote sport capital through golf. It has taken over as the host of the Qatar Open, a legacy of the oil company competitions, which now attracts participants from over 25 countries across the region, setting Qatar up as both a haven for golf as well as golf-driven cultural exchange. The course features the same non-celebrity yet highly-renowned designer as many in the UAE, and is meant to be at once simplistic and traditional while evoking the iconic and prestigious desert style courses of California and Arizona. The architects even went so far as to import 10,000 cacti from Arizona, including sixty towering saguaros, to complete the look in borrowing that sport capital. As a result, many of the professionals that play in the European Tour’s CommercialBank Qatar Masters dote on the course as being their favorite of the Gulf Swing, outdoing the ostensibly more glamorous and prestigious courses of the UAE (Doha Golf Club website, Course).40

Although not as active in terms of sheer financial numbers as the UAE, Qatar’s engagement with soccer furthers its interests in sport capital through exposure for the country’s brand while providing opportunities for economic diversification. As noted in the section on soccer in the UAE, the sport is an extremely powerful tool for branding as well as social and symbolic capital because of the sheer numbers involved from both the entertainment and the business sides. But for Qatar this process goes beyond branding for sport capital to include a direct government hand in ownership, sponsorship and literal broadcasting, and the sport power offered through those avenues, not to mention the diplomatic and cultural potential of the World Cup and the country’s soccer outreach program (The Guardian 11/18/13).

40 Personal interview with Steven Troup, Assistant Golf Academy Director at Doha Golf Club on February 17, 2014.
The country’s initial push into the sport came from a subsidiary of its SWF, the Qatar Investment Authority. Qatar Sports Investment began sponsoring the uniforms of Spain’s FC Barcelona in 2011 with a 5-year $190 million deal to feature the Qatar Foundation’s logo, the first-ever time in the elite club’s over 100 year history that it has allowed “commercial” sponsorship to appear on its uniforms. Though a seemingly odd arrangement that saw the Qatari government’s charitable wing engage in sports sponsorship outside the country, the deal has proven to be an invaluable catalyst to Qatar’s growing strategic love affair with soccer and its sport power. In fact, this move itself was brilliantly devious on a practical level as well. To circumvent a traditional ban against corporate sponsorship, QSI initially put the sponsorship in the name of the Qatar Foundation “charity” only to later invoke a clause in the contract to change the named sponsor to another government agency, Qatar Airways (BBC 1/10/13).

Like the UAE’s portfolio of clubs, Qatar has strategically chosen a select few to partner with for the sake of sport capital and power. In the case of FC Barcelona, the club has over 300 million fans worldwide, has the world’s top player—3-time FIFA Ballon d’Or winner Lionel Messi—and is Forbes’ third most valuable soccer club for 2013 at $2.6 billion dollars, a value that has doubled since 2012 thanks in part to 20% revenue increases each of the past three seasons (Forbes 4/17/13). The Qatar Foundation deal undoubtedly contributed to these increases and the 2013 changeover to Qatar Airways restructured the deal to make it the largest uniform deal in soccer history at over $37 million per year, all of which has cultivated sport capital for each party involved (FC Barcelona website, Qatar release). Further leveraging the potential of this relationship, Messi serves as a global ambassador for Aspire Academy, which means his sport capital plays promotional triple-duty by representing Qatar Airways, the academy and essentially the country of Qatar itself (Aspire Zone website, Ambassadors).
Additionally, in 2011 QSI bought an entire French club, Paris St. Germain, to leverage the city’s symbolic capital for glitz and glamour. Reportedly the $125 million deal came about as the result of a lunch that brought together sport and political power in the form of then-French President Nicolas Sarkozy, UEFA (Union of European Football Associations, the ruling body for European soccer) President Michel Platini and now-Qatari Emir Tamim bin Hamad Al Thani (Financial Times 3/28/14). Since that deal the club has risen to earn $500 million in annual revenue, fifth in European football, and could rival Real Madrid’s $625 million within the next few years (Arabian Business 3/4/12).

QSI has used Qatar’s tremendous wealth to make PSG a sport capital and power asset for the country. Since the takeover PSG has spent over $125 million every season on transfer fees alone to acquire prestigious new players and access to their capital, the highest amount for any club in the world and one of the reasons why UEFA cited the club as being in breach of its Financial Fair Play rules; the other team on that list is Emirati-owned Manchester City (ESPN 8/26/14). Part of the club’s wealth stems from a sponsorship with the Qatar Tourism Authority, retroactive to 2012, that will pay the club up to $250 million in 2016; the announcement made PSG the second club—joining Qatar Foundation’s sponsorship of FC Barcelona—sponsored by a foreign government, not to mention its direct ownership by the government (The Telegraph 11/12/13). As a result of these moves, the chairman of a competing club has remarked that “Qatar is the first country to attempt nation-branding through club football” and PSG star Zlatan Ibrahimovic has said that the club “represents Paris, France and Qatar” (Financial Times 3/28/14).

After the move, Qatar quickly began leveraging PSG to bring sport capital directly to Doha. PSG chose Aspire Zone for winter training (ESPN 10/30/13) and played Real Madrid in
Khalifa Stadium (BBC 1/2/14), a match that saw Real Madrid’s Cristiano Ronaldo square off against PSG’s prize acquisition Ibrahimovic—The Guardian’s second and third best players in the world, respectively (The Guardian 12/20/13). Qatar even rented soccer sensation and global icon David Beckham’s sport capital and power for a brief four month stint with PSG in 2103, helping the club secure a French league title. Reports indicated that during Beckham’s time with the club merchandise sales outside France increased ten-fold, suggesting that such “investments” in sport capital can pay dividends for Qatar (Financial Times 3/28/14).

However, beyond the sport capital of soccer, Qatar’s broadcaster approach also relies on its potential for sport power, like through beIN. Qatar has an ostensibly kinder and gentler touch in soccer through Aspire Academy’s cultural diplomacy in Africa, South America and Asia. The Aspire Football Dreams program reportedly influences over half a million young players across these regions each year through local clinics that lead to regional competitions and a trip to Senegal, the main training center outside of Doha. Ultimately, though, Doha is the destination for the most promising players where they get the chance to train under Aspire’s staff and in conjunction with the many European clubs it hosts. The entire project is part of a Qatari scheme to cultivate sport power influence by providing fields, equipment and training to underprivileged youth in these regions. In support of this strategy, it utilizes Brazilian soccer legend Pele as a brand ambassador. However, the program garners warranted criticism on the grounds that it may serve as a recruiting tool to ship top players off to Qatar, complete with new citizenship, to compete for sport capital on behalf of the country (The Guardian 11/18/13).

---Major Events: Broadcasting “Sport Power”

Although the UAE wins on the events circuit—hands down, since that is a haven activity—its focus on glitz, glamour and volume runs counter to Qatar’s strategy of pursuing
events more fitting of its role as a broadcaster and emphasis on sport power. For Qatar, so-called hallmark or mega-events are more functional and useful for sport power because they combine both goodwill and culture to engage the international community on a more substantial level. Just like with art/knowledge & golf/soccer, what appears to be the haven’s domain has been repurposed by the broadcaster and actually performed at a higher level. Reuters even went to so far as to describe Qatar’s sports push as a bid to be a “sports Mecca,” either purposefully or inadvertently touching upon the potential to have extreme significance well beyond simply sport (Reuters 9/7/11).

As a testament to the extent of Qatar’s involvement in the promotion of itself as a sporting hub and its pursuit of sport power, the Qatar Olympic Committee announced in March of 2014 that its schedule for the sports year 2014-2015 (April-March) will include forty-three international competitions, five of which are official world championships (Gulf Times 4/26/14). It made Olympic bids in 2016 and 2020 and will host track and field’s IAAF World Championships in 2017 in its quest to further capture “global limelight” and sport power (The Telegraph 11/10/11). In the past, Qatar and Aspire Zone have hosted twelve regional and international events of this caliber. In total, these events contribute to a well-funded, diversified strategy of sport power in service to public diplomacy more generally (Huffington Post 1/12/11), as Shadi Hamid, director of research at the Brookings Doha Centre noted:

Qatar's foray into sport and other youth-oriented initiatives has helped boost the government's popularity and helped it connect with a new generation of Qatars...the World Cup bid, as well as the flurry of sporting, education, and cultural activities, have all shown the Qatari government to be both active and innovative, offering a sharp contrast to most other Arab regimes (Reuters 9/7/11).

But hosting large-scale, international events like these also stimulates a lasting boost in tourism after the fact (Fourie and Santana-Gallego 2011), one of the core diversification strategies along with using sport as a catalyst for development (Amara 2005; Khodr 2012; Foley,
McGillivray and McPherson 2012). To this end Raghavan Seetharaman, CEO of Doha Bank, notes that:

sports tourism is one of their [the Qatari government’s] primary focus areas in terms of overall diversification. It's a clear strategic focus for them… the bigger picture is that they have to diversify, and the diversification has to come from multiple sources. Investments they've done via the sovereign fund. They've invested billions in sports facilities, and 2022 will create even more momentum. They can leverage it beyond 2022, if they can create the right traffic through sports tourism (Reuters 9/7/11).

Yet what is lost when the emphasis is solely on short-term economics is the legacy of the event beyond an initial influx—or lack thereof—of economic capital. The goal of hosting the event might not be immediate economic development, but rather a more intangible value in terms of sport power and capital through exposure (Szymanski 2002). This publicity ties to the earlier discussion of sports and soft power where Grix and Houlihan (2013) and Grix and Lee (2013) analyze mega-events in terms of their ability to garner prestige for and ultimately generate attraction to the host country. They explain that in successfully staging these events countries can display their economic power while also exercising their agency on the international stage, essentially demonstrating their capacities to fill a variety of niche roles, a path taken by many emerging powers as noted earlier.

A key component of the “success” of a mega-event revolves around what the event’s goal is in the first place and how the location uses it. Countries turn to sporting events as a means to sport capital and power by either leveraging them for development (Chalip 2004) or embedding them as steps in a broader strategy of development (Ritchie 2000). The bidding process for these events allows for strategic introspection on how the city/country needs to adapt to capture sport capital and power, a task that can identify comparative advantages that need to be highlighted, weakness that need shoring up, and/or changes that need to be made. Germany, China and Korea have all leveraged and embedded sport for these purposes in the 21st century.
Just like these countries, Qatar embraces the sport capital and power potential of the mega-event, and has embedded that into its diversification and development strategy. If tourism is a core pillar of Qatar’s diversification, then sport is the pillar’s foundation (Foley et al 2012). In the country’s broader pursuit of international and regional primacy, sport acts as a catalyst for modernization and adaptation as new challenges arise. On one hand, the sport capital of these processes helps to integrate Qatar into the circles in which it wishes to run (Amara 2005; Khodr 2012; Brannagan and Giulianotti 2014). On the other hand, they add sport power to the above-noted public diplomacy strategy by adding to and highlighting Qatar’s reputation—the real perception or the desired image—as a city for exiles that is a competent and key global citizen engaging in peacekeeping and mediation (Huffington Post 1/12/11).

As the first large-scale sport event in Qatar, the 2006 Asian Games served as a stepping stone for developing sport power. The Asian Games are the second-largest multi-sport event after the Olympics, and operate under the Olympic Council of Asia with IOC supervision. At a total cost of $28 billion, the games featured almost 10,000 athletes from forty-five nations competing in 424 events across fifty sports/disciplines. Although traditionally confined to Asia, Doha marked the furthest westward expansion of hosting duties—just beyond Tehran in 1974—and the first time the events were televised across Europe, expanding Qatar’s visibility. In fact, the Qatari authorities billed the games as a tool for image transformation and an impetus for development (Amara 2005; Khodr 2012), essentially using the games for sport power and capital as part of the first ever sports development policy in the region (Foley et al 2012).

Furthermore, as is the often the case with emerging powers using sport for soft power, money was no object in the production of the games. At a total budget of $28 billion (Khodr 2012), Qatar spent almost $5 billion more than the combined total of the 2010 games in China at
$19 billion plus the 2002 and 2014 games in South Korea at around $2 billion each (AFP 9/27/14) largely due to the general infrastructure upgrades associated with the games, a strategy also employed ahead of the World Cup. David Atkins, the director of the opening and closing ceremonies in Doha, said that money was not a problem and “Qatar wanted to stage the biggest and best opening ceremony on a scale unrivalled by anyone else” (Foley et al 2012). Atkins would know what that scale would be, given that he has also directed ceremonies for Olympics in Sydney, Vancouver and Shanghai (DAE Global website, Ceremonies). In this case, sport capital served the overarching goal of sport power.

In the end the Asian Games provided Qatar with the sport capital and power they had designed it to provide. Given the stability of the country, its affluence and the government’s policies of consumption and tourism promotion (Henderson 2006), the games offered a window in Qatar through media and sponsorships (Rein and Shields 2007) that showcased the internal developments of the country and demonstrated its capacity to be the regional and international sport power it desired to be. The games showcased the modern monarchy-state as developed in Qatar, with sport operating under the perceived broadly generous patronage of the royal family (Amara 2005). Despite not winning the Olympics in 2020, the bid relied heavily on Aspire Zone’s existing facilities as well as Qatar’s potential to replicate its technological and architectural achievements, as did the bid for the 2022 World Cup, discussed below. But Aspire Zone’s hosting potential is not limited to traditional sporting events, it has also hosted Cirque de Soleil and has been the location for the ASPIRE4SPORT sports business congress every year since 2010 (Aspire Zone website, Brochure).

As beneficial as the Asian Games were, sport power truly lies in iconic mega-events like the Olympics and the World Cup. This is why in front of a full house of 50,000 at Aspire Zone’s
Khalifa Stadium, Sheikh Mohammed bin Hamad Al-Thani, brother of the current Qatari Emir, announced that Qatar’s bid for the World Cup in 2022 represented a bid on behalf of the entire Middle East. The region has never hosted a World Cup, and he touted the potential for global unity and understanding that could come from such a win; all under Qatar’s leadership, of course. He emphasized the country’s commitment to the future, stating it is a land of action and an ideal partner to help prove that soccer is a tool to build a better future, citing Qatar’s previous roles in mediation as proof of its capabilities. Continuing, he likened the country’s focus to that of an athlete by saying, “the unwavering resolution of the Qatari people and the government—to modernise, to advocate for peace, to build for the future—is like the iron will of an athlete in pursuit of victory” (ESPN 5/17/09). In this case, the victory would come with the potential to wield sport power as never before.

With respect to broadcasting specifically, the World Cup gives Qatar the opportunity to reach unprecedented numbers with sport power given its position as one of the world’s most-watched events. One billion people around the world watched at least one minute of the final match of the 2010 World Cup in South Africa, with nearly 620 million tuning in for twenty consecutive minutes and 530 million staying for the entire match. In total, close to half of the world’s population at the time—3.2 billion or 46.4%—watched at least one minute of at least one match during the event (ESPN 7/11/11).

Qatar has also sought to leverage the World Cup for sport power by making it a tool of strategic diplomacy befitting its broadcaster approach. As part of its initial bid, Qatar pledged to donate a number of the new stadia’s modular parts and excess seating to developing nations in support of its existing and pervasive soccer “diplomacy” in these areas (BBC 5/22/10). Additionally, the Clinton Global Initiative partnered with the Qatar 2022 committee to establish
“Dedicating Sport Development to Improving Food Security.” Through this project, Qatar aims to utilize the artificial climate technology developed for the World Cup stadia as well as a few of the stadia themselves for “sustainable greenhouse food production infrastructure” (Clinton Global Initiative website, 9/26/13 release).

Thus, taking stock of the soft power potential of sports mega-events, Qatar’s ability to wield sport power fits with its broadcaster approach and has affected the country’s prestige as a player on the global stage, for better and for worse. Not only does it literally broadcast through its new sports network but it uses sport as a means to communicate culture and engage in diplomacy through exchange programs and the hallmark events it has hosted. Yet as discussed below despite a few ostensibly positive sport power maneuvers, the World Cup has developed into a microscope through which the international community has examined Qatar’s domestic blemishes as well as an outlet for countries to voice displeasure with Qatar’s regional and international policies, demonstrating that the effects of sport power cut both ways.

**Sport and Insecurity: The Broadcaster and “Soft Disempowerment”**

Clearly sport has served as an integral component of approaches to diversifying security, helping the UAE and Qatar round out their portfolios of capital and soft power in pursuit of a holistic sense of security. In the UAE the overt blowback tied directly to sport appears minimal, notwithstanding the continuation of the insecurity concerns addressed in chapter 3. Although high profile events do take place in the country, none are of regional or international scale like those in Qatar. So while they shine a light on the haven’s activities, that light is comparatively dim and compartmentalized across a variety of sports and events with specific target audiences. This means that although the same concerns about workers’ rights exist in the UAE as exist in
Qatar, the lack of global stage like the World Cup has limited its exposure to the international public. Furthermore, the infrastructure associated with nearly all of these developments has been couched in general developmental rhetoric for neighborhoods or tourism projects, and is not on scale with the projects in Qatar directly tied to the World Cup.

However, despite Qatar’s “success” in reaching the world with its message and potential influence through large-scale events aimed at sport power, the World Cup has become an increasingly controversial topic for a number of reasons. Brannagan and Giulianotti (2014) refer to this as “soft disempowerment,” a process by which the increased scrutiny on a country as a result of hosting a mega-event sheds unwanted light on several aspects of that country and actually serves to diminish that country’s soft power. While as of this writing FIFA has made no decision to revoke the World Cup from Qatar, it has faced blowback and soft disempowerment over concerns about worker’s rights abuse as well as the pressure to change foreign policy.

The most glaring example emerges in the treatment of foreign workers exploited to construct from scratch the infrastructure designed for and to support the World Cup and beyond. Since Qatar has limited infrastructure and only a single stadium in the country capable of hosting a soccer event of significant scale, it has needed to develop the capacity to host such a large event. Initial plans called for over $200 billion in new construction, from nine brand new soccer venues and three large renovations—to reach FIFA’s maximum desired total of twelve stadia—totaling $4 billion to a $34 billion metro system as well as the port and airport projects discussed in chapter 4. However, facing a decline in budget surplus, delays and growing scrutiny of it hosting the first place, in mid-2014 Qatar downsized its aspirations to eight stadia—FIFA’s minimum requirement (Bloomberg 4/21/14).
Regardless, constructing the sport power dreams of Qatar falls on the shoulders of tens of thousands of migrant workers, predominately from South Asia. These workers enter the country through the kafala system discussed in the previous chapter; estimates place over 1 million migrant workers in the country under the system, the majority from south and southeast Asia, with another million expected to enter the country in the upcoming years (New York Times 4/14/13). The World Cup has meant that a large amount of the workers have been funneled into construction projects where unsafe and unsanitary conditions abound. In 2012 Human Rights Watch published its report “Building a Better World Cup” that documented the squalid conditions at sites and labor camps as well as the routine abuse of workers under the kafala system along the lines noted in chapter 4 (Human Rights Watch 6/12/12). Sadly, this abuse does not just apply to construction workers in the “soccer industry” but even some foreign players for Qatari soccer clubs have been refused exit visas and pay because of poor performance (CNN 5/1/13).

*The Guardian* has been at the forefront of reporting on the issues of slave labor in Qatar under the kafala system ahead of the World Cup. In 2013 it documented that 185 workers died from Nepal alone (The Guardian 1/24/14). Put in perspective, Nepalese workers in Qatar are 16% of the total migrant worker population while Indians are the largest segment at 22%; reports indicate that over 500 Indian workers and 380 Nepalese workers have died in Qatar from 2012-2013, with another 60 combined deaths in the first few months of 2014 (The Guardian 5/14/14). The increased coverage of the system due to the World Cup from investigative journalists and human rights agencies have led to rising calls for not just an end to the system but a withdrawal of the event from Qatar altogether. Therefore, while Qatar sought to leverage the World Cup as sport power, it is actually losing soft power as these features are grotesquely unattractive and
turn the international community against it. Regardless, FIFA has continued to stay the course on Qatar in the face of criticism for the abuse of workers, weather conditions and allegations of bribery, citing the event’s potential for social change and a commitment to a Middle Eastern World Cup (FIFA website, Migrants release).

In addition to concerns about the exploitation of workers, the World Cup has become a battleground for political skirmishes resulting from Qatar’s hyperactivity and failed alliances. James Dorsey, a writer on the topic of soccer and politics in the Middle East, has noted that increased criticisms of Qatar’s foreign policy during summer 2014 have begun to manifest overtly in anti-World Cup sentiment. Countries taking these actions are hoping that credible threats to Qatar’s host status will pressure the country into changing problematic policies. In one instance, Dorsey discusses how the intra-GCC rivalry between the UAE and Qatar has taken the form of a “propaganda war” that now includes subtle image tarnishing aimed at moving Qatar away from its support of the Muslim Brotherhood and its affiliates around the region (Huffington Post 9/29/14). Similarly, Israel lobby groups in London organized a protest against Qatar hosting the World Cup because of its financial ties to Hamas and the government in Gaza (Huffington Post 9/22/14). Overall, soft disempowerment from sport for the broadcaster demonstrates the approach’s inherent risk for diversifying insecurity due to its emphasis on projecting sport power through large events and the resulting spotlight.
Conclusion—(In)Security in the Lead Up to Expo 2020 and World Cup 2022

No longer can security revolve solely around hard power. Real security in the 21st century stems from a holistic approach that factors in a variety of activities that encompass politics, economics and society for the sake of cultivating interdependence. As the previous chapters have shown, the UAE and Qatar have recognized this and implemented strategies that seek to address their existing security concerns though the haven and broadcaster approaches that mirror their preferences for viewing challenges through the lens of neoliberalism. The UAE has focused its development on filling a political economic niche role by building cities of corporations that facilitate business, ports and airports that move people and commerce, domestic businesses that provide a range of capital, investments that preserve that capital and cityscapes that present it all in an attractive package. Qatar has also developed in these same ways, just on a smaller scale, and used that development as a platform from which it could project soft power through the media and diplomacy. They have even leveraged sport to aid in their pursuits of diversified security, using events, sponsorships and tourism to cultivate sport capital and sport power. However, while seemingly accomplishing their intended goals, in both cases these approaches have exchanged one set of insecurity with another, more invasive set that permeates the entire framework of each country. Yet the UAE and its haven approach appears to have weathered this wave of insecurity better than Qatar’s broadcaster approach, at least according to the data presented by the press profile.

As noted throughout this dissertation, the press profile speaks to the differences between the approaches by assessing how the international community receives messages about the haven and broadcaster pertaining to their niche roles and suitability for interdependence. Put differently, the scope of these issues can be summed up in a few questions: 1) What does the
world hear about? 2) Do positive associations offset the risks of potentially-negative ones, and by how much? 3) Which activities appear to make the most sense for diversifying security?

In comparing the press profile of the two countries, the UAE’s profile increases more and more steadily over the period 2009-2014 because it has implemented a truly diversified approach to security, encompassing a broad range of activities meant to entrench the country’s interdependence as opposed to Qatar’s emphasis on a few high-risk, high-reward sectors. Figure 5 shows the ratios over time, adding a trend line that demonstrates the higher trajectory offered by the haven approach for the UAE. Furthermore, the change in press profile from 2009-2014—45% for the UAE and 10% for Qatar—indicates that the UAE has been roughly four times as effective as Qatar at increasing the ratio of positive to negative press associations, a performance made possible by the depth and breadth of positive profile increases stemming from the haven approach. Figures 6 and 7 compare the changes in positive and negative keywords, respectively, while Figure 8 shows that although the UAE’s negative press profile increased at a higher rate
Figure 6

Comparison of Change for Positive Keywords, 2009-2014--UAE to Qatar

- **Transportation Hub**: UAE 1750.68%, Qatar 1174.01%
- **Business Environment**: UAE 1001.89%, Qatar 574.46%
- **Tourism Destination**: UAE 2089.23%, Qatar 985.99%
- **Construction Projects**: UAE 1081.67%, Qatar 762.07%
- **Diplomacy**: UAE 1645.35%, Qatar 647.09%
- **Cultural Diplomacy**: UAE 1323.53%, Qatar 687.23%
- **Overall**: UAE 1362.71%, Qatar 790.53%

Figure 7

Comparison of Change for Negative Keywords, 2009-2014--UAE to Qatar

- **Migrant Workers**: UAE 1216.77%, Qatar 764.94%
- **Alcohol**: UAE 879.24%, Qatar 473.64%
- **Unemployment**: UAE 540.15%, Qatar 1068.22%
- **Terrorism**: UAE 955.75%, Qatar 813.05%
- **Overall**: UAE 915.54%, Qatar 707.44%
than Qatar’s (nine-fold vs. seven-fold), its positive press profile (fourteen-fold) vastly outpaces both its negative profile and Qatar’s positive profile (eight-fold).

Additionally, in terms of sheer numbers Qatar is typically ahead of the UAE in nearly every category, but the differences shed light on the effects of the approach implemented in each country. Overall, it is clear to see that Qatar’s values in most categories exceed that of the UAE, perhaps hinting at the role of Al Jazeera in broadcasting Qatar’s qualifications of interdependence. However, even on the negative side—i.e., issues which Al Jazeera is less likely to cover—articles on Qatar still overshadow those for the UAE, signaling that its broadcaster approach does indeed afford it a wider and more intense portion of the global press spotlight.

While the difference between Qatar’s cumulative articles for positive keywords and that of the
UAE is 20% over the UAE’s figures, for negative keywords that number doubles to just over 40%. This indicates that although ostensibly positive article associations for Qatar outpace those of the UAE, its negative associations do so to a larger extent.41

For positive keywords (Figure 9) the largest difference occurs for diplomacy, with Qatar’s association with diplomacy featured in nearly three times as many articles as the UAE, mirroring its use of the broadcaster approach. Similarly, the UAE outpaces Qatar roughly two-to-one for articles associating it with construction projects, a perfect fit with the haven approach’s emphasis on building the domestic environment for the sake of interdependence and the UAE’s strategy of constantly “thinking bigger.” With respect to the negative keywords (Figure 10),

41 Although the UAE also hosts a significant number of media outlets, none are as closely connected to the government as Al Jazeera is to Qatar’s government. As chapter 4 discusses, as a widely respected and popular media outlet—at least until the past few years—Qatar has leveraged Al Jazeera actively for a variety of political uses and is a tool in broadcasting the country’s image or brand to the international community. This may be by actively promoting Qatar’s positive associations or by remaining silent on its more negative ones. Either way, it constitutes a significant resource for projecting Qatar outward and contributes to the high number of articles associating Qatar with the keywords for interdependence.
Qatar’s link to migrant workers results in twice the amount of articles covering the issue, undoubtedly linked to the high levels of press coverage that the broadcaster approach and its associated sporting events like the World Cup produce.

Figure 10

Combined with the data on the rate of changes from 2009-2014, all of these figures indicate that pursuing a highly diversified portfolio of “positive” activities and associations can overcome even an increasing set of “negative” ones. In other words, although Qatar’s broadcaster approach has created a press profile presence that outshines that of the UAE in terms of sheer numbers, it has also led to increased scrutiny on its negative associations. Yet even beyond raw numbers, the depth and breadth of the UAE’s haven strategy have consistently created higher rates of increased articles across all positive keywords that vastly outstrip negative articles and all of Qatar’s indicators. This is further evidence that suggests the more diversified haven approach that stresses actions over coverage of those actions might be the most effective
strategy for smaller countries seeking to boost their interdependence and ultimately security for the ruling families or political establishment more generally.

Thus, with respect to the first two questions, the greater the difference between the increases in positive and negative press profiles the more likely a country is to be viewed favorably as a partner for interdependence, thereby providing diversified security in spite of potential insecurities that the processes may produce. The UAE’s difference is well over 400%, marking its success in developing a press profile that is highly skewed toward positive associations and has a steep trend line indicating a further widening of the gap in favor of a largely positive profile to the international community. By contrast Qatar’s difference is only 80% with a shallow trend line, signaling that its press profile will remain with a narrower gap between growth in positive and negative associations for the country, its brand and its role in the international community. As elaborated on below, the marked differences between press profiles are products of the haven and broadcaster approaches and the specific activities linked to each one as described and assessed in chapters 3-5.

These activities shed light on the answer to the third question. Keywords and their associated activities tied to the economic interdependence indicators discussed in chapters 3-5 appear to be the most successful in boosting the positive characteristics of the press profile both in terms of absolute numbers and percent increase during the period studied. These activities are most closely associated with the features of the haven approach, and the UAE’s wholesale embrace of the approach in all of its depth and breadth results in its vastly superior numbers for positive press profile and ratio when compared to Qatar. Although Qatar maintains all of these activities in its haven foundation, its emphasis on the activities of the broadcaster approach has stifled the country’s ability to build a positive press profile along the lines of the UAE.
Therefore, in conjunction with identifying approaches to diversifying security the press profile measure can be useful in determining the suitability of a given country as a partner for interdependence and security. Failed or failing states like Somalia and Sudan would almost certainly have negative press profiles and trend lines that project negative associations outpacing positive ones. When most news articles associate a country with negative issues like these cases would present, it severely impedes their ability to cultivate interdependence and any affiliated security. On the other end of the spectrum, countries with large positive gaps would tend to feature prominently in the international press for mostly positive reasons, presenting them as desirable brands while opening them up to a variety of interdependence-producing partnerships.

With all of this in mind, the focus becomes the short and mid-term implications for the UAE and Qatar leading up to the watershed dates of 2020 and 2022, respectively. Ultimately, the UAE's haven approach has proven the most diverse and therefore most durable, especially in light of the Arab Spring. In neoliberal and investment terms, during an economic downturn the UAE held cash and a wide assortment of bonds while Qatar doubled-down on high-risk, high-reward stocks like military and political engagement as well as the Muslim Brotherhood. On one hand, as the value of these stocks plummeted Qatar's portfolio has lost tremendous value and it continues to delay “realizing” its losses by cutting ties and rebalancing. On the other hand, the UAE now has the freedom to further rebalance and diversify its portfolio of security activities by selectively engaging in prestige-producing endeavors like using a female fighter pilot to spearhead the US-led coalition against ISIS.

Therefore, for the UAE the upcoming six years prior to Expo 2020 will have significant effect on the overall success of diversifying security though the haven approach while also allowing for more observation of the diversified insecurity it presents. One of the main concerns
to watch out for is the need of the haven to constantly improve or “one-up” any challengers to its political economic role and home for the biggest, best and most expensive, be they in the subregion or elsewhere. Dubai already has the world’s largest mall twice over, and as noted in chapter 3 is building another for good measure. The Burj Khalifa may be the world’s tallest building now, but Saudi developers are designing a tower that will reach one kilometer or 3,280 feet in height, besting the Burj Khalifa by over 500 feet (CNN 4/17/14). While the UAE has the the 29th and 32nd ranking global financial centers in Dubai and Abu Dhabi, respectively—only the US, Canada, China and Japan have more than two cities in the top 35—Doha actually ranks 26th, Riyadh, Saudi Arabia 31st and Manama, Bahrain 40th; however, the study is partially-funded by the Qatar Financial Centre Authority (Long Finance 3/1/24).

This raises the question of sustainability. If the value, and by extension security, of the UAE’s haven approach stems from its reputation as superlative for all forms of capital is development to maintain that reputation tenable? The UAE already experienced a burst bubble that left many of its iconic projects either in the infant stages of development or stuck on the drawing board, not to mention called into question its ability to serve as a haven. The resumption of grand construction projects as outlined in chapter 3 and a rise in interest in the UAE as a capital haven ahead of Expo 2020 has contributed to a noticeable economic boost, but also carries with it the real potential of causing another bubble that could yet again collapse the economy, especially as rent increases exponentially (Al Arabiya 11/27/13). The need for constant, outlandish improvements to the haven also necessitates a further reliance on the exploitation of migrant workers. While the UAE has largely escaped intense scrutiny of its labor practices to this point, it is safe to assume that in light of Qatar and now the international
spotlight of Expo the country is in danger of being exposed and consequently losing its capital if it does not reform.

As noted, another interesting angle that speaks further to the utility of looking at security through the lens of diversification and neoliberal terminology emerges in the UAE’s rebalancing of its portfolio with hard power, albeit also oriented for the sake of symbolic capital. In addition to increasing support for the new government in Egypt and allegedly intervening to support anti-Islamist militias in Libya, the UAE has joined the US-led coalition against ISIS in Syria by providing fighter jets and personnel to carry out strikes against targets (Reuters 9/30/14). The key difference with the UAE’s implementation of these aspects of the broadcaster approach has been that despite intervening and taking sides, it has not deviated from the GCC party line by supporting Islamist groups, which is also the stance of its Western allies. The effectiveness of these “investments” in diversified security—by returning to an emphasis on hard power—will become clearer as the situation in Syria evolves, the government in Egypt solidifies itself and the Libyan regime fights for control over the country. Most likely, the UAE and Saudi Arabia will gain soft power vis-à-vis Qatar by acting in accordance with international public opinion and effectively opposite Qatar’s maverick, hyperactive “diplomacy.”

This means that Qatar faces the daunting task of trying to repair its reputation and restore credibility in a context that has seen its zeal to be a first mover strip it of any soft power it could use in the process. Gone are the days of Al Jazeera as the leading voice for the region and beyond, and prospects for regaining media supremacy are limited in light of social media’s meteoric rise, the presence of challengers and the public’s memory of its transgressions. The only hope may come in the form of its sport media endeavors with beIN and Al Jazeera America
targeting of the US market where the country could gain a demographic with only limited exposure to the country’s media efforts as of yet.

The most telling indicator of Qatar’s position with respect to this process emerges in the form of the World Cup. Despite affirmations from FIFA that Qatar will be the host, international pressure on the organization to revoke the event will only escalate, particularly as it becomes a means to take shots at Qatar on the grounds of its foreign policies. The success of Qatar in spinning the myriad problems surrounding its hosting, from workers’ rights to climate issues and now its problematic partnerships, will be a microcosm for how it handles these same challenges and loss of soft power on the global stage. Should Qatar manage to retain the cup, the event will once again offer the potential for sport power by showcasing the new, improved Qatar that could prove the catalyst to resurrecting the country’s credibility as a broadcaster with diversified security. Ultimately, however, it boils down to how much Qatar is willing to watch its investments tank and suffer from increasing isolation within the GCC and the international community. If its leaders really are pragmatic and recognize that diversified security comes from its value in filling a niche, the will recognize its current positions are untenable and find a face-saving way to divest, possibly refocusing efforts on its haven activities that appear to produce the most positive bang for their buck.
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