

Human Development in Middle East: A Comparative Study of Human Development in United Arab Emirates and Qatar

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Abstract

Human development is one of the latter theories in development which has gained popularity from the 90s. From the point of view of human development, the final goal of development is a long, healthy and creative life for the mankind. Human development won't be achieved without the effective role of the government; since advancement of the human development strategy requires an effective government. Today one of the indices to evaluate the level of development in different countries is the national and international reports of human development. Since their emergence in 1971, with the help of revenues of oil and gas export and then by diversifying their economic activities, as independence countries, United Arab Emirates and Qatar have turned from deprived and desert areas to rich countries with a high rank of human development. In this essay, we first talk about the concepts of development and human development and the evolution of the concept of development, the method of sketching human development theory and the method of ranking countries by human development indices. Then, we discuss the general characteristics, political changes and current economic approaches in both countries; finally a comparative study of human development from the aspect of both macroeconomic indicators and other effective indexes in human development will be made.

Keywords: Economic Growth, Development, Human Development, United Arab Emirates, Qatar

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Introduction

Development is above and beyond the modernization and the economic growth; it considers profiting human by improving the quality of people life in addition to improving their financial level. Increasing income and developing employment are essential, but they are means of development not it's goal. The goal of human development is developing human capabilities and expanding his potentials. Therefore, from the human development point of view the final goal of development for the human is a long, healthy and creative life in a rich environment and a democratic civil society. Attaining a long life, being totally healthy, reaching to some level of education and understanding, obtaining sufficient salary and participating in decisions that directly affects individuals life and destiny, are all signs of human development.

The goals of human development won't be achieved without the effective role of state and the state should lead the development process, and where needed interfere to be sure that the desired results are realized. Developmental states are able to support long-term entrepreneurship perspectives among private sector elites, help resolving collective action problems and investing on education and infrastructures. Thus, advancing human development strategy requires an active government.

Since their establishment in 1971, with the help of revenue from exporting oil and gas and then by diversifying their economical activities, United Arab Emirates and Qatar have turned from deprived and desert areas to rich countries with high level of living. The question that brings up here is: How human development indices of these countries have been affected by economic growth and development in recent decades? Besides, how we can compare the situation of these countries in human development indices? To answer these questions and as the hypothesis of this essay, we can acknowledge that the economic growth and development due to oil and gas revenue and also business in these countries have led to improve human development in them; and that the United Arab Emirates has succeeded to surpass Qatar in human development indexes through it's fast integration into the global economy and attracting major international investors.

It seems that the United Arab Emirates and Qatar are following an intense competition whit the lead of government and have gained significant improvements not only in economic growth and development

but also in human development. We will discuss this issue comprehensively in the following.

1- Development and human development

1-1- Transformation of the Concept of development

Development issues have been first aroused in economics in 1940s with the rise of the structural school of economic development in Latin America. Raul Perbisch and Celso Furtado (Brazilian and Argentinean economists) had the main role in this field (Shard, Miller & Haller, 1998, 8-83). Then, study of development began by other scientists in sociology and political science and schools of modernization, dependence and global system were created after the World War II. Hence, the first group that started structured study on the meaning and process of development were among economists and eventually they created development economics. In this manner, disregarding non-economical aspects of development in the first theories shouldn't seem so unexpected. Despite the importance of economical aspects of development, today everyone believes that development is more than just the modernization and economic growth, and rather than the improvement of financial level of living, it also contains social justice, political liberties and respecting native values and traditions (Ghazian, 1992, 101). On this basis, latter definitions of development consider economical, political, social and cultural aspects of human life, and they study development in its universality (Tavasoli, 1992, 435-453).

In this way, in 1962 United Nations Economic and Social Council (ECOSOC) discussed integration of both economical and non-economical aspects (political, social and cultural issues) and proposed some suggestions to be followed in the first UN named development Decade (1960-1970). It was saying that "The problem of less-developed countries is development and not only growth. Development consists of growth in addition to change transition, and transition has not only in economic and quantitative aspects, but also social, cultural and qualitative aspects. The major concern is improving the quality of people's life" (zaks, 1998, 24).

Hence unlike the First Development Decade, where the social and economical aspects of development were separate, the Second Development Decade turned to integration of the two aspects of development. So, after recognizing the necessity of the interaction of financial sources, technical procedures, economic aspects and social

changes; a new paradigm and procedure should have been developed, in a way that in addition to complete integration of policies, programs and social and economic factors, take the following issues into consideration:

I. Not excluding any part of population from the development and change domain.

II. Creating a structural change that enhance national development and persuade all parts of population in the process of development.

III. Following social justice and particularly, attempting fair distribution of income among all people.

IV. Prioritizing development of human capabilities, creating employment and meeting the needs of children (Shirzadi, 2007, 19-20).

On this basis the second decade of development considered new issues as social participation, environment, population, starvation, women and employment. In 1976, meeting the basic needs of population of countries was the main action plan of the Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labor. However, many call the 1980s lost decade for development, because despite the significant achievements of four countries called Asian tigers (Taiwan, Singapore, Hong Kong and South Korea), pessimistic ambience ruled over this decade and the process of economic adjustment for many countries was the same as eliminating or demolishing the majority of previous achievements in the name of development (Saks, 1988, 25-30). But in the 1990s, a new development-oriented ambience was created and human development theories were considered and national reports in this field were developed.

1-2- Human development

Three theorists of development economics Kate Griffin, Terry McKinley and Mahbub ul Haq first introduced the theory of human development. From their point of view human development indicates that the main goal of development is profiting human through profiting the quality of people's life. Increasing incomes and expanding employment are essential, but they are means of development not it's goal. The goal of development is developing human capabilities and expanding his possibilities. Income is just one of these possibilities, and of course, an essential one, but human life in total is something else. Attaining a long, healthy and creative life for the mankind, in a rich environment and

democratic civil society, is the final goal of development. So, there is not any definite relationship among economic growth and human improvement; economic growths together with human living make up the meaning of human development (Shirzadi, 1386, 87)

The meaning of human development takes man as the center of development patterns. Human development demands compound programs and actions and macro-economic policies, and its final goal is that economic growth lead to people's welfare. Hence, the aim of human development is that human achieves capabilities which are: "having a long life, being totally healthy, reaching to some level of education, having enough income to by food, clothing and housing and participation in decisions that can affect individual's life and destiny" (Griffin & McKinley, 1996, 11-16).

The basic elements that are considered in human development are:

- **Efficiency:** People should be able to increase their productivity and have active participation in creating income and employment. On this basis, economic growth is one of the categories of human development pattern.

- **Equality:** People should have equal opportunities. The obstacles in front of economic, political and social opportunities should be removed in a way that, while providing social participation, let people to benefit from them. In other words, every one should have equal chances to obtain possibilities and also the occasion to use and represent them.

- **Sustainability:** The access to opportunities should be guaranteed not only for the present generation, but also for the future generations. For this purpose, every kind of physical, human or environmental capital should be reserved and compensated.

- **Empowerment:** Development must be carried out by people, not for people. Therefore people should have complete participation in decisions and procedures that forms their lives. So the occasion for this empowerment should be provided for the people (Mansouri, 1379, 164-165).

The aims of human development won't be achieved without the effective role of state and the state should lead the development process, and where needed interfere to be sure that the desired results are realized. But this role doesn't mean that the state has big dimensions or extensive establishment and has a great share in total expenses. Also, the government may perform a small part of services and transfer the

remaining to the private sector. Therefore the size of government is in the second place of importance and the important matter in human development is that which duties are done by state and how well it performs them.

The second issue that has less significance in terms of state's role is decentralization in the administrative system. Many developing countries have highly centralized governments inherited from the colonization period. The issue of decentralization becomes more important when the human development strategy is undertaken. Since this strategies emphasize more on labor-consuming programs than capital-consuming programs and prefer scattered and small investments to large and geographically centralized expenses. They prefer collect local programs that complete each other to national and homogenized programs. Central administrations located in capital cities are not in a proper situation to plan and perform programs with such specifications. In other words, human development strategies are tend to deeply utilize indigenous knowledge and experiments; and the states that accept such strategies, would probably be more successful when state administrations have a strong relationship with people. This demands people to be organized by the national institutions in order to participate actively in setting out and performing development programs. Therefore, human development should rely on a powerful civil society and a large number of NGOs should create the opportunity for the people to remark and act (Griffin & McKinley, 1996, 22-25)

Usually human development is followed by developmental states. In this decade these states have been the subject of theorization. Peter Evans has studied developmental states. In his book "*Embedded Autonomy: states and industrial transformation*" (Evans, 1995), He studies the role of state in development. Evans main reasoning is that states could be developmental. In his idea, some states are able to support long-term entrepreneurship perspectives among elites of the private sector, help eliminating collective actions difficulties and make fundamental investments in education. The elites that rule these governments are not immune against taking the advantage of society's profits, but the country that they rule has a faster rate in development because of public good provided by these elites.

According to Evans, the existence of a coherent and powerful economic bureaucracy is one of the basic and key specifications of the

developmental states. A powerful bureaucracy in based on meritocracy and administrations that work as efficient as private sector in long-term. These indicators have lead to a faster economic growth not only in Eastern Asia, but also in a wide range of developing countries (Evans, 1999, 748-756).

According to Evans, One of the classic duties of state was war and protecting the system, but in contemporary world encouraging economic progress and assuring a minimum level of welfare for all are added to state duties. Since political stability and domestic tranquility are often indicated in terms of economic reforms, states have taken the responsibility of economic progress. State's interference in the economy has two sides, capital accumulation and economic growth on one side, and welfare on the other side (Evans, 2001, 36-40).

Briefly, human development strategy needs an active state that by interfering: firstly changes the production and production processes based on natural wealth. If we leave market alone, it won't care about costly activities that harm the environment. Secondly, the state must interfere in the formation of human capital. Thirdly, the state must takes the responsibility of welfare investments, as providing funds for research and development, education, sanitation and nutrition, investment in infrastructure issues like transportation, energy and urban structures. In long term, the strategy of human development goes along with gradual and definite decrease of state involvement, and some of state functions will be transferred to civil society institutions (Shirzadi, 1386, 88-89).

Development of human capabilities should be considered as a continuous and everlasting process. Education, Sanitation and heath and nutrition have a great influence on helping people develop their capabilities. While improvement of human capabilities is a goal itself, it causes increasing production and income (Griffin & Knight, 1999, 134, 155).

1-3- Human Development Index

Human development index (HDI) is used to evaluate the extent of human development in a country. Human development index is a mixed index that measures three main dimensions of life: accessing to necessary facilities for education, attaining long and healthy life and reaching to a standard level of living. This index has been published each year by United Nations Development Program (UNDP) and has been the subject

of discussions and modifications over times, and now it's used as an accepted international index for measuring the level of development in societies. Human development index, by showing the scale of choice and expanding human capabilities, is a good measure for determining the level of human living and shows the position of countries in reaching human development. Hence briefly, human development factor consists of three dimensions of life: long healthy life, awareness and standard level of living. Longevity is about life expectancy at birth and rate of babies surviving. Awareness contains literacy of adults, gross rate of enrollments, rate of enrollments of girls and the number of scientists and experts in research and development. Level of living contains per capita income, labor force as a percentage of population, and number of people accessing pure water.

Table (1) shows human development rank of countries of the world. Norway with the highest rank of human development index has the first place. Israel, United Arab Emirates and Qatar, have respectively ranks of 17, 30 and 37 and are placed in the first group which is countries with a very high human development rate. Iran has the rank of 88 and is placed in the second group which is countries with a high human development rank. Countries like Saudi Arabia (56), Malaysia (61), Kuwait (63) and Armenia (86) are also placed in this group upper than Iran. But countries like Oman (89) and Turkey (92) are placed in this group lower than Iran. Third group contains countries with an average rank of human development like Turkmenistan (102), Egypt (113), Syria (119), Tajikistan (127) and Iraq (132). The fourth group contains countries with a low rank of human development like Pakistan (145), Yemen (154) and Afghanistan (172).

Table 1: Number of countries according to their rank of human development index in 2011

Level of human development	Number of countries	Range of HDI index
Countries with a very high rank of human development	47	(0.943-0.793)
Countries with high rank of human development	47	(0.783-0.698)
Countries with average rank of human development	47	(0.698-0.522)
Countries with low rank of human development	46	(0.510-0.286)
Sum	187	(0.943-0.286)

Source: UNDP (2011), Human Development Report 2011: Sustainability and Equality, (NY, Palgrave) pp127-130

Although we expect that countries with a higher level of income per capita to have a higher rank of human development index, comparing countries in table 2 shows that many countries with a higher level of income per capita have lower ranks of human development. For instance Lebanon has a lower rate of gross domestic production comparing to Iran, but a higher human development index.

Table 2: Per capita income and human development index of selected countries

Country	Rank	Gross domestic production (GDP) based on purchasing power equality in 2007 (Billion Dollars)	Gross national income per capita (GNI) in 2011 (USD)	HDI Index
Norway	1	251.6	47557	0.943
Israel	17	188.9	25849	0.888
Saudi Arabia	56	554.1	23274	0.770
Malaysia	61	358.9	13685	0.761
Kuwait	63	121.1	47926	0.760
Lebanon	71	41.4	13076	0.739
Iran	88	778	10164	0.707
Turkey	92	957.2	12246	0.699
Egypt	113	403.7	5269	0.644
Syria	119	89.7	4243	0.632
Iraq	132	-	3177	0.573
Pakistan	145	405.6	2550	0.504
Afghanistan	172	26.1	1416	0.398

Source: UNDP (2011), Ibid, & UNDP (2009), Human Development Report 2009, (NY, Palgrave) pp. 195-198.

2- Introducing United Arab Emirates

2-1- General Specifications

United Arab Emirates is situated in southern shores of Persian Gulf in southwest of Asia; extended from Qatar peninsula on west to Musandam peninsula and Hormoz Strait on east. Its borders are limited to Persian Gulf on north, Oman on east and Saudi Arabia on west. This country is established on 1971 from joining Abu Dhabi, Ajman, Fujairah, Sharjah, Dubai, Ras Al Khaimah and Amalqyyn sheikhdoms. Its area is about 83600 kilometers squared, and its population is about 7 millions (table 3), but only I million of this population are native and the other six millions are immigrants from other countries and areas especially from southern Asia and Iran. Although, after the economic crisis of 2008-2009 the number of foreigners in this country has decreased, yet United Arab Emirates has the world first rank of immigration rate.

Table 3: United Arab Emirates and Qatar population 1970-2009

Country /Year	1970	1980	1990	2000	2005	2009
UAE	231754	1016228	1808642	3033491	4069349	6938815
Qatar	108401	221594	473722	590957	820986	1597765

Source: World Bank (2011), World Bank Data Sets, at: <http://data.worldbank.org>

There are significant differences between the seven emirates of United Arab Emirates, and four of them are recognized as the most important. Abu Dhabi is the center of country and has the majority of oil resources and incomes. Abu Dhabi owns about 94 percent of known oil reserves and Dubai has only 4 percent of it. So, because of its limited oil reserves and the rivalry with Abu Dhabi, Dubai got to alternative means for economic development and as a result, it developed ports and commercial infrastructures in a way that in 2004 the capacity of its ports was the same as ten big ports of the world. Hence, from economical and commercial point of view, Dubai is very important (Earyl, 2008, 15-16). Sharjah has a great cultural significance and its governor is interested in cultural events and establishing exhibitions. Abu Dhabi is known as the most important among these four emirates.

2-2- Political transformations

Since United Arab Emirates doesn't have historical background and institutionalized political and social identity, it doesn't have required political and social coherence. The small number of native population and the large number of foreigners is one of the problems of this country. Politically and Socially, United Arab Emirates has major difficulties and challenges and follows certain planning to resolve them. Since this federative country is composed of the unification of different sheikhdoms, one can observe rivals and conflict between its emirates. Especially we can mention discontent of other emirates with Abu Dhabi. Even sometimes emirates are trying to attract external support against Abu Dhabi. However, against mutual threats and challenges from the outside, they mostly take a common position.

Regarding the lack of history and social and political coherence, one of the main programs of Emirates rulers is identity making. In this way, creating and forming a new generation of nationalism and certain

Arabic fanaticism, internalizing some expatriates portions of population like Iranian Arabs, particular name-giving and various social and cultural programs and highlighting external threats and conflicts in order to create internal coherence, are considered as important actions.

Politically, United Arab Emirate is a non-democratic country ruled by a council of governors composed of sheikhs of seven emirates that Abu Dhabi and Dubai have the veto right in it. Despite economic improvements and high level of welfare in UAE, this country has a low level of participation and political liberties, but its governors have tried to grant economic benefits and social liberties to public in order to reduce political demands. Therefore, like other southern Persian Gulf countries, United Arab Emirates is involved in a structural challenge among rapid economic growth and at the same time the lack of political development. It seems that in order to match with the world public opinions and attracting external investments and moving to stable development indexes, gradually there are signs of some democratic reforms and more respect for human right norms (Kharazie, 2008, 245-249).

One of the significant political transformations of this country in the past years was the change in leadership as a result of Sheikh Zayed bin Sultan Al Nahayan's death in November 2004, since Sheikh Zayed was the emir of Abu Dhabi from 1966 and the head of the UAE from the year of establishment 1971. Short after his death, his son Sheikh Khalifa bin Zayed Al Nahayan was introduced by UAE Supreme Council as his successor.

2-3- Current economic procedures

We mentioned some of the aspects of Evans ideas about developmental states. In his opinion, developmental states not only lead industrial transformation, but also play a significant role in creating transformations (Evans, 2001, 44-46). We can highly categorize United Arab Emirates rule as a developmental state. In developmental state pattern, bureaucracy acts in direction of economic development.

The first period of economic development for the United Arab Emirates was started from the beginning of 1970s followed by significant rising of oil prices (Al Abed & Hellyer, 1997, 250). In the field of oil, UAE has 97.8 billion barrels of proved reserves and this country has the seventh place in the world. Its oil production is 3.064 million barrels per day which ranks is in eighth in the world. But with 2.7 million barrels per

day this country is the third exporter of oil in the world. In the field of natural gas, UAE definite reserves has been estimated as 6.971 trillion cubic meters and this country has the seventh place in the world. Its natural gas production is 50.24 billion cubic meters which ranks eighteenth in the world. Regarding to its economic ambitions and the need for more gas, UAE is looking for importing gas from Iran and other countries.

United Arab Emirate has an open economy and a high trade surplus. Successful attempts for diversifying economy have led to 25 percent decrease of oil and gas portion in its economy. From discovering oil in about 30 years ago till now, UAE in turned from a deprived and desert country to a rich country with a high level standard of living. The government had largely expended on entrepreneurship and developing infrastructures and has created many opportunities for the private sector.

Abu Dhabi's government which is dominant on the economy of United Arab Emirates, in 2008 published its strategic economic development program as "The Abu Dhabi Economic Vision 2030". According to this program, with diversifying economy, till 2030, the growth of non-oil portion of its economy must be more than its oil economy, and a knowledge-based economy, match with the world economy must be created, and along with more supporting of private sector, the government would play smaller role in the economy.

Free trade zones (in which foreigners can have ownership and be exempted of taxes) helped greatly the country to attracting foreign investors. However, economic crisis and decrease of oil price damaged UAE economy and declined gross domestic production (GDP) in 2009.

Oil, petrochemical, fishing, aluminum, fertilizer and ship repair are the main industries of UAE. Its Industrial production growth rate in 2009 was 6.7 percent which has the 118th rank in the world.

Commercially, UAE major export partners are Japan (26.51 percent), South Korea (10.9 percent), India (10.7 percent), Iran (7.4 percent) and Thailand (6.1 percent). Its major exports are: crude oil (45 percent), natural gas, re-exports dried fish and dates. Its major imports are machinery, transport equipments, food and chemicals. Its major import partners are China (12.9 percent), India (12 percent), USA (8.6 percent), Germany (6 percent), Japan (6 percent), Turkey (4 percent) and Italy (4.2 percent).

In terms of the value of gross domestic production, this country has the second place after Saudi Arabia among the Gulf Cooperation Council countries and the third place after Saudi Arabia and Iran among Middle East and North African countries. In terms of global trade freedom has the fifth place in the world. Creating free trade zones exempted from taxes was an important step in connection with this policy.

Creating diversity in economy has been one the major programs of UAE government and is the main reason for opening its economy to external capitals. In 2006 UAE attained capitals as much as 24.3 percent of its gross domestic production.

Economic crisis in 2009 caused internal and external shocks to UAE economy, the most important of them was Dubai's debts crisis that was largely contained by help of Abu Dhabi's government. The main effects of economic crisis on UAE were: decrease in oil revenues, escape of capitals and decrease in construction and tourism revenues (in this regard we can mention the 13 percent reduction in number of tourists and 36 percent fall of hotels income in UAE), bankruptcy of companies and financial institutions, and reduction of world trade.

One of the domestic consequences of economic crisis was its negative effect on Dubai, and Abu Dhabi took the advantage of this in a way that its position in the UAE largely improved. Abu Dhabi had 900 billion dollars of currency reserves in the period of economic crisis. That is while Dubai had 86 billion dollars of debt due to negative consequences of economic crisis and so heavily needed Abu Dhabi's help. This issue led to decline of Dubai position and improvement of Abu Dhabi in Unite Arab Emirates.

3- Introducing Qatar

3-1- General Specifications

Qatar is a peninsula in the middle of Persian Gulf's shore and has many islands. The little peninsula of Qatar is bounded by Saudi Arabia in south and its only land border is Saudi Arabia. The majority of Qatar peninsula borders are surrounded by Persian Gulf from north, east and west, so its neighbors are connected to it beyond Persian Gulf. These neighbors are: Bahrain in northwest, Iran in north and United Arab Emirates in southeast. Its total area with its islands is about 11521 squared kilometers and its population is 1.758 million people (table 3). Only 25 percent of this population is native and others are from Iran,

Egypt, Palestine, Syria, Jordan and Lebanon. About 40 percent of its population is composed of Arabs (Qatar and other races) and the other 60 percent is composed of people of other races as Indians, Philippines, Nepal, Pakistani, Sri Lankan and etc. Doha situated in east of the country and is the capital and one of the five ports of this country. Doha is the biggest city of Qatar and more than 80 percent of its population is residing in it and in periphery of this city. This city is the economic and political center of the country (Kianoush, 1389, 16-17).

Qatar climate is hot and humid and the rainfall is just in the winter. Qatar has a flat land covered with sand. It has some sand dunes in northern and western areas that may reach to 400 meters above sea level. Al Jassasiya ranges are the only mountains of this country. There are some islands in eastern and western shores of Qatar. The weather of its different areas changes from 10 degrees in winter to 46 degrees in the summer.

3-2- Political transformations

Qatar was under Britain's mandate until 1970, then in 1971 with separation from Bahrain declared its independency and also didn't accept membership in United Arab Emirates. The type of its government is hereditary emirate. The emir is top political and governmental authority and is the first decision-maker in all major and important issues of the country. Among Middle East countries Qatar has a relative political stability (Sharifi, 1389, 18-20).

Since its independency, Sheikh Khalifa, father of the current ruler, Sheikh Hamad, seized the power for 23 years. Sheikh Khalifa's ruling period was full of wasting wealth, backwardness, Domination of Britain on state affairs and economic recession, and Qatar was one of the less developed countries of Persian Gulf. In 1995, Sheikh Hamad, son of Sheikh Khalifa took the power with a non-violent coup d'état. Since Sheikh Hamad's power, Qatar had important domestic and regional changes and improvements. In the recent years Qatar has tried to play a different role in the region compare to other Persian Gulf countries, as a moderator in regional conflicts. Domestically, it has also performed political and economic reforms. In the field of media the establishment of Al Jazeera network was a revolution in the Arab media world for creating free political atmosphere. Moreover, from the export of liquid natural gas this country had a significant economic jump.

In the years after revolution in Iran, Qatar doesn't suppose any threat from Iran but Saudi Arabia has constantly threatened its sovereignty and territorial integrity. It seems that a majority of Qatar issues and acts are formed because of Saudi Arabia threats. From one perspective, we can study Qatar's acts as a micro state.

In international relations theory micro states have the problem of stability or, if not, endurance. Qatar and other micro states of southern Persian Gulf shore which had their independency from Britain in 1971, need basis and grounds for the continuity of their power. On this basis, the major challenge of micro states is survival and the major goal of their acts is to guarantee their security and survival.

The bilateral relations of Qatar and USA have been strong and growing and these countries cooperate in security issues in Persian Gulf and other diplomatic issues of the region. Economic connections of these countries are strong especially in the field of oil and gas.

The little country of Qatar has succeeded to redefine its position in regional equations as a moderator and based on this, attain a good position. Yet, since Qatar considers Saudi Arabia as its only rival in the region, it tries to benefit from its new role to extend its regional influence against Saudi Arabia.

3-3- Current economic procedures

Traditionally Qatar's economy was based on exporting pearl, but after discovering oil and gas, its economy is based on exporting gas especially in the form of LPG. From 1973, Qatar started production of oil and then gas. Oil was forming its economic foundation especially in the 1990s, and yet it makes more than 60 percent of the government's income. The production of oil and the revenue gained from it increased significantly in 1973, and moved away Qatar from a poor country. The oil production reached 835000 barrels in 2007 and in 2009 it went beyond the limit of 1.1 million barrels per day. It is expected that with the current rate of production, its reserves remain more than forty years.

Qatar has the third reserve of natural gas in the world. Its gas reserves are evaluated to be more than 900 trillions cubic feet (14 percent of total reserves in the world). At the moment Qatar is the biggest supplier of liquid gas (with the capacity of 31 million tons) in the world and it supplies one-third of world natural gas. Qatar and Iran possess mutually Southern Pars Field (Northern Dome). Completing the first

phase of development of this gas field in 1991 significantly made its economy stronger. Next stages of this project are being planned and developed. Qatar has signed many agreements to transfer gas to United Arab Emirates (by pipeline) and Spain, Turkey, Italy, USA, France, South Korea, India, China, Taiwan and England (by ship). Exporting liquid gas to Japan is also started in 1996. In recent years, Qatar government stopped developing production and export projects of liquid gas in order to evaluate future plans, but performing new gas projects made Qatar the leader of economic growth in the world in a way that, in 2007 and 2008 its economic growth rate exceeded 25 percents.

Hence, economically Qatar has adopted the strategy of “using wealth to bring more wealth” and to do so, it uses the huge wealth gained from oil to diversify economy and reduce dependence to oil and gas sector. Qatar rule, seeking to match to the pattern of a developmental state, has tried to improve its position in the world by performing a “Qatari Nationalism” program. In this manner it tries to prepare basis to make Qatari graduates of prestigious universities of the world, and especially USA universities come back to Qatar. These people take important positions formerly done by foreign experts, and in this way government gets closer to accomplish its “Qatari Nationalism” goals (Kianoush, 1389, 17-18).

The privatization of the economy is considered by Qatar government as the key to improve the country (Yousefie Limiyayie, 1384, 126). Qatar National Vision 2030 (QNV 2030), which has been started since 2008, is based on four aims connected to each other: human development, social development, economic development and environmental development (Qatar National Vision 2030, 2009, III). According to Qatar National Vision which was developed during 2005-2008, and is been started since 2009, this country intends to turn to an advanced society which is capable of keeping its development and provide high level of standards for all people of the country. This vision defines long-term achievements for this country and a framework for developing national strategies and administrative programs (Samimi & Jafari Ghodousie, 1389, 35-36).

Studying economic indicators shows that economically, Qatar has a favorable situation. Qatar’s gross domestic production (GDP) in 2009 was about 98 billion dollars (tables 4 and 5). Its major industries are production and refinement of crude oil and LPG, production of ammonia,

fertilizer, petrochemicals, cement, repairing cargo ships and production of steel slabs. Qatar's export is about 62.44 billion dollars in year and its major export goods are: LPG, petrochemical products, fertilizer and steel. Its major export partners are Japan, South Korea, Singapore, India, Thailand and United Arab Emirates. Its annual import is about 24.96 billion dollars. Its major import goods are: transportation equipments, machinery, food and chemical products. Qatar's main import partners are USA, Italy, Japan, France, Germany and England.

Table 2: Gross Domestic Product (GDP) during 1970-2009 (million dollars)

Country/Year	2002	2003	2004	2005	2006	2007	2008	2009
UAE	109816	124346	147826	180617	222106	258150	314845	270335
Qatar	19364	23534	31675	43040	60497	80751	110712	98313

Source: World Bank (2011), World Bank Data Sets, at: <http://data.worldbank.org>

Table 3: Annual growth of Gross Domestic Product during 2002-2009

Country/Year	2002	2003	2004	2005	2006	2007	2008	2009
UAE	2.43	8.8	9.57	4.86	9.91	3.21	3.29	-1.61
Qatar	7.13	3.49	20.84	7.6	18.6	26.75	25.48	8.64

Source: World Bank (2011), World Bank Data Sets, at: <http://data.worldbank.org>

Despite economic recession and its negative influences on most of Persian Gulf countries and especially UAE, Saudi Arabia and Kuwait markets, Qatar's economy is less damaged and had a faster growth compare to other countries during the recession period. On this basis some put forward the idea that economic boom is moving from UAE to Qatar. The important point about Qatar's economy is its gross domestic product per capita, which is higher than European countries and has made Qatar wealthiest country in the world. Qatar's per capita income in 2011 exceeded 107 thousand dollars and this country ranked in the first place for GDP per capita in the world.

4- Comparing human development indexes in UAE and Qatar

The two Persian Gulf countries of United Arab Emirates and Qatar have such similarities that at the beginning of their independency, some suggested the idea of Qatar's membership in United Arab Emirates.

According to these similarities the human development process in two countries is rather identical and these two countries compete with each other; though, it seems that United Arab Emirates has been more successful.

4-1- Comparing human development rank and macroeconomic indicators

As we discussed before, human development index is composed of three indexes of per capita production, education and life expectance. Comparing major human development indexes among United Arab Emirates and Qatar shows that two countries have made a great effort in order to improve these indexes.

Table4: UAE and Qatar rank in human development index (1995-2011)

Country/Year	1995	2000	2005	2009	2010	2011
UAE	45	45	41	35	32	30
Qatar	56	42	40	33	38	37

Source: UNDP (1995-2011) Human Development Report, NY, Palgrave

Table 4 shows the rank of two countries in different human development reports published by United Nations Development Program (UNDP). According to this table, both countries by moving through an ascending path have succeeded to obtain better human development indices during 1995-2011; but Qatar had a better function during 1995-2000 which are the first five years of new emir's power and beginning of reforms, in a way that it has reached from 56th rank to 42. Though, Qatar's rapid growth had fluctuations during 2000-2011 and this country reached the rank of 33 in 2009 and finally 37 in 2011. United Arab Emirates despite no improvements during 1995-2000 and keeping the rank of 45, had continuing and ascending growth of human development during 2000-2011, and besides exceeding Qatar, has succeeded to improve its human development rank from 45th place to 30.

Table 5 and graph 1 represent changes of human development indices in United Arab Emirates and Qatar. According to this table, despite descending of Qatar's rank in human development during 2009-2011, human development index in this country has not changed, rather has been stable during 2005-2009 and from 2009 it has continued to grow. Therefore, the function of both countries in the field of human

development index has been ascending, yet Qatar's function in this field during 2009-2011 has been better than UAE, and this country has succeeded to improve its human development index from 0.818 in 2009 to 0.831 in 2011. But United Arab Emirates has just succeeded to improve its human development index from 0.841 to 0.846 during these years. The continuity of Qatar's success in this field and especially its performance to improve gender inequality index could also be a reason for its progress over UAE.

Table 5: Changes in human development index during (1980-2011)

Country/Year	1980	1990	2000	2005	2009	2010	2011
UAE	0.629	0.690	0.753	0.807	0.841	0.845	0.846
Qatar	0.703	0.743	0.784	0.818	0.818	0.825	0.831

Source: UNDP (2011), Human Development Report 2011: Sustainability and Equality, NY, Palgrave p.131

Graph 1: Changes in human development index during (1980-2011)

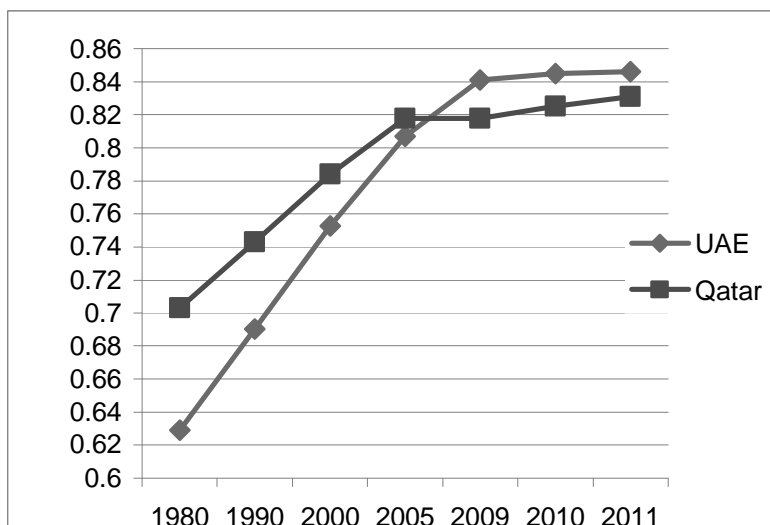


Table 6 shows the most important indices that play an influential role in evaluating human development of two countries. According to this table, Qatar had a better function compare to UAE in: life expectancy index in 2011, education and gross domestic production (GDP) in 2005 and environmental index in 2011; but in gender inequality index in 2008

and 2011, function of United Arab Emirates has been better since, as this index gets closer to zero, the participation of women and men in political, economic and social affairs is more equal and less discriminated. The growing educational level of women and their increasing participation in economic and social affairs, along with continuing political reforms in Qatar can cause improvement of this index and provide a more favorable platform for Qatar to reach UAE in this field.

Table 6: Comparing the most important human development indexes of UAE and Qatar

	Human Development Index (HDI)		Life Expectancy Index	Education Index	Gross Domestic Production Index	Gender Inequality Index		Environmental Performance Index
Year	2005	2011	2011	2005	2005	2008	2011	2011
UAE	0.807	0.846	0.836	0.791	0.925	0.464	0.234	40.7
Qatar	0.818	0.831	0.854	0.852	0.938	0.671	0.549	48.9

Source: UNDP (2011), Human Development Report 2011, NY, Oxford University Press, pp. 135, 139, 146; UNDP (2009), Human development Report 2009, NY, Oxford University Press, p. 171; UNDP (2007/2008), Human Development Report 2007/2008, NY, Oxford University Press, p 229

4-2- Comparing status of other important human development indices

4-2-1- Education

Education and income have a high correspondence both in individual and social levels because educated people have more chances and opportunities of raising their income (Al Abed & Hellyer, 1997, 256). As we can see in table 6, Qatar's education index is about 0.852 and UAE index is about 0.791. Therefore, Qatar's function in this field is evaluated as better. The sub-categories of this index also show the little difference between these two countries in various educational issues. However, Qatar has shown a better function compare to UAE in most of these issues regarding to its less population and hence higher per capita income. For instance, the rate of adult's literacy (people older than 15) in United Arab Emirates has reached from %79.5 during 1985-1995 to %88.7 during 1995-2005. This rate for Qatar has reached from %75.6 to

%89 in the same period.

Table 7 represents the ratio of elementary school enrollment in two countries. Both countries had identical function in this field. Moreover, according to human development report in Arab countries, the rate of literacy of young people aged between 15- 24, in United Arab Emirates is 97 percent and in Qatar is 95.9 percent, and hence the function of UAE is a little better in this field. Furthermore, educational expenses based on a percentage of gross domestic production, in 1991, was 2 percent for UAE and 3.5 for Qatar. During 2000-2005, regarding to significant increase of GDP, this percentage has decreased to 1.3 percent for UAE and 1.6 percent for Qatar, yet Qatar spends a higher portion of its GDP for education (UNDP, 2009: 238-239).

Table 7: The ratio of enrollment in elementary schools (percent)

Country/Year	1980	1990	2000	2009
UAE	76	100	80	98
Qatar	84	96	96	98

Source: World Bank (2011), World Bank Data Sets, at:

<http://data.worldbank.org>

4-2-2- Employment and income

The reported rate of unemployment in Qatar is 2 percent and in United Arab Emirate is 2.3, while the reported rate of young people unemployment in UAE is 6.3 and in Qatar is 17 percent. United Arab Emirates has the minimum rate of unemployment of young people among Arab countries. In United Arab Emirates 8 percent of population are working in agriculture section, 33 percent in industry and 59 percent are working in services. This rate for Qatar is respectively 3 percent in agriculture, 41 percent in industry and 56 percent in services (UNDP, 2009: 246).

United Arab Emirates and Qatar together with Bahrain, Kuwait and Saudi Arabia are considered as countries with high incomes. However, by increasing the export of gas and regarding to its less population, Qatar has succeeded to be in the first rank of per capita income in the world in a way that in 2011 its per capita income (based on purchasing power equality) has reached to 107721 dollars, while UAE per capita income was 59993 in the same year (UNDP, 2011, 127).

However, United Arab Emirates has moved further comparing to Qatar in stabilizing its commercial structure and decreasing the portion of

crude materials export in its GDP, in a way that the portion of manufactured goods export as a percentage of GDP, reached to 24 percent in 2005. This amount for Qatar was just 7 percent. Besides, United Arab Emirates succeeded to expand the portion of high-tech goods export to %10.2 in that year, while Qatar's portion was limited to 1.2 percent (UNDP, 2009, 243).

4-2-3- Women participation

The empowerment of women index in UAE is 0.652 and in Qatar is 0.374, so United Arab Emirates is in 29th and Qatar is in 84th place. This fortifies UAE human development index. According to UNDP reports 2007-2008, women have 20 seats in UAE National Assembly, but no place in Qatar Advisory Council. However, the amount of women's economic activities in these countries is the same. Most of women in Qatar (97 percent) are working in services and during 1995-2005 only 3 percent of them have worked in industrial sector, but these portions in UAE has been 86 percent in services and 14 percent in industry. Qatar recognized women's right to vote in 2003 (UNDP, 2007, 338-341).

4-2-4- Information and telecommunication technologies

The number of fixed telephone subscribers per thousand people in UAE, reached from 224 in 1990 to 273 in 2005, this amount for Qatar has reached respectively from 197 to 253. In mobile communications United Arab Emirates had a great success and the number of mobile phone holders has reached from 19 people per thousand in 1990 to 1000 people in 2005 means there is a mobile phone per each person. This amount for Qatar has reached respectively from 8 to 882 peoples. Internet users were near zero in 1990 in both countries; this amount per each thousand people in 2005 reached to 308 in UAE and 269 in Qatar (UNDP, 2009, 240).

4.2.5. Health and life expectancy

One of the most important parameters in determining human development index is life expectancy at birth. According to table 8 life expectancy index in 2011 in Qatar has reached to 0.854, which is better than UAE with the index of 0.836. Moreover, according to table 10, in 2009 life expectancy at birth in Qatar was 77.94 years and in UAE 76.4 years. Despite Qatar's superior position in this field, UAE has succeeded to reduce this gap, and the difference between them has decreased from 3.63 years in 1970 to 1.54 in 2009.

Table 8: Life expectancy at birth during 1970-2009

Country/Year	1970	1980	1990	2000	2005	2009
UAE	62.51	66.68	72.14	74.62	75.66	76.4
Qatar	66.15	71.25	74.13	76.3	77.25	77.94

Source: World Bank (2011) World Bank Data Sets, at:<http://data.worldbank.org>

Table 9 compares the ratio of women and men that reach the age of 65. Despite life expectancy index, UAE has a better position in this field.

Table 9: Ratio of men and Women that reach to 65 years old (percent)

Year	2000		2005		2009	
Country	Man	Woman	man	woman	man	woman
UAE	84	88	85	88	86	89
Qatar	75	80	80	82	82	83

Source: World Bank (2011), World Bank Data Sets, at: <http://data.worldbank.org>

United Arab Emirates has dedicated 2.9 percent of its GDP in 2004 to health care, which gets its per capita health expenditure to 503 dollars. However Qatar expends 2.4 percent of its GDP in health sector and regarding to its less population compare to UAE, the amount of per capita health care expenditure in Qatar is 688 dollars; 36 percent more than UAE. Besides, all the people of these countries have access to sewer system and pure water. However, water is one of the major challenges of these countries, UAE and Qatar suffer from critical water shortage, where in UAE there are 10 thousand people for each one million cubic meter of water, and in Qatar there are 5 to 10 thousand people for each one million cubic meter of water (UNDP, 2009, 233).

The “within the first five years infant mortality rate” is an important index in this field. According to table 10, the two countries have a rather similar performance and have succeeded to decrease this rate as much as possible.

Table 10: Within five years infant mortality per 1000 people

Country/Year	1970	1980	1990	2000	2005	2009
UAE	91	43	22	12	9	8
Qatar	79	41	21	13	10	9

Source: World Bank (2011), World Bank Data Sets, at: <http://data.worldbank.org>

4-2-6- Environment

Climate changes during next decades will affect most of countries in the world. Greenhouse-gas emissions per capita in countries with a high level of human development like Qatar and UAE is much more than countries with an average or low level of human development, since there are more activities that use fossil fuels energy, like cars, air conditioning and power generation equipments. Hence, residents of countries with high level of human development emit 4 times carbon dioxide and greenhouse gases. So, with their dependence on oil and gas and the low population of Qatar, this country with 53 tons, has the highest Greenhouse-gas emissions per capita in the world. Carbon dioxide emission per capita in the UAE is 35 tons.

According to table 10, Qatar's environmental performance index in 2011 is 48.9 of 100, better than UAE with the index of 40.7

Transportation sector in Arab countries is the major portion of air pollution. The Ownership of personal vehicles in Qatar is much more than UAE and during 2000-2004, 370 people per 1000 had personal vehicles. Qatar, United Arab Emirates, Saudi Arabia and Kuwait established a 750-million-dollars fund in 2007 OPEC summit in order to promote using environmental-friendly sources and expanding advanced technologies in this field (UNDP, 2009, 24-27, 49).

Summary and conclusion

Human development index is composed of the three indices: production per capita, education and life expectancy. Comparing major human development indices between United Arab Emirates and Qatar shows that these countries have done great efforts to improve these indexes. Although the close performance of the two countries in different areas, from 2010 United Arab Emirates succeeded to place itself in a higher rank than Qatar. The rapid integration with the global economy, attracting great international investors along with improving social welfare standards and decreasing gender discrimination are evaluated as

the most important reasons for UAE's improvement. However, in the annual Human Development Report both countries are ranked as countries with a very high level of human development and are placed in the category of prosperous countries.

Despite Qatar's human development rank descent during 2009-2011, this country is moving toward improving human development and from 2009 improvement of human development index in this country is evident. Hence the function of both countries in human development is ascending, while Qatar's function during 2009-2011 is evaluated as better than UAE. The continuity of Qatar's success in this field and especially its improved performance in gender inequality index and continuing political reforms could be the reasons of Qatar progress over UAE in human development rank.

One of the mutual weaknesses of two countries is the lack of enough attention to various aspects of political development. Establishing free political parties in these countries is almost forbidden. Nahayan family in UAE and Thani family in Qatar are dominant on economy and politics. Continuing this situation can challenge the future of human development in these countries. Arising political crisis in Bahrain from 2011, despite its rather attention to political development and freedom of parties, is a alarm for Qatar and especially UAE, since tension can destabilize human development.

As the final point, it should be mentioned that not only UAE is one of the advanced and developed economies of Persian Gulf area, but also Qatar as a phenomenon of third millennium, has attracted many economic experts and in near future will be one of the economic hubs of this area.

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