



ECONOMIC DEVELOPMENT AND ITS IMPACT ON THE SOCIAL STRUCTURE OF THE EMIRATE OF ABU DHABI

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Department of Economic Development | Planning & Studies Division | Studies Directorate | Economic Studies Section

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Executive Summary:

Abu Dhabi distinctive development process marks an eminent and globally renowned experience, particularly in the economic sphere, where the emirate's economy registered abundant growth over the past years, being supported by oil revenues. All is epitomized by lofty quality of life and high standard of living which makes the emirate one of the ideal havens in the world for work and living. The government of Abu Dhabi recently launched the “Abu Dhabi Economic Vision 2030”, which clearly set priorities marked by the distinct goal of establishing a sustainable economy and achieving balanced economic development, with vast social benefits. The “Vision” shaped the framework for an advanced development model, based on the experience of the emirate in development, targeting the promotion of its success, for achieving further improvement in economic performance. This study aims at highlighting the economic development model adopted by the Emirate of Abu Dhabi and its effects on the social structure of the emirate. The study concluded with a set of findings and recommendations.

Findings:

1. The future model of development for the Emirate of Abu Dhabi will be guided by "Abu Dhabi Economic Vision 2030", which marks the road map for development within a comprehensive and integrated concept, in line with its set priority of building a sustainable economy, and achieving balanced economic development that confers social benefits on everyone.

2. The development model of the Emirate of Abu Dhabi is characterized by its rapid growth rates, in fields of economic development, depending largely on a range of commodity activities backed by the major role played by oil and gas as a the propellant of growth, given the minor and small contribution of service activities to the structure of GDP of the Emirate.
3. The accelerated economic growth in the Emirate of Abu Dhabi is reflected positively on the emirate's average GDP per capita, which was estimated at \$ 71,000 in 2008 as one of the highest in the world.
4. The distribution of income in the Emirate of Abu Dhabi in general is characterized by asymmetry, where the richest 20 per cent of the population, own about 50 per cent of the total income, while the wealthiest 10 per cent of the population own about 34 per cent of income; whereas the poorest 20 per cent of the population own only 5.3 per cent of income.
5. In accordance with the internationally recognized standards, the Emirate of Abu Dhabi, and the United Arab Emirates, in general is almost free of extreme or absolute poverty, among citizen and non-citizens families. However, disparities in income distribution exist among households of all kinds, like the rest of the world. Though relative poverty line for families at the level of the emirate and for each category of families could be detected.
6. According to the spending method, the relative poverty line was around AED 130.4 thousand/year for citizen families versus AED 48.6 thousand for family in general in Abu Dhabi emirate. Relevant to the relative poverty lines referred to, the percentage of poverty in the Emirate of Abu Dhabi is 9.7% among of citizen families and 27% for all families in general in the emirate of Abu Dhabi.
7. The pattern of economic development in the Emirate of Abu Dhabi during the past years had its demographic effects, as it accelerated the rate of population

growth in the emirate. Population doubled in size during the past two decades (1985-2005). The population structure underwent tremendous imbalance at the level of nationalities, where citizens formed about 25% of the total population according to UAE Census 2005. The multi-cultural environment created by expats, led to the beginning of social transformation in the Emirate of Abu Dhabi towards a multicultural society.

8. The qualitative structure of population for citizens is balanced; however, there has been some disruption at the emirate level. Males constitute nearly two-thirds of the total population. The pattern of economic development witnessed by the Emirate of Abu Dhabi, reflected on age distribution of the population in the emirate, where the age group (15 to 60 years) formed the majority of population accounting for 76.1%, of total population according to the UAE Census 2005.
9. The prevailing model of economic development in the Emirate of Abu Dhabi is characterized by a growing number of career opportunities and a rising level of employment and the decline in the rate of unemployment. He notes that a However, paradoxically unemployment rate for citizens went up by more than thrice the overall rate in the Emirate. This is considered in some respects as reflection of the economic growth model that prevailed, but did not generate employment opportunities for citizens (weakness of employment flexibility). This calls for linking economic growth to human resource development, and strengthening the role of science, technology, education, training to develop skills and knowledge required by the labor market.
10. The economic development model adopted by the Emirate of Abu Dhabi in the past, relied heavily on foreign workers, and has had repercussions on knowledge structure of population, whereas the educational level of about 79% of the population in the labor force does not exceed secondary school level,, which reflected negatively on the ability of some to adapt to the new reality and to integrate in society.

11. The peculiarity of demographic realities in the Emirate of Abu Dhabi has produced the phenomenon of collective households, which accounted for more than a quarter of the number of families in the Emirate. This has had social repercussions, because of disharmony between private households and collective households for singles and bachelors, who share the same neighborhood or building.
12. The economic development model of the emirate has led to a shift in the pattern of the citizen family. The extended family pattern wakened in contrast to the nuclear family, negatively impacting on the degree of family solidarity, the socialization process and the interaction between the generations, reducing the chance of the younger generation to get exposed to values, heritage, customs and traditions.
13. The process of economic development in the Emirate of Abu Dhabi witnessed steady increase in female participation in labor market, as a result of the opportunities made available to facilitate female enrollment in all educational levels and fields, which made citizen women eligible for participation in labor market. This has had positive effects as well as some negative reflections on the family. Dependency of citizen families on foreign domestic workers and household helpers increased; especially on house maids and nannies to help organize family affairs and child care. The process of socialization family stability, communication and understanding between family members, especially working spouses were all adversely affected. Many times family tension arises, leading to separation and divorce.

Recommendations:

1. Adoption of a development model which leads to the creation of decent productive work for and citizens, especially young people, through the development of human resource development, equipping young UAE nationals

and upgrading their capabilities to fill jobs, and serve in all sectors, especially the private sector. This embodies development of education curriculum and outcomes to serve the requirements of the labor market and link them to the requirements of development.

2. Raising community awareness of the importance of participation of all in human development, to achieve sustainable development for the future of our children and grandchildren.
3. Promotion of tourism and the construction of tourist facilities including hotels, parks, attractive shopping malls to attract tourist, and furthering culture and heritage through mutual cooperation between the Emirate of Abu Dhabi and Dubai , utilizing Dubai international expertise in the field of tourism.
4. Adoption of sound policies and actions to redistribute income in the emirate for the benefit of rural areas, in order to maintain balance between rural and urban areas, through the development of the agricultural sector, and investment in residential, commercial, industrial and recreational projects in rural areas.
5. Encouraging and supporting innovative and creative small and medium-sized enterprises, especially among the youth and families. It is important to benefit from experiences of other countries in this area, in order to create additional employment opportunities for citizens, and enable them generate more income.
6. Reconsider the equitable distribution of national income and means of distribution, particularly land, housing and real estate.
7. Achievement of numerical balance between the various nationalities of expats, to maintain appropriate rates, to avoid disproportionate expats concentration in terms of the number on the percentage relative to citizens.

8. Directing the course and path of economic development in the Emirate of Abu Dhabi to achieve establishing a technology and knowledge-based economy, to reduce importing of low-level manpower.
9. Adopting appropriate policies, and action in the field of housing, by allocating housing for collective families and bachelors, in order to achieve social harmony between the families at the level of neighborhoods and residential buildings.
10. Avoiding the negative effects which hamper citizen women from participating in labor market, by addressing socialization, family stability, encouraging part-time systems and women work at their homes.