

Globalization Impact on The Rise of The United Arab Emirates As A New Economic Power in Middle East

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Abstract

Paper ini menganalisis tentang transformasi Uni Emirat Arab dari negara terbelakang menjadi sebuah negara yang cukup berpengaruh dan mapan secara ekonomi. Keberhasilan UEA menjadi negara maju tak lepas dari keberhasilannya berintegrasi dengan sistem ekonomi dan perdagangan global. Dengan menggunakan pemikiran hiperglobalis, tulisan ini menyimpulkan bahwa UEA dapat menjadi contoh dari keberhasilan fenomena globalisasi yang ditunjukkan dengan kemajuan ekonomi yang signifikan dan kenaikan status negara di level internasional.

Key words : *Globalisasi; Uni Emirat Arab; Teori Hiperglobalis; Transformasi.*

Introduction

Nowadays, the UAE has become a major economic force and the key player in the International trade economy especially in the Middle East. The phenomena of globalization that occur in the UAE could bring a number of advantages in economy as well as politic and social sphere for the UAE in the future. From the phenomena above, we can indicate that the UAE has set an example for the world as a country that embraces the global economy in globalization. It is very important to discuss and analyze how the globalization can give the positive impact and chance for UAE to raise to be a new economic power in the Middle East.

The Emergence of The Globalization in UAE

United Arab Emirates (UAE) is one of the examples of a tiny country in the Middle East who gets benefits from globalization. The UAE is a federation of seven

Emirates that has a solid commitment with a number of positive attributes in state building and its development toward modernization. The role of the government of UAE that composited with the virtues of neoliberalism makes the UAE has a significant transformation of its economy since the UAE was established. Oil is one of the features as the first motor of the driving forces that could improve the living standard of UAE from poor to rich level in the world. The rapid process of globalization in UAE makes it become a more modern country compared to its neighbors in the Middle East. Globalization in the UAE gives positive tremendous effect in economic, socio-cultural and technology sphere.

In the 1930s, The seven Emirates which today form the UAE were very poor and underdeveloped in the Middle East. They had little economic activities at that time. The income mainly depended on pearl fishing, nomadic animal husbandry and agriculture. The education level was very low and it made the level of illiteracy very high. The infrastructure also was poor with deserts, few roads and few buildings such as houses, hospitals, and schools. (Nyarko, 2010)

According to Walt Whitman Rostow in economic development theory, the condition of UAE above is “The Traditional Society” stage as the first stage of five models of economic development theory which the economic system is stationary, almost primary sector economic limited technology, lack of class individual economic ability, little infrastructure to support development, rigid of society and characterized by subsistence agriculture (Basu Mallick, 2005). This condition made UAE become one of underdeveloped and poor country in the Middle East.

In fact, that condition has been changing bit by bit toward the dynamic economic after the discovery of oil in the late 1950s and early 1960s. Oil as the primary resources of UAE became one of the tools to run the development of its toward modernization. At the same time, Sheik Zayed bin Sultan Al Nahyan as the founding father of the UAE is who open minded, visionary and optimistic used the oil to change his country from the sea of desert to sophisticated skyscrapers in the world toward globalization by adopting liberalization economic policy. (Nyarko, 2010)

Oil is the first driving force of the rapid transformation of the United Arab Emirates and it is the key process of the emergence of globalization in the UAE. Not all the seven Emirates have oil reserve, only Abu Dhabi has a large oil reserve and then followed by Dubai. Before the UAE become a federation, oil was discovered in Abu Dhabi. Sheikh Zayed as the former of Abu Dhabi used its resource to develop its Emirates in modern development. Abu Dhabi worked together with a British

company and other foreign oil companies to drill oil by sharing system. Abu Dhabi made cooperation in oil exploration because foreign companies had great technology which could find the oil location in Abu Dhabi. Oil was drilled by Abu Dhabi Marine Areas under the British Petroleum control and Total company (Morton, 2011). In the first year of oil production in 1962, Abu Dhabi produced about 14.200 barrels per day with the 90 percent oil reserve and in the next few years, the oil was exported across Emirates which earned \$70 million a year. Abu Dhabi started by opening economic policy which made cooperation in global trade, especially in oil to other countries. Bit by bit, the export of oil was increasing and the income was getting bigger to give contribution to Abu Dhabi massive construction program to build schools, housing, hospitals and roads. And the industry started to expand during the economic development in 1990s and it contributed 9 percent of the GDP (Butt, 2001).

Dubai as the second largest Emirate, supported Abu Dhabi to produce oil as income, but the oil reserve is not as much as Abu Dhabi oil reserve. By that reason, the ruler of Dubai Sheik Rashid knew the oil would run out in his Emirates, then he changed the business from oil to non-oil economic activities such as tourism, telecommunications, media, real estate, and financial services (Division, 2007). Oil in both Emirates has big contribution toward the UAE's GDP and its development toward modernization. These oil incomes also has spread through the other Emirates.

Sheik Zayed bin Sultan Al Nahyan as a former president of the UAE and Sheik Rashid Ibn Said Al Maktum as a former vice president had the same mission and vision to bring the UAE in the international level in political and economic by adopting a liberization system in its economy. Although the UAE is formally an Islamic country but its economic system is open to market widely. At the same time, the UAE creates the Gulf Cooperation Council, joins the international organization like the WTO and other international regimes to expand its market such as oil and non-oil economic sector. The UAE has been trying to become a modern country by following free market. It is supported by John Gray statement as a professor at the London School of Economic "the only way to become modern. All societies must adopt free market" (Wolf, 2005).

The process of globalization by opening free market system and oil as the driving force of globalization could transform the UAE rapidly in modern country. The income of the oil export of the UAE is used for building sophisticated infrastructures to make the access of trading become easier, to raise the living standard of the Emiratis in public service and to build non-oil sector businesses

strategy such as skyscrapers, real estate, mega-shopping mall, and man-made islands to attract foreign direct investment in around the world.

Although the UAE is a land of desert and looks like dry without water reserve but actually the desert is not only blessed with oil but also blessed with pool of water. A long time ago, there was a number of lakes in UAE but time by time it changed into desert. But the water has not gone but saved under the desert. That chance is used by the government to build sophisticated infrastructures with an amazing design from foreign architects. The foreign investors and Emiratis would not worry about the water need in the UAE because there is abundant of water under the desert. The Emiratis and foreign people who invest in the UAE can enjoy the fresh water in the UAE without doubting it will run out soon.

During the process of globalization in the UAE, Abu Dhabi and Dubai are the real example of the transformation which resulted from globalization in this present day. The acceleration of the rapid development in both Emirates could be the witness of the positive side of globalization.

Abu Dhabi as the capital city of the United Arab Emirates has larger Emirate with covering 87 percent of the UAE's total land area. It is also the wealthiest Emirate that possesses 95 percent of the country's oil reserve and 94 percent gas reserve (Government U.). It made Abu Dhabi is the world's fourth largest oil field (Administration, 2015). Sheik Zayed as the former ruler used the income from oil to be invested to create first class infrastructures and flourishing modern metropolis in its region. In fact, the acceleration of Abu Dhabi Emirates mass progress has been developed significantly from desert area to be one of the world's richest cities and premier travel destination (David, 2015). The cityscape from desert turn totally into shining skyscrapers, apartment buildings, Airport road, greenery cities, beautiful biggest white mosque, Mega malls, sophisticated and cosmopolitan.

One of the significant development infrastructures is having 333 high buildings and one of the highest buildings in the world is Burj Mohammed Bin Rashid with the height 381 m (Habitat, 2016). Abu Dhabi still continues its progress in many mega projects to foreign investors in the next few years and one of the example project is Abu Dhabi's Eagle Hills that takes 30 years to finish it. This project would be the biggest mall in the Balkans with 5.700 homes to accommodate 14.000 people, eight hotels with 2.200 rooms and a 200 meter high tower (Barnard, 2016). Away from the oil income, the construction has a biggest contribution for the

Abu Dhabi for about 9.6 percent share of non-oil GDP, while the finance and insurance contribute 7.2 percent of non-oil economy (Kassem, 2015).

The share of non-oil activities was increasing from 38.7 percent in 2004 to 49.5 percent in 2014 (Wam, 2015). That is the significant improvement of non-oil economic strategy and almost equal of the oil income for its GDP. Abu Dhabi is going to increase the rapid development with its economic vision in 2030 for long-term transformation and diversification of its economy by focusing on knowledge-based industries. Following the development of Abu Dhabi, the population also has been growing from 58,000 in 1952 to 2,657,026 people in mid-2014 but around 63.5 per cent non-citizen lived in Abu Dhabi. Over the period 1960-2014, population has been growing for about 9.5 percent as one of the world's highest rate. The non-citizens population increase 243-fold, driven mainly by foreign workers (Wam, 2015). In fact, Abu Dhabi is the place of diverse population around the globe with different languages and cultures.

Dubai is the second Emirate in the federation that has the most rapid transformation in modernization. The condition of Dubai in the past was not far from the condition of Abu Dhabi with little economic activities and a low human development index. Sheikh Rasid as the former ruler of Dubai was backed up by Sheikh Zayed to change the economic policy from oil sector to non-oil sector strategy. The oil income in the past was used for modern infrastructure development. The non-oil strategy was used to attract foreign investors by creating a number of mega projects such as the Burj Khalifa as the tallest building in the world with height 828m, man-made island like palm island and many other projects (Churchill, 2015).

Those non-oil trade activities make Dubai one of the fastest growing metropolis in the world. It makes Dubai the major destination to visit and explore with sophisticated construction, great business development, technology and industry through innovative planning. The rapid transformation in globalization has shown tremendous growth in many sectors such as aviation, transportation, technology, sport, even, shopping, festivals, culture centers, hotels, real estate, exhibitions, conferences, tourism and many others has attracted worldwide attention.

The progressive development in Dubai affected its economy by increasing from 2.5 percent in 2009, while at the same time it experienced a financial crisis, to be 5 percent in 2014 (Economist, 2015). The government of Dubai also has plans to expand the airport which already serves some 70 million travelers a year to be set over 200 million travelers a year and expand the Jebel Ali port which is the busiest in

the Middle East to be the biggest container port in the world by 2030. Its rapid development also attracted many expatriates as foreign workers in Dubai. For about 85 percent of Dubai's population from around the world. Dubai is a city like paradise for people, a place for the shoppers and travelers and a business opportunity for investors around the world. With the great performance of metropolitan economy makes Dubai the fifth ranked fastest growing city from 300 cities in the world in 2014 (Everington, 2015). In fact, the acceleration of rapid development in Dubai makes Dubai Emirates become one of the wealthiest and most modern city in the world.

Oil reserves and non-oil economy strategy by adopting economic liberalization are the driving forces of the UAE's economic acceleration toward globalization since it was established in 1971 up to this current condition. The emergence of globalization in the UAE has enabled massive modernization in the UAE instead of its neighbors in the Middle East. It has been bringing the transformation of the seven Emirates from the area of desert into commercial capitals integrated in the global economy activities. The rapid massive development over 44 years in UAE also has been bringing massive inflows of expatriates around the world. For about 87 percent of UAE's population in 9.44 million are the expatriates in 2014 (Prospect, 2015). Most of them are working as a foreign workers in Abu Dhabi, Dubai and other emirates. Male and female are also involved in the UAE's economic development and it is proven by the UAE placed as the second highest gender imbalance in the world.

The UAE as ‘The Paradise of Foreign Investors’

Foreign direct investment (FDI) is one of the important factors in the efforts of the UAE's government to build a sustainable and diversified economy in international level. As far as we know, FDI can contribute the technology transfers to local firm including the process and distribution of technologies. It also uses to increase capital formation, employment, export, management, marketing skill, hiring trained workers and etc. Those are particularly important for UAE's transformation and diversification of its economy in oil and non-oil sector.

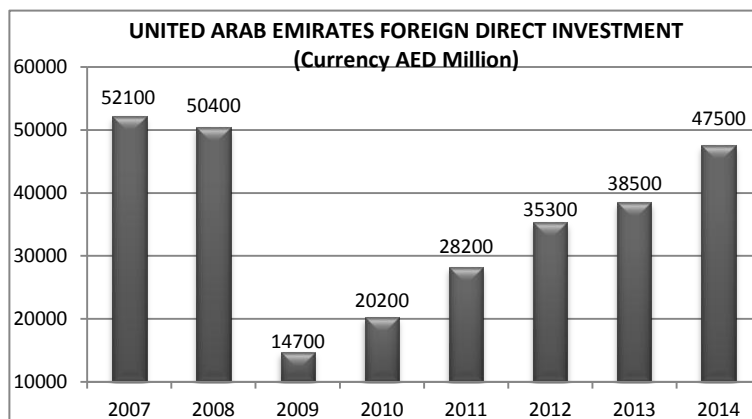
The FDI particularly has been pictured as a one of the UAE Vision 2021 plannings in the establishment of a knowledge economy. The UAE Vision 2021 was launched by the H.H. Sheikh Mohammed bin Rashid Al Maktom as the Vice-

President and Prime Minister of the UAE and the Ruler of Dubai in 2010 (Agency, 2015). The vision would be a target for the UAE's government toward its economic development in 2021. It is focusing on the transition to a knowledge-based economy and promoting innovation which would improve its business environment and increase its attractiveness to foreign investment (2021, 2015). By using strategy to attract FDI around the world, it could make beneficial for UAE related to its GDP income, transformation in modernization and also its position as powerful economic in international communities.

The process of the FDI inflows since UAE that was established in 1971 to this present day has been developing significantly. The UAE with abundant oil resources and non-oil economy such as mega project constructions, tourism, industry, aviation, finance, information technology and etc could be a "paradise" for foreign investors around the world. Abu Dhabi and Dubai Emirates are the world's most preferred foreign investors in the UAE (Joel).

According to United Nation Conference on Trade and Development (UNCTAD) report in 2014, The UAE placed as a second largest top West Asia Countries in FDI inflows after Turkey for about \$10.4 billion. The UAE ranking as the second largest recipient of FDI inflows overtook the Saudi Arabia as the third largest recipient in GCC members (Emirates, 2014). It indicates that the UAE is one of the major players in foreign direct investment in Middle East and become one of the major investment destination opportunities in the world.

Particularly both of the Emirates as a whole are experiencing a tremendous economic in oil and non-oil income sector. Both of them also are the biggest contributions on the UAE's GDP income. And other Emirates followed the development of Abu Dhabi and Dubai by improving non-oil economy strategy. In fact, FDI inflows in the UAE improve significantly year after year and it is provent by its dynamic FDI below :



Source: The Trading Economics, www.tradingeconomics.com.

The data above explains that the UAE ever had the highest FDI flows for about 52100 AED million and it is decreasing until 2009 became 14700 AED million. The reason of the decrease is because the UAE condition during the late of 2007 to 2009 was experiencing financial crisis in Middle East. Yet we can see it changed significantly starting from 2010, the level of FDI was growing dynamically until 2014 for about 47500 AED million or around US\$ 13 billion. We can compare it in 2013 and 2014 was improved rapidly. Only one year, from 2013 to 2014, FDI flows rose for about 9000 AED million. In fact, the report indicates the government has committed to continue the recovery after the crisis in 2009 by making UAE's foreign direct investment flows back on the track on the growth path toward the next years.

The growth in UAE's FDI flows nowadays can help boost the oil and non-oil business sector across the UAE related to petrochemical industries, infrastructure, tourism, and aviation and etc. Foreign direct investment is a very crucial thing to improve the UAE's diversification economic strategy in global economic level. The foreign direct investment can give the advantages to UAE in knowledge and technology transfer, increase trade flows, increase opportunities for businesses, and domestic job creation. That foreign direct investment can improve the UAE's GDP in international economic to raise the living standard of the world.

The government of UAE uses the strategy by implementing the liberal economic policy to open free zone area for foreign investors. That strategy becomes the key role in the economic diversification of non-oil economic plan of each individual emirates. The government's purpose also wants to reduce the dependency in oil sector in its GDP income because the oil price is up and down and the oil reserve would run out time by time. Hence, the government focus on further non-oil sector development as a object of FDI toward liberal economic policy (Business, 2015).

Dubai is one of the seven Emirates which is the most attractive Emirate in FDI destination especially in non-oil sector such as finance, commerce, transportation and tourism. The government of Dubai knows that the oil in Dubai is not as much as in Abu Dhabi. The oil reserve would run out in Dubai and conversely the crude oil in Abu Dhabi Emirate still around 92.2 billion barrels. Hence, the government of Dubai turns the strategy from oil to non-oil sector as the income of Dubai include as income

of UAE's GDP. That strategy in non-oil sectors would be implemented to all emirates in UAE as the income of its GDP beside oil (Wam, 2015).

The FDI in Dubai has changed the Dubai from a strip of desert to mega-metropolitan city and makes Dubai become the most visited city in the world (Cities, 2015). Nowadays when people around the world hear the word "Dubai", automatically it crosses in their mind as a sophisticated city with the highest skyscrapers, mega-mall, luxury hotels, man-made island, world class International airport, advance transportations, advance technology and beautiful tourism attraction.

All those mega projects have finished as the result of FDI inflows from around the world. The government of Dubai still continues the others mega projects in 2020 such as blue waters island, museum of the future, Dubai Creek Harbour, Dubai water canal, Deira island and etc (Deulgaonkar, 2015). The main foreign investors to the development of Dubai are United State of America, United Kingdom, India, Switzerland, Netherland, Germany, Italy and Saudi Arabia (Algethami, 201). In 2014, Dubai accounted 78 percent of the total FDIs for the development of real estate, financial service, hotels and tourism, renewable energy, business services, software and IT service. These sectors investment worth Dhs22 billion for 133 projects (Business, 2015).

Mega projects in Dubai have become an important new development of deversification economic strategy in globalizing city and a new form of development in economic, political, socio-culture, and technology that are influenced by global foreign investment. One of the examples as the largest and the most high-profile of the free zone area for foreign investors is Dubai's Jebel Ali Free Zones which hosts over 6.000 businesses from over 110 countries. 75 percent of them are involved in trading, warehousing and distribution while 20 per cent in manufacturing and the rest in services (Advisers, 2015).

Dubai also would be the host of the World Expo in 2020, this is the great chance for UAE to attract the boost FDIs from other countries (Baslt, 2014). Dubai is the first city in the Middle East and North Africa region to host the World Expo 2020 as a prove of a confident economic performance of UAE in sustainability. Dubai would act as catalyst for growth in the Emirate's construction industry like real estate and etc. The government of Dubai expects this event would bring around \$23 billion and create approximately 277.000 jobs (Advisers, 2015). Dubai abilities to attract large global investment in construction industry has been raising the status of UAE as a source of funding for the global economy.

What occurred in Dubai development above is the only small part of the foreign direct investment result. UAE is consisting of seven Emirates, the six Emirates would become the next figure of Dubai in the future by accepting global flows capital. The UAE would become the major a favourable investment destination for investors across the globe. The fact in the 5th Annual Investment Meeting (AIM) in 2015, H.E Sultan Bin Saeed Al Mansoori as a UAE Minister of economy announced to attract more than 500 companies from 140 countries in a number of economic sectors such as agriculture, agro-industry, construction, energy, finance, banking, aviation, technology, mining, tourism, transportation and etc (News, 2015).

That effort from the government was successful and made the UAE ranked 11th in the position globally in the foreign direct investment, According to Foreign Direct Investment confidence Index (FDICI) in 2014. The transformation of its economic development is largely based on economic globalization dynamic in FDI inflows, including significant oil sector and non-oil sector such as real estate projects, huge foreign investment, regional and international centres of multinational companies and infrastructure (international airport, large seaport, shopping malls) as the service of globalization (Career).

Beside the foreign direct investment sector as the income of GDP, foreign trade also one of the most important economic sectors of the UAE's GDP since the national economy depends on it in international exchange with the form of export and import. Export and export income are the main source for UAE's development sphere and UAE's economic activities in the global cooperation with other countries in the world. The UAE has a healthy growth in trade activities in global economic and it proven by the aggregate of exports and imports increasing 8.6 percent to reach \$673.1 billion in 2014. The total exports of goods free on board rose from \$378.6 billion in 2013 to \$404.1 billion in 2014. And the same time, the imports also rose from \$241.5 billion in 2013 to \$271.7 billion in 2014 (Audi, 2015).

The main products of UAE to be exported across the Emirates in 2014 are petroleum oil (26.1%), petroleum gas and hydrocarbons (2.2%), Diamonds and gold (6.6%), articles of jewellery (2.8%), motor vehicles and cars (1.7%), Electrical (1.2%), unwrought aluminium (0.9%) and parts aircraft and spacecraft (0.5%). And the main customers of exports in 2014 are India (2.9%), Saudi Arabia (1.5%), Oman (1.4%), Switzerland (1.2%), Belgium (1.2%), Hong Kong (0.9%), Kuwait (0.8%), Turkey (0.7%), Qatar (0.7%) and United Kingdom (0.7%) (Portal, 2014).

The main products imported by UAE in 2014 are gold and diamond (14%), motor vehicles and cars (4.6%), articles of jewellery (2.9%), electrical apparatus (2.5%), powered aircraft (1.9%), turbo jets and turbo propellers (1.5%), parts of aircraft and spacecraft (0.9%), automatic data processing machines (0.9%), and copper, refined and copper alloys (0.7%). And the main suppliers of import to UAE in 2014 are China (7.4%), United State (6.4%), India (5.8%), Germany (3.9%), Japan (3.5%), United Kingdom (2.2%), Switzerland (2.1%), Italy (2%), South Korea (1.9%) and France (1.6%) (Portal, 2014).

According to the data above the UAE's economic performance in global level the UAE has become a major player in International trade and the most world dynamic market in the term of foreign trade. According to World Trade Organization report on International Trade Trends in 2015, the UAE maintained its top ranks in international trade which placed as 16th globally in commodity exports and 20th globally in commodity import. It is proved in 2014, the UAE merchandise exports reached \$404.1 billion in 2014 (Base, 2016).

Regionally, the UAE accounts for 28 per cent of the Middle East merchandise exports and 33 per cent of imports during 2014 (Trade, 2015). And also according to World Bank Group report in 2015, The UAE placed 31st of 189 countries in the World Bank's Global ranking on the ease of doing business and the UAE ranks 1st place in the world in category of paying taxes into zero tax in some categories and online payments for labour taxes (Group, 2015).

In fact, foreign direct investment and foreign trade are an important indicators to rise the UAE's GDP year-on year as the prove the UAE is experiencing the highest level of stage of Rostow model economy development from stage of "The traditional society" to the last stage of "The age of high mass consumption". It is proven by the UAE's GDP achieved \$399.5 billion in 2014 (Bank, 2014). By having excellent GDP, UAE is placed by the Word Bank in the ranking 30 from 193 countries in the world (Bank W. , 2016). And it makes the UAE has a strong position as a second largest economic in Middle East after Saudi Arabia and one of the wealthiest country in the region on percapita basis (Government).

According Sultan bin Saeed Al Mansouri as the UAE's Minister of Economy said on March 30th 2015 "the GDP of UAE since 1971 to 2014 rose more than 236-fold from Dh6.5 billion in 1971 to Dh 1.540 billion in 2014 (WAM, 2015). It has strengthened the significant improvement of UAE GDP in 43 years. The UAE has rapid transformation from the desert area to impressive development toward

modernization. Yet in this current condition, the income of the nation's gross domestic product is not only from the oil sector but also from diversification economic in non-oil sector (manufacturing, transport, petrochemicals, tourism, information technology, telecommunication, renewable energy, aviation and space) that share of UAE's GDP to 71 % (Kader, 2011).

The economic stability in the UAE is the key factor in attracting foreign investment and partnership cooperations to other countries. Hence, the government of UAE is going to increase the contribution of the non-oil sector to 80 % in the next 10 to 15 years. The reason to increase the non-oil sector actually is not about to attract foreign investment but also the government wants to achieve the target to reduce dependence on oil to just 20 % in overall GDP of the UAE. Hence, the government of UAE efforts to attract foreign direct investment as much as possible and provides favorable business investment as a 'paradise of foreign investors' around the world (Interact, 2015).

We can see that achievement of UAE need along process and big effort since it was established in 1971. Building the modern country from a land of desert to sophisticated country in international is not easy but the UAE could change it only in 43 years. A number of countries in Middle East have oil resources but not all those countries could use it in what the UAE did toward modernization. The UAE uses its oil to develop its country in many sector such as infrastructure, education, health, and etc. The UAE could be an example of diversification economic strategy in non-oil sector in Middle East and around the world. The oil and non-oil sector has contributed significantly to the UAE's GDP and it rises the United Arab Emirates as a new economic power in Middle East and becomes a key major player in global economic activities.

Two Faces of Globalization in The UAE

The small Sheikdoms of the seven Emirates, known as the United Arab Emirates, in the corner of the Middle East was ever almost forgotten in the eye of the world before the discovery of oil. Those Emirates were nothing special because the area was just full of the sea of desert, the only transportation was camel, there were not many buildings such schools, hospitals and houses, only few roads that were not smooth, the people were uneducated, the economic activities were low and the income was only from pearl and agriculture.

Yet those conditions dramatically are changing year-on-year after the oil was found in the late 1950s and at the same time the government of the UAE was actively participating in globalization. The government considered the globalization as the opportunity for its economic market and its position in global communities such as economic, politic and social sphere. The effect of globalization has made the oil in UAE an important commodity for foreign investors around the world since the nature of globalization is interdependence of world economy.

The UAE recognized itself as a very crucial force to open itself for Western countries and other countries with the purpose of offering something new to the investors in oil and non-oil sectors. Selling and buying from one country to another country plays an important role in globalization and made direct impact to the UAE. Globalization is the main reason for the promotion of free trade between the UAE and other countries. Free trade would be beneficial for the UAE to export its products in oil and non-oil sectors. The import also is important to its national income and use it as re-exports to other countries. Besides, the UAE joins the international organizations in what the globalization provide as much as possible to expand its market and rise its position as powerful economic in its region and international world. What the writer has mentioned in the previous chapter, More and less UAE involves and contributes actively in 34 organizations in global activities with various aspects such as economic, security, technology, education, culture, social and humanity (Division, 2007).

As a matter in fact of this current condition, the tiny Emirates in Middle East is utterly different and quite changed dramatically toward modernization. From the area of desert to development, the UAE has exploited its gift of oil under the desert and has transformed its image from traditional Emirates to modern Emirates in the world. Abu Dhabi and Dubai as popular Emirates in the UAE that have ever been forgotten in the eyes of the world turned 180 degree and becomes the most destination of foreign investors and travelers in the globe. In fact, the UAE is acknowledged as a global icon of modernity, commercialism, and internationalism in the world level. Globalization has been bringing excessive benefits for the UAE transformation in political economic and it is proven by the achievement of the UAE in regional and international level :

Firstly, UAE as a second largest economic in Middle East after Saudi Arabia and one of the wealthiest countries in the region on percapita basis (Government). Its economic development is proven by the GDP in 2014 for about \$399.5 billion and it

gets the ranking 30 from 193 countries in the world (Bank W. , 2016) . And its GDP since 1971 to 2014 rose more than 236-fold from Dh6.5 billion in 1971 to Dh 1.540 billion in 2014 (WAM, 2015).

Secondly, UAE was ranked 11th position globally in the foreign direct investment, According to Foreign Direct Investment confidence Index (FDICI) in 2014 (ATKearney, 2014).

Thirdly, According to United Nation Conference on Trade and Development (UNCTAD) report in 2014, The UAE is placed as the second largest top West Asia Countries in FDI inflows after Turkey for about \$10.4 billion and overtook the the Saudi Arabia as the third largest recipient. It indicates that the UAE is one of the major players in foreign direct investment in Middle East and becomes one of the major investment destination opportunities in the world (Emirates, 2014).

Fourthly, According to World Trade Organization report on International Trade Trends in 2015, the UAE maintained its top ranks in international trade which is placed as 16th globally in commodity exports and 20th globally in commodity imports. It is proved in 2014, the UAE merchandise exports reached \$404.1 billion in 2014 (Wam, 2016).

Fifthly, according to World Bank Group report in 2015, The UAE is placed 31st of 189 countries in the World Bank's Global ranking on the ease of doing business and the UAE ranks 1st place in the world in category of paying taxes into zero tax in some categories and online payments for laborur taxes (Group, 2015).

Sixthly, According to Brand Finance, UAE ranked as world's third strongest nation brand in 2015 after Singapore and Switzerland and Qatar as its neighbor in Middle East ranked ninth (Kapur, 2015). It means the UAE's brand is the most important assets in the Middle East such as Emirates airlines, Etihad airlines and etc.

Seventhly, According to World Economic Forum Report, the UAE ranked 12th of world competitiveness ranking in 2015 and its neighbor, Qatar in Middle East ranked 13th (Bouyamourn, 2015).

Eightly, according to International Monetary Fund, the UAE ranked 7th of the richest countries in the world (Pasquali, 2014).

With the achievements above, the globalization positively influences the UAE development and gives the tremendous benefits for its transformation until this

present day. In fact, the globalization increases favourable environment for business and foreign investment in the UAE, has broadened the UAE's imports and exports market, has helped the UAE in development of infrastructure of the country, has helped to develop great business relations with other countries, and it has created diverse population in the UAE. In other words, globalization has turned the UAE into developed country in many fields and has strengthened the UAE's position as a new economic power in Middle East.

Conclusion

The phenomenon of globalization occurs rapidly and brings tremendous potential benefits to the UAE's economic, political, and social aspect. It occurs because the government of the UAE is enough brave to take the opportunities despite all the risks. In fact, the UAE keeps following the economic globalization practice that can make the UAE a major economic force and the key player in international trade especially in the Middle East. The UAE also would be called as one of the countries with most open and dynamic economy in the world.

Analysis study about globalization and the impact in the UAE is very relevant to international relations studies. Globalization as the process of interaction and integration among people, companies and governments of different nations around the world could involve many actors in international stage. The actors are not only states, but also multinational corporations and both international organizations and international non-governmental organizations.

Globalization does not only cover the relations among states but also covers states and corporations, states and organizations, as well as states and people. They influence each other and depend on each other in international regime related to economic, politic and social sphere. Globalization could open opportunities freely across countries in this world and it could give positive impacts to the countries who want to take that chance in what globalization serve in international activities.

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