



CULTURE AND SOCIETY IN GCC COUNTRIES

Overview

- Introduction
- Social and political background of Arabian peninsula
- Development and growth of GCC
- Economic, Cultural and Social Norms in GCC Countries
- Developments and GCC Countries
Economic Progress

Social and Political background

*GCC is the acronym for Gulf Cooperation Council (or Gulf Co-operation Council). Full name is Cooperation Council for the Arab States of the Gulf (CCASG). Also referred to as the Arab Gulf Cooperation Council

*The GCC was founded on 26 May 1981. Yemen (or The Republic of Yemen) is not included although geographically it lies in the same region, sharing a land border with Oman and Saudi Arabia. The "Gulf" refers to the body of water known as the Arabian Gulf in GCC countries, or the Persian Gulf as referred to in many other places

Social and Political background

- Arabian peninsula: Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, the UAE and Yemen
- All except Yemen joined to Gulf Corporate Council (GCC) on May 25, 1981
- Population of Arab Gulf States: 33.5 million
- Population of UAE: 8.5 million (2010 – 15% locals)





Image of the V&A Waterfront - owned by Dubai World Africa - at night
Dubai World, through its subsidiary Dubai World Africa, has bought the iconic V&A Waterfront in Cape Town, as well as a string of property and tourism investments such as Pearl Valley golf resort and spa, also in Cape Town and the Shamwari Game Reserve in the Eastern Cape.

Social and Political background

- *All GCC countries have part or all of their coastline in the Arabian Gulf
- *GCC citizens can usually travel freely between member states without the need for visas, or sometimes passports - a national identity card might be sufficient, at least at land border crossings
- *Arabic for Gulf is **Khaleej**. The term "Khaleeji" is sometimes used to describe Gulf Arabs, or maybe just UAE Arabs?
- *GCC countries have a significant economic dependence on oil export. Kuwait, Saudi Arabia, and Abu Dhabi in the UAE in particular. Qatar has a large natural gas industry, Oman and Bahrain have much less dependence on oil

Social and Political background

*All GCC countries are Islamic states with the all citizens (or almost all) belonging to the Muslim faith. Expatriate residents of other faiths are accepted to varying degrees depending on the country - the UAE allows churches and Temples

*Most citizens of Kuwait, Qatar, Saudi Arabia, and UAE are Sunni Muslims but there are significant proportions of Shiite Muslims in all countries. Bahrain has a majority of Shi'a Muslims. Oman has a majority who are Ibadi/Ibadhi Muslims.

Social and Political background

- * All GCC countries political and legal systems are based on the Islamic Sharia'a and applicable to citizens but sometimes not to expatriate residents
- * Citizens of GCC countries usually share the same or similar dress code - a black abaya for women, a white dishdasha for men. The style might vary amongst individuals and/or countries, and the dishdasha might be a different color, especially in Oman
- * All GCC countries Governments and parliamentary bodies are usually unelected although some GCC nations are introducing a greater degree of democratic government - Council of Representatives in Bahrain, the National Assembly in Kuwait, and the Federal National Council in the UAE

Understanding the Roots of Nations

• *Roots*

• *Relationships*

• *Risks*

• *Rewards*



Understanding the Roots of Nations

More Than Just a Religion

Islam is a total way of life, encompassing the State, its laws, its social institutions, and its culture, and therefore it is not just a religion. This explains why the book *Early Islam* says that for over 600 years, “Islam was the world’s most challenging religion, its strongest political force and its most vital culture.”

Camel ...Ship of the Desert



Olden Days, Bedouins of UAE used to move on camels ...

Understanding the Roots of Nations

•Roots

✓ Culture

✓ History

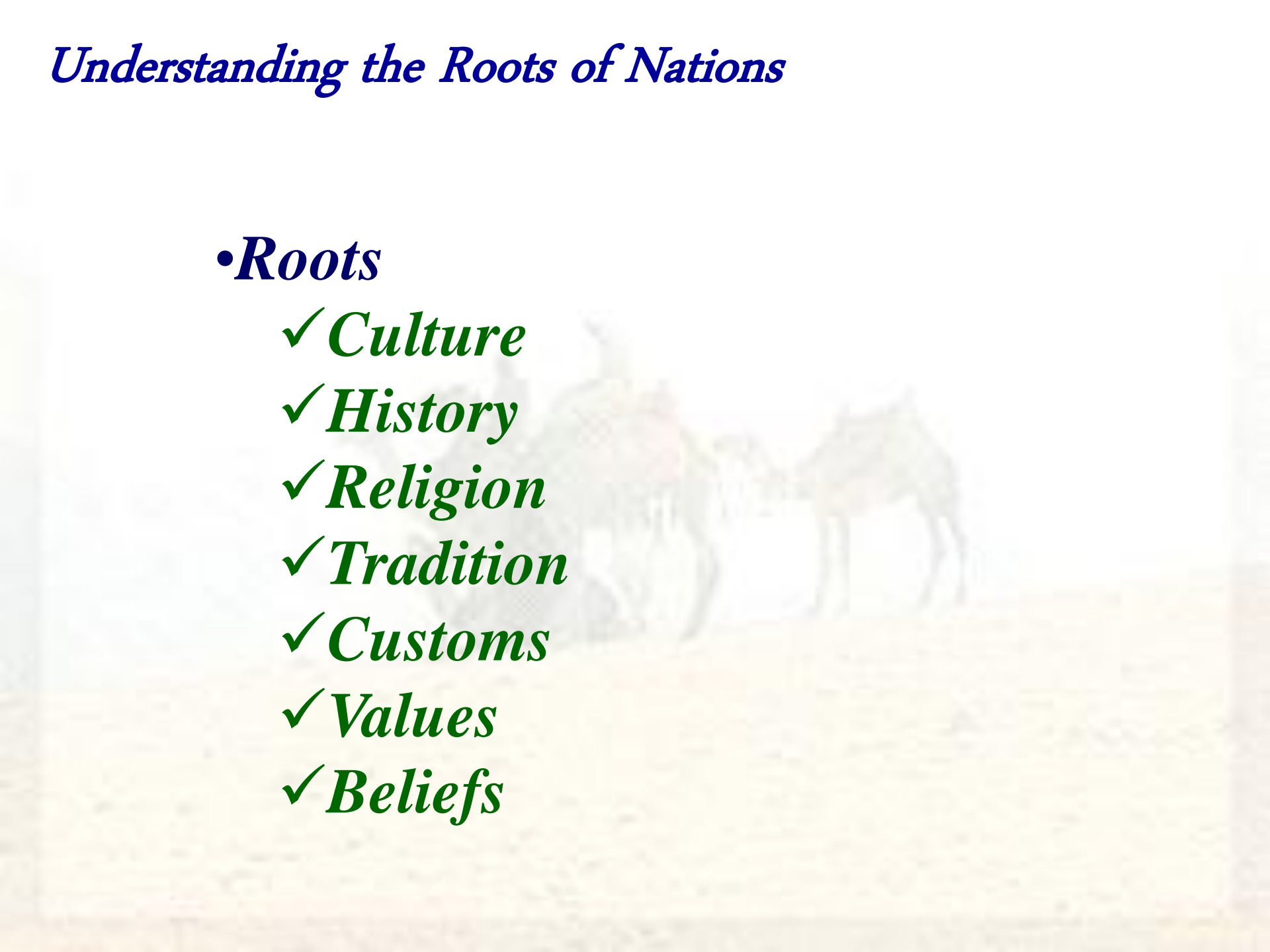
✓ Religion

✓ Tradition

✓ Customs

✓ Values

✓ Beliefs



Understanding the Roots of Nations

- **Understand the Values of Culture**
- **Look into Islam**
- **Read the history of the Arab World and the Middle East**
- **Respect tradition, customs and local beliefs**

Researching the Rs

Roots

- Understand the Values of American Culture
What Japanese say [Elashmawi & Harris]

- Personal life
- Wealth
- Fairness
- One answer
- Family
- Liberty

Materials

Education

Time

Success

Dreams

Freedom

Directness

Money

Reasons

Religion

Power

Researching the Rs

Roots

- Understand the Values of Arab Culture
What Japanese say [Elashmawi & Harris]

- Religion

Nationality

- Allah

Islam

- Koran

Moustache

- Status

Gold

- History

- Family

Heritage

Researching the Rs

Roots

- Understand the Values of American Culture
Cultural contrasts in value [Elashmawi & Harris]
-

- **Freedom/Independence**
- **Self-reliance**
- **Equality**
- **Individualism/privacy**
- **Competition**
- **Efficiency**
- **Time**
- **Directness**
- **Openness**

Aggressiveness

Informality

Future-orientation

Risk-taking

Creativity

Winning

Money



Middle East in Perspective


Sayings to be guided by

- ***“One step at a time” (literally, “Grapes are eaten one by one”)***
- ***A foolish man may be known by six things: Anger without cause, speech without profit, change without progress, inquiry without object, putting trust in a stranger, and mistaking foes for friends.***
- ***Arrogance diminishes wisdom.***



Middle East in Perspective

An Arab Proverb

 ***Eat whatever you like, but dress as others do.***

 ***No cure, no pay.***

 ***What is learnt in the cradle lasts to the grave.***

Islamic Beliefs

Observant Muslims practice five principles or pillars of Islam:

1. orally declaring their faith
2. praying five times a day
3. fasting in the daylight hours during the month of Ramadan
4. giving a share of their income for charity
5. making a pilgrimage to Mecca at least once in their lifetime if they can afford it.

Many Muslims also observe dietary rules, in origin similar to those of Judaism, that forbid certain foods (like pork), outlaw alcohol, and dictate how animals should be slaughtered for food.

Grand Mosque in Abu Dhabi



Development and growth of GCC

Distinct Characteristics

“The countries of the Arab Gulf, including Yemen, offer no real opportunities to their citizens for political participation. Instead, they enforce a sort of ‘social contract’: let the monarchs have as much power as they want, and in return, they will provide for the peoples’ needs.

The coalition of forces responsible for this unspoken contract are conservative tribal elders, religious figures who espouse non-egalitarian interpretations of Islam, and ruling monarchs. Representatives from civil so-ciety, marginalized sectors, and the inter-national community should work together to develop a new ‘civil and social con-tract,’ one that promotes democracy, good governance, and respect for the rights of women and minorities.



—Rahma Hugaira, July 9, 2007

Development and growth of GCC

Distinct Characteristics

- **Geography:** (isolation) surrounded by three seas
- **Religion:** the birthplace of Islam
- **Economy:** wealthy oil-dependent states, except Yemen
- **Tribal culture:** tribal loyalty is dominant
- **Political System:** monarchies, except Yemen
- **Paternal Social System:** services without taxation



Development and growth of GCC

Distinct Characteristics

GCC States:

- Provide free public services for citizens
- Aspiring and reformative political outlooks
- Citizens participatory role in many spheres
- Judiciary independent

Monarchs:

- Benevolent Governance
- Holds legislative powers and in some cases decentralized executive power
- Sign of political reforms



Political Progress

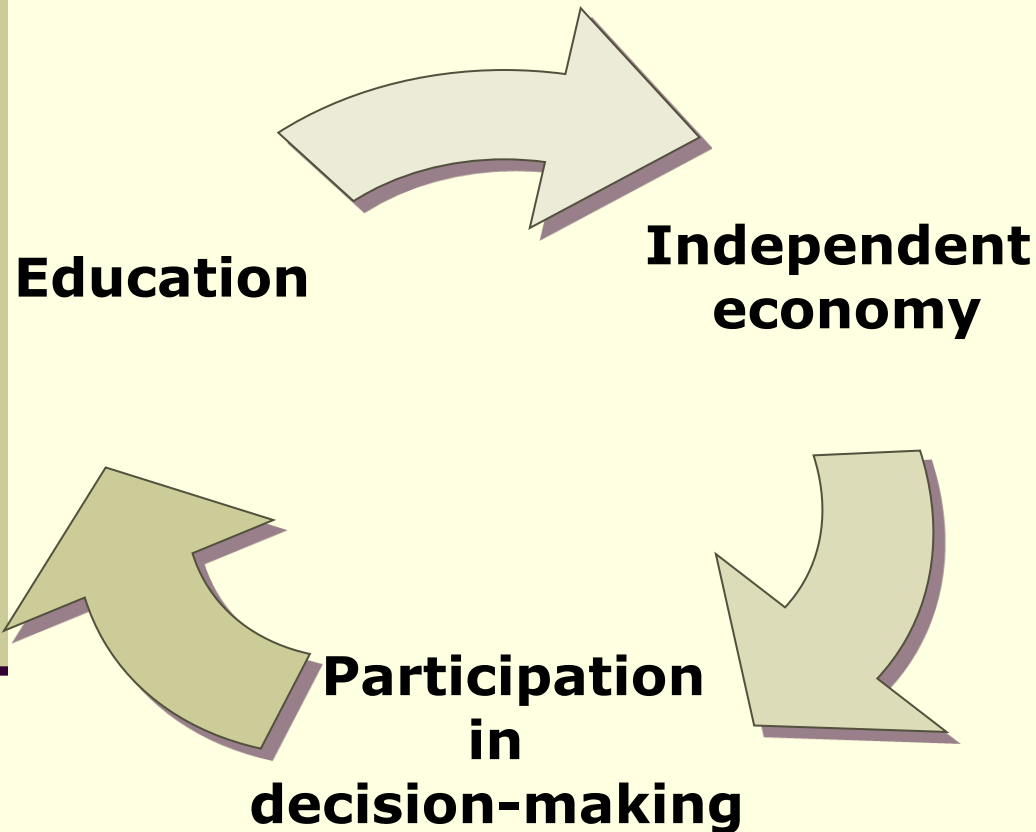
Country	Date of Establishment or Independence	First Constitution	First Election	Women's Suffrage
Saudi Arabia	Sept. 23, 1932	1992	2005	-
Qatar	Sept. 3, 1971	1972	1999	1999
Kuwait	June 19, 1961	1962-1963	1963	2005
Bahrain	December 16, 1971	1973	2001	2002
UAE	December 2, 1971	1971	2006	2006
Oman	1932	1996 (The "Basic Law" was promulgated)	2003	2003

Source: Table composed of data from United Nation Development Program

Engines of the Arab Economy

- More than 95% of Registered Companies in the Middle East are Family enterprises.
- 95% of the GDP of all GCC countries
- 46 Major Family Businesses in GCC have a net worth of more than \$ 2 trillion investments

Stages in Public Participation



Women in the Workforce in 2000:

- Kuwait: 31%
- Bahrain: 21%
- Yemen: 28%
- Oman: 17%
- Saudi: 16%
- UAE: 47%
- Qatar: 61%*

*women's participation in governmental positions from 1991-97

Signs of Development?

- Female representation
- Changes in democratic institutions
- Traditional loyalties
- Western Education
- Economic and social progress



Legal Structure

- Based heavily upon religion authority which draws upon 3 sources:
 - ***Shariah***: principles derived from the Holy Qur'an
 - ***Sunnah***: procedures and rules based on teachings of Mohammed during his lifetime
 - ***Ijtihad* (or *Ijma*)**: consensus, the exercise of one's independent judgement based on scholarly interpretation of questions not covered by just two sources

Matrix of Development

Economic Statistics

	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
GDP (PPP US \$ billions)	15.6	66.7	38.4	22.13	363.2	115.7
Income per capita	21,482	26,321	15,602	27,664	15,711	25,514
Adult literacy	86.5	93.3	81.4	89	82.9	88.7
Life expectancy	75.2	77.3	75	75	72.2	78.3
HDI (rank)*	0.866 (41)	0.891 (33)	0.814 (58)	0.875 (35)	0.812 (61)	0.868 (39)

Data are for 2005, unless noted otherwise. ^a Estimated.

* HDI: Human development index for 2005; (rank) refers to the country's rank based on 177 countries ranked by HDI in 2005.

Source: Human Development report, 2007/2008 (UNDP).

Matrix of Development

Demographics

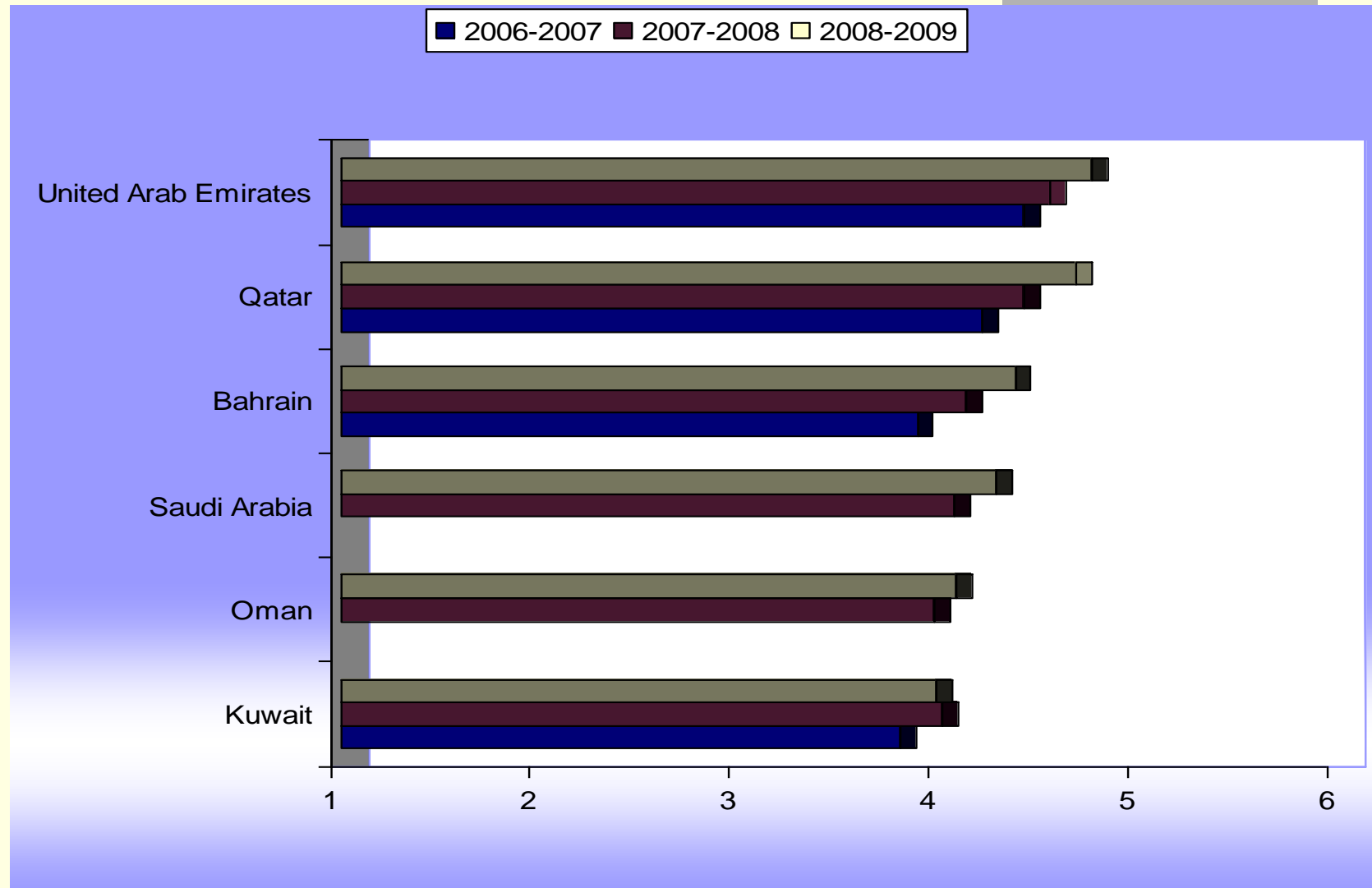
		Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	UAE
Population In millions	2005	0.7	2.7	2.5	0.8	23.6	4.1
	2015	0.9	3.4	3.1	1.0	29.3	11.3
Urban pop. (% of total)	2005	96.5	98.3	71.5	95.4	81.0	76.7
	2015	98.2	98.5	72.3	96.2	83.2	77.4
Pop. under age of 15 (% of total)	2005	26.3	23.8	33.8	21.7	34.5	19.8
	2015	22.2	22.5	28.6	20.6	30.7	19.7
Pop. age 65 and older (% of total)	2005	3.1	1.8	2.6	1.3	2.8	1.1
	2015	4.2	3.1	3.6	2.1	3.3	1.6

Source: Human Development report, 2007/2008 (UNDP).

The Networked Readiness Index

The GCC region: Evolution, 2006-2008

(score from 1 to 7)



UAE Economy and Rapid Growth

For the year 2008:

- GDP (2007): \$238.7 billion.
- Annual growth rate (2008): 6.3%.
- Per capita GDP (2007): \$45,531.
- Natural resources: Oil and natural gas.
Petroleum (2008 est.): 36.8%.

Matrix of Development

EUROPE/USA/ASIA

Increased diversification of exports

GCC

- High concentration of exports (mineral fuels)
- Improving diversification of exports in UAE

Major trade partners

GCC

- High concentration on a small group of countries, especially for exports.
- Japan: major export market

SA

- Slightly lower concentration

2015.....

Europe and Asia

- ✓ Slower population growth
- ✓ Approximate 2/3 of the population both urban & Rural
- ✓ 30% of the population is under age of 15
- ✓ 5.5% of the population is 65 and older

GCC

- ✓ Relatively high pop. growth
- ✓ Over 80% of the population is urban
- ✓ 30% of the population under the age of 15 in Saudi Arabia and Oman; approximately 20% in other GCC countries.
- ✓ 3-4% of the population is 65 or older (lower in Qatar and UAE)

South-South trade

Trade between developing countries (South-South trade) offers wide scope for specialization and efficiency gains. At present, barriers to South-South trade are higher than those governing South trade with other partners, and distance-related costs are higher. Recent OECD research shows that the potential evidence from freer South-South trade may indeed be at least as large as the gains that developing countries can obtain from better access to rich countries' markets (North-South trade).

(OECD Policy Brief, August 2006, p. 1)

Matrix of Development

- Enhancing trade between Asia and Africa with GCC countries can be viewed within the context of enhancing South-South trade.
- Asia and African countries and the United Arab Emirates including China in particular are trying to diversify their production and exports.

Non-tariff Barriers to trade

- Language: English is becoming more and more the common business language
- Culture: Cultural differences will always be there and globalization may or may not reduce them. However, in the case of Africa and Asia, we could talk about proximity in culture, which would make the culture GCC or Arab culture definitely closer due to historical links

Cultural Orientation Framework

- **Environment:** constraint orientation -- It's fate, *Insh'allah*
- **Time:** Multi-focus, high commitment to relationship-building rather than just task completion; insulting to hurry
- **Action:** 'Being' culture -- stress is on affiliations, character and personal qualities
- **Communication:** High-context, usually indirect
- **Space:** Closer physical proximity (12" - 18")

Cultural Orientation Framework

- **Power:** More tolerance for hierarchy, group and family connections important
- **Individualism:** Collectivist; loyalty is paramount
- **Competitiveness:** Midway between being competitive and cooperative
- **Structure:** Order -- seek to reduce ambiguity and make events predictable
- **Thinking:** Deductive and based upon 'gut-feel' / intuition

Understanding the Middle East

- As in much of the world, tension exists between modernity and secularism and between traditional religious beliefs and new cultural practices
- This debate sometimes is couched as Arab vs. the West, but more often it is categorized internally between secular powers and fundamentalists
- Middle Eastern culture and religion are inseparable. Most countries recognize Islam as their State religion

Future developments

1. Why should Europe, Asia, China and USA and GCC countries enhance trade with each other?
2. Which 'sectors' or groups of products would be good candidates for increased trade?
3. Is China a threat to trade relations between above countries and GCC countries ?
4. UAE is one of lucrative markets in the Gulf region, why do other GCC countries not have a similar (strong) trade (except oil) relation with Others?
5. Emergence of Security Blocks like EU.

Future developments

There could be substantial gains from increased trade and investment between Europe, USA, Asia Africa, China and GCC in some important sectors:

1. Tourism
2. Infrastructural investments
3. Energy
4. Equity Transfer
5. Relocation of Industry
6. ICT
7. Renewable Sources of Energy

Researching the Roots

Have a global mindset:

Think Global and Act Local

Think Local and Act Global

Understand the world

Understand Culture

Understand People

SWOT

Questions.....

You are Part of Culture

You are Global Community

Understand Culture

Understand People

How do you adjust Yourself