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A NATION OF BUREAUCRATS: POLITICAL
PARTICIPATION AND ECONOMIC
DIVERSIFICATION IN KUWAIT AND
THE UNITED ARAB EMIRATES

In very rich rentier-states, such as Kuwait, citizens have a smaller immediate stake in the success of the nonoil economy than do citizens in nonrentier economies. This is because the nonoil sector does not pay much in the way of taxes, nor does it employ many citizens. For the most part, citizens work for the state or state-owned enterprises, and their paychecks are ultimately funded by oil revenues. Foreigners dominate private-sector employment. Kuwait's parliament—by far the strongest in the Gulf—reflects the interests of citizen employees of the state and is widely seen as an obstacle to private-sector growth. In the United Arab Emirates, by contrast, citizens have little political voice. Public policy instead reflects the interests of capitalists (especially ruling families) in the development of a diversified economy.