



Dollars and Decadence

Making Sense of the US-UAE Relationship

Executive Summary

No actor has influenced the course of events in the Middle East and North Africa over the past decade more than Abu Dhabi.

Having seized unilateral control of the foreign policy of the United Arab Emirates in the aftermath of the 2008-2009 financial crisis, it would be the diminutive petromonarchy of the al-Nahyan family that went on to steward the opposition to the Arab Spring movements which emerged in late 2010. In frequent partnership with Saudi Arabia, the emirate's Crown Prince Muhammad bin Zayed al-Nahyan inserted himself and his abundant resources into local struggles from the Red Sea and Gulf of Aden to the western reaches of the Maghreb and the heart of the Levant. After cozying up closely to the Trump administration, Abu Dhabi's adventurism would grow even bolder in recent times. Backing military strongmen and the oligarchs of ancien regimes through financial, military, and diplomatic means, Abu Dhabi's counter-revolution has proved tragically effective in stifling those seeking political, economic, and social change.

With the Democratic party now in control of the House of Representatives, Senate, and White House for the first time since 2011, a question begs asking: will the changing of the political guard in Washington shift America's outlook on Abu Dhabi's regional project? It is no exaggeration to say that the futures of millions of people across the Middle East and North Africa very much hangs in the balance.

Our report, *Dollars and Decadence*, argues that the Biden administration and its allies in the Congress are unlikely to upend the status quo-ante when it comes to the US-UAE relationship, despite having abundant cause for doing so. This prognostication derives in part from the longstanding strategic partnership that Abu Dhabi has developed with the United States' Department of Defense as well as from its signing of the Abraham Accords with Israel in 2020. It is primarily informed, however, by the nature and depth of Abu Dhabi's entanglements within the American economy, and by the dexterity with which the emirate influences elected officials and the policy community more broadly.

Through excavating financial documents, tracking capital flows, and mapping Abu Dhabi's operation inside Washington, *Dollars and Decadence* not only shows how the emirate wins itself supporters within the American capital, but how it stacks the deck against those seeking to challenge its position. Lending insight into the future of the Middle East and North Africa as well as into the ways through which foreign principals affect the business of the American state, the report makes for critical reading for those hoping to change US foreign policy and with it, the fate of a region.

Key Ideas

→ Abu Dhabi's presence within the American economy is greater than is typically understood. The nature of this presence introduces substantial political and economic risks for those attempting to reform the US-UAE relationship.

→ Abu Dhabi's influence operations have affected how policymakers conceive of and evaluate issues relevant to the Middle East and North Africa. They have also inculcated sympathy and support for Abu Dhabi's interests amongst leading Democratic party officials.

→ Despite Abu Dhabi having unapologetically aligned itself with the Trump administration, our data suggests the Biden administration and the Congress will both stay the course in engaging the emirate (and its regional designs).

→ The consequence of this eventuality for the peoples across the Middle East and North Africa will be profound, auguring the reconsolidation of authoritarian rule and the deepening of economic de-development.

→ The consequence of this eventuality for American democracy will prove corrosive, as it will encourage foreign parties to intensify their infringements upon sovereign policy spaces.

Major findings

→ The UAE's "making of peace" with Israel, consummated through the signing of the Abraham Accords, has solidified its standing amongst large segments of the Democratic party coalition.

→ The UAE has more easily swayed Washington than it has regional events in recent times; its position inside the American capital is now critical to its capacity to project power throughout the Middle East and North Africa.

→ Abu Dhabi recycles a significant percentage of its oil rents into the American financial system. This report estimates that the value of the emirate's state-controlled portfolio in the United States is in excess of \$250 billion.

→ Mubadala and the Abu Dhabi Investment Authority, Abu Dhabi's two largest sovereign wealth funds, have become deeply entwined with the different nodes of contemporary American finance capital.

→ Beyond partnering with America's banks, private equity firms, and asset management giants, the aforementioned sovereign wealth funds also have taken sizable investment positions in the US-based tech and real estate sectors. As is the case with finance, these sectors influence the political sphere in the United States through a diversity of means.

→ The patronage provided by Abu Dhabi to American arms' manufacturers is fundamental to the latter's export business and overall viability. The firms benefiting from Abu Dhabi's business have long demonstrated a distinct capacity to affect the conduct of the American state as well.

→ The volume, density, and location of US-UAE economic interpenetration have increased the risks of political confrontation substantially. Policymakers and elected officials are therefore structurally incentivized to pursue a status quo oriented approach in engaging Abu Dhabi. In view of the high-leverage friends Abu Dhabi has won through its business dealings, it is conceivable that policymakers and elected officials may also be subject to more discrete forms of pressure when it comes to the UAE's interests.

→ Through its embassy, the UAE runs a vertically integrated operation designed to affect how Washington both understands international affairs and conducts its foreign policy. This operation is wholly within the

bounds of legality. It is primarily organized to influence think tanks, journalists, and persons directly involved in policymaking processes.

→ Through a number of means, Abu Dhabi and its local lieutenants have developed personal relationships with individuals bearing great social capital within the field of Democratic politics.

→ The combined effects of economic entanglement and Washington-based operations make it highly unlikely that either the Biden administration or the Congress will seek significant change to the US-UAE relationship.

Author

Colin Powers earned his PhD from Johns Hopkins School of Advanced International Studies in 2020. He is a two-time recipient of the Fulbright Grant, and his work has been published with Middle East Law and Governance, The Middle East Research and Information Project (MERIP), the Institute of Policy Studies, and the Arab Center-Washington, DC, amongst other places. In addition to serving as a Chief Editor for Noria's MENA Program, Powers is currently the director of The Political Economy of Everything, a web-based research publication that aims to unwind how power, class, and history animate life in the Middle East today.

Powers' current research agenda primarily concerns the drivers of (under)development and irredentist authoritarianism in the contemporary Middle East. Ongoing investigations and writing projects concern the lobbying networks and financial linkages through which regional axes advance anti-democratic projects in western capitals; the economic and logistical sinews of Abu Dhabi's regional interventions; and the prospects and likely consequences of economic liberalization initiatives in the wake of COVID-19.

Prior to his academic pursuits, Powers worked with a number of non-governmental organizations operating out of Northern Ireland and Palestine.

Noria Middle East & North Africa Program

Our research efforts are oriented by the counter-revolution that swept the Middle East and North Africa in the aftermath of 2011. This counter-revolution has unalterably changed the lives of millions of people. Depending on the place, it has, amongst other things, precipitated civil war, criminalized political expression, stripped citizenries of basic liberties, intensified inequality, and engendered profound social suffering. Metabolizing state-sponsored violence in a diversity of forms, its complex coalition of anti-democratic forces has quietly laid siege to states, societies, and the values of an international order founded on human rights.

Noria's MENA program shall seek to unwind the many permutations and configurations through which the Arab counter-revolution is expressed. Interrogating the political, economic, and ideational dimensions of the phenomenon in question, our team is committed to shining a light on the overt and submerged properties of an issue whose importance cannot be overstated.


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