

# Dubai: The Quest for a Global Urban Utopia

During the last decade, Dubai managed to establish a spectacular and glamorous urban structure that attracted global attention and placed the city among top world ones. The urban experience of Dubai is becoming a model that is influencing trends of development in many major cities in the Middle East. It presents a new approach to urban planning for globalizing cities.

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## **A HISTORIC BACKGROUND**

The place where Dubai is located today has been inhabited by nomadic tribes for centuries. The origin of these tribes could be traced to Persia and the Arab Peninsula. These tribes relied mainly on herding, fishing and pearling. There are no signs that they ever attempted to develop a well-established urban structure like many other cities in the Middle East during the medieval era. This could be attributed to their nomadic lifestyle and lack of economic resources in the Arab Peninsula at that time.

During the twentieth century Dubai went through three critical phases of development. The first phase could be traced to the beginning of the twentieth century when Sheikh Maktoum Bin Hasher introduced the first liberal economic vision for the city. Sheikh Bin Hasher recognized the potentials of Dubai's location especially after the opening of Suez Canal in Egypt in 1869. He perceived the future of Dubai as a trade hub that can attract merchants from all over the world. The competition was tough considering the presence of the well-established Persian ports of Lengeh and Bushehr on the other side of the Arab Gulf. Sheikh Maktoum Bin Hasher was up to the challenge. He decided to abolish custom duty and fees. Besides, he offered free land to both Arabs and Persians in order to reside in the city. He also granted traders, regardless of their nationality, free lands in order to build storage facilities and housing for their workers. These incentives managed to gradually shift flows of goods and money from Persian ports towards Dubai. It also triggered flows of people from Iran to the city seeking business and trade.

Sheikh Bin Hasher had to set several principles in order to assure the continuity of these flows of capital and people. Jim Krane (2009) argues that these principles were: 1) What is good for the merchant is good for the village; 2) Embrace visitors no matter what their religion; and, 3) You cannot win if you don't take risks (Krane

2009). It was important for Dubai to express tolerance towards diversity in order to encourage people to move to the city. Sheikh Bin Hashir was so determined to make his village a trade hub and one of the most business friendly places in the Arab Gulf. He managed to attract diverse ethnics to Dubai. The city continued to grow and flourish. However, it could be argued that Sheikh Bin Hashir's vision was not fully accomplished due to the lack of economic resources.

By the beginning of the 1960s, Dubai witnessed the second critical phase in its history. During that period, oil was widely discovered across the Arab Peninsula. Dubai was not as fortunate as neighboring cities and its oil reserve was relatively limited. This recuperated the vision of creating a major trade hub in the city. Trade became the only viable economic option for Dubai. The mission was led by Sheikh Rashid Al Maktoum who began by establishing a new port in 1972 that was named Port Rashid. This modern port managed to attract more trade to the city. This was followed by Jebel Ali Port which started operation in 1977 and Dubai World Trade Center, a thirty nine stories building that opened in 1979. When built, Jebel Ali Port was one of the largest ports in the region. These two projects accompanied by a new InterContinental Hotel fueled more flows of people, capital and goods to the city.

Workers, engineers, architects and professionals from the Middle and Far East started moving to the city in massive numbers. Sheikh Rashid followed the same old principles of cultural and religious tolerance. As noted by Jim Krane (2009), Sheikh Rashid was aware that in order to attract all those people to his city, he should offer them a tolerant and exciting lifestyle (Krane 2009, p.97). He allowed the construction of churches, bars and international schools. He also established a small airport, founded Emirates Airlines and invested in modernizing the infrastructure of the city. During his era, Dubai was transformed from a Bedouin settlement to a modern city.

The third and most critical phase of urban transformation in the history of the city began in the mid-1990s when Sheikh Mohammed Bin Rashid Al Maktoum was appointed as the ruler of Dubai. During that time, globalization and the revolution in communication and information technology were starting to shape a new world order. Sheikh Mohammed understood the dynamics of this new order earlier than many leaders in the region. He continued Sheikh Rashid's vision of Dubai as a trade hub but focused on the potentials of the new global economic system. Sheikh Mohammed directed large investments to projects that have the capacity of connecting Dubai to the rest of the world and can integrate its economy into the global one. He expanded the airport and invested in the construction of Burj Al Arab, the first spectacular building in the city that actually jump started a new wave of global flows to Dubai. This extravagant hotel was built to promote Dubai as a new emerging world city. It is actually the first project to attract global attention to Dubai.

The construction of Burj Al Arab was followed by a series of mega projects, including: Burj Khalifa, the tallest building in the world; Ski Dubai, a huge indoor snow skiing facility; Atlantis the Palm Hotel, a replica of Atlantis Bahamas; Dubai Mall, one of the largest malls in the world. These projects accompanied by the development of several free zones such as Jebel Ali, Dubai International Financial Centre, Dubai Internet City, Dubai Media City and Dubai Knowledge Village. The construction of these spectacular and extravagant projects was also associated with the emergence of marginalized social enclaves hosting foreign cheap labor,



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Figure 1: Burj Khalifa, the tallest building in the world.

mainly from South East Asia. These labor communities contrast significantly with the glamorous and glittering Dubai metropolis. They are usually located at the peripheries of the city in order to serve the humble needs of foreign workers who make a large portion of the city population.

Between 2002 and 2008 the real estate market of Dubai was thriving. Spectacular projects such as Burj Khalifa and Palm Islands were sold in days. When the global economic crises started to hit the world economy in 2008, Dubai faced a serious challenge. The excessive dependency of the city on global flows of capital and people has led to severe economic losses especially in the financial and real estate sectors. Many projects were stopped. Thousands of foreign employees and workers lost their jobs and were forced to depart the city because of immigration laws. Many expatriates faced debts and fled leaving their cars at the airport. Properties value dropped drastically and the stock market plunged nearly 70%.<sup>1</sup>

Although Dubai has been facing serious challenges because of its excessive dependency on global flows, its urban experience still inspires many cities in the Middle East. Dubai has presented a new model of urban development that primarily focuses on benefiting from global flows to the maximum. This quest was achieved through: 1) the construction of a “world city” image that can attract global attention; and 2) building places that have the capacity of triggering global flows of capital, people, and information.

#### **THE CONSTRUCTION OF A “WORLD CITY” IMAGE**

During the last two decades, the notion of urban image has played a significant role in determining the statuses of cities in the new world order. The shift from manufacturing to service economy required the reconstruction of urban structures of cities aiming to attract transnational corporations, international organizations and their employees (Sassen 2005). Attracting flows of capital, people, and information triggered by the revolution of information, communication and transportation technologies became the main objective of cities aiming to become core players in this new world order. Dubai, like many globalizing cities, has focused on bringing a portion of these flows to its local context. The first step was constructing a spectacular and glamorous image that can attract global attention and make the city known around the world.

Marketing Dubai as an emerging world city during that time was difficult. The city didn't have an attractive urban structure like those of European and American major cities in order to attract international corporates and talented professionals. Accordingly, the mission was simply to build urban spectacles that can make Dubai famous, or as described by Charles Jencks “make nowhere, somewhere” (Jencks 2005). Jencks describes this approach as “the Bilbao effect.” He refers to the role of the spectacular Bilbao Guggenheim Museum, designed by architect Frank Gehry, in making the small city of Bilbao one of the most famous Spanish cities today (Jencks 2005, p.7).

Creating spectacles and extraordinary urban and architectural places in a short period of time became a national project that dominated urban development in Dubai. Most of real estate investments were directed to the construction of iconic architecture and unique places designed by international celebrity architects. The search for impressive forms, themes and scales was the driving force that shaped design decisions. The city began to evolve through a series of mega projects which together have created a spectacular whole. These projects were simply seeking what Saunders (2005) describes as the “WOW Effect” (Saunders



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Figure 2: Burj Al Arab Hotel, Dubai.

2005, viii). Burj Al Arab, the most luxuries hotel in the world; Burj Dubai, the tallest building on earth; the Palm Islands, the largest man made islands on the planet are all examples of these spectacular projects. As noted by Mike Davis (2007), the vision of the ruler of Dubai was simply that “everything must be ‘world class’, by which he means Number One in the Guinness Book of Records” (Davis 2007). It could be argued that this process was influenced by Danial Burnham conception of “making no little plans.” Burnham argues that development plans ought to be big since small projects “have no magic to stir men’s



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blood and probably will not themselves be realized” (Moore 1921).

The construction of this spectacular and glamorous urban image in less than a decade required rapid actions including the facilitation of the design approval process. Mega projects were reviewed and approved by Sheikh Mohamed. Community participation in the design and approval process was completely absent. As noted by Donald Trump, the famous American Developer, commenting on his spectacular Trump Tower in Dubai: “If this project was ever proposed for New York, it would be a 10-year review process at the end of which you’d receive a ‘No’ vote by the community board for being too high, too dramatic, too beautiful or whatever.”<sup>2</sup> Dubai actually offered a very attractive real estate context for local and international developers, architects and investors. The construction of a spectacular urban image was critical for Dubai and its quest for a top world city ranking. In ten years, The city managed to transform itself from a peripheral urban setting to become one of the most glamorous and attractive cities in the world today.

### **DEVELOPING PLACES OF GLOBAL FLOWS**

The construction of a spectacular city image for Dubai was associated with the development of a series of projects that have the capacity of attracting global flows. I call these projects “places of flows” which perform as nodes of agglomeration of flows of capital, people, and information and transmit them to the local context (Salama 2009, 2012). Although global flows are capable of penetrating national and local boundaries, they still need places to host their interaction with the locale. Places of flows currently make a core component of the urban structure of many globalizing cities.

Dubai has been investing intensively in the development of these place. Projects such as Dubai Financial Centre, Dubai International Airport and Dubai Media City are examples of these places. They facilitate the movement of flows of capital, people and information between the global domain and the local context. These places play a significant role in connecting the city to the world system. They are essential components of the infrastructure of cities aiming to become part of the new global order. During the last decade, Dubai, like many globalizing cities around the world, has directed most of the investments in urban development towards the production of this type of places.

Today, the urban form of Dubai could be perceived as a network of places of flows that vary in type and scale and together make a structure capable of

Figure 3: Dubai Skyline.

hosting massive flows of capital, people, and information. The city has been investing in the development of places of capital flows such as Dubai Financial Center, Jebel Ali Free Zone, Dubai Mall and the spectacular Burj Khalifa. These places target foreign direct investments, tourism, and international real estate developers and speculators. They perform as transnational spaces for global economic activities within national territories (Sassen 2012).



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As noted earlier, unlike neighboring cities such as Abu Dhabi, the economy of Dubai doesn't rely on oil. The city hosts 80% of the non-oil trade in the whole United Arab Emirates.<sup>3</sup> This was estimated by \$94 billion in the first half of 2011.<sup>4</sup> This required the development of places that have the capacity of triggering financial flows to and from the city. Jebel Ali Free Zone for example hosts 37% of the city non-oil trade. Since its opening in 1979, this zone has triggered massive flows of capital in the form of exports, imports and re-exports. The performance of Jebel Ali Free Zone is supported by a series of other places of capital flows as Dubai International Financial Center (DIFC). This financial center is described by the government of Dubai as "the newest global financial hub, bridging the geographical and time gaps between the major capital markets of New York and London in the West and Hong Kong in the East."<sup>5</sup> By the end of 2010, the number of registered companies in DIFC was 792.<sup>6</sup> And in order to compete with other major stock markets, DIFC allows 100% foreign ownership and offers 0% tax rate on income and profits.

Spectacular real estate developments are another example of places that have the capacity of attracting capital flows. Projects such as Burj Khalifa attracted world investors, celebrities and speculators. As noted by Mohamed Alabbar, the developer of Burj Khalifa, the project has sold 85% of its units, worth \$1.1 billion in two nights to customers from all around the world including Russia, Iran, Europe, and the Arab Gulf.<sup>7</sup> Projects as the Palm and World Islands have attracted many of the world rich elites such as Irish investor John Dolan and celebrities as David Beckham. According to the developer of the islands, the first 4,000 condos and homes sold on Palm Jumeirah went to citizens of the United Arab Emirates and other Gulf countries. Britons accounted for about 25% of the buyers with the rest from 75 different nationalities, including several Americans."<sup>8</sup>

These projects and many similar ones managed to bring billions of dollars making Dubai one of the most attractive investment markets in the region. They triggered massive flows of capital to the city especially after the second Iraqi war in 2003 when many wealthy Arabs withdrew their savings from Western banks fearing the freezing of their accounts (Davis 2006). Much of this money was absorbed by mega real estate projects that were under construction in Dubai during that time.

Dubai has invested intensely in the development of places of people flows. Through a series of spectacular projects such as Burj Al Arab, Atlantis the Palm, Burj Khalifa, Ski Dubai and Dubai Mall, the city managed to attract 10 million tourists in 2010 compared to 2.8 million in 2000. The number of tourists is expected to reach 15 million in 2015. Attracting tourists to Dubai mainly relies on the idea of creating spectacles. Hotels usually have themes which makes them destinations rather than just hostels. They actually receive more visitors than guests. Millions of tourists go to Dubai to experience its spectacular architecture and urban life.

Dubai International Airport is another example of places of people flows. In 2010, the airport served 47.2 million passengers making it the fourth busiest airport in the world in terms of international passengers. The airport capacity is 62 million passengers.<sup>9</sup> This huge number of passengers compared to Dubai population of

Figure 4: Dubai Financial City.

two millions reflects the intense degree of people flows to and from the city. The airport plays a significant role in accelerating the rate of these movements considering the absence of other modes of regional transportation except vehicles. Dubai International Airport is also becoming an attraction itself. With its fancy daily prizes such as Ferrari cars and Rolex Watches, and its huge Duty Free Shop, the airport is currently the most preferable transit hub in the Middle East.

Dubai has also focused on shopping tourism. Huge investments were directed to the development of mega malls, the largest, not only in the region but the whole world. Dubai Mall a 9,000,000 ft<sup>2</sup> of shopping retail spaces designed to host 1200 stores is one of the largest malls in the world. It marked the largest mall opening in history with 600 retailers. The mall is located in Burj Khalifa, the tallest building on earth. The mall attracted 37 million visitors in its first year. It includes a 10,000,000 liters aquarium with 33,000 marine animals on display.<sup>10</sup>. Ibn Battuta Mall is another example of these themed shopping hubs. It is named after the medieval traveler and explorer Ibn Battuta. The mall has six main sections each replicates the architecture of one of the regions visited by Ibn Battuta. The mall has Chinese, Egyptian, Persian, Tunisian, Andalusian and Indian themed courts. These mega shopping hubs managed to attract millions of regional and international tourists to the city considering its tax free market.

Ethnic enclaves that host agglomerations of expatriates are another example of places of people flows. Expatriates make nearly 85% of Dubai population. These enclaves or niches are as described by Featherstone and Lash (1995) "global creation of locality" (Featherstone & Lash 1995). In the case of Dubai, these enclaves are not yet as established as Chinatowns and Koreatowns in many American cities. They just feature some distinct qualities and sort of social attachment between its residents. The presence of these enclaves triggers more immigrants' flows to the city. They provide haven for new comers mainly from South East Asia, who don't master the local language nor are familiar with the new lifestyle. In these enclaves immigrants can find "middleman minorities" who can help them settle and find a job (See Cobas 1987).

In Dubai, expatriates enclaves are not limited to the less privileged classes. In many Middle and Far Eastern cities, enclaves that host Westerns are the finest urban settings in the city. They are gated communities that offer all the urban practices that might not be available in the city. These gated enclaves are in many cases owned by multinational corporations as Shell, Mobil or even American universities as in the case of Sharjah, UAE.

In nearly a decade, Dubai managed to construct an urban structure that made it not one of the most attractive tourist destinations in the region but also one of the most appealing places for international professionals and talented people around the world. This was associated with extensive investments in the development of one of the most advanced and sophisticated communication networks in the region. In 2000, Dubai Internet City (DIC) was launched to "create an infrastructure, environment and attitude that will enable Information and Communications Technology (ICT) enterprises to operate locally, regionally and globally, from Dubai, with significant competitive advantage."<sup>11</sup> DIC managed to attract major transnational information technology corporations such as Microsoft, Cisco Systems, IBM, HP, Dell, Siemens, Sun Microsystems, Computer Associates, PeopleSoft, and Sony Ericsson by offering subsidized office spaces and zero tax.

Dubai Internet City was followed by a series of information technology hubs such



Figure 5: SKI Dubai.

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12. Dubai International Convention and Exhibition Centre. <http://>

as Dubai Media City (DMC), a place that offers world class services for the media industry. DMC with the newly established Dubai International Media Production Zone and Dubai Studio City aim to attract international media production companies to Dubai. They offer all types of media services and enjoy the same free zone regulations as Dubai Internet City. Many international media production enterprises such as CNN, Reuters, Showtime Arabia, CNBC Arabiya, and the Pakistani Ary Digital Network broadcast from Dubai Media City.

Dubai Knowledge Village launched in 2003 is another example of places of information and knowledge flows. This huge international educational center with its one kilometer long building is designed to host any knowledge based activities. Dubai International Academic City is another hub of flows of information and knowledge. Dubai also hosts many international schools such as The American School of Dubai, Dubai British School, American University of Dubai, and British University. These international schools perform as places of knowledge flows by bringing foreign education to both locals and expatriates in the city. Convention centers such as Dubai International Convention and Exhibition Centre is another example of places that have the capacity of triggering flows of information and ideas to the city. The center hosts nearly 60 international events every year including conferences, and cars, fashion, jewelry, yachts, construction and real estate.<sup>12</sup>

## CONCLUSION

The urban experience of Dubai with globalization presents an interesting model of cities shaped for the new world order. The transformation of Dubai during the last decade was mainly shaped by the idea of creating a spectacular urban structure that has the capacity of attracting global flows of capital, people, and information and knowledge. This was translated into a series of extravagant projects that perform as hubs for the agglomeration of these flows. These places of flows currently make the core components of the city's urban structure. In less than a decade, Dubai managed to attract much global flows to its local context. The city is currently one of the major financial and tourism hubs in the region. It also hosts major information technology and media giants. Although it could be argued that Dubai has paid a price for this rapid and dramatic transformation, its experience is inspiring many cities across the region.