
Building Skyscrapers in the Sand



By Jane Williams, Editor Knowledge Arabia

Despite a minor real estate set-back a few years ago, Dubai is back - building structures most people only dream about. But how long can this last?

Think of Dubai and you picture the Burj Khalifa – the world’s tallest building – a mixed-use tower dwarfing an expanding spread of fantastically shaped skyscrapers; spectacular coastline developments; and cavernous malls with indoor ski slopes, all connected by a monorail stretching across the city.

With this futuristic visual image, Dubai sells itself as a “can-do” metropolis, promoting its geographical position at the corner of three continents and its stability to attract investors. But its brashness and focus on everything new makes it an easy target for critics who question the city’s livability. What kind of community is developing in its increasingly segregated environment, and can growth be sustained into the future?

From an economic viewpoint the emirate, the second largest of the United Arab Emirates, has had an uneven path. It has been more effective than other Gulf states in diversifying away from oil but suffered the most when the economic crisis hit in 2009. Ironically it was only a loan from its cashed up, oil-rich neighbour Abu Dhabi that saved it from sinking under a morass of debt.

Creating a brand



“For some reason people focus on Dubai’s failures but it has some great successes,” says **Stephen Mezias**, INSEAD Professor of Entrepreneurship and Family Enterprise based at the school’s Abu Dhabi campus. In all nearly 9 million tourists visited the city in 2011, according to a Mastercard survey,

taking it to eighth spot globally in terms of tourist spending.

The Burj Khalifa, notes Mezias, may be at far from optimum occupancy but it has helped create a brand for Dubai and attracted more than 54 million people to the adjacent Dubai Mall in 2012.

“Then there’s the growth of Jebel Ali (a man-made port with adjacent free zone and logistics hub); that success story has been quite phenomenal,” notes Mezias. “They’ve set up a whole bunch of support businesses to pursue a development path that is independent of oil money.”

In their push for economic diversification the city’s leaders, the Al Maktoum family, established more than 20 such free zones, sector-designated hubs where foreign businesses can operate tax-free outside customs regulations and the U.A.E.’s 49 percent foreign ownership laws.

Not all about real estate

The hubs have been incorporated into the city’s Urban Development Master Plan 2020 which attempts to look beyond iconic building developments. “It’s not all about real estate,” Dubai Municipality director general Hussain Nasser Lootah said when unveiling the city’s plan, noting the shift in government focus to infrastructure and sustainable and economically viable land use policies. The plan aims to cater for the city’s rapidly swelling population – expected to grow from 2.1 million today to well over 3 million by 2020.

The strategy is the latest of five urban development plans implemented since the mid-1980s, each replaced as the city’s growth exceeded expectations. As a result, Dubai today is a series of scattered satellite cities and hubs of mixed-use and residential communities, all loosely linked by a spaghetti map of eight-lane highways and arterial roads.

“Dubai has been developed on largely a haphazard basis to date,” agrees Adrian Smith, chief architect of the iconic Burj Khalifa and co-principal of Adrian Smith + Gordon Gill Architecture, noting the dozens of masterplans for different regions and satellite cities he was shown when working on projects in the emirate, “some have been successful, some have not, many remain on hold.”

Urban design

What has prevailed is a modern urban design strategy of tightly connecting residential and mixed-use buildings around a core. It's a model that is being picked up across the rapidly growing Arab region where cities like Cairo and Bahrain are facing the challenges of urban sprawl.

"This development in Dubai has definitely had an influence on projects such as Saudi Arabia's King Abdullah Economic City development (a massive US\$80 billion city being built on the Red Sea, between the commercial hub of Jeddah and the holy cities of Mecca and Medina)," says Smith. "Planners are paying attention to how buildings form a core and the need for pedestrian ways and a defined series of public space."

A focus on pedestrian paths is a radical development for a region where people are reluctant to abandon their cars to walk the smallest distance, particularly in summer when temperatures hover well above 40 degrees Celsius for weeks on end. But it's this high use of private vehicles, and the emirate's reliance on gas-fuelled power, that has pushed Dubai's energy CO² emissions to among the highest in the world.

Integrated energy strategy

While past development has paid little more than lip service to sustainable practices, the Dubai Integrated Energy Strategy 2030, launched in 2011, aims to ensure the emirate will be able to draw on a diverse and more sustainable energy mix by the year 2030, targeting five per cent solar, 12 per cent nuclear, 12 per cent clean coal and the remaining 71 per cent gas.

The big challenge will be encouraging the city's population, which has heavily subsidised power and water, to adopt sustainable practices.

"From an urban planning point of view the sprawl creates energy requirements for the city, particularly given the amount of single person driving, that are unsustainable," notes Mezias.

The city's recently introduced light-rail system may make a fantastic visual impact but it needs to be part of a much larger, far-reaching transport system to address issues of pollution and serve the hundreds of thousands of low paid migrant residents scattered across the emirate, according to Yasser Elshehstawy, Associate Professor of Architecture at the United Arab

Emirates University and author of *The Evolving Arab City* and *Dubai: Behind an Urban Spectacle*.

City of enclaves

“The entire planning ethos in Dubai has been based on car movement. Currently there is the existence of all these separate enclaves and communities and labour camps, fragments and pieces which I do not think as a whole lead to a sustainable form.”

The creation of enclaves occurs to varying degrees around the world as wealthier residents increasingly choose to live in self-sufficient, often gated, communities and lower income people drift towards areas of similar ethnicity. In Dubai with its population make-up of 180 nationalities and a minority local population – less than 20 percent – there is a tendency towards encouraging this segregation, and keeping people apart.

“There’s a lack of outside or communal space and people can only get together in controlled environments like shopping malls,” Elsheshtawy says noting extravagant towers and luxury developments have little real impact on the city’s larger population.

“Towers and mega-projects are part of the picture but they aren’t the only part, the heart and future of Dubai lies in some of the lesser known neighbourhoods, places like Hor Al Anz or Al Satwa in Deira, where there is no designated public space but where people are quietly reclaiming the streets. Here you will find an urbanity and resilience which is quite unique.

Utopia or dystopia?

The 2012 EU study *Global Trends 2030: Citizens in an Interconnected Polycentric World* notes that segregation and preserving humane living conditions will be a major challenge facing new mega cities, noting “Rapid urbanisation will aggravate social exclusion and put intense pressure on public services”.

“I believe there are basically two ways in which cities will evolve: as utopia or as dystopia,” says Elsheshtawy.

“The former envisions a city of gleaming towers, green parks and bicycle paths; while the latter is a megacity choking on heavy traffic, slums, and

residents barricaded in fear in their gated communities. Perhaps, one could argue, Dubai has the potential to embody both.”

Stephen Mezias is a Professor of Entrepreneurship and Family Enterprise at INSEAD.

Follow us on twitter [@INSEADKnowledge](https://twitter.com/INSEADKnowledge) or Facebook

<https://www.facebook.com/Knowledge.insead>.

Find article at

<https://knowledge.insead.edu/economics-finance/building-skyscrapers-sand>