

Glitzy Dubai has a darker side

By Roula Khalaf

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Dubai is used to being admired. The attitude of many of its foreign residents is to steer clear of trouble and praise the liberalism and the opportunity offered by the emirate.

By taking bold bets and capitalising on the misfortunes of neighbours in a volatile Middle East, Dubai has accomplished no small feat. It has made up for its dwindling oil reserves by developing a diversified service economy and becoming a rare model of success that other states in the Arab world have been emulating. It has also worked assiduously to create a Dubai brand. By building extravagant landmarks, including the world's tallest building, Dubai is the Middle East's most exciting destination.

So it is no surprise a book that analyses Dubai's weaknesses, as well as its virtues, provoked nervousness in the emirate and was under threat of being banned. *Dubai: The Vulnerability of Success* is written by Christopher Davidson, a fellow at the Institute for Middle Eastern and Islamic Studies at Durham University, and a former assistant professor at Sheikh Zayed University in the United Arab Emirates. A rare expert on the UAE, Davidson last month complained that Dubai bookstores had been told not to sell his book. The national authorities responded by insisting that it was cleared for distribution.

Davidson's book should be seen in Dubai as an important contribution. The city-state has been running fast and wild for years. Taking a pause to consider the impact of its rapid growth is a healthy exercise. It is a pity the author focuses mostly on the political risks in Dubai. The global financial crisis has highlighted the city's economic vulnerability, given the high level of debt and the opaqueness of its property market. To shore up confidence the federal government of the UAE last week took forceful action, guaranteeing bank deposits and injecting capital into the system.

The book charts a fascinating history of an obscure part of the Gulf, explaining the ability of the emirate to pursue economic liberalisation without political reform. Ruler and ruled in Dubai have an unwritten bargain, says the author, under which nationals leave government matters to the ruling al-Maktoum family but receive their fair share of opportunity and wealth.

But Davidson sends warning shots that signal the concerns of local citizens. Strains in the ruling bargain have emerged, he argues, as nationals find themselves a small minority in an unrecognisable city. Their population, Davidson estimates, accounts for no more than 4 per cent of the total (though the government puts the figure at more than double that).

Protecting national identity and Islamic values against the intrusion of foreign culture has become a hot topic in Dubai over the past year, as more and more foreigners have moved in.

"Dubai cannot be considered a cosmopolitan city," he writes. "Despite the government's efforts to create centres for multicultural understanding . . . most ethnic groups prefer to remain distinct, each with their own social networks, clubs and community centres." In its present state, he adds, the emirate would seem unlikely to become a melting pot comparable with other international cities.

Davidson tackles other sensitive subjects, including the complex relationship between the emirates in the UAE federation, and the rivalry between Dubai and Abu Dhabi. While both emirates like to project harmony in their relations, Davidson outlines a tense history in which the federation was undermined as Dubai fiercely guarded its autonomy. It was not until the mid-1990s that a road linking the two cities was built, he points out.

Perhaps most irritating to the Dubai authorities is Davidson's depiction of the more seedy side of the city, where he says smuggling, arms trading and prostitution are rife. Though the government has

stepped up efforts to curb illegal activity, including money laundering, the openness of Dubai has been a magnet for legitimate business as well as illicit activities.

The author cites, but does not subscribe to, the conspiracy theory of a deal between Dubai and al-Qaeda, allowing the emirate to remain off the target list if the network can benefit from the city's openness and its infrastructure. Even if such a deal exists, says Davidson, Dubai would not be immune to the terrorist threat from a splinter group.

There is much in this book that Dubai prefers to ignore. But as Davidson writes: "For the emirate to survive and to prosper as a truly modern city, as a sophisticated 21st century city, and as a genuine player in the global economy, the time has come to subject it to a more detailed level of scrutiny and independent analysis."

The writer is the FT's Middle East editor

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