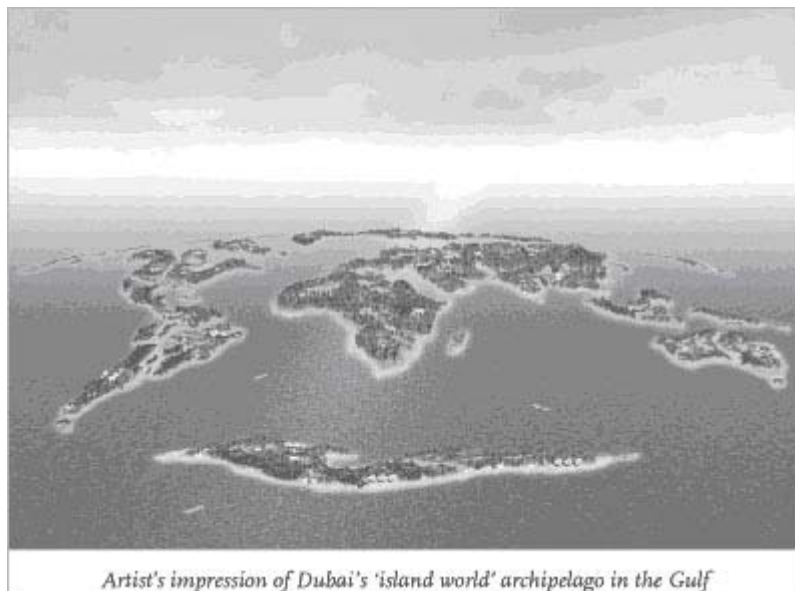


# Fear and Money In Dubai

Mike Davis

As your jet starts its descent, you are glued to your window. The scene below is astonishing: a 24-square-mile archipelago of coral-coloured islands in the shape of an almost-finished puzzle of the world. In the shallow green waters between continents, the sunken shapes of the Pyramids of Giza and the Roman Colosseum are clearly visible. In the distance, three other large island groups are configured as palms within crescents and planted with high-rise resorts, amusement parks and a thousand mansions built on stilts over the water. The 'Palms' are connected by causeways to a Miami-like beachfront crammed with mega-hotels, apartment skyscrapers and yachting marinas.



As the plane slowly banks toward the desert mainland, you gasp at the even more improbable vision ahead. Out of a chrome forest of skyscrapers soars a new Tower of Babel. It is an impossible half-mile high: taller than the Empire State Building stacked on top of itself. You are still rubbing your eyes with wonderment as the plane lands and you are welcomed into an airport shopping emporium where seductive goods entice: Gucci bags, Cartier watches and one-kilogram bars of solid gold. The hotel driver is waiting for you in a Rolls Royce Silver Seraph. Friends had recommended the Armani Inn in the 170-storey tower, or the 7-star hotel with an atrium so huge that the Statue of Liberty would fit inside it, and service so exclusive that the rooms come with personal butlers; but instead you have opted to fulfill a childhood fantasy. You

**always have wanted to play Captain Nemo in Twenty Thousand Leagues Under the Sea.**

**Your jellyfish-shaped hotel, the Hydropolis, is, in fact, exactly 66 feet below the surface of the sea. Each of its 220 luxury suites has clear plexiglass walls that provide spectacular views of passing mermaids and of the famed 'underwater fireworks': a hallucinatory exhibition of 'water bubbles, swirled sand and carefully deployed lighting'. Any initial anxiety about the safety of your sea-bottom resort is dispelled by the smiling concierge. The structure has a multi-level fail-safe security system which includes protection against terrorist submarines as well as missiles and aircraft.**

**Although you have an important business meeting at Internet City with clients from Hyderabad and Taipei, you have arrived a day early to treat yourself to one of the famed adventures at the 'Restless Planet' theme park. After a soothing night's sleep under the sea, you board a monorail for this Jurassic jungle. Your first encounter is with some peacefully grazing brontosaurus. Next you are attacked by a flock of velociraptors, the animatronic beasts-designed by experts from the British Natural History Museum-so flawlessly lifelike that you shriek in fear and delight. With your adrenaline pumped up by this close call, you round off the afternoon with some snowboarding on the local indoor snow mountain (outdoors, the temperature is 105°). Nearby is the world's largest mall-the altar of the city's famed Shopping Festival, which attracts millions of frenetic consumers each January-but you postpone the temptation. Instead, you indulge in some expensive Thai fusion cuisine. The gorgeous Russian blonde at the restaurant bar stares at you with vampirish hunger, and you wonder whether the local sin is as extravagant as the shopping . . . '**

### **Fantasy levitated**

**Welcome to a strange paradise. But where are you? Is this a new Margaret Atwood novel, Philip K. Dick's unpublished sequel to Blade Runner or Donald Trump on acid? No. It is the Persian Gulf city-state of Dubai in 2010. After Shanghai (current population 15 million), Dubai (current population 1.5 million) is the planet's biggest building site: an emerging dreamworld of conspicuous consumption and what the locals boast as 'supreme lifestyles'. Despite its blast-furnace climate (on typical 120° summer days, the swankier hotels refrigerate their swimming pools) and edge-of-the-war-zone location, Dubai confidently predicts that its enchanted forest of 600 skyscrapers and malls will attract 15**

million overseas visitors a year by 2010, three times as many as New York City. Emirates Airlines has placed a staggering \$37-billion order for new Boeings and Airbuses to fly these tourists in and out of Dubai's new global air hub, the vast Jebel Ali airport. [1] Indeed, thanks to a dying planet's terminal addiction to Arabian oil, this former fishing village and smugglers' cove proposes to become one of the world capitals of the 21st century. Favouring diamonds over rhinestones, Dubai has already surpassed that other desert arcade of capitalist desire, Las Vegas, both in sheer scale of spectacle and the profligate consumption of water and power. [2]

Dozens of outlandish mega-projects-including the artificial 'island world' (where Rod Stewart has reportedly spent \$33 million to buy 'Britain'), the earth's tallest building (Burj Dubai, designed by Skidmore, Owings & Merrill), the underwater luxury hotel, the carnivorous dinosaurs, the domed ski resort and the hyper-mall-are already under construction or about to leave the drawing board. [3] The 7-star hotel, the spinnaker-shaped Burj Al-Arab-looking much like the set of a James Bond film-is already world-famous for its \$5,000 per-night rooms with 100-mile views and an exclusive clientele of Arab royalty, English rock stars and Russian billionaires. And the dinosaurs, according to the finance director of the Natural History Museum, 'will have the full stamp of authority of the Museum in London, and will demonstrate that education and science can be fun'; and profitable, since the 'only way into the dinosaur park will be through the shopping mall'. [4]

The biggest project, Dubailand, represents a vertiginous new stage in fantasy environments. Literally a 'themepark of themeparks', it will be more than twice the size of Disney World and employ 300,000 workers who, in turn, will entertain 15 million visitors per year (each spending a minimum of \$100 per day, not including accommodation). Like a surrealist encyclopaedia, its 45 major 'world class' projects include replicas of the Hanging Gardens of Babylon, the Taj Mahal and the Pyramids, [5] as well as a snow mountain with ski lifts and polar bears, a centre for 'extreme sports', a Nubian village, 'Eco-Tourism World', a vast Andalusian spa and wellness complex, golf courses, autodromes, race tracks, 'Giants' World', 'Fantasia', the largest zoo in the Middle East, several new 5-star hotels, a modern art gallery and the Mall of Arabia. [6]

## Gigantism

Under the enlightened despotism of its Emir and ceo, 58-year-old Sheikh Mohammed al-Maktoum, Dubai has become the new global icon of imagineered urbanism. Multi-billionaire Sheikh Mo-as he is known to Dubai's expats-has a straightforward if immodest goal: 'I want to be Number One in the world'. [7] Although he is an ardent collector of thoroughbreds (the world's largest stable) and super-yachts (the 525-foot-long 'Project Platinum', which has its own submarine and flight deck), his consuming passion is over-the-top, monumental architecture. [8] Indeed, he seems to have imprinted Scott and Venturi's bible of hyper-reality, *Learning From Las Vegas*, in the same way that pious Muslims memorize the Qur'an. One of his proudest achievements, he often tells visitors, is to have introduced gated communities to Arabia, the land of nomads and tents.

Thanks to his boundless enthusiasm for concrete and steel, the coastal desert has become a huge circuit board upon which the elite of transnational engineering firms and retail developers are invited to plug in high-tech clusters, entertainment zones, artificial islands, glass-domed 'snow mountains', Truman Show suburbs, cities within cities-whatever is big enough to be seen from space and bursting with architectural steroids. The result is not a hybrid but an eerie chimera: a promiscuous coupling of all the cyclopean fantasies of Barnum, Eiffel, Disney, Spielberg, Jon Jerde, Steve Wynn and Skidmore, Owings & Merrill. Although compared variously to Las Vegas, Manhattan, Orlando, Monaco and Singapore, the sheikhdom is more like their collective summation and mythologization: a hallucinatory pastiche of the big, the bad and the ugly.

The same phantasmagoric but generic Lego blocks, of course, can be found in dozens of aspiring cities these days (including Dubai's envious neighbours, the wealthy oil oases of Doha and Bahrain), [9] but al-Maktoum has a distinctive and inviolable criterion: everything must be 'world class', by which he means Number One in the Guinness Book of Records. Thus Dubai is building the world's largest theme park, the biggest mall (and within it, the largest aquarium), the tallest building, the largest international airport, the biggest artificial island, the first sunken hotel and so on (see below). Although such architectural megalomania is eerily reminiscent of Albert Speer and his patron's vision of imperial Berlin, it is not irrational. Having 'learned from Las Vegas', al-Maktoum understands that if Dubai wants to become the luxury-consumer paradise of the Middle East and South Asia (its officially defined 'home market' of 1.6 billion), it must ceaselessly strive for visual and environmental excess. If, as Rowan Moore has suggested,

immense, psychotic assemblages of fantasy kitsch inspire vertigo, then al-Maktoum wants us to swoon. [10]

TABLE IA. *World's Tallest Buildings*

<i>Building</i>	<i>Location</i>	<i>Height in feet</i>	<i>Completion year</i>
1. Burj Dubai*	Dubai	2600+	2008
2. Al Burj*	Dubai	2300	?
3. Taipei 101	Taiwan	1667	2004
4. Shanghai World Financial Centre*	China	1613	2008
5. Fordham Spire*	Chicago	1550	2010
6. Petronas Tower	Malaysia	1483	1998
7. Sears Tower	Chicago	1451	1974
8. Jin Mao	China	1381	1999
9. Freedom Tower*	Manhattan	1362	2012
10. Two International Finance Centre	Hong Kong	1362	2003
[. . .]			
13. Emirates Tower One	Dubai	1140	1997
22. Burj al-Arab Hotel	Dubai	1053	1999

TABLE IB. *World's Largest Shopping Malls*

<i>Building</i>	<i>Location</i>	<i>Area in million sq ft</i>	<i>Completion year</i>
1. Dubai Mall*	Dubai	12.0	2008
2. Mall of Arabia*	Dubai	10.0	2010
3. Mall of China*	China	10.0	?
4. Triple Five Mall*	China	10.0	?
5. South China Mall	China	9.6	2005
6. Oriental Plaza*	China	8.6	?
7. Golden Resources	China	7.3	2004
8. West Edmonton Mall	Canada	5.3	1981
9. Panda Mall*	China	5.0	?
10. Grandview Mall	China	4.5	2005

\* planned / under construction

From a booster's viewpoint, the city's monstrous caricature of futurism is simply shrewd branding for the world market. As one developer told the Financial Times, 'If there was no Burj Dubai, no Palm, no World, would anyone be speaking of Dubai today? You shouldn't look at projects as crazy stand-alones. It's part of building the brand'. [11] And

**its owners love it when architects and urbanists, like George Katodrytis, anoint it as the cutting edge:**

**Dubai is a prototype of the new post-global city, which creates appetites rather than solves problems . . . If Rome was the 'Eternal City' and New York's Manhattan the apotheosis of twentieth-century congested urbanism, then Dubai may be considered the emerging prototype for the 21st century: prosthetic and nomadic oases presented as isolated cities that extend out over the land and sea. [12]**

**In its exponential quest to conquer the architectural record-books, moreover, Dubai has only one real rival: China-a country that now has 300,000 millionaires and is predicted to become the world's largest market for luxury goods (from Gucci to Mercedes) in a few years. [13] Starting from feudalism and peasant Maoism, respectively, both have arrived at the stage of hyper-capitalism through what Trotsky called the 'dialectic of uneven and combined development'. As Baruch Knei-Paz writes in his admirable précis of Trotsky's thought:**

**In appending new forms the backward society takes not their beginnings, nor the stages of their evolution, but the finished product itself. In fact it goes even further; it copies not the product as it exists in its countries of origin but its 'ideal type', and it is able to do so for the very reason that it is in a position to append instead of going through the process of development. This explains why the new forms, in a backward society, appear more perfected than in an advanced society where they are approximations only to the 'ideal' for having been arrived at piecemeal and with the framework of historical possibilities. [14]**

**In the cases of Dubai and China, all the arduous intermediate stages of commercial evolution have been telescoped or short-circuited to embrace the 'perfected' synthesis of shopping, entertainment and architectural spectacle, on the most pharaonic scale.**

**As a sweepstake in national pride-Arabs versus Chinese-this frantic quest for hyperbole is not of course, unprecedented; recall the famed competition between Britain and imperial Germany to build dreadnoughts in the early 1900s. But is it an economically sustainable strategy of development? The textbook answer is probably not. Architectural gigantism has always been a perverse symptom of economies in speculative overdrive, and each modern boom has left behind overweening skyscrapers, the Empire State Building or the former World Trade Center, as its tombstones. Cynics rightly point out**

that the hypertrophic real-estate markets in Dubai and urban China are the sinks for global excess profits-of oil and manufacturing exports, respectively-currently being pyramided by rich countries' inability to reduce oil consumption and, in the case of the United States, to balance current accounts. If past business cycles are any guide, the end could be nigh and very messy. Yet, like the king of the enigmatic floating island of Laputa in *Gulliver's Travels*, al-Maktoum believes that he has discovered the secret of eternal levitation.

The lodestone of Dubai, of course, is 'peak oil' and each time you spend \$50 to fill your tank, you are helping to irrigate al-Maktoum's oasis. Fuel prices are currently inflated by industrial China's soaring demand as well as growing fears of war and terrorism in the global oil patch. According to the *Wall Street Journal*, 'consumers will [have paid] \$1.2 trillion more in 2004 and 2005 together for oil products than they did in 2003'. [15] As in the 1970s, a huge and disruptive transfer of wealth is taking place between oil-consuming and oil-producing nations. Already visible on the horizon, moreover, is Hubbert's Peak, the tipping point when new petroleum reserves will no longer offset global demand, and thereafter oil prices will become truly stratospheric. In some utopian economic model, perhaps, this windfall would become an investment fund for shifting the global economy to renewable energy while reducing greenhouse gas output and raising the environmental efficiency of urban systems. In the real world of capitalism, however, it has become a subsidy for the apocalyptic luxuries that Dubai is coming to epitomize.

### Miami of the Persian Gulf

According to his hagiographers, Dubai has arrived at its blessed state thanks largely to the entrepreneurial vision that al-Maktoum inherited from his father, Sheikh Rashid, who 'committed himself and his resources to turning his emirate into a modern world-class entrepôt where free enterprise flourished'. [16] In fact, Dubai's irresistible rise, like that of its parent, the United Arab Emirates, owes as much to a sequence of fortuitous geopolitical accidents. Dubai's chief regional advantage, paradoxically, has been its modest endowment, now rapidly being exhausted, of offshore oil. With a tiny hinterland lacking the geological wealth of Kuwait or Abu Dhabi, Dubai has escaped poverty by a Singaporean strategy of becoming the key commercial, financial and recreational hub of the Gulf. It is a postmodern 'city of nets'-as Brecht called 'Mahagonny'-where the super-profits of the international oil trade are intercepted and then reinvested in Arabia's one truly inexhaustible natural resource: sand. (Indeed, mega-projects in Dubai

are typically measured by volumes of sand moved: one billion cubic feet in the case of the 'island world'.) If the current mega-project blitzkrieg, exemplified by Dubailand, succeeds as planned, Dubai will derive all of its gdp from non-oil activities like tourism and finance by 2010. [17]

The platform for Dubai's extraordinary ambitions has been its long history as a haven for smugglers, gold dealers and pirates. A late-Victorian treaty gave London control over Dubai's foreign affairs, keeping the Ottomans and their tax collectors out of the region, but otherwise allowing the al-Maktoum dynasty to exploit their ownership of the only natural deepwater port along 400 miles of what was then known as the 'Pirates' Coast'. Pearl fishing and smuggling were the mainstays until oil wealth began to generate increased demand for Dubai's commercial savvy and port services. Up to 1956, when the first concrete building was constructed, the entire population lived in traditional 'barastri' homes made from palm fronds, drawing water from communal wells and tethering their goats in the narrow streets. [18]

After the British withdrawal from East of Suez in 1968, Sheikh Rashid joined with the ruler of Abu Dhabi, Sheikh Zayed, to create the United Arab Emirates in 1971, a feudal federation bound together by the common threat of the Marxists in Oman and, later, the Islamists in Iran. Abu Dhabi possessed the greater share of the uae's oil wealth (almost one-twelfth of the world's proven hydrocarbon reserves) but Dubai was the more logical port and commercial centre. When the city's original deep-water 'creek' proved too small to handle burgeoning trade, the uae's leadership used some of their earnings from the first 'oil shock' to help Dubai finance construction of the world's largest man-made port, completed in 1976.

Following Khomeini's revolution in 1979, it also became the Persian Gulf's Miami, providing refuge to a large community of Iranian exiles, many of whom specialized in smuggling gold, untaxed cigarettes and liquor to their puritanical homeland, and to India. More recently, Dubai under the tolerant gaze of Tehran has attracted large numbers of wealthy Iranians who use the city-more like Hong Kong than Miami -as a base for trade and bi-national life-styles. They are estimated to control as much as 30 per cent of Dubai's current real-estate development. [19] Building on such clandestine connections, Dubai in the 1980s and early 1990s became the Gulf's principal dirty-money laundry as well as a bolthole for some of the region's most notorious gangsters and terrorists. As the *Wall Street Journal* recently described the city's underside:

**Its gold and diamond souks, houses of barter and informal cash-transfer storefronts have long formed an opaque business world based on connections and clan allegiances. Black-market operators, arms dealers, terrorist financiers and money launderers have taken advantage of the freewheeling environment, even if the vast bulk of business is legitimate. [20]**

**In early 2006 the us Congress erupted in a furore over Dubai Port World's imminent takeover of the London-based Peninsular and Oriental Steam Navigation Company, which operates docks from New York to Miami. Despite support from the Bush Administration, Dubai was forced to withdraw from the deal after a firestorm of accusations on cable news programmes and radio talk-shows about the supposed dangers of ceding control of American commercial ports to a Middle Eastern government. Much of the controversy was unquestionably fuelled by anti-Arab bigotry pure and simple (us port operations are already largely under management of foreign-owned firms), but Dubai's 'terrorist connection', an outgrowth of its role as the Switzerland of the Gulf, has been well documented.**

**Indeed, since 9/11 a huge investigative literature has explored Dubai's role as 'the financial hub for Islamic militant groups', especially al-Qaeda and the Taliban: 'all roads lead to Dubai when it comes to [terrorist] money', claims a former high-ranking us Treasury official. Bin Laden reportedly transferred large sums through the government-owned Dubai Islamic Bank, while the Taliban used the city's unregulated gold markets to transform their opium taxes, paid in gold bullion, into laundered dollars. [21] In his best-selling Ghost Wars, Steve Coll claims that after the catastrophic al-Qaeda bombings of the us embassies in Nairobi and Dar es Salaam, a cia scheme to target bin Laden with cruise missiles while he was falcon hunting in southern Afghanistan had to be aborted because he was in the company of unnamed Emirati royalty. Coll adds that the cia 'also suspected that C-130s flying out of Dubai carried weapons to the Taliban'. [22]**

**In addition, al-Maktoum for almost a decade provided luxurious sanctuary for Bombay's Al Capone, the legendary gangster Dawood Ibrahim. His presence in the sheikhdom in the late 1980s was hardly low-key. 'Dubai', writes Suketu Mehta, 'suited Dawood; he re-created Bombay in lavish parties, flying in scores of the city's top film stars and cricketers as guests, and took a film starlet, Mandakini, as his mistress'. [23] In early 1993, according to the Indian government, Dawood, working with Pakistani intelligence officials, used Dubai as a**

base for organizing the infamous 'Black Friday' bombings in Bombay that killed 257 people. [24] Although India immediately requested Dubai to arrest Dawood, he was allowed to flee to Karachi, where he is still sheltered by the Pakistani government; his criminal organization, 'D-Company', meanwhile, has reportedly continued to be active in the sheikhdom. [25]

Dubai now enjoys high marks from Washington as a partner in the War on Terror and, in particular, as a base for spying on Iran; [26] but it is probable that al-Maktoum, like the other Emirati rulers, still keeps a channel open to radical Islamists. If al-Qaeda so desired, for example, it could presumably turn the Burj Al-Arab and Dubai's other soaring landmarks into so many towering infernos. Yet so far Dubai is one of the few cities in the region to have entirely avoided car-bombings and attacks on Western tourists: eloquent testament, one might suppose, to the city-state's continuing role as a money laundry and upscale hideout, like Tangiers in the 1940s or Macao in the 1960s. Dubai's burgeoning black economy is its insurance policy against the car-bombers and airplane hijackers.

In many complex and surprising ways, Dubai actually earns its living from fear. Its huge port complex at Jebel Ali, for example, has profited immeasurably from the trade generated by the us invasion of Iraq, while Terminal Two at the Dubai airport, always crowded with Halliburton employees, private mercenaries and American soldiers en route to Baghdad or Kabul, has been described as 'the busiest commercial terminal in the world' for America's Middle East wars.[27] Post-9/11 developments have also shifted global investment patterns to Dubai's benefit. Thus after al-Qaeda's attacks on America, the Muslim oil states, traumatized by the angry Christians in Washington and lawsuits by wtc survivors, no longer considered the United States the safest harbour for their petrodollars. Panicky Saudis alone are estimated to have repatriated at least one-third of their trillion-dollar overseas portfolio. Although nerves are now calmer, Dubai has benefited enormously from the continuing inclination of the oil sheikhs to invest within, rather than outside, the region. As Edward Chancellor has emphasized, 'unlike the last oil boom of the late 1970s, relatively little of the current Arab oil surplus has been directly invested in us assets or even deposited in the international banking system. This time much of the oil money has remained at home where a classic speculative mania is now being played out.' [28]

In 2004, the Saudis (500,000 of whom are estimated to visit Dubai at least once a year) were believed to have ploughed at least \$7 billion into al-Maktoum's major properties. Saudis, together with investors from Abu Dhabi, Kuwait, Iran and even emulous Qatar, bankroll the hubris of Dubailand (officially developed by Dubai's billionaire Galadari brothers) and other colossal fantasy projects. [29] Although economists stress the driving role of equity investment in the current Gulf boom, the region is also awash with cheap bank credit thanks to a 60 per cent increase in the local deposit base and the slipstreaming of the us Federal Reserve's easy money policies (the currencies of the Gulf emirates are all linked to the dollar). [30]

Much of this money, of course, dances to an old tune. 'A majority of new Dubai properties', explains Business Week, 'are being acquired for speculative purposes, with only small deposits put down. They are being flipped in the contemporary Miami manner.' [31] But what is too often 'flipped', some economists predict, may ultimately flop. Will Dubai someday fall from the sky when this real-estate balloon bursts, or will peak oil keep this desert Laputa floating above the contradictions of the world economy? Al-Maktoum remains a mountain of self-confidence: 'I would like to tell capitalists that Dubai does not need investors; investors need Dubai. And I tell you that the risk lies not in using your money, but in letting it pile up.' [32]

Dubai's philosopher-king (one of the huge offshore island projects will actually spell out an epigram of his in Arabic script)[33] is well aware that fear is also the most dynamic component of the oil revenues that turn his sand dunes into malls and skyscrapers. Every time insurgents blow up a pipeline in the Niger Delta, a martyr drives his truck bomb into a Riyadh housing complex, or Washington and Tel Aviv rattle their sabres at Tehran, the price of oil (and thus Dubai's ultimate income) increases by some increment of anxiety in the all-important futures market. The Gulf economies, in other words, are now capitalized not just on oil production, but also on the fear of its disruption. According to a recent survey of experts by Business Week, 'the world paid the Persian Gulf oil states an extra \$120 billion or so last year because of the premium in prices due to fear of unexpected supply disruptions. Some cynics argue that oil producers welcome the fear of disruption because it boosts their revenues'. 'Fear', according to one of the senior energy analysts that the magazine consulted, 'is a gift to oil producers'. [34]

But it is a gift that the oil rich would rather spend in a tranquil oasis surrounded by very high walls. With its sovereignty ultimately

**guaranteed by the American nuclear super-carriers usually berthed at Jebel Ali, as well as by whatever secret protocols (negotiated during falcon hunting trips in Afghanistan?) govern the Emiratis' relationship to Islamic terrorism, Dubai is a paradise of personal security, from the Swiss-style laws governing financial secrecy to the armies of concierges, watchmen and bodyguards who protect its sanctums of luxury. Tourists are customarily ordered away by the security guards if they attempt to sneak a peek at Burj Al-Arab on its private island. Hotel guests, of course, arrive in Rolls Royces.**

### **Milton Friedman's beach club**

**Dubai, in other words, is a vast gated community, the ultimate Green Zone. But even more than Singapore or Texas, it is also the apotheosis of the neo-liberal values of contemporary capitalism: a society that might have been designed by the Economics Department of the University of Chicago. Dubai, indeed, has achieved what American reactionaries only dream of-an oasis of free enterprise without income taxes, trade unions or opposition parties (there are no elections). As befits a paradise of consumption, its unofficial national holiday, as well as its global logo, is the celebrated Shopping Festival, a month-long extravaganza sponsored by the city's 25 malls that begins on 12 January and attracts 4 million upscale shoppers, primarily from the Middle East and South Asia. [35]**

**Feudal absolutism-the Maktoum dynasty owns the land area of Dubai - meanwhile has been spruced up as the last word in enlightened corporate administration, and the political sphere has been officially collapsed into the managerial. 'People refer to our crown prince as the chief executive officer of Dubai. It's because, genuinely, he runs government as a private business for the sake of the private sector, not for the sake of the state', says Saeed al-Muntafiq, head of the Dubai Development and Investment Authority. Moreover, if the country is a single business, as al-Maktoum maintains, then 'representative government' is besides the point: after all, General Electric and Exxon are not democracies and no one-except for raving socialists-expects either to be so.**

**The state, accordingly, is almost indistinguishable from private enterprise. Dubai's top managers-all commoners, hired meritocratically-simultaneously hold strategic government portfolios and manage a major Maktoum-controlled real-estate development company. 'Government', indeed, is really an equities management team led by three top players who compete with one another to earn the highest**

returns for al-Maktoum (see Table 2). 'In such a system', writes William Wallis, 'the concept of a conflict of interest is barely recognized'. [36] Because the country has one ultimate landlord, and myriad streams of rent and lease payments all flow to a single beneficiary, Dubai is able to dispense with most of the sales, customs and income taxes essential to governments elsewhere. The minimal tax burden, in turn, leverages the sale or lease of Dubai's golden sands. Oil-rich Abu Dhabi, meanwhile, subsidizes the residual state functions, including foreign relations and defence, entrusted to the Emirates' federal administration-itself a condominium of the interests of the ruling sheikhs and their relatives.

TABLE 2. *The Triumvirate*

	<i>'Public'</i>	<i>Private</i>
Mohammed al Gergawi	Executive Council	Dubai Holdings
Mohammed Alabbar	Dept. of Economic Development	Emaar
Sultan Ahmed bin Sulayem	Jebel Ali Port	Nakheel

In a similar spirit, personal liberty in Dubai derives strictly from the business plan, not from a constitution, much less 'inalienable rights'. Al-Maktoum and his executives have to arbitrate between lineage-based power and Islamic law, on the one hand, and Western business culture and recreational decadence on the other. Their ingenious solution is a regime of what might be called 'modular liberties' based on the rigorous spatial segregation of economic functions and ethnically circumscribed social classes. To understand how this works in practice, it is necessary briefly to survey Dubai's overall development strategy.

Although tourist development and its excesses generate most of the 'buzz' about Dubai, the city-state has extraordinary ambitions to capture as much value-added as possible through a series of specialized free-trade zones and high-tech clusters. 'One of the ways that this trading town along a creek has reformulated itself into a megalopolis', writes an abc News commentator, 'is by throwing in everything and the kitchen sink as incentives for companies to invest in and relocate to Dubai. There are free-trade zones where 100 per cent foreign ownership is allowed, with no individual or corporate taxes or import/export duties whatsoever.' [37] The original free-trade zone in the port district of Jebel Ali now has several thousand resident trading and industrial firms, and is the major base for American corporations selling to the Saudi and Gulf markets. [38]

Most future growth, however, is expected to be generated within an archipelago of specialized 'clusters'. The largest of these cities-within-the-city are Internet City, already the Arab world's principal information technology hub, with local subsidiaries of Dell, Hewlett-Packard, Microsoft, and others; Media City, home to the Al Arabiya satellite network and various international news organizations; and the Dubai International Financial Centre, whose dfix al-Maktoum hopes will grow into the largest stock exchange between Europe and East Asia as foreign investors rush to tap the Gulf's vast reservoir of oil earnings. In addition to these mega-enclaves, each with tens of thousands of employees, Dubai also hosts or is planning to build a Humanitarian Aid City, as a base for disaster relief; a free-trade zone dedicated to the sale of used cars; a Dubai Metals and Commodities Centre; a 'Chess City' headquartering the International Chess Association and designed as a vast chess board with two 'King' towers, each 64 storeys high; and a \$6 billion Healthcare Village, in collaboration with the Harvard Medical School, that will offer the wealthy classes of the Gulf region state-of-the-art American medical technology. [39]

Other cities in the region, of course, have free-trade zones and high-tech clusters, but only Dubai has allowed each enclave to operate under regulatory and legal bubble-domes tailored to the specific needs of foreign capital and expat professionals. 'Carving out lucrative niches with their own special rules', claims the Financial Times, 'has been at the heart of Dubai's development strategy'. [40] Thus press censorship (flagrant in the rest of Dubai) is largely suspended inside Media City, while internet access (regulated for content elsewhere) is absolutely unfettered inside Internet City. The uae has permitted Dubai to set up 'an entirely separate, Western-based commercial system for its financial district that would do business in dollars, and in English'. Although not without ensuing controversy, Dubai even imported British financial regulators and retired judges to bolster confidence that dfix plays by the same rules as Zurich, London and New York. [41] Meanwhile, to promote the sell-off of Palm Jumeirah mansions and the private islands that make up the 'island world', al-Maktoum in May 2002 announced a 'freehold revolution', unique in the region, that allows foreigners to buy luxury property outright and not just as a 99-year lease. [42]

In addition to these enclaved regimes of greater media and business freedom, Dubai is also famously tolerant of Western vices, with the exception of recreational drugs. In contrast to Saudi Arabia or even Kuwait City, booze flows freely in the city's hotels and expat bars, and no one looks askance at halter tops or even string bikinis on the beach.

Dubai-any of the hipper guidebooks will advise-is also the 'Bangkok of the Middle East', with thousands of Russian, Armenian, Indian and Iranian prostitutes controlled by various transnational gangs and mafias. The Russian girls at the bar are the glamorous façade of a sinister sex trade built on kidnapping, slavery and sadistic violence. Al-Maktoum and his thoroughly modern regime, of course, disavow any collusion with this burgeoning red-light industry, although insiders know that the whores are essential to keeping the 5-star hotels full of European and Arab businessmen. [43] When expats extol Dubai's unique 'openness', it is this freedom to carouse and debauch-not to organize unions or publish critical opinions-that they are usually praising.

### **An indentured, invisible majority**

Dubai, together with its emirate neighbors, has achieved the state of the art in the disenfranchisement of labour. In a country that only abolished slavery in 1963, trade unions, most strikes and all agitators are illegal, and 99 per cent of the private-sector workforce are immediately deportable non-citizens. Indeed, the deep thinkers at the American Enterprise and Cato Institutes must salivate when they contemplate the system of classes and entitlements in Dubai.

At the top of the social pyramid, of course, are the al-Maktoums and their cousins who own every lucrative grain of sand in the sheikhdom. Next, the native 15 per cent of the population (many of them originally Arab-speakers from southern Iran) constitutes a leisure class whose uniform of privilege is the traditional white dishdash. Their obedience to the dynasty is rewarded by income transfers, free education, subsidized homes and government jobs. A step below are the pampered mercenaries: more than 100,000 British expatriates (another 100,000 uk citizens own second homes or condos in Dubai), along with other European, Lebanese, Iranian and Indian managers and professionals, who take full advantage of their air-conditioned affluence and two months of overseas leave every summer. The Brits, led by David Beckham (who owns a beach) and Rod Stewart (who owns an island), are probably the biggest cheerleaders for al-Maktoum's paradise, and many of them luxuriate in a social world that recalls the lost splendour of gin-and-tonics at Raffles and white mischief in Simla's bungalows. Dubai is expert at catering to colonial nostalgia. [44]

The city-state is also a miniature Raj in a more important and notorious aspect. The great mass of the population are South Asian contract

labourers, legally bound to a single employer and subject to totalitarian social controls. Dubai's luxury lifestyles are attended by vast numbers of Filipina, Sri Lankan and Indian maids, while the building boom (which employs fully one-quarter of the workforce) is carried on the shoulders of an army of poorly paid Pakistanis and Indians, the largest contingent from Kerala, working twelve-hour shifts, six and a half days a week, in the asphalt-melting desert heat.

Dubai, like its neighbours, flouts ilo labour regulations and refuses to adopt the international Migrant Workers Convention. Human Rights Watch in 2003 accused the Emirates of building prosperity on 'forced labour'. Indeed, as the Independent recently emphasized, 'the labour market closely resembles the old indentured labour system brought to Dubai by its former colonial master, the British.' 'Like their impoverished forefathers', the London paper continued, 'today's Asian workers are forced to sign themselves into virtual slavery for years when they arrive in the United Arab Emirates. Their rights disappear at the airport where recruitment agents confiscate their passports and visas to control them.' [45]

In addition to being super-exploited, Dubai's helots-like the proletariat in Fritz Lang's Metropolis-are also expected to be generally invisible. The local press (the uae ranks a dismal 137th on the global Press Freedom Index) is restrained from reporting on migrant workers, exploitative working conditions, and prostitution. Likewise, 'Asian labourers are banned from the glitzy shopping malls, new golf courses and smart restaurants.' [46] Nor are the bleak work camps on the city's outskirts-where labourers are crowded six, eight, even twelve to a room, often without air-conditioning or functioning toilets-part of the official tourist image of a city of luxury, without poverty or slums. [47] In a recent visit, even the uae Minister of Labour was reported to be shocked by the squalid, almost unbearable conditions in a remote work camp maintained by a large construction contractor. Yet when the labourers attempted to form a union to win back pay and improve living conditions, they were promptly arrested.[48]

Dubai's police may turn a blind eye to illicit diamond and gold imports, prostitution rings, and shady characters who buy 25 villas at a time in cash, but they are diligent in deporting Pakistani workers who complain about being cheated out of their wages by unscrupulous contractors, or jailing Filipina maids for 'adultery' when they report being raped by their employers. [49] To avoid the simmering volcano of Shiite unrest that so worries Bahrain and Saudi Arabia, Dubai and its uae neighbours

have favoured a non-Arab workforce drawn from western India, Pakistan, Sri Lanka, Bangladesh, Nepal and the Philippines. But as Asian workers have become an increasingly restive majority, the uae has reversed course and adopted a 'cultural diversity policy'-'we have been asked not to recruit any more Asians', explained one contractor-to reinforce control over the workforce by diluting the existing national concentrations with more Arab workers. [50]

Discrimination against Asians, however, has failed to recruit enough Arabs willing to work at the lowly wages (\$100 to \$150 per month) paid to construction labourers to meet the insatiable demands of the exploding skyline and half-built mega-projects.[51] Indeed the building boom, with its appalling safety record and negligence of workers' most basic needs, has incubated Dubai's first labour rebellion. In 2004 alone, Human Rights Watch estimated that as many as 880 construction workers were killed on the job, with most of the fatal accidents unreported by employers or covered up by the government. [52] At the same time, the giant construction companies and their subcontractors have failed to guarantee minimum facilities for sanitation or adequate supplies of potable water at remote desert labour camps. Workers also have been exasperated by longer commutes to worksites, the petty tyranny (often with a racial or religious bias) of their supervisors, the spies and company guards in their camps, the debt-bondage of their labour contracts, and the government's failure to prosecute fly-by-night contractors who leave Dubai or declare bankruptcy without paying back wages. [53] As one embittered labourer from Kerala told the New York Times, 'I wish the rich people would realize who is building these towers. I wish they could come and see how sad this life is.' [54]

The first tremor of unrest came in fall 2004 when several thousand Asian workers courageously marched down the eight-lane Sheikh Zayed Highway toward the Ministry of Labour, only to be met by riot police and officials threatening mass deportations. [55] Smaller demonstrations and strikes, protesting unpaid wages or unsafe working conditions, continued through 2005, drawing inspiration from a large uprising of Bangladeshi workers in Kuwait during the spring. In September, an estimated 7,000 workers demonstrated for three hours, the largest protest in Dubai history. Then, on 22 March 2006, bullying security men ignited a riot at the vast Burj Dubai tower site.

Some 2,500 exhausted workers were waiting after the end of their shift for long overdue buses to take them back to their dormitories in the desert, when the guards began to harass them. The enraged labourers,

many of them Indian Muslims, overwhelmed and beat the guards, then attacked the construction headquarters: burning company cars, ransacking offices, destroying computers and smashing files. The following morning, the army of labourers defied police to return to the site, where they refused to work until Dubai-based Al Naboodah Laing O'Rourke raised wages and improved working conditions. Thousands of construction workers at a new airport terminal also joined the wildcat strike. Although some minor concessions along with draconian threats forced most of the labourers back to work at the Burj Dubai and the airport, the underlying grievances continue to fester. In July, hundreds of labourers at the Arabian Ranches project on Emirates Road rioted to protest the chronic shortage of water for cooking and bathing at their camp. Other workers have held clandestine union meetings and reportedly threatened to picket hotels and malls. [56]

The unruly voice of labour echoes louder in the deserts of the uae than it might elsewhere. At the end of the day, Dubai is capitalized just as much on cheap labour as it is on expensive oil, and the Maktoums, like their cousins in the other emirates, are exquisitely aware that they reign over a kingdom built on the backs of a South Asian workforce. So much has been invested in Dubai's image as an imperturbable paradise of capital that even small disturbances can have exaggerated impacts on investors' confidence. Dubai Inc. is thus currently considering a variety of responses to worker unrest, ranging from expulsions and mass arrests to some limited franchising of collective bargaining. But any tolerance of protest risks future demands not just for unions, but for citizenship, and thereby threatens the absolutist foundations of Maktoum rule. None of the shareholders in Dubai-whether the American Navy, the Saudi billionaires, or the frolicking expats-want to see the emergence of a Solidarnosc in the desert.

Al-Maktoum, who fancies himself the Gulf's prophet of modernization, likes to impress visitors with clever proverbs and heavy aphorisms. A favourite: 'Anyone who does not attempt to change the future will stay a captive of the past'. [57] Yet the future that he is building in Dubai-to the applause of billionaires and transnational corporations everywhere-looks like nothing so much as a nightmare of the past: Speer meets Disney on the shores of Araby.

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