Arab Mediterranean Megaprojects after the “Spring”:

Business as Usual or a New Beginning?

Megaproyectos después de la “Primavera Árabe”: vuelta a la normalidad o un nuevo comienzo?

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ABSTRACT:
In the Mediterranean Arab world, several urban and tourist “megaprojects” have been launched from the 1980s onwards. This new urbanism, imported mainly from the Gulf countries, has profoundly transformed the urban fabric of the Arab cities, favouring the development of privately developed and exclusive urban products, and fuelling new forms of rents and capitalist entities. Examining the recent history of the production of megaprojects in the region, the article provides a critical assessment of its achievements in spatial terms as well as with regards to its modes of production and social content. It shows that the “Arab Spring” might have contributed to a closer scrutiny as to the social and urban acceptability of the megaprojects in some Arab countries, as well as it has raised the interest of donors for urban projects. Also, the “Spring”, combined with the economic crisis, contributed to a decrease in the number of projects to be implemented. However, the authors indicate that there is no major shift away from the megaproject approach.

KEY WORDS: Urban Project, Arab World, Arab Spring

RESUMO
No mundo árabe Mediterrâneo, vários “megaprojetos” urbanos e turísticos foram lançados a partir da década de 1980. Esse novo urbanismo, importado principalmente dos países do Golfo, transformou profundamente o tecido urbano das cidades árabes, favorecendo o desenvolvimento de produtos urbanos privados e exclusivos, e alimentando novas formas de rendas e entidades capitalistas. Examinando a história recente da produção de megaprojetos na região, o artigo fornece uma avaliação crítica de suas realizações em termos espaciais, bem como no que diz respeito aos seus modos de produção e conteúdo social. Tal avaliação mostra que a “Primavera Árabe” pode ter contribuído para o maior controle e aceitação social e urbana de megaprojetos em alguns países árabes, assim como pode ter elevado o interesse de financiadores de projetos urbanos. Além disso, a “Primavera”, combinado com a crise econômica, contribuiu para a diminuição no número de projetos a serem implementados. No entanto, os autores indicam que não há grande mudança de abordagem em megaprojetos.

PALAVRAS-CHAVE: Projeto urbano, Mundo árabe, Primavera Árabe

RESUMEN:
En el mundo árabe mediterráneo se han lanzado varios “mega proyectos” urbanos y turísticos a partir de la década de 1980. En este nuevo urbanismo, importado principalmente de los países del Golfo, ha transformado profundamente el tejido urbano de las ciudades árabes, resultando en el favorecimiento del desarrollo de productos urbanos privados exclusivos, aportando nuevas formas de renta y entidades capitalistas. Al examinar la historia reciente de la producción de mega proyectos en la región, el artículo presenta un abordaje crítico de sus realizaciones en términos espaciales, así como respecto a sus modos de producción y contenido social. Este análisis muestra que la “Primavera Árabe” podría haber contribuido a un mayor control y aceptación social y urbana de los mega proyectos en algunos de los países árabes, así como podría haber aumentado el interés de financiadores de proyectos urbanos. Además, la “primavera”, en conjunto con la crisis económica, contribuyó a la disminución del número de proyectos a realizar. Sin embargo, los autores muestran que no existe grandes cambios de abordaje en los mega proyectos.

PALABRAS-CLAVE: Proyecto urbano, Mundo árabe, Primavera Árabe
INTRODUCTION

In the Mediterranean Arab world (from Morocco to Syria, excluding the Arabian Peninsula), several urban and tourist “megaprojects” have been launched from the 1980s onwards, with a large number being implemented in the 2000s. A “megaproject” can be defined under certain conditions. It is generally characterized by its strategic location: for urban projects, reclaimed land on waterfronts, land in central or pericentral position, brownfields sites, or urban fringes; for non urban projects, mostly touristic places, or littoral land. It is sustained by massive investments (which often exceed the symbolic one billion dollars), and it is subject to an intense political scrutiny with regards to its impacts on future territorial developments (Altshuler and Luberoff, 2003). This new style of urbanism has deeply influenced the way urban development is conceived in the region, in a general context marked by state disengagement and/or the increasing role of private actors. From an economic standpoint, megaprojects have proven an important vehicle for national and international private investments in the countries of the region. In political terms, these projects have benefited from the support of the regimes in place—including at the highest echelons of power, as in Tunisia and Egypt—and have often been presented as the key to development and integration into globalization. Steered by major groups—both national and foreign ones (mainly from the Gulf region)—megaprojects have been one of the central elements in the transformation of the political, economic and social mechanisms for the production of cities in the last twenty years.

The megaproject-based approach is to be found out in most of the big cities of the world, both in the industrial countries and in the developing world (del Cerro Santamaría, 2013). The scientific literature points to the strong linkage between this emerging urbanism and the world process of city financialization (Lorrain, 2011) and neoliberal approaches to the city (Harvey, 2007). It translates into the fact that the development of strategic pieces of the world metropolises is more and more in the hands of big urban developers (often listed on the stock exchange), from the design stage up to the construction and commercialization through their subsidiaries. As a result, the megaproject urban development leads to different and renewed types of “assemblages” between public authorities and private sector, differing from one country to another (Parker, 2009). The developers are the new kids on the block of urban production, new stakeholders whose financial weight and operational structure provide with the capacity to impose their business plan to their counter-parts, including the elective representatives and the central authorities. Thus, projects might be implemented rather quickly, as the case for instance in China or in the UAE, with the risk to produce generic spaces, spatially and / or socially disconnected from the rest of the city. Indeed, together with the aim to globalize cities, megaprojects such as Euroméditerranée in Marseille, Solidere Downtown Beirut in Lebanon, or Porto Maravilha in Rio de Janeiro, share common features: social eviction, production of new flagship “products” for the elites as well as the objective to create value through the valorisation of land (Berry-Chikhaoui, Deboulet, Rouleau-Berger, 2007).

In the Arab Mediterranean region, real estate plays a key role in urban economy (Elsheshtawy,
2004, 2008). On the one hand, middle and upper class families invest in real estate properties for speculation or investment for the children. On the other hand, political elites (monarchies, governments, ministries and their special agencies) all share interests with the new urban holdings in charge of implementation, leading to the creation of a new version of the “rentier state” (Daher, 2013). Indeed, previous research led us to show that the urban and touristic megaproject development is strongly determined by both business rules (Barthel, Verdeil, 2008; Barthel, 2010; Vignal, 2010) and new governmental arrangements, with the intention to create new land markets and to limit the access to land value to the upper segments of the social body. Fuelling both the rentier-state “system” and capitalist entities: we posit that this new context in which the production of the city takes place is key to understand the endless spread of gated communities and other exclusive products, iconic buildings and other facilities (golf, shopping mall, marina etc), when the lack of collective public content of those projects (education, health, transportation, job opportunities etc) is so obvious, and when Arab cities are confronted with so many pressing challenges of all nature and scale (housing shortage, insufficiency of infrastructures, unemployment, environmental risks, etc).

This article proposes to draw a balance sheet of the evolution of the megaprojects approach in the Mediterranean Arab region, and to examine the ways in which the recent political transformations in several countries of the region – the demonstrations and uprisings starting in 2011 labelled as the “Arab Spring” - have challenged this process (or not), at a time when the global economic crisis has begun to seriously restrict the sources of funding (public, private or foreign) available for these projects. Do the ongoing political transitions or political impacts triggered by the “Arab spring” (temporarily or permanently) halt or alter some of the megaprojects currently in the pipeline? Is the prevailing urban planning vision being reformulated, or are new priorities being set for spatial and social development? Is the question of multilevel governance being addressed in a way that allows for the inclusion of a wider set of actors (local authorities, local economic investors, civil society)? Is the behaviour of stakeholders altered by the influx of new actors, such as urban developers (in charge of conducting feasibility studies, providing basic infrastructures, and selling land) or real estate companies (which purchase land and build on it)?

Our reflection is based on the following: previous research conducted on megaprojects in the Arab Mediterranean world; a review of the national press and of official government statements in Egypt, Tunisia, and Morocco; the work of urban-focused associations and NGOs; and the analysis of foreign direct investments (FDI) in real estate in the region (ANIMA-MIPO database). It also draws on recent fieldwork and interviews conducted with developers, urban planners, relevant stakeholders from the real estate sector, as well as local and national authorities (Cairo and Alexandria (June and November 2012); Dubai (March 2013); Beirut (March 2013); Tangier and Sfax (June 2013); Barcelona (Secretariat of the Union for the Mediterranean—UfM—April 2013)).

We will first look at the genesis of megaprojects and their main stakeholders, contextualizing both in the different national scenes in which megaprojects have been implemented. We will then conduct a short assessment of more than twenty years of megaproject planning, focusing on urban output and on the political economy and governance structures underlying this type of development. Lastly, we will examine the impact of the Arab spring on megaproject planning: Is this “legacy” being reconsidered or is it still seen as the panacea for future urban
development? How deep is the impact of the Arab spring on the economy of megaprojects—i.e., on the real estate market (the demand for megaprojects) and on the activities of developers (especially those from the Gulf)? Might the new political context actually reinforce the interest recently shown by international donors in financing the most integrated urban projects of the southern shore of the Mediterranean?

**Genesis of Megaprojects and National Specificities**

Megaproject planning in the Arab world, which is predominant in large and very large cities, has gradually become one of the central elements in the metropolisation mechanism presented by authorities as the key to urban centres’ entry into globalization. The genesis of megaproject planning, however, differs from one country to the next. In Morocco, the construction of the Great Mosque of Casablanca (completed in 1993) gave impetus to the first megaprojects of the Kingdom—notably the Royal Avenue project, which has, in fact, never seen the light of day (Berry-Chikhaoui, 2011). In the 2000s, megaproject planning was generalized to the whole country, and this, under the close scrutiny of the King and his advisors for the most strategic among these (i.e., Bouregreg Valley in the Rabat-Salé agglomeration, Tangier Med in Tangier, Casablanca Marina and Casa-Anfa in Casablanca). Similarly, one can observe in Tunisia the rise to prominence of this approach to urban development. The pioneer project for the shoreline development of Tunis Lake was launched in 1983, followed by the Sfax coastal development project (Taparura) in 1985, and then by a growing number of megaprojects in Tunis and Sfax as well in more secondary cities (tourist area projects, such as in Hergla or South Hammamet).

In Jordan, Morocco and Egypt, the plurality of types of urban developers—the parapublic sector, the national private sector (predominant), and the foreign private sector (mainly Arab, and often working in partnership with the national private sector)—has prompted the emergence of globalized megaproject territories. The example of Morocco is emblematic of this plural configuration in terms of both governance and development structures. Here, the decision was made to increase the number of intermediary structures for megaproject development. These structures have been either public—e.g., Agency for the Development of the Bouregreg Valley, Agency for the Development of Marchica Med, Tangier-Med Special Authority—or private—as testified by the 2004 creation of two national holdings, CDG Development (involved in different types of projects) and Al Omrane (conducting the development of new cities and, among other missions, implementing the Cities Without Slums program), which have played a leading role until now by heading the Kingdom’s largest projects. Added to this are a dozen other development holdings that have appeared simultaneously. The latter all come from the field of property development, and they have been fiercely competing with each other to win contracts for urban projects (e.g., Alliance, Addoha, Chaabi, etc.) generally smaller than the ones earlier mentioned.

In Egypt, state agencies launched new city projects in the 1970s mainly around Cairo, with the aim of redirecting demographic and economic growth towards the desert (i.e., Sixth-of-October, Tenth-of-Ramadan, and Sadat-City, which are all articulated with large industrial zones). It is only in the second half of the 1990s that the authorities began giving private developers access to desert property, initially responding in an ad hoc fashion to formulated demands. They have mainly built gated communities composed of large compounds and destined for the middle and upper classes, both in the west (e.g., Dreamland in Sixth-of-
October, launched in 1999 by Bahgat Group) and in the east (New Cairo region, developed from the 2000s onwards). They have also constructed large commercial projects (shopping malls), tourism projects (hotels), and recreational projects (entertainment parks, golf courses, etc.) into which are inserted technology parks (Smart Village) planned by the authorities (Vignal, 2006).

The influx of foreign developers from the 2000s onwards has increased the diversity of players working in the field. In Morocco, the years 2006-2007 were marked by the implementation of megaprojects by Gulf developers, as well as others coming from either the region (e.g. the Egyptian Orascom) or Europe (e.g., the French Pierre & Vacances). These new players were selected by the Moroccan state based on need, and they very often worked in partnership with national structures. In Egypt, foreign developers have come mainly from the Gulf region. Their importance can be measured, for instance, by their ability to win the urban land auctions held by the NUCA (New Urban Community Authority) in 2007 and 2008 that saw the selling of huge portions of public land. The part Gulf developers have played in Cairo’s metropolitan extension is particularly well illustrated by the magnitude of two projects developed by the Emirati group Emaar in the “New Cairo” region: Uptown Cairo (4.5 million sqm) and Mivida (3.8 million sqm).

In other countries of the Mediterranean Arab region, such as Tunisia, Libya, and Algeria, large urban projects have been implemented more often by national public entities. There are few or no powerful private urban developers in these countries, unlike in the Moroccan case just described. In Tunisia, the field of urban development is structured by a system composed of sectoral land agencies (housing, industry, tourism) and some rare developers—for instance, the semi-public Tunis North Lake urban development company or the Sfax-Taparura company. Privatization has been conducted via FDIs and Gulf players who forcefully established themselves in the country (i.e., Emaar, Sama Dubai, and Bukhatir), and by a few Tunisian groups linked to the family of Ben Ali, then President of the Republic (See fig.1). In Lebanon, the only urban megaproject was implemented by Solidere, a Lebanese stock exchange-listed company that was granted very broad powers by the state for the planning and redevelopment of downtown Beirut, destroyed during the 1975-1990 civil war. 2000s Syria is an extreme case of privatization of megaproject planning in that there are simply no public developers in the country. Moreover, it is large groups from the Gulf region that have launched the country’s first megaprojects (e.g., Emaar for the Eighth Gate multifunctional complex, or Majid Al Futtaim for the Khams Shamhat megamall complex, both projects being located in Yaafour, outside Damascus). Local entrepreneurs have engaged in more modest projects (Vignal, 2014).

A Tentative Balance Sheet of Pre-Arab Spring Megaproject Planning

The proliferation of large urban projects in the Arab world in the 2000s was the result of a web of factors: a decade of economic growth in most Arab countries; the availability in the Gulf of considerable financial resources (associated with petrodollars) which enabled Arab groups to invest in the region; the affirmation of national urban developers and the influx of foreign groups; new legal mechanisms facilitating access to land in several countries; a greater financialization of property development; and a growing demand for this type of product, notably due to population growth, the emergence of new, solvent middle classes, and the

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2 The NUCA is the public planning authority, originally set to develop new settlements on public land in 1979. Very powerful and lacking transparency, it administers the satellite cities and sells the public land that falls within its jurisdiction.
impact of speculation on the (formal or informal) property market. In addition, Arab states politically supported the new property development, as they aimed to respond to what is identified as two key challenges for cities of the region: the control over urban growth and the territorialisu00e7u00e3o of metropolitan functions. In this respect, the official discourses of the 2000s distinguished between two types of projects: on the one hand, “domestic” projects purported to respond to citizen needs and consisting of (predominantly residential) new neighbourhoods, new cities, and commercial and economic zones; and, on the other hand, flagship projects often qualified as “national,” “presidential,” or “royal,” aimed rather at strengthening the attractiveness of metropolitan functions and appealing to international players.

The spatial productions generated by megaprojects are enormous in scale and highly varied in their forms and functions; they also break with existing spatial organizations. Without being limited to cities, they are particularly salient in urban spaces. A brief typology helps distinguish six types of projects:

- The development of new (service, commercial, and/or residential) centralities for the agglomerations. For instance, in Madinat Nasr (north-east of Cairo), the City Stars complex developed by the Saudi group Golden Pyramids Plaza combines a giant shopping centre with office buildings and residential buildings (Adham, 2004). An equivalent example is the Hay Riad project in Rabat. Some projects aim at the urban regeneration of decaying former centralities, such as Al-Adbaly in Amman.

- The creation of new cities, but also of veritable “urban districts,” in proximity or in continuity with the agglomeration’s urban fabric. In Cairo, it is estimated that the spaces created by urban megaprojects have helped triple the surface of the built environment since the early 1990s. This new urban fabric—composed mainly of compounds, and whose low density, extensiveness, and peripheral location render essential the use of the private car—marks a radical break with the urban fabric of the cities to which it is annexed. The latter is, indeed, characterized by residential compactness and high population densities.

- The development of “waterfronts.” Megaprojects such as Tunis Lake, Casablanca Marina, or Bouregreg Valley in Rabat are built on embankments—thereby presenting no major problem of land expropriation—and target the upper middle classes and the very affluent. Mixed or residential developments have been put on the market as early as the 1990s in Tunis (in increments around the lagoon), and more recently in Bouregreg or Casa Marina (from 2006 onwards).

- The conversion of brownfields, or the revitalization of degraded areas. The Casa-Anfa project, which covers 350 ha of airport brownfields located 7 km from the medina, aims in particular at the creation of a financial centre and a multimodal interchange platform (tramway, bus, future high-speed train line). Another example, in the context of post-war reconstruction, is the rebuilding of downtown Beirut by Solidere around prestigious facilities (marinas), luxury housing blocks, and an open-air shopping centre (“Beirut Souks”).

- The development of technology parks. For instance, Smart Village in Cairo (launched in 2001 near Sixth-of-October) houses the headquarters of more than 80 companies specializing in new technologies, telecommunications and the financial sector. This approach is more or less successful depending on each site. Yet, in some cases, the private sector has not grafted itself onto the research centres and universities for lack of proper access, effective services and irrelevant location. In Morocco, parks dedicated to offshoring activities (Casablanca and Rabat), the automotive industry (Automative City near TangerMed), or even agriculture (Agadir) have
been implemented since the mid-2000s in connection with ministerial policy agendas, again with mixed success.

- The development of tourism centres. National tourism policies have translated into the construction of tourist resorts—often created *ex nihilo*, yet on land located near major cities. Examples of this are Mazagan, Saidia, and Mogador, developed in Morocco as part of Plan Azur (now “Vision 2020”). These mono-functional areas are completely dependent on seasonal peaks, and reveal a lack of reflection on the urbanity of tourism projects.

Nevertheless, in all countries of the region, these megaprojects are characterized by a spatial and social integration deficit. The first state-planned new cities (in Morocco, Algeria, and Egypt) were built at a distance from the city. This spatial rupture was not accompanied by the implementation of adequate and effective transport infrastructures, nor was it offset by the development of an economic fabric and a service offer (hospitals, schools, etc.) that could have turned these new cities into truly autonomous urban cores. Thus, in Egypt, most first-generation new cities (with the exception of some neighbourhoods in Sixth-of-October and Tenth-of-Ramadan, marked by the presence of powerful industrial zones), but also the immense public housing programs launched especially for young families, constitute dormitory towns at best and failures at worst—with tens of thousands of unoccupied homes undergoing degradation in the desert winds. The lack of adjustment between the accommodation supply and a strong social demand for housing explains, notably, the success of informal settlements. This discrepancy is less glaring in Morocco, though the syndrome of the state-planned new city as dormitory town has been diagnosed for Tamansourt and Tamesna. Morocco is no doubt the country that stands out for its increasing number of megaprojects evolving towards greater social and spatial integration. Before 2011, the Casa-Anfa project and the development of a series of more recent new cities—e.g., Chrafate, which is linked with Automative City and Tangier Med Port—reflected this growing concern for integration.

In other countries, the urban projects developed by both the private and the public sector mainly constitute high-end or luxury products destined for an economic elite. Thus, developers only focus on a very small fraction of the real estate market, which increases the risk of overproduction for this type of product as well as formation of a housing bubble. The fact that both these risks are partially offset by considerable speculative purchase and by the attractiveness of real estate investment in the countries of the region does not reduce the intrinsic fragility of the economy of this sector. In Morocco and Algeria, the development of luxury housing is less pronounced than in Egypt. In both countries, the tax base of the new cities serves to program the development of real estate products, a portion of which is subsidized by the supervising ministries. In Egypt, some compounds are being built that present a more mixed profile, in social as well as functional terms—for instance, Haram City in Sixth-of-October, launched by Orascom in 2007 for working-class families. These projects, however, remain a small minority. Social contrasts sometimes prove extreme, as testified by the luxurious “Uptown Cairo” project—a caricature of its kind—located just above the community of rag pickers. What, then, is entailed in this frantic development of real estate products of a new type, partly disconnected from the real estate market, social demand, and

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3 S.8 million units, according to the Egyptian Center for Housing Rights (http://www.echr.org).
5 It is estimated that more than 65% of Cairo’s population live in informal settlements (Séjourné, 2011).
Some Avenues for Decoding the Governance of Megaprojects

Several elements illuminate the action of developers, the objectives of megaprojects, and the results on the ground. These explanatory factors can be understood in terms of benefits and/or constraints for these structures—constraints that paradoxically come with considerable operational latitude. There are at least three reasons why the most profitable segments (i.e., medium-standard to luxury housing, corporate property, marinas, tourism and golf resorts) constitute a “safe haven” for a large majority of developers (with the exception of parapublic entities such as Al Omrane in Morocco): first, the lack of solvency of most households, and the very limited number of financial mechanisms that could improve this situation (access to subsidized loans, mortgage credits, etc.); second, the insufficient recourse to equalization, via which developers could sell construction rights for low-cost housing at a lower price and construction rights for luxury housing at a higher price; third, the impact of financialization, whereby some management boards demand high rates of return on investment once developers are listed on the stock exchange (as has been the case with Solidere, and with several subsidiaries of CDG Development).

In addition, one can observe in a number of investment agreements between an urban developer and a government low programmatic requirements for the specification of the types of housing units to be built, and, ultimately, for the promotion of social and functional mix or the respect of environmental norms. The 2007 agreement between Sama Dubai and the Tunisian government for the development of 950 ha around the South Lake of Tunis is illustrative of this strategic deficiency. In this specific case, the public authorities did not put forward what might be seen as general interest’s provisions (e.g., public transportation, access to urban facilities, mix-used real estate programs, etc.). In addition, corruption was brought to light in 2011 with the Ben Ali regime’s preparation of an agreement assigning South Lake to Sama Dubai for one symbolic dinar6. This immediately distorted the rules of the game for the technical managers who then had to work on the implementation of the project.

The poor articulation between megaprojects and the local territories on which they are built is also explained in the light of institutional governance. Political support is provided by the King, the president of the republic, a government, or else by a prefect appointed by the head of state. This is at once an advantage and a constraint for developers: an advantage insofar as it reduces the length of the decision-making process, and a constraint in that projects are not supported by local actors—these being institutionally very weak in all Mediterranean Arab countries until the Arab spring (Morocco was the most advanced country in this regard in 2011). Without this support, developers lack intermediaries for articulating their projects to existing needs and potential urban strategies, an articulation that would, in fact, reinforce the social acceptability and sound commercialization of projects. The implication of local authorities in the design and implementation of projects would also help improve citizen participation as well as involve local business circles. However, to sum it up, the priority of central governments and urban developers is to “contain” the participation of local authorities and civil society.

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6 The interviews we conducted on this question proved contradictory. Some interviewees claimed that the contract had been signed, while others argued that it had not just before the Tunisian Spring.
Another constraint for developers is the incompleteness of urban public policies. Developers are often confronted with a dearth of metropolitan strategies that would allow them to locate their projects in a vision shared with policy makers. Similarly, they lack access to the range of sectoral plans that would enable them to link up with and take part in the broader decision-making process. In the transport sector, for instance, the existence of an urban mobility plan (along with its financing plan) helps developers articulate the megaproject with the overall organization of urban transports; the cases of Casablanca (with Casa-Anfa) and Rabat-Sale (with Bouregreg Valley) both illustrate this virtuous synergy. But in the absence of such a plan, developers are forced to restrict the construction of transport facilities to their territory of intervention, and the question of the articulation between the latter and the city’s public transports fails to be addressed. The risk, then, is that privileging private car mobility will reinforce both spatial segregation and urban fragmentation. This situation already prevails in the new urban peripheries of Egypt, as seen above. In the case of projects for the development of urban centralities, the risk is that, in the complete absence of public transport plans, the new centralities will be asphyxiated, notably through road congestion. The thousands of square meters in downtown Beirut that were put on the market by Solidere might be threatened by such a scenario—as might the Barada urban corridor in Damascus, along which are located most of the projects announced before the start of the revolution.

After the Arab Spring: a Troublesome Legacy for the New Powers?

The Arab Spring has starkly revealed the discontent of populations faced with the ‘maldevelopment’ of cities and the abandonment of peripheral areas (e.g., inland cities in Tunisia). Corruption cases in large cities, and especially the appropriation of public land by foreign and national groups at extremely low prices, have resulted in the prosecution of certain businessmen (as in Egypt) or the suspension of projects (such as Sama Dubai’s Tunis South Lake project) in the aftermath of the revolutions. Of all the countries of the southern Mediterranean, Tunisia and Egypt are probably those that have experienced the most important protests against a number of megaprojects. While these protests now enjoy greater visibility, they are in fact a continuation of previous mobilizations that took place via blogging (some rare blogs in Tunisia) or activism (e.g., in Cairo, protests in the 2000s against residential evictions and the assignment to real estate companies of Dahab Island (south Cairo), or against evictions in Qursaya Island (North Cairo). As early as 2009, a veritable media outcry condemned the announcement of the “Cairo 2050” metropolitan strategy (driven by the son of Hosni Mubarak), crystallizing discontent against prestigious megaprojects that threatened to expel residents from several strategic areas of the capital (Barthel, 2011). In these very limited cases, megaprojects constitute an embarrassing legacy for the new governments. Yet in the current period, characterized by processes of political transition in the countries of the Arab spring, megaprojects are still on the agenda. In most cases, their existence is not called into question—only at times their method of operation. What signs might enable us to identify, at a more general level, an incipient transformation of methodologies, a reorganization of actor behaviour, and a renewal of goals towards greater social mix, spatial integration, territorial cohesion, and sustainability—all absent from previous contract specifications for megaproject development?

Well-publicized signs of rupture exist in all countries of the region. Yet the degree of this rupture clearly differs from one country to the next. In Tunisia, the new priorities set by the
transitional governments following the Tunisian spring have centred on generating employment and closing the development gap of inland regions (through an increase in the share of ministerial budgets allocated to them). The official discourse is reconstructed around ideas of social and territorial equity, redistribution from the coastal areas to the interior, and regionalization and decentralization of powers. Some municipalities (e.g., Jendouba, Siliana, and Kasserine) and governorates are increasingly involved in strategic planning. The emphasis placed on training in strategic thinking can be read positively as regards the role megaprojects will play in the future for the development of Tunisian cities. Some megaprojects are experiencing a new beginning. For instance, the current political transition has significantly transformed the mode of implementation of the Taparura project in Sfax. The arrival of a new director at the head of the Sfax-Taparura company on June 1st, 2011 resulted in the suspension of negotiations over an agreement assigning 420 ha of coastal land to a Saudi developer that had been underway before the revolution. This new director reopened the local consultation process with civil society, the municipality, and the governorate. He also called on the government to resolve, in 2012, some key technical questions surrounding the 420 ha of embankments that had been reclaimed from the sea—namely, the transfer of polluting activities away from the port, the relocation of the train station, and the construction of a multimodal station connecting the nearby city centre to the sites under development. Though not everything has been resolved, the Islamist-dominated government (Ennahda) has accordingly vowed to address, during the November 2012 Ministerial Council, several issues that will help revive the project on a sounder footing.

In Egypt, the strong symbolic gesture of the transitional military government in 2011 was to announce the suspension of the “Greater Cairo 2050” strategy. For all that, the signs of change are still very weak. The Morsi administration (July 2012-June 2013) criticized the previous governments for having sold land for budgetary purposes. Yet its approach to planning and urban policy seems to justify Lampedusa’s aphorism: “Everything must change so that nothing changes.” Indeed, on the one hand, the Morsi administration did not put an halt to the encouragement of private-sector projects. On the other hand, it revamped many of the plans of the Mubarak regime in the Master Plan “Egypt 2052” (announced in 2012). The magnitude of Egypt 2052 is reminiscent of Hosni Mubarak’s pharaonic project to develop a second Nile Valley by diverting the river at Aswan Dam (a project in which billions of dollars were lost). Based on plans elaborated under the previous regime, it proposed a collection of regional development plans, with a special emphasis put on the governorates of the Suez Canal (creation of new cities, development of a technological valley, land reclamation for agricultural development, etc.). The announcement of the creation of twenty-two new cities was also entirely in line with previous public-led projects, the success of which was evaluated merely in terms of the number of square meters built. A similar rhetoric was deployed too to justify the new “national projects”: the creation of housing, jobs, and economic growth, all under the

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7 Source: interviews conducted with the chairman of Sfax-Taparura, as well as the governor and the mayor of Sfax (20-25 June 2013).
8 The promotion of strategic and participatory urban planning has been underway in several cities of the country since the revolution, and this, in close articulation with the writing of key chapters of the Constitution that address the question of local authorities.
9 To be contrasted with the millions of empty housing units (see above), a paradoxical situation that led the real estate firm Jones Lang LaSalle to estimate, in late 2011, that Egypt’s real needs consisted in about 1.5 million affordable dwellings (source: “One brick at a time”, in Business Monthly, publication of the American Chamber of Commerce, Cairo, June 2012).
guise of inter-Arab solidarity (with funding from certain Gulf States). Meanwhile, the private real estate sector was presented as the central instrument in the territorial and economic development of the country—just as it was during the Mubarak years—and the government considered that the key to success is “the release of land for the real estate sector”\textsuperscript{10}. In this context, the suspension of “Cairo 2050” seemed to be merely a symbolic gesture focused on a highly visible project which is closely associated with the previous regime. The voices of practitioners working on alternative approaches to the city—for example, promoting interventions in the dense city from the starting point of informal communities—remain marginalized (Shehayeb 2011, Kareem Ibrahim 2014). Similarly, some groups (e.g., Egypt 712) have attempted to forge an alternative vision to the official “Greater Cairo 2050” strategy; yet, by 2013, their ideas had not yet been taken up by the ministry in charge of urban planning (Stadnicki, 2014)\textsuperscript{11}.

In Morocco, the political contestation that took place in 2011 did not significantly transform the ongoing urban projects. Protests against these have been very weak compared to those in Tunisia and Egypt; the Islamist governments in power have thus maintained the reformist and dual approach that prevailed until 2011. Megaprojects are still a development priority in the Kingdom, and construction occurs at two-fold speed: on the one hand, prestigious projects located on high-value land, implemented by private developers and subsidiaries of CDG Development; and, on the other hand, programs aimed at reducing slums and building new cities for the middle classes, entrusted to Al Omrane. The latter’s social mission was, in fact, reaffirmed in 2012 by its supervising ministry. The highest authorities (walis, ministers, and the King himself) have given recommendations for the social and economic integration of megaprojects, particularly in areas where important social tensions have emerged. Thus, following the 2011 riots, Mohammed VI strongly advised the developer of the “green city” of Benguérir to promote the social and urban integration of the project with the existing city. The increase in the number of commissioned studies on the economic integration of the often impoverished populations present on the land of the new city of Chrafate attests to the same concern\textsuperscript{12}. Finally, a new “urban policy” program (“politique de la ville”) was launched, which aims to identify pilot urban sectors to ensure the convergence and harmonization of ministerial programs and hence accelerate upgrades in the areas where needs are greatest. Decentralization has also prompted municipalities to start formulating megaprojects via their own strategic plans. The country is truly a pioneer in the region. The challenge will be in the near future to upgrade the technical capacities of municipalities in order to launch and follow up megaprojects.

**The Withdrawal of Gulf Developers?**

The real estate market downturn that began with the 2008 economic crisis is a worldwide trend, and it affected the production of megaprojects accordingly. In the countries of the MENA region, it has corrected a number of trends as well. In Morocco, for instance, the decrease in

\textsuperscript{10} H.E. Dr. Tarek Wafik, Minister of Housing and Urban Development, speech at the American Chamber of Commerce, Cairo, “The future of Egyptian cities”, 27 May 2013.

\textsuperscript{11} See the international conference organized by the two authors and Roman Stadnicki at the CEDEJ, Cairo, 6-7-8 November 2012 (especially the session on the alternatives to “Cairo 2050”).

\textsuperscript{12} Source: Field research in Tangier, and seminar with the developer of the new city of Chrafate (10-12 June 2013).
demand for luxury housing has caused the low-cost housing market to open up in 2010—a process that has been intensifying since 2011. However, this has not been the case in Egypt where, following the initial period in which corrupt businessmen were challenged and the most controversial projects were suspended, business has unquestionably resumed: In Cairo, huge billboards are advertising the same elitist gated communities as before the “spring” of 2011. While the economic crisis and the uncertainties of the post-revolutionary context have affected the level of transactions in this specific (and very limited) real estate sector, they do not seem to have redirected housing production towards an offer that would be better adjusted to the growing social demand. What about the foreign investment that has driven a large part of the urban production of the 2000s?

We focus here on the urban investments and projects driven by Gulf developers, as they are the main foreign actors in the Arab Mediterranean countries. Their projects have been particularly instrumental in producing the extensive and elitist city, divorced from the former urban fabric, previously described. Dominant in the region, this urban model has perpetuated itself, backed by local developers and promoted by authorities. Nevertheless, the late 2000s saw a break in the number of projects funded by Gulf investors. From 2003 to 2008 (a period of 6 years), 68 real estate projects were announced, encompassing the whole range of products described above (Table 1): waterfronts, commercial and residential centres, residential compounds or entire neighbourhoods, and tourism centres. The amounts invested ranged from tens of millions of dollars (the Sofia Mall in Rabat in 2003) to more than a billion dollars (Eighth Gate in Damascus), depending on the nature of the project—with a tendency towards increasingly large projects in terms of both size and capital invested. These investments flew towards all the countries of the region, but some destinations were particularly favoured (Table 2) because of the potential they offered: the “frontier” countries in which the high-end real estate sector was absent or incipient (Syria, Jordan, Algeria); the most populated countries (Egypt, Morocco, Algeria); the major international (Red Sea, Mediterranean coast) or regional (Beirut) tourist destinations; and the large metropolitan areas (Cairo, Casablanca/Rabat). Given these criteria, Egypt and Morocco hosted the most projects by Gulf developers during this period.

Table 1: Real estate projects from Gulf developers in Med Arab countries (2003-2013)
L.Vignal, 2013

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13 We draw on the Mediterranean Investment and Partnership Observatory ANIMA-MIPO database for the inventory of project announcements. This database covers only the 2003-2012 period; hence the FDIs (limited in the case of the real estate sector) of previous years are not accounted for. Moreover, it must be noted that all announced projects are not necessarily implemented afterwards. Among the listed projects, we have selected those that fall in the real estate category (commercial, tourism, residential). The selections, calculations, and figure are ours.

14 We have not included in our inventory one of the largest among these megaprojects (as it was never implemented). This project would have been developed in Algeria by Emaar and would have included a Heath City (in Sidi Abdallah, Algiers), the regeneration of 4.5 km of seafront in the capital, and the restructuring of an urban centrality (around the Agha station).
After the global economic crisis and the outbreak of the Arab revolutions, the decline in megaprojects was unmistakable: Only 26 projects were announced between 2009 and 2012 (a
4-year period). This represented a decrease from an average of 11 project announcements per year before the crisis to an average of six projects announcements per year afterwards. The greatest drop occurred in 2011, with only 3 project announcements. Periods of political and economic uncertainty are by nature bad times for foreign investments. Sama Dubai abandoned or suspended some of its projects, especially in Morocco—for instance, Phase 2 of the Bouregreg Valley project in Rabat, and this as early as 2010. After 2011, some violent political crises have made the suspension of projects necessary, as in Damascus, where only the Eighth Gate project is still underway. It would be wrong, however, to speak of a complete withdrawal of Gulf developers: Unlike non-Arab entities, the latter have maintained most of their projects and have announced new ones (8 projects were announced in 2012).

Table 3: The eight projects of the post-Spring era (2011-2012) financed by FDI in the Arab Mediterranean countries (L. Vignal, 2013)

<table>
<thead>
<tr>
<th>Destination</th>
<th>Investor</th>
<th>Type of group</th>
<th>Description of the project</th>
<th>Investment (M euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Libya</td>
<td>Tripoli</td>
<td>Qatar</td>
<td>Developer backed by sovereign fund</td>
<td>Relaunching of the ‘Waterfront’ residential project (partnership with the Libyan Economic and Social Development Fund)</td>
</tr>
<tr>
<td>Algeria</td>
<td>Agiers</td>
<td>UAE</td>
<td>Holding</td>
<td>Relaunching of the ‘Ousnya’ project (suspending again in 2013)</td>
</tr>
<tr>
<td>Jordan</td>
<td>Amman</td>
<td>UAE</td>
<td>Developer backed by sovereign fund</td>
<td>Launching of the high-end residential and tourism project ‘St Regis’</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Egypt</td>
<td>Sixth-of-October</td>
<td>UAE</td>
<td>MAF - Majid Al Futtaim</td>
<td>Holding</td>
</tr>
<tr>
<td>Egypt</td>
<td>Cairo</td>
<td>Kowailt</td>
<td>National Real Estate Company (NREC)</td>
<td>Private Holding</td>
</tr>
<tr>
<td>Egypt</td>
<td>Cairo, Maadi</td>
<td>KSA</td>
<td>Secon</td>
<td>Real estate group (joint-venture with Egyptian partner)</td>
</tr>
<tr>
<td>Egypt</td>
<td>Cairo/Alexandria road</td>
<td>UAE</td>
<td>Emaar Properties / Emaar Misr</td>
<td>Holding</td>
</tr>
<tr>
<td>Egypt</td>
<td>New Cairo</td>
<td>UAE</td>
<td>Emaar Properties / Emaar Misr</td>
<td>Holding</td>
</tr>
<tr>
<td>Morocco</td>
<td>Marrakech</td>
<td>UAE</td>
<td>Tasweek</td>
<td>Real estate group</td>
</tr>
<tr>
<td>Lebanon</td>
<td>Downtown Beirut</td>
<td>UAE</td>
<td>RDK</td>
<td>Real estate group</td>
</tr>
<tr>
<td>Morocco</td>
<td>Marrakech</td>
<td>UAE</td>
<td>Tasweek</td>
<td>Real estate group</td>
</tr>
</tbody>
</table>

Nevertheless, the range of players has changed (Table 3). It is mostly the largest Gulf groups (often relying on sovereign funds) that continued to invest (i.e., Emaar, EILC, Majid al Futtaim). Moreover, these developers have concentrated their investments in the sectors that are least volatile in terms of market potential and safest in commercial terms. These criteria have gained in importance with the revolutionary episodes, and explain why Egypt holds first place in terms of post-revolution investments. Indeed, the demographic potential in Egypt remains a key

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15 5 projects were announced in 2009, 10 in 2010, 3 in 2011, and 8 in 2012 (Table 1).
incentive for Gulf groups investing huge capital in long-term real estate projects. Similarly, metropolitan areas have been favoured owing to their huge infrastructure needs and demographic market. Finally, post-revolution investments are mostly a continuation of previous investments by these major groups: projects that were planned but not yet scheduled, and extension or completion of existing projects. This is for example the case in Cairo, where five projects were announced in 2012—i.e., compounds as well as shopping and recreational complexes, two of which complete the offer by Emaar, and one the offer by Majid Al Futtaim. Two megaprojects (under discussion in the previous years) were started from scratch: the Tripoli waterfront (Qatar Investment Authority and Diar Group), and the Dounia urban park in Algiers (EIIC Group).

The decreased presence of Gulf developers should not be interpreted as reflecting a post-revolutionary transformation of urban policies that would challenge megaprojects or the urban model prevailing in the Gulf region. Without being able to predict the future, and in the absence of any significant deterioration of the political and security situation—as the counter-example of the Syrian crisis demonstrates—the decline of projects from the Gulf reflects the wait-and-see attitude of investors faced with an unstable political situation and ongoing legal proceedings. In Egypt, for example, the owner of City Stars saw its assets frozen in 2013 following allegations of violation of stock market rules in the 2000s. This wait-and-see attitude is also justified by the lack of transparency of legal and regulatory frameworks (in particular for real estate laws) as well as frameworks for the supervision of foreign investments (including incentives, tax benefits, and ownership shares)—uncertainties that existed well before the revolutions and that resulted in the failure of several investment projects. Finally, due to the change of teams in power in the countries of the Arab Spring, several players have lost their usual contacts in government circles (sometimes at the highest echelons of power), or in some cases their partners (threatened with legal proceedings), or else their intermediaries and local subcontractors (swept away by the economic crisis).

Megaprojects in the New Agenda of International Donors

Departing from previous approaches, megaprojects have been the object of growing interest on the part of international financial institutions (IFIs) since the establishment of the Union for the Mediterranean (UfM) in 2008. We can say at the outset that the “Arab spring” has not caused this new state of affairs. Yet we can also say that it has helped justify these institutions’ willingness to support the design and implementation of socially inclusive mega urban projects in the region. On the other hand, the national authorities displayed no interest for involvement of the IFIs in the field or urban projects before the Spring, and IFIs were not interested in supporting high-end exclusive projects. However, since 2011, the national authorities and the national developers might be more willing to engage as they are faced with depleting national budgets, the volatility of FDIs, as well as social discontent. What is the current thinking on urban development in the Mediterranean Arab region among international donors? And what

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16 Source: interview with the communications officers of DAMAC Properties (14 March 2013) and Majid al-Futtaim, Dubai (15 March 2013).
17 Of the 11 projects announced after 2011, only two are touristic, and they will be built in Marrakech, Morocco (Table 3).
18 Nevertheless, this project was suspended again in 2013 due to disagreements between the developer and the authorities, in particular over the ownership and financing of the project. See “Le parc Dounia, radioscopie d’un ratage,” 29 May 2013 (http://www.lesoirdalgerie.com).
initiatives are being taken? Each donor has reviewed its intervention strategy, previously based on sectoral actions (especially the financing of infrastructures), to begin integrating the financing of large-scale urban development projects (technical assistance, loans etc). Tasks have been redistributed, without this being the result of concerted division of work among donors. The European Investment Bank (EIB) financed and conducted a strategic study, “Medinas 2030,” which was completed in late 2012 with the identification of the best potential sites for projects to fund. At the request of the Union for the Mediterranean (UfM), and in partnership with the French Development Agency, the EIB did the same for potential megaproject sites other than the medinas. This led to the 2012 launching of the “UPFI” (Urban Project Financing Initiative), whose aim was to identify megaprojects with the greatest potential for sustainability in Mediterranean Arab countries. A set of criteria was used to classify and evaluate the projects, and bring out the projects that could be eligible in the near future for technical assistance and financing through loans targeting infrastructures (e.g. tramway, renewable energy etc)19. Mid-2013, the study was in its final phase and a short-list of “good projects” established. The selected projects were to be offered the possibility of joining a network of projects that will be assigned a UfM “label”, once funding (and technical assistance aimed at improving the studies and prepare implementation) become available. In support of this ongoing initiative, the Caisse des Dépôts et Consignations (France) and the developer of the Euro-Mediterranée project in Marseille are running a network of sustainable developers in the Mediterranean (launched in late 2010), which brings together key public and private Arab Mediterranean players in charge of the most important development projects of the MENA region so that they may exchange on their practices and improve their operations.

The impact of these new actions on the part of donors is still difficult to measure. The megaproject urban development is perceived by the IFIs as an opportunity to propose their financial and technical support. The priority is to condition future funding and support on the establishment of new rules for megaprojects, as well as on the improvement of their objectives, programming, and articulations with national and local policies. This new agenda combines with the increased importance of urban issues in the UfM’s political program to justify this new interest in the megaprojects of the Mediterranean Arab region.

Conclusion

In 2013, megaproject planning is a contrasted reality across the Mediterranean Arab world. From an economic point of view, megaprojects respond to the necessity of upgrading metropolitan infrastructures to attract investments in the context of international competitiveness; in fact, they have themselves constituted a major source of FDIs over the last ten years. Megaprojects also generate employment and considerable economic activity, and add to states’ budgetary resources. Moreover, the important links created between business communities and governments in the last decades—for example in Egypt (Vignal, 2010)—may well contribute to the resilience of this urban planning model, despite the assertion that “the rules of the game have changed”20. Nevertheless, the social question has resurfaced in the region, and with it the question of the territorial inequalities to be solved. The urban and

19 Source: interview conducted in April 2013 with the UfM senior urban advisor.

20 According to Ahmed Al-Sayyad, advisor to the chairman of the General Authority for Investment (see “Land of opportunity,” op. cit.)
planning policies of the past, along with their governance modalities, have become the object of contestation (in the media and civil society), more or less taken into account by the new powers. In some countries, awareness of social and urban issues seems to be on the rise (Morocco, Tunisia) and contested strategies (“Cairo 2050”) or legally fraudulent ones (South Lake Tunis) have been challenged. Finally, the real estate market downturn, the drop in funding, and the wait-and-see attitude of the major developers have brought to a halt the frenzy which prevailed in this real estate segment in the 2000s.

Can we conclude, for all that, that megaprojects are a thing of the past? Our study shows, on the contrary, that the regional trend is towards the continued implementation of megaprojects, with more or less variation depending on the country. In Egypt, the goal of equitable and sustainable territorial development is not clearly set forth in political agendas, and the highly centralized nature of project governance remains unchanged. By contrast, the need for territorial governance reform, and especially for power deconcentration and greater democratic legitimacy at the local level, is clearly being addressed in Morocco (reform underway) and Tunisia (projected reform). In Tunisia, decentralization is under preparation, and will translate, by 2014 or 2015, into a reform of the organic law of territorial authorities (loi organique des collectivités territoriales) that determines the competencies, finances, and administrative autonomy of local governments. Yet although all existing political parties in Tunisia want to put an end to excessive centralization, it is obvious that the law will not be adopted and implemented with the wave of a magic wand. Finally, progress is being made—again in Morocco and Tunisia—towards the integration of civil society (see the new articles of the Tunisian Constitution) through the experimentation of participation mechanisms here and there, but the need to train professionals acting as liaison is being felt. In institutional terms, there are no structures (urban planning agencies, regulatory authorities in the form of unions or intercommunal structures) responsible for coordinating, at the local level, the programs and strategies developed by local and national public authorities, the national and foreign private sectors, and international cooperation agencies.

Most importantly, our study indicates that on the authorities’ side no critical assessment has been conducted to date on megaprojects—on their successes and failures—despite the sometimes heated debates taking place among civil society actors, as in Egypt or Tunisia. This absence of (especially) in Egypt suggests that, in the eyes of the new powers, legitimization still relies on the same vision of government performance, according to which the political demonstrates its effectiveness through gigantic figures and achievements. That said, even in the absence of a critical “inventory” of megaproject planning on the part of the transitional governments (in Egypt and Tunisia), one can observe an evolution towards new project methodologies in some of the countries of the region, as in the cases of Sfax-Taparura in Tunisia and Chrafate in Morocco. Finally, the financial and technical role donors will play in the future in support of these large operations has yet to be measured: Will they succeed in giving impetus to developers mobilized to improve the programmatic and spatial quality of megaprojects?

More than ever, megaprojects constitute a vehicle to legitimize public authorities. Yet in a context of expectations for greater democratic openness, such political legitimization may soon reach its limits so long as it is based on exclusive projects involving only a minority (from the perspective of the beneficiaries of megaproject planning as well as international tourists) and relying in part on external resources that are by definition fragile (i.e., foreign capital and international tourism). In the short and medium term, it is therefore likely—and to be hoped
for—that megaproject planning will be the object of increasing public debate in the countries of the southern Mediterranean.

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