

Chris Davidson

Barely legal



*Chris Davidson's study, *The Vulnerability Of Success* is the latest critique of Dubai – and one that you nearly weren't allowed to read. Mark Smith talks to the UK-based academic about his 'critical friendship' with our home.*

Only last week we reported on claims from the international press that your book had been banned in the UAE... What happened?

The book was ready for retail back in June, when we received pretty unambiguous communication that distribution wasn't to take place. A few weeks ago the situation was made public and there has been a sharp reversal of that stance. In short, it's going to be available here soon.

What were you trying to achieve with this book?

I was trying to document a remarkable transformation and one of the most interesting political economies in the world. There was a paucity of literature on the subject and I didn't want the debates, which are taking place, to be left unrecorded.

Did you write it from Dubai?

When I did my PhD, published as *The United Arab Emirates: A Study In Survival*, I was at the University of St Andrews, but I preferred to write from the beaches of the UAE rather than a freezing Scottish town! For this book I needed to take step back from the UAE – to get things into perspective. One of the things about being in Dubai is that you get caught up in the good news and all the developments. You have to be able to compare it and place Dubai in its historical context.

Tell me about the historical context.

It's pretty much a history of Dubai from the early 19th century, when it became independent from Abu Dhabi, to the present day. It describes the ruling family's independence, its careful manoeuvrings between regional powers and the British Empire and its laissez faire strategies, such as creating a free port in the late 19th century.

Sounds fairly uncontroversial...

More recently, of course, it does discuss the new economy that Dubai has built – both the good and bad sides to that. It's quite a frank portrayal. Essentially, Dubai is replacing its old lifeblood – oil exports – with a dependence on foreign direct investment. I've done an assessment of the enormous fragility of doing that.

Attracting real estate and tourism has allowed Dubai to flourish.

Yes. Consider, though, that an economy which has real estate – luxury real estate at that – and tourism as its central pillars is going to be extremely elastic. Dubai is in a troubled area, and there are a lot of things that could happen to shake confidence. At the moment, Dubai is the ultimate sunshine state: open the newspaper every day and you're greeted with nothing but great news. That just means that the drop could be so great if something were to go wrong.

What could possibly go wrong?

My final chapter covers security. You may remember a few months ago the Joint Terrorism Analysis Centre in London uncovered a plot in the Emirates and it remains the case that the British Foreign Office's terror warning for the Emirates remains at its highest level, even now.

Terror is a global threat, and Dubai is one of the safest places in the world. Besides, people holiday in Egypt despite its location.

Places like Egypt and Lebanon – they can have civil wars and terrorist attacks, but people will always go back because of the natural beauty, the ruins, the culture. In Dubai, there's a question mark. The winter will be the test, anyway. When economic conditions are uncertain, the first thing people cut from their annual budget is luxury, winter-sun holidaying.

Economically speaking, we're doing so well. Aren't we impervious to America's woes?

There's a mini credit crisis gripping Dubai: there has been a tightening of credit in the Gulf banks and now we're seeing a ripple effect. This is going to lead to property prices coming down: both the *Financial Times* and the Dow Jones have predicted this in the last week. *The National* newspaper, meanwhile, is reporting that property prices in Dubai have risen by 70 per cent this year, and that they'll go up a further 35 per cent. Of course, they avoided taking comment from international observers – just four UAE-based property companies.

Enough doom. What do you admire about Dubai?

The enormous vaulting ambition. I admire Dubai's openness to other cultures and its merchant history: it's one of the world's great free ports. More recently, Dubai has pioneered economic liberalisation in the Gulf and the Middle East by bending federal laws to allow foreigners to own property, years before they could in Abu Dhabi.

Why are you so down on the place, then?

If I cover any downsides to Dubai, I do so as respectfully as possible. It is not my intention to detract from Dubai's great achievements. Crucially what I've tried not to do is to impose alien values on a country that is not mine. In order to succeed in the future, any emerging global city has to be able to look at the good and the bad – some of the structural issues, the dangers that might be looming.

So you're not writing us off just yet then?

With a greater mood of transparency and openness, Dubai's potential is limitless.

Dubai: The Vulnerability Of Success is available from www.amazon.com

By **Mark Smith**, Monday September 29 2008