

Strategic Sectors | **Economy & Territory**

More than 20 Years of Major Urban Projects in the Southern Mediterranean: Initial Assessment

Pierre-Arnaud Barthel

Head of the Public Transformation & Citizens Division
Department of Citizens and Institutions / Sustainable
Development Solutions
Agence Française de Développement (AFD), Paris

For over 20 years, megaprojects have been a major vehicle for national and international private investment in the Arab countries on the southern shore of the Mediterranean. Politically, these projects have enjoyed the support of regimes of all types, before, during and after the Arab Springs, and have often been presented as the key to development and integration into globalization. Driven by large groups, both national and foreign (and in this region, mainly from the Gulf), megaprojects are a political and urban laboratory where power relations and new urban lifestyles are played out, since some of them are now inhabited and experienced. This article attempts to provide a brief overview.

The Genesis of Major Projects and Specific National Features

However, the genesis of major urban projects differs from one country to another. In Morocco, the construction of the Grand Mosque in Casablanca was the impetus for the Kingdom's first major projects, notably the Avenue Royale project, which never saw the light of day (Berry-Chikhaoui, 2011). In the 2000s, however, the major project method became more widespread, under the close supervision of the King and his advisers for the most strategic projects (the Bou Regreg valley in the Rabat-Salé conurbation, TangerMed in Tangier, and the Casablanca Marina or Casa-Anfa). In Tunisia, this approach to urban

development is gaining ground in much the same way: the pioneering project to develop the banks of Lake Tunis was launched in 1983, followed by the Sfax coastline (Taparura) in 1985, and then by a proliferation of major projects in Tunis and Sfax, as well as in more secondary towns (tourist resort town projects such as Hergla and Hammamet Sud).

The arrival of foreign operators and financiers from the 2000s onwards is a new development. In Morocco, the years 2006-2007 were marked by the establishment of projects by investors from the Gulf, in addition to those of investors from the region (e.g., Egypt's Orascom) or from Europe, who were selected by the Kingdom of Morocco according to needs and often in partnership with national operators. In Egypt, megaprojects are financed by the Gulf. Their importance can be measured, for example, by their ability to win urban land tenders organized by the New Urban Community Authority (the Egyptian public authority responsible for new towns), as in the case of the Emirati group Emaar for Uptown Cairo (4.5 million m²) and Sodic/Solidere for West Town (3.8 million m²). The New Capital project in Cairo also provides a new framework for a series of mega administrative and residential projects that the Sisi regime has promoted in close collaboration with the army, which has been mobilized in its public works activities.

An Assessment of the Situation before the Arab Springs

The proliferation of major urban projects in the Arab world during the 2000s is based on a number of factors: a decade of economic growth in most countries; considerable financial resources in the Gulf, linked to petrodollars, enabling Arab groups

to invest in the region; the consolidation of national property developers and the arrival of foreign groups; new legal provisions facilitating access to land in many countries; greater financialization of real estate production; growing demand for this type of product, particularly as a result of demographic growth, the emergence of a new, solvent middle class, and the impact of speculation on the property market (whether formal or informal). At the same time, governments are providing political support for this new type of real estate production, which aims to address what have been identified as two major challenges for the region's cities: controlling urban growth and localizing metropolitan functions.

In all the countries in the region, these megaprojects are characterized by a lack of spatial and social integration

These megaproject productions are very important in terms of spatial influence, with a wide variety of forms and functions that break with existing spatial organization. Although they are not confined to cities, they have a particularly strong impact on urban areas. A quick categorization allows six families of projects to be discerned: the development of new focal points (commercial, service and/or residential) within conurbations, the creation of new towns, the redevelopment of “waterfronts,” the conversion of industrial wasteland or revitalization of run-down areas, the development of technology parks, and the development of major tourist resorts.

However, in all the countries in the region, these megaprojects are characterized by a lack of spatial and social integration. The first new towns (Morocco, Algeria and Egypt) piloted by public agencies are at a distance from the city, without this spatial break being accompanied by the establishment of efficient transport infrastructures of sufficient capacity, or being compensated for by the development of an economic fabric and a range of services (hospitals, schools, etc.) likely to make them truly autonomous urban cores. Thus, in Egypt, the megaproject is essentially an “other city” designed to supplant the existing one. From New Cairo City

to the New Administrative Capital located even further away, the dynamic of exclusion is the same. In contrast, Morocco is undoubtedly the country that stands out for a growing number of major projects moving towards greater social and spatial integration. The Bou Regreg Valley development project in Rabat, for example, is based on a concern for integrating with the capital.

In Morocco and Algeria, the development of luxury residential projects is less marked than in Egypt. In both countries, the land available for new towns is used to programme residential products, some of which are subsidized by the relevant ministries. In Egypt, compounds with a more socially or functionally mixed profile are emerging, such as the Orascom group's Haram City at Sixth-of-October, launched in the 2010s and designed for the middle class. But these projects remain very much in the minority, and the social contrasts are sometimes quite brutal, as, for instance, in the case of Emaar's luxurious “Uptown Cairo” project, a caricature of the genre, located just above the ragpickers' quarter. So what is behind this frenzy to develop a new type of property, partly disconnected from the real estate market, social demand and existing urban fabric?

Decoding the Political Economy of Megaprojects

There are a number of factors that shed light on the actions of developers, the objectives of major projects and the results on the ground. These explanatory factors can be understood in terms of advantages and/or constraints that weigh on developers, even though they paradoxically enjoy a great deal of operational latitude. There are at least three reasons why a great majority of developers (with the exception of para-public operators such as Al Omrane in Morocco) have taken refuge in the most profitable segments (mid-range to luxury residential products, commercial property, marinas, tourist and golf resorts). Firstly, the lack of solvency of most households to access financial mechanisms that could improve this situation (subsidized loans, mortgages, etc.). Secondly, the insufficient recourse to equalization, which would allow developers to mix low-cost and luxury housing. And finally, the impact of financialization: once listed on the stock exchange,

the boards of directors of some developers have demanded high rates of return on investment (as in the case of Solidere in Lebanon and many subsidiaries of the Caisse de Dépôt et de Gestion Développement – CDG Développement in Morocco).

Another constraint for developers is the incompleteness of urban public policies. Developers are often faced with the absence of a metropolitan strategy

In addition, many of the investment agreements between developers and governments contain weak programmatic requirements in terms of the precise types of housing to be built, and ultimately in terms of their degree of social and functional diversity, or with regard to environmental factors. The contract between Sama Dubai and the Tunisian government for the development of 950 hectares around Lac Sud, signed in 2007, illustrates this strategic shortcoming. The public authorities did not play their part in defining the contract with the developer. This particular case, of proven corruption, which came to light in 2011 with the preparation of a contract for the sale of the land to Sama Dubaï for a token dinar amount by the Ben Ali regime, distorted the rules of the game from the outset for the technical managers who then worked on implementing the project. On Thursday, 14 May 2020, the Minister of Public Works, Moncef Sliti, announced that the project could be relaunched, and that the agreement concluded with the Emiratis was still valid and had not been cancelled, although the investor had not come forward for years... The Tunisian government is making no progress on this stalled project, demonstrating in this particular case its unwillingness and lack of clarity to resume negotiations, clear up contractual commitments and relaunch the project on a different legal and financial basis.

The weak link with the local area in which the major project is located can also be seen in the light of institutional governance. Political support is provided by the King, the President of a Republic, the government, or a prefect appointed by the Head of

State. This is both an advantage and a constraint. It is an advantage because it reduces the length of the decision-making circuit for the developer, but it is also a constraint because these projects lack the support of local players – institutionally very weak in all Arab Mediterranean countries until the Arab Spring (Morocco being the most advanced country in 2011). In this absence, developers are deprived of an intermediary who can best link their projects to needs and to a possible urban strategy, which would strengthen the social acceptability of each project and its successful marketing. In some more decentralized countries, the involvement of local authorities in the design and implementation of projects makes it possible to provide time for public consultation and to involve the local business community, as in New Abdali in Amman, Jordan, or Morocco's projects in Agadir and Marrakech.

Another constraint for developers is the incompleteness of urban public policies. Developers are often faced with the absence of a metropolitan strategy that would enable them to integrate their project into a vision shared by political decision-makers. Similarly, they often lack the range of sectoral plans that would enable them to fit in and connect with the major planning options and choices. If we take the example of transport, the existence of an urban transport plan and its financing plan allows the developer to couple the major project with the overall organization of urban transport. Casablanca (with the Casa-Anfa project) and Rabat-Salé with the Bou Regreg Valley both illustrate this virtuous synergy. But in the absence of sectoral urban plans, developers are forced to limit their transport developments to the perimeter of the area in which they are working, and the matter of the link between this area and the rest of the city and public transport is not addressed. The risk is to reinforce the fragmentation of urban fabrics and spatial segregation by favouring individual vehicle mobility. This situation prevails in Egypt's new urban peripheries, including the new capital under construction. In the case of development projects in downtown urban areas, in the total absence of public transport plans, the risk is that these developments will become suffocated, in particular due to congested road access. The thousands of m² in downtown Beirut put on the market by the developer Solidere could be threatened by such a scenario, as could the Barada urban

corridor in Damascus, along which most of the projects announced before the outbreak of war in Syria were located.

After the “Arab Springs”: An Awkward Legacy or Business as Usual?

The Arab Springs bluntly revealed people's unease about the poor development of cities and the neglect of outlying areas (inland towns in Tunisia, for instance). In the aftermath of the “revolutions”, cases of corruption in large cities, and in particular the acquisition of public land by foreign or national groups at extremely low prices, led to the trial of certain businessmen, as in Egypt, or to the freezing of operations such as Sama Dubai's South Lake. What's more, of all the countries on the South Shore, Tunisia and Egypt are undoubtedly the two that have seen the most protests over a number of major urban projects. These protests are now more visible, but they are part of the continuity of earlier mobilizations, via blogging (a few blogs in Tunisia, albeit rare) or activist mobilizations (for example, against the eviction of residents and the sale of Dahab Island in Cairo to developers in the 2000s). In 2009, the media unleashed a storm of protest against the announcement of the “Cairo 2050” metropolitan strategy (led by Hosni Mubarak's son), which crystallized discontent against the major prestige projects threatening to evict the inhabitants of several strategic districts of the capital.

A number of major projects have been given a new lease on life in the wake of the Springs. The Taparura project to redevelop the seafront at Sfax in Tunisia is a case in point. Although a contract for the sale of 420 hectares of coastal land to a Saudi investor was in preparation before the revolution, the situation has changed in the last 10 years with the opening of local consultations with civil society, the municipality and the governorate. In Egypt, the announcement of the suspension of the “Greater Cairo 2050” strategy by the transitional military government in 2011 was a strong symbolic gesture. However, since the return of authoritarian rule to Egypt, major projects have remained a symbolic political gesture of a strong regime, as demonstrated by the construction of major thoroughfares and flyovers by destroying neighbour-

hoods, and the “cleaning up” of the area around the pyramids of Giza (Nezlet el Samen) and other sites in Cairo.

In Morocco, the Arab Spring has not really prompted any major changes in urban projects. With very little opposition to them compared with the two countries mentioned above, the successive Islamist or liberal governments have continued with the reformist, dual approach that prevailed until 2011. A number of major projects have now been completed, such as Casa-Marina and Casa-Anfa, and are being proudly embraced by the residents of the economic capital. The Kingdom's major projects are still a development priority, and development is proceeding at two different speeds: on the one hand, prestige projects located on high-value land, developed by private developers and CDG Développement subsidiaries; and on the other hand, programmes aimed at eradicating shanty towns and building new towns for the middle classes, entrusted to the operator Al Omrane.

Legitimacy still depends on an unchanged vision of government performance: it is through gigantic figures and achievements that politicians demonstrate their effectiveness

The slowdown in the real estate market since the economic crisis in 2008 has corrected a number of trends in MENA countries. In Morocco, for example, with less demand for luxury property, the market for low-cost housing opened up throughout the 2010s. However, this is not the case in Egypt, where once the initial period of questioning of corrupt businesspeople and developers and the freezing of the most controversial projects had passed, it is clear that business has been picking up again: in Cairo, huge billboards are advertising the same elitist gated communities after the 2011 Spring. While the economic crisis and the uncertainties of the post-revolutionary situation have affected the level of transactions in this specific (and very limited) real estate sector in many countries in the region, they do not

seem to have redirected production towards a supply adapted to greater social demand.

Conclusion

Major projects meet the need to upgrade metropolitan infrastructure in the context of international competitiveness, in particular to attract investment - and they have been highly significant sources of foreign direct investment in their own right for the last ten years or so, generating employment and considerable economic activity. They are also a major contributor to national budgets. The importance of the links forged between the business community and government administration should also be taken into account when evaluating the resilience of this urban model. In 2023, the critical assessment of major projects – their successes and failures – has not yet taken place, despite oft-intense debate among civil society actors, as in Egypt and Tunisia. This absence of critical assessment seems to indicate that, in the minds of the post-Arab Spring regimes, legitimacy still depends on an unchanged vision of government performance: it is through gigantic figures and achievements that politicians demonstrate their effectiveness.

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