Globalization, Neoliberalism, and New Spaces of Capital in Cairo

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The general globalization of Egyptian society and economy and its transition to a free-market capitalist system by the late 1980s has led to the emergence of such “new” urban spaces around Cairo as gated communities, malls, and theme parks. The production of these spaces has helped transform the city’s urban economy in a way that mirrors the consumption patterns of a dominant new sector of elite Cairenes who are establishing themselves on the periphery of the city. In discussing the condition of these spaces and focusing on a selected case example, this article aims to shed light on the politics of producing such spaces in Egypt today.

In conventional parlance, globalization is roughly defined as a series of cultural, economic and political flows as well as massive-scaled movements of products, ideas, information, people and technology. Among other things, these global flows have caused the boundaries between public and private spaces to enter a rapid and persistent state of flux. Considering how urban transformation has frequently emerged from juxtapositions and interactions between public and private space, this turmoil has produced a variety of novel developments and experiments in cities worldwide. Of course, the precise mix of elements from these global flows varies from one city, or locality, to another depending on the socio-political and economic conjuncture and particularities of the place. Within this frame, this article explores recent urbanization patterns and spatial transformations around Cairo as a manifestation of a reworking of boundaries between these two realms.

From another perspective, most urbanists will agree that economic activities play a central role in the creation of new cities and the transformation of older ones. It is therefore difficult to make any sense of the recent spatial restructuring and transformation of Cairo without looking closely at the impact of the current economic regime on boundaries between public and private spaces. However, these categories of space within the city are multifarious, polymorphous and heterogeneous, reflecting the fractured social geometry that has taken shape with the restructuring of social boundaries and categorical logics of class and income distribution, particularly during the second half of the twentieth century.
My examination of this jumbled spatiality, therefore, will focus on new bounded spaces that reflect the intensification of socioeconomic inequalities — what Edward Soja has termed metropolarities, “the multiple axes of differential power and status that produce and maintain the socioeconomic inequalities.”

From the existing body of research on these subjects, I will pay attention to three interrelated strands of thought and observation. The first concerns an examination of the current economic regime in the context of Cairo. The second has to do with the impact of these economic forces on the spatial restructuring of the social mosaic of the city, particularly the way it has produced greater inequality. The third focuses on a rising tendency to privatize public space and create urban enclaves.

GLOBALIZATION, NEOLIBERALISM, CAPITALISM

A central contemporary force underlying all discourse related to the first strand has been the dramatic, staged comeback of core capital as a sole, dominant and centralized global power. This comeback has coincided with the rise of a specific brand of economic strategy, namely, neoliberalism. By and large, neoliberalism involves a wide range of economic, political, social and ideological discourses which combine aspects of liberal and conservative politics. Its main economic tenets, however, which emerged during the early 1970s at a time the international monetary system was breaking down, revolve around a free-market economy and laissez-faire politics.

Since the early 1970s, the global capitalist system, led by the United States and Britain, has increasingly followed a neoliberal agenda. During the late 1970s and 80s, neoliberalism was promoted vigorously by the conservative Thatcher and Reagan administrations. And by the mid-1980s, these economic policies were strengthened by a revolution in communication technologies that radically increased the speed and scale of financial activities. The 1990s witnessed the demise of socialism and the rise of the neoliberal paradigm to a near hegemonic status. Since then, debate over the meaning and implementation of neoliberalism seems to have engulfed the entire world.

In the ensuing arguments on both the political right and left the term neoliberalism seems to have become conflated with globalization. However, in strict relation to the economic aspects of neoliberal ideology, there may be only limited similarity between the two concepts. Nevertheless, on the basis of a belief in globalization, some political institutions have now adopted neoliberal economic aims and policies. In such circumstances, a critique of globalization and neoliberalism may coincide, but in broader terms, neoliberalism should not be seen as identical or synonymous with globalization.

Another misleading correlation has been that between the crystallization of a new worldwide economic regime during the 1990s and the triumph of capitalism. Such a correlation embodies the orthodox view that the establishment of free markets is the most important sign of capitalism’s success. Drawing on the work of Fernand Braudel, Peter Taylor has challenged this association, arguing that capitalism is inherently anti-market. “Any sensible capitalist,” he has written, “avoids a proper functioning market because that is not where the biggest profits are to be made.”

Following Braudel’s lead, Taylor has further contended that capitalism as a mode of production aims to maximize growth and capital accumulation through a ceaseless search for new profit-making avenues outside the market: new product lines, new technologies, new lifestyles, new spaces to colonize. For both Braudel and Taylor, capitalism thus also inherently tends toward a world of monopolies which exists within a level of activity above actual markets where “people compete as producers and consumers.”

Of course, there are no fixed lines between the two worlds, only a continuum of possibilities. But what Taylor has emphasized is that successful capitalists have always been flexible in shifting their investments outside established markets. This means they aim to make the largest profit available at any time irrespective of specialization: they are neither industrialists, merchants, nor real estate developers, but any and all of these depending on which sphere of activity may yield the greatest return for the least risk.

To go above and stay beyond the market requires a certain degree of political power. In the case of Egypt, I shall argue here that since the days of infitah (the opening of the Egyptian market to the West in 1974), successive governments have supplied this power to a new class of neo-capitalists through corruption and/or special business connections. The recent monopoly over steel production in Egypt and the consequent rise in the cost of building activities is just one example of this mechanism. With a certain amount of trepidation, I will state flatly that a monopolistic capitalism based on an alliance between government and these neo-capitalists — an oligarchy, to use the words of the famous Egyptian political analyst and historian Mohamed H. Heikal — characterizes much of the political economy of Cairo’s recent history. I will further suggest that much of the recent spatial expansion and restructuring of the city can be traced to the international linkages and socioeconomic forces involved with this alliance.

It is important also to note, however, that for any hegemonic group to succeed, it needs a politics of support as well as a politics of power. The success of neoliberal economic policies at the local and global levels has provided this support to the new alliance between government and neo-capitalists in Egypt. As a predominant world ideology legitimating the privatization of a former state-controlled economy, it was able to give rise to common orientations and provide the ingredients for a coalition of interests, making them appear as general interests for the local audience. At the same time,
outside the country, it announced Egypt’s reintegration with global economic circuits.

The apparent success of “neoliberal” economic policies in Egypt is fairly well known these days. It is true, for example, that, compared to the troubled days of the late 1980s, the speed with which macroeconomic indicators turned around during the 1990s “qualifies as one of the most impressive in recent economic experience anywhere in the world.” One way of telling this success story, at least from the World Bank’s point of view, is to begin with the year 1991, one that will certainly figure prominently in the accounts of future chroniclers of Cairo’s urban history. Interrelated national and global events that year had a great impact on Egypt’s socio-political and economic position, as well as the condition of its capital city.

A key national decision in 1991 was that to join the American-led coalition in the First Gulf War. Among other things, this won the country a brief respite from its previous economic woes, by allowing good portions of its debts to both the United States and other Gulf States to be written off.” Moreover, the government’s political position during the war pleased the World Bank and the International Monetary Fund. This established a general mood in both the government and international agencies that started Egypt down a path of economic “reform” it has traveled ever since.

Like many other governments adopting this path, known as the Structural Adjustment Program (SAP), the Egyptian government embarked on a round of selling off public assets according to a much-debated privatization policy. It is thus important to note that the IMF and World Bank have served as the principal tools through which the ideology of neoliberalism has been promoted and policed. As I shall next explain, these undertakings have unleashed new socio-economic and political forces upon Cairo, to which the city has responded by expanding in every direction, and in ways that are simultaneously old and new. But what is truly striking about these spatial expansions is how they have reflected the unevenness and inequality of new patterns of wealth distribution in Egyptian society at large. It is to these spatial inequalities that I shall now turn, as I pick up the second strand from the discourses of globalization.

INEQUALITY AND SPATIAL EXPANSION

The polarization of society into groups of have-nots and the have-nots is a recurring theme in the critique of economic neoliberalism and globalization. In a recent book, Amy Chau argued that in all countries that have adopted a free-market ideology, wealth has not been spread evenly throughout the society, but has been concentrated in the hands of a new class of wealthy individuals.

Similar observations have been made in critical writings and analyses of globalization. For example, Walden Bello has discussed the social disparities created by the implementation of structural adjustment programs in various countries. Saskia Sassen’s Globalization and Its Discontents has speculated on how the new mobility of people and money under free market policies will create increased relative inequality within the narrow spaces of modern postindustrial cities. In terms specific to Egypt, Timothy Mitchell has argued that recent economic reform has concentrated public funds into a narrowing circle of “ever more powerful and prosperous financiers and entrepreneurs.” Mitchell quoted the 1994 United Nation’s Human Rights Report, which recognized Egypt as “in danger of joining the world’s list of failed states because of wide income gaps between sections of [its] population.”

According to economist Karima Korayem, in 1991 the wealthiest 10 percent in Egypt controlled around one-third of the GDP, almost 7 percent more than a decade earlier. This condition is particularly acute in Cairo, where the nation’s upper class is particularly conspicuous (fig. 1). Meanwhile, Asef Bayat has documented the proliferation of more than one hundred squatter communities around Cairo with some six million inhabitants, and claimed these provide a stark indication of “the growing socioeconomic disparity in Cairo since Sadat’s infilah and the more recent implementation of the IMF’s structural adjustment program.”

Such disparities and income gaps have also been elucidated by the Egyptian geographer Rushdi Said. In a 1996 book entitled The Truth and Delusion of the Egyptian Current Condition, he divided Egyptian society into two groups, which he termed the submerged and the floating sections, in relation to poverty line (fig. 2). Said estimated that 86 percent of Egyptian society belong to the submerged section, which lives in dismal conditions and receives only about 26 percent of the GDP. He then divided the remaining 14 percent into three subsections. At the top he identified a group of exceptionally wealthy people who constitute nearly 2 percent of the

FIGURE 1. The new Azhar Garden opened up new spaces of contrast between the different classes in Cairo.
population but receive 40 percent of GDP. The next segment encompasses 6 percent of the population and receives about 25 percent of the GDP. Below them is a third group, representing about 6 percent of the population, who receive 9 percent of GDP and is struggling to keep afloat.

Other official numbers are less grim than Said’s accounts. For instance, one study evaluated the percentages of housing types built between 1982 and 1997 as an indicator of social-class distribution. It found that 66 percent of urban housing belonged to the low-income group, 24 percent to the middle-income group, and 10 percent to the high-income and luxury segment. Whether one takes Said’s or the official account, these nationwide figures are indicative of the socioeconomic conditions in the Greater Cairo Region (GCR), an area home to almost one of every four Egyptians, and whose population increases by 3 percent every year.

The critics of neoliberal practices in Egypt are not without their own critics. For example, Vikash Yadav has contended that there is a general tendency among scholars “to blame austerity induced by Neoliberal structural adjustment policies . . . for Egypt’s failure to develop and its growing rates of poverty.” Yadav is right in arguing that the economy is not fully liberalized. Market mechanisms have yet to be substituted for the social provision of basic welfare, “massive subsidies, price and wage controls, labor inelasticity, and chronic interventions in the marketplace.” Nor can anyone claim that income disparities did not exist before the introduction of the SAP. A consumer budget survey conducted in 1974 by the Central Agency for Population Mobilization and Statistics (CAPMAS) indicated that the share of the richest 20 percent of the population was around 47 percent of total income, while the share of the poorest 40 percent was 17 percent.

However, whether fully adopted or partially implemented, one may argue that the main impact of the neoliberal economic program so far has been “to concentrate public funds into different hands, and many fewer.” Earlier, I described these new profiteers as neo-capitalists, and suggested that neoliberalism provided them with an effective politics of support. There are no signs today indicating any reversal of their rise in standing. Rather, there is every sign that further increases in social inequality and impoverishment are in store.

In tandem with the privatization and liberalization mantra and zeitgeist, the government has recently started reversing many of the housing laws inherited from the Nasserite, Arab-socialist era. Although providing only a small step toward full liberalization of the housing market, the Egyptian Parliament recently passed an amendment to the rent law, allowing the renegotiation of rents. Other steps have included drafting a new mortgage law and easing restrictions on foreign ownership of land.

Reform steps imposed by the IMF and the World Bank have further spurred the government to alter its role and position in the housing industry. For example, the public sector’s involvement in the production of houses has now dropped to where it represents only 5 percent of total housing units built between 1982 and 1997. Since the early 1980s, the state has also focused only on producing and subsidizing houses for low-income groups. Of course, these subsidies and social-welfare policies contradict the neoliberal mantra of free markets and privatization. And to resolve the contradiction and reduce budget deficits, the state has had to reduce total expenditures for housing loans and subsidies, while at the same time increasing the rate of interest on subsidized loans for housing from 4 to 6 percent and demanding larger down-payments.

One result of these changes has been that in a matter of a few years many low-income people, from the submerged sector of the population, have found that formal, subsidized housing is beyond their reach. Consequently, a study conducted in 1993 found that 52 percent of the population of the Greater Cairo Region (GCR), around five-and-a-half million people, now live in more than one hundred informal, squatted, degraded areas, comprising around 92 square kilometers. Most of these areas are scattered inside or at the administrative boundaries of the GCR, where ownership of land is disputed among various governmental bodies and governorates. It is further estimated that these marginal areas — usually developed as encroachments on agricultural land surrounding the metropolis — are increasing by 150 acres every year. Moreover, recent studies have revealed that many inhabitants of these informal, marginal areas are not migrants from the countryside, but educated professionals and government employees who have moved there from elsewhere in the city.

![Figure 2. Different categories of population in relation to GDP. Graph by author, based on R. Said, Al-Haqiqa wa Al-Wahm fi Al-Waqi’ Al-Misri (Cairo: Dar Al-Hilal, 1996).](image-url)
The rise of inner-city slums, squatter settlements, and all types of substandard, informal housing has been further spurred by the effect of economic reform plans on the local currency. Since the days of *infitah*, the Egyptian pound has been constantly devalued, so that the actual wage of paid labors and governmental employees has fallen sharply. This has brought a significant decline in the average family’s purchasing power, which has had an indirect impact on housing markets. The lack of adequate, affordable housing has also forced many young families to seek alternative living space: in graveyards, tents, workshops, garages, riverboats, staircase vaults, rooms inside the apartments of relatives, and rooftop shacks (fig. 3).

Such dismal living conditions, caused by a combination of natural population growth, rural migration, and the government’s inability to provide new lands for low-income housing or programs to build it, has also degraded environmental conditions in the city alarmingly. Besides the visual cacophony of deteriorating buildings and clashing architectural styles, colors and heights, the city is becoming increasingly polluted. Noise levels have risen, streets are littered with refuse, and blackish smoke hangs over a city that is subject to never-ending traffic jams. No part of the GCR has been able to avoid the impacts of pollution and overcrowding (fig. 4).

For the upper-middle and upper classes, this condition has resurrected the idea, which began at the turn of the twentieth century, of leaving the city for the surrounding deserts. The state has been supportive of this movement for two main reasons. First, by directing growth outward to new settlements and along new development axes, it could improve some aspects of the living environment of the GCR. Second, the selling of desert land would open new avenues of profit for the government and for a new class of entrepreneurs with ties to it and to international corporations. Today such a program of sales has accommodated a massive transfer of land in the deserts around the city from public to private ownership.

Let us not forget how a neoliberal economic orientation has formed a background of support for such a privatization and commodification of land. The Minister of Housing echoed this spirit of deregulation and privatization in a televised interview a few years ago. At the time, reflecting the government’s goal of expanding and supporting the creation of a private real estate market, Mohamed Solieman announced that land constitutes the main asset of any country — despite the conventional wisdom that its people are more important.

To put these new real estate expansions in numbers, Fathy Muselhy has estimated that the total area of the GCR in 1977 was about 50,000 acres. According to a recent government publication, about 175,000 acres have been added to this total since enactment of Law 59 of 1979 on New Urban Communities. This figure, however, does not take into account the squatting and informal expansions of older areas. Some other estimates therefore suggest that the urban area of the GCR is now more than a quarter of a million acres within a total area of 850,000 acres. According to these figures, in 25 years, the area of the GCR has more than quadrupled.

Even these figures are not totally accurate, however, because they conceal the actual extent of spaces claimed by the new upper class. These additional urban expansions extend into desert areas immediately adjacent to the GCR which are not yet included in its administrative boundaries. In a recent...
study, Rania Rashed divided the urban expansion of the GCR into two zones, the eastern and western expansion zones. While she estimated the urban expansion of the eastern zone to be around 180,000 acres, she estimated the western expansion, which she divided into four subzones, to be near 110,000 acres, bringing the total new expansion of the GCR to some 300,000 acres (fig. 5). One can further add to her mapping a large stretch of land along the Cairo-Alexandria desert road, which I have estimated to be around 100,000 acres.

More striking than the vast acreage of this unprecedented urban expansion has been the large areas of it that are privatized, exclusive spaces for an elite, ostentatious segment of the society. Consider the types of housing planned for these new expansions. Rashed described how 58 percent of the new land in the eastern expansion area is set aside for housing, and 51 percent of that is designated for the luxury market. In the western expansion, housing constituted 69 percent of new lands, with a remarkable 74 percent of that reserved for upscale developments. After adding the area along the Cairo-Alexandria desert road (an area dominated by a new type of gated community based on agricultural production), this means that a total area of around 200,000 acres has been designated on the outskirts of Cairo for the construction of luxury housing. To indicate how vast a space this is, consider that these new elite spaces that have emerged in the last two decades are four times larger in area than the entire GCR, which took more than a millennium to grow. It is to these elite spaces around the city that I shall now turn to pick up the third strand of the discussion.

NEW SPACES OF CAPITAL

The accelerating process of economic globalization and its impact on cities and societies worldwide has been noted in many critical writings in the past two decades. It is a multi-
faceted, multiscalar process whose impacts on contemporary metropolises have been addressed from a variety of points of view. One such discourse has emerged around the increasing tendency to segregate public spaces for privatized, conspicuous consumption.

Scholars concerned with this issue have attributed the rise of such bounded spaces to the drastic increase in economic and social segregation. They have stressed the changing function of cities — from being places of social reproduction to places of market-oriented production; and from being places of managerialism to places of entrepreneurialism. And they have associated the expansion of privatized public spaces with abstract financial speculation, as well as with a boom in the service and entertainment industries. But what most have not stated directly is that this economic reality has been fueled by the neoliberal paradigm developed in the 1970s and 1980s. Under this paradigm, new sealed-off private environments, which purport to be public spaces, are intimately linked to a fusion of consumerism, entertainment, popular culture, and tourism.

Another offshoot from this discourse has focused on the rise and spread of gated residential communities. Edward Blakely and Mary Snyder have written that since the 1950s, the number of lifestyle and prestige gated communities has risen dramatically all over the world. Of course, security may be one major reason why people choose to live behind gates. But in the context of Cairo the gating of residential areas has had less to do with this than with a desire to express an elite, controlled lifestyle and to escape the polluted metropolitan environment. More interestingly, some authors have linked the gating of residential spaces to the spread of other architectural building types, such as the mall, another form of privatized semi-public space.

An excellent discussion of this new geography of inequality and the spatial segregation in Cairo appeared in an article in Al-Ahram Weekly, written by Mona Abaza, a professor of Sociology at the American University in Cairo. Among other things, Abaza contended that “walled off, protected areas, gated communities, condominiums, private beach resorts, leisure islands of peace, snow cities in the desert and amusement parks, monitored by private security forces and advanced technology to protect them against the ‘barbarians’ outside, are no longer just futuristic fantasies.” Abaza further associated the spread of these new elite spaces to the expansion of consumer culture.

Despite their apparently diverse appearance, from an urban point of view there are important similarities between these emerging spaces of consumption. Whether a mall, a gated community, a theme park, or some other development type, they all provide a carefully controlled environment that is physically, economically and socially isolated from surrounding areas. They also benefit from the deterioration of the surrounding public environment through the establishment of a simulated alternative ideal. Finally, they enforce codes of behavior to uphold the utopian imagery which gives them their economic and symbolic value. For example, to establish such forms of symbolic capital, gated communities deploy various marketing strategies aimed at displaying the luxurious lifestyles that are possible there.

Historically, such social and spatial segregation is not new to Cairo. Indeed, Abu Zeid Rageh has suggested that the development of the city has followed a distinct socio-spatial cycle, according to which the flight of the rich and affluent to peripheral areas at first leaves the working and lower classes behind in the center. But this center soon grows until it can no longer contain this population, and at this point it spills out to the periphery, forcing a new move by the higher classes to a ring further out.

The existence of gated communities is also not new. Fatimid Cairo was long a gated city, with restrictions of access applied to most natives. But the first rudimentary prototype for a modern Egyptian gated community appeared in the early 1960s with the construction of the holiday resort village of al-Ma’mura, then located east of Alexandria, but now absorbed into the city. Financed and built by the state-owned company bearing the same name, al-Ma’mura was a semi-public development, and most of the people who stayed there were temporary summer vacationers. Its beaches were also fully public, and anyone could gain access to them by purchasing an inexpensive ticket.

This all changed in the 1980s when a series of resort villages were rapidly built along the Mediterranean coast west of Alexandria — Marabella, Maraqya, Marina, to name a few. Unlike al-Ma’mura, access to these was limited to those who could afford to purchase their own summer house. These resorts thus opened up new spaces of conspicuous consumption for their residents. Many of them were neo-bourgeois Egyptians who had benefited from the economic policies of the 1970s; others were expatriate workers who were earning relatively high wages in the Persian Gulf.

There were two principal motivations for investing in this type of development at the time. One was that the high inflation during the 1980s made it more profitable to invest in a summer house (and real estate in general) than to save money in a bank. But the growth of leisure and entertainment industries was equally important. And in the early 1990s, the desire to extend this lifestyle spread quickly to Cairo, as many elite Cairenes asked why they should not be able to enjoy such leisure activities all year long.

The seductions of these new spaces of leisure are not easily resisted. Besides providing genuine convenience, spectacle, and a total living experience, they offer what Cairo no longer has: clean, organized, human-scaled, and green environments. The developers of these gated communities also stress that their residential enclaves are only a few minutes drive away from specific parts of Cairo. They are thus able to play on the twin desires of prospective residents — on the one hand, to be far from the ills of the large metropolis; on the other, to be
close to its amenities. Like the suspension of time and space in dreams, gated communities present themselves as both sufficiently far away from the city and sufficiently close to it to fulfill any fantasy. One such place is a large-scale, master-planned development, Dreamland, the specifics of which I shall now turn to in greater detail.

**DREAMLAND**

Located at edge of the western expansion zone of the metropolis, Dreamland has been presented by its developers as a fully packaged living experience, a total lifestyle for Egyptians. Ahmed Bahgat, the Chairman of the Bahgat Group and the progenitor of this project, is an industrialist who, along with many other Egyptian entrepreneurs, jumped on the real estate bandwagon during the economic boom of the 1990s. From the Bahgat group’s Internet site, one can learn that while completing his doctoral studies at Georgia Tech University, Bahgat invented and manufactured an electronic device that could provide Muslims, regardless of their location worldwide, with a determination of the correct time and direction for their prayers. According to this story, upon returning to Egypt in 1985, Bahgat capitalized on the success of this device and established a general electronics company.42

Between 1985 and 1994, the company, International Electronics, first focused on assembling Korean television sets and other appliances. But, as Timothy Mitchell has written, the company soon expanded, and by means of a suspicious deal linked to senior military officers, began using military factories to build its own products.43 Besides working in electronics and real estate, the Bahgat Group, as it is now called, has also since expanded through several major subsidiary companies into the fields of household appliances, furniture, marble, glass, medical supplies, entertainment, and agricultural development.

The estimated quick, high profitability of land development in comparison to more traditional manufacturing activities is what initially attracted people such as Bahgat to the real estate business. According to the Investment Authority, between 1993 and 1999, the numbers of real estate developers in Egypt more than tripled to a total of 92, with a capital value of 3.3 billion Egyptian pounds.44

For the super rich, such as Qatamiya Heights, Mirage City, and Al-Rawda (fig. 6). Others, comprised of a mix of large apartment buildings and small villas, such as Rehab City in New Cairo to the west, cater to the upper-middle class and to Egyptian expatriates who work in the Gulf states. It is important to note that many of the latter favor living in environments similar to those they are used to in the Persian Gulf.

A new genre of privatized agricultural lifestyle has also now established itself along the Cairo-Alexandria Road, a few kilometers north of Dreamland. Although ownership of the desert lands here is not clear, they have nevertheless been allocated under the auspices of the Ministry of Agriculture and Land Reclamation. One heavily advertised project is “European Farmlands,” which consists of more than 15,000 acres subdivided into sixteen plots — or farms, as they are advertised. Each of these has been named after a European country or region: German farms, Bavarian farms, Spanish Farms, English Farms, and so on.

These names, the project marketing personnel informed me, have nothing to do with anything that will appear there. Each such ranch is supposed to be delivered to its prospective owner planted with apple, apricot and peach trees. On each lot, an area of no more than 2 percent of the total property is designated for building a house. The design of the house may in turn be chosen from twenty existing approved designs. Whereas Dreamland is designed solely as a residential heaven with spaces for consumption and fun, these ranches are being marketed as places for living and production.

In the rush for land that followed the privatization bonanza, the Bahgat group managed to secure a 2,000-acre stretch along the Cairo-Oases desert road, a few kilometers west of the great pyramids of Giza (fig. 7). While the land, which was originally a quarry, was appraised at less than two

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**FIGURE 6.** Complexes with multimillion-dollar houses are increasingly appearing in the deserts around Cairo.
pounds per square meter at the time Bahgat bought it, just a few months later its value had soared to 200 pounds per square meter. This dramatic increase in value was enough to collateralize a huge bank loan, which Bahgat used to finance the construction of Dreamland.

It is not clear how Bahgat managed to purchase this large tract, why the land value went up so much, or why the National Bank of Egypt secured the loan and became a partner in developing the project. But Mitchell has written that Bahgat was reputed to be a “front man for unpublicized moneymaking by the presidential family, which may explain why the express roads out to Dreamland were built so rapidly.” Other rumors linked Bahgat to certain high officials in the presidential palace.

From the start, Dreamland was intended to function as an independent residential city — as its marketing boasted, the first and largest Internet-wired residential development in the Middle East. Besides offering various types of dwellings, its master plan revealed how its developers intended to include many special attractions and facilities: a theme park, a shopping resort, a polo field, office towers, a hospital, two schools, two hotels, tennis and golf clubs, cinemas, a theater, an amphitheater, a business park, and a manmade canyon (figs. 8–11). Otherwise, however, its planning resembled that of a typical North American suburb. In fact, one architect who worked on the initial scheme told me its site plan was traced from an existing suburban division in California. Like North American suburbs, which typically lack a clear community center, Dreamland was also fragmented around a golf course, a theme park, and a shopping resort. And in contrast with the winding alleys, grids, or boulevards and squares of Cairo, Dreamland’s designers opted for a hierarchy of curving roads and a less formal, even ambiguous, geometry.

With a total estimated cost to completion of US$2.640 million, Bahgat searched for foreign architects to design his Dreamland. From the beginning, he wanted it to have a North American feel. Buildings were supposed to reflect classical and grandiose American styles, with pitched roofs and arches, all painted with light pastel colors. Bahgat, himself, wanted to build a replica of the White House to live in (fig. 12). This wish was never fulfilled, and instead he built a mansion in the middle of the development, which he was eventually forced to sell to a Persian Gulf sheikh on account of financial difficulties he encountered in the early 2000s.

Eventually, Bahgat hired two North American offices to develop Dreamland’s master plan and architecture — Development Design Group Incorporated and FORREC, respectively. Both companies are global leaders in planning theme attractions and entertainment facilities. Initially, the design of Dreamland seemed vague in the mind of its maker, mainly comprised of three distinct areas for housing, a theme park, and theme retail. But as it developed, Bahgat realized he wanted it to resemble “the Orlando of the Middle East,” referring to the Disney World development in Orlando, Florida.

It is important to note several important trends that have influenced the development of projects such as these. First has been a change in design and construction culture in Egypt in...
During this time, a growing number of North American and European engineering and architecture firms, such as Bechtel, Sasaki, Michel Graves, SOM, and others, began to collaborate with local offices to produce large new developments. It was as if the last decade of the twentieth century was marriage season for foreign and Egyptian design firms.

Second, no doubt, the creators of Dreamland recognized that no other industry worldwide has been able recently to raise the bar so constantly as the entertainment industry. Not only the private sector, but the state as well, has been involved in expanding this industry in Egypt. Thus, just across the highway from Dreamland, the Ministry of Information is developing a theme park and a media production facility.

Initially, the principal shareholder wanted to build himself a replica of the White House, but eventually, he built a palace with a watchtower that overlooks the whole development.
My point is that certain global cultural icons, predominantly North American, have come to be identified with a particular way of life, now known as the American way. In this regard, people have argued that the consumer culture and its architectural representations have been imported to Egypt from the West via the Persian Gulf — which, in turn, emulated the successful environment in Southeast Asia (fig. 13). But I would tend rather to agree with Yasser Elsheshtawi, that while Dubai, for example, has exerted much influence on many Arab cities, including Cairo, this is not a one-directional influence, but rather a complex web of influences and interactions.48

Of course, there are more significant realities behind this project than the stylistic inclinations of its maker. For example, its construction proved to be extremely complicated, and required the involvement of many local workers and construction companies. Many construction activities were not that different from those required for other building projects in Cairo. But some of its component buildings, such as the amusement park and the Hilton hotel, required that quality-control mechanisms be set by the company and the architectural firms to ensure a higher standard of finishing.

The infrastructure of the project also caused some difficulties. Many elements were designed and executed by local consultants and contractors and linked to the 6th of October City infrastructure. The electricity grid, for example, was linked to the city’s main electric power station, and the sewage system was linked to a municipal treatment plant with a large daily capacity. But perhaps the centerpiece of the infrastructure in Dreamland is its communication network. Built in cooperation with Motorola, this was designed to connect all residences with fiber optic cables, giving space for broadband Internet and satellite services. In fact, two entertainment satellite TV stations have been operating from a small building in the middle of the development.

Not unlike most of new luxury developments in Egypt’s desert areas, Dreamland has been criticized for its excessive water consumption. Water for Dreamland comes from the Nile River via 6th of October City’s purification system, and is, among other things, used to irrigate its golf course and fill its artificial lakes.49 Statistics are not available for how much water Dreamland or other similar large-scale projects are consuming (fig. 14). But, according to the Minister of Agriculture, many such luxury residential developments are mismanaging the nation’s water resources. For example, the stretch of land along the Cairo-Alexandria road depends on an underground aquifer for irrigation and domestic use. According to some estimates, 400,000 acres of agricultural land in this area will soon have to be removed from production because of the heavy usage of this underground supply to realize a new lifestyle environment of golf courses, artificial lakes, swimming pools, and manicured lawns (fig. 15).

Dreamland’s promotional materials make it clear that its main purpose is to establish a lifestyle community that offers a permanent sense of festivity. The names given to its different residential building types — Hawaii, Bahamas Lite, and Caribbean, for example — suggest an illusion of fantasy and

**Figure 13.** The interior spaces of the recently completed City Star megamall in Cairo resemble those in such projects in the Persian Gulf and Southeast Asia.

**Figure 14.** Underground water is pumped up to maintain the large artificial lake in the Solaymania Compound along the Cairo-Alexandria road.
entertainment through semantic association with famous American destinations. But the illusions are not limited to a particular geography or historical time. Brochures describe how in Dreamland one can also expect to experience Vienna, Naples, or the historical district of Khan al-Khalili. In a kind of reverse tourism, the development thus offers to bring the world and its history to its residents.

Such carnivalesque frivolity is particularly glaring in the project’s centerpiece, Dreampark. FORREC, the Canadian firm that designed it, had initially proposed an ancient-Egyptian theme. But, according to FORREC’s chairman, the developers of Dreamland wanted a North American theme. The park design finally came to include a small “theme area more as an ancient wonders of the world attraction, and not specifically Egyptian. The rest was a hodgepodge of Hollywood television programs and movies that most of the world watches and understands”50 (fig. 16).

Today, the project is halfway completed — if one judges what has been built in comparison to what was contemplated in its original master plan. But it is not clear how this plan will finally be realized. Moreover, the Bahgat Group has been forced to sell some of its assets in the company to the National Bank because it failed to pay interest on its earlier loans.

Toward the end of the 1990s the Cairo area witnessed a drastic slowdown in construction activity caused by overspeculation in the real estate market (fig. 17). The government tried to restimulate construction by giving a brief a tax holiday (between 1998 and 2001) to companies working on large new residential projects such as Dreamland. This policy, however, did not help many of these companies balance their budgets.

At this time Dreamland was faced by serious economic difficulties. These ultimately caused the Bahgat Group to realize it could not finance the entire project without forming partnerships with other developers and management companies — a policy it implemented later with the Dreamland hospital and two language schools.

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**Figure 15.** With houses overlooking a golf course, manicured lawns, and artificial lakes, Qatamiya Heights is one of the first exclusive gated communities in Cairo.

**Figure 16.** Dreampark is a Disney-style amusement park.
PARTING THOUGHTS

My first concluding thought is that what has been emerging out of the social and material production of Dreamland and similar elite spaces in Cairo is a specific urbanity, which is linked to a particular form of economy. In this economy, experience is organized around and linked to a particular lifestyle, a fusion of consumerism and entertainment. In today’s Egypt, then, entertainment and fantasy are intimately interwoven with the production of new elite spaces.

Etymologically, the noun “entertainment” derives from the verb “to entertain” — or, in Latin, *inter* + *tenere*, which mean “to hold together.” Spatially, the production of urban entertainment fantasies in this sense involves the holding together of delusive imaginations, generated through the use of particular signs and images.

This “holding together,” I contend, is reached through a process of financial as well as spatial exclusion. This is how liberal economy and the urban oasis, or the neoliberal economy and the gated community are all tied together.

My second thought concerns the impact of the new spatial expansions on the hopes and dreams of the citizens of Cairo (Fig. 18). Etymologically, the words “space” and “hope” share the same Latin origin, *spes*. Hope is a mental space that opens up for someone with a dream. Like a dream, hope is a vision in a mental space. But hope, I want to emphasize, is also related to the physical space, the space of everyday life, as Henri Lefebvre put it.7 The opening up of the possibilities of the physical, spatial expansion thus opens the horizon of the mental space for dreaming — of a better life.

By contrast, when a person loses hope, one may say he or she is in despair, or without *spere*, or *spes*; he or she is without space. The loss of the mental space is coordinate with the loss of physical space.

To put it differently, when a person cannot see the horizon, when he or she feels that all physical spaces have been taken, there will be no space to dream. In a way, this person has been robbed the capacity to dream. My concern throughout the essay is that places like Dreamland are physical spaces that only a small fraction of the population can dream of, while the rest are left in despair without further possibility to dream.

NOTES

5. A variety of authors have suggested this view. For example, Ananya Roy has argued that this round of globalization must be understood as a project of neoliberalism with particular socio-spatial implications. A. Roy, “New Global History and the City,” conference material (St. Petersburg, January 9–12, 2003). In a similar line of thinking, Timothy Mitchell has contended that neoliberalism has triumphed over the political
imagination in Egypt. He has also linked the expansions of the city to the neoliberal project. T. Mitchell, “Dreamland: The Neoliberalism of Your Desires,” *Middle East Report* (Spring 1999), pp.28–33. In this essay, I take neoliberalism to be the pre-dominant ideology steering globalization in much of the world.


8. Ibid., p.2.

9. Ibid., p.2.

10. In a recent televised program on Al-Jazeera, Mohamed H. Heikal suggested that the current political regime in Egypt can best be described as an oligarchy.


29. The housing supply by the state and the private sector provide for only a quarter of the actual demand.


40. I am greatly indebted to Kim Dovey for making these points clear to me. See Dovey, *Frame Places*.


44. This number includes all the gated communities in 6th of October, Zayed, Obour, Shorou’, and New Cairo cities. This figure will go over one hundred if one adds to it the agricultural, gated communities along the Cairo-Alexandria Road.


49. See for example, N. Essawy, *Ahram* May 15, 2005, p.3.

50. Warner, “Entertainment Oasis Coming to Sahara.”


All photos, except F. Muselhy, by the author.