Planning for Whom? Elite-driven Development in Highly Stratified Urban Environments and the Role of Personal Values (Sana’a, Yemen)

Learning Objectives
1. Understand the dynamics of, and difficulties with, reconciling one’s own values with diverse planning challenges, directly and indirectly;
2. Explore the potential conflicts inherent in client-driven urban development projects where maximizing return on investment is the dominant development criteria (versus government-led or community-based development);
3. Recognize the short and long-term implications of promoting exclusive residential development in the context of widespread poverty and environmentally sensitive lands (i.e. the intensification of spatial segregation);
4. Consider the role and influence of international financial flows in local development.

What Actually Happened
The master plans for both the Sana’a projects were completed and various investment and political agreements were signed. Partially due to the global financial collapse freezing much real estate development throughout the Middle East in the late 2000s, and partly due to local and regional political instability since the Arab Spring, the developments have yet to be funded. Although Yemen itself was among the gulf countries least impacted by the financial crisis (being so disconnected from international financial flows and capital markets), it has suffered from ongoing political instability and terrorism. While the projects were intended to meet a latent market demand, they required international expertise and capital, which has been reluctant to return even after regional economic recovery.

The recent Masters of Urban Planning graduate involved in this case chose option “c”. He worked on the project from 2007 to 2009 visiting the sites numerous times, and he and his team were able to insert a few environmentally sensitive elements into the design. Ultimately, though he saw this project and others as learning opportunities, he was regularly conflicted about the types of projects his firm was indirectly promoting. Similar dynamics around another client-based project he undertook with the same firm back in the U.S. compelled him to leave the company altogether. Back in the U.S. he realized it was less the political or economic contexts that troubled him and more the constraints related to meeting the needs of profit-driven clients, often to the exclusion of the needs of marginalized communities or considerations for environmental sustainability. Today, he is a city government employee, acting as the Lead Master Planner for a major city in Europe.
Summary

Across the Middle East, rapid economic growth has driven sovereign and international investors to seek new real estate investment opportunities in emerging areas and markets. One such investor, a member of the ruling family of a gulf sheikdom, has decided to invest in real estate development in Sana’a, the capital of Yemen. The investor is confident this project will fill a market gap in Sana’a and strengthen political and economic ties between the sheikdom and Yemen, thereby promoting political stability and future investment opportunities in Yemen. The project entails the development of two hundred luxury, high-security gated villas in a mountainous area overlooking the city. Additionally, there may be an opportunity to develop a mixed-use commercial area with hotels, apartments, offices and shopping facilities. The target clientele for the gated villas are the elite and ruling class (i.e. military and political leaders) of Sana’a.

In addition to a perceived market gap in high-end residential development, Sana’a also faces an acute shortage of affordable housing for low-income residents. The social fabric is in fact rather fragmented as demonstrated by alarming unemployment and chronic poverty, both of which are systemic. The city also faces extreme water and energy scarcity. Your firm has been hired by an investment group working closely with the Sheik to conduct a market feasibility analysis, to generate concept plans for the proposed developments and develop preliminary master plans while taking into account the relationship between these new areas and the larger city.

You recently completed a Master of Urban Planning degree and this is your first major assignment. However, you have begun to question how the overall objectives of this project fit within your planning ethics. In light of this, you realize that there are three potential options for your future involvement. Do you leave the project because of the multiple ways this development conflicts with your personal values, but also lose your job with the development-consulting firm? Do you continue working with the consulting firm and stay silent about your misgivings because you recognize that this is not your culture and may not fully understand the local dynamics, and because experience on this project may help you secure further work in a region experiencing unprecedented growth? Or, do you continue working on the project, but look for ways to insert your planning values in the project even if you end up making little or no impact on the final product and could potentially cause your firm to lose the contract in the process?

Background

Sana’a is the capital and largest city in Yemen with an urban population of 1,937,451 and a regional population of 2,167,961. One of the oldest continuously inhabited cities in the world, the entire historic core of Sana’a is designated a UNESCO World Heritage Site. Additionally, the city is one of the world’s highest capital cities at 2,300 meters (7,500 feet). Because of this geographic feature the city only receives 200 mm of precipitation a year and has a mild desert climate. About 40% of jobs in Sana’a are in the public sector and an estimated 32% of the remaining jobs are in the informal economy. There are high levels of poverty and unemployment compared to other cities in
Yemen, with an estimated 25% unemployment rate, especially impacting women and young people. As a country, Yemen is a traditionally hierarchical, embedded in religious patriarchal power structures. It is also the poorest country in the Middle East, with 45% of the population living on less than $2 a day.

As a result of rapid economic growth across the Middle East leading up to the global financial crisis of 2008, numerous international groups sought real estate investment opportunities in the region, specifically in residential, commercial and hospitality sectors. This development reflects regional trends in economic diversification in the Middle East and has led to increased real estate speculation. In addition to the anticipated economic windfalls, the international investors from the neighboring sheikdom and local partners feel the project can increase local economic and social stability, open the door to further real estate investment, and fortify ties between the two national governments.

Your real estate consulting team has been dispatched to determine the feasibility of developing approximately 200 high-end villas and a mixed-use area consisting of hospitality, residential, and retail uses. Considering the political instability and high levels of violence, the gated villas are intended to fill a market niche for highly-securitized private enclaves for the country’s military and political class. Upon arriving, you and your team conduct a basic market analysis to determine the cost of construction and other pricing structures for new development. The analysis also includes identifying major infrastructure, documenting development patterns in the city, observing local building styles and recent design trends. After this, your team moves to the second phase of macro level planning. You begin to conceptualize how this development connects with the rest of the city including the airport and commercial centers, and how the plans might address some of the major environmental and security issues of the sites. As you conduct your analysis, security threats become plainly obvious; a high-end hotel is attacked by unidentified assailants and a kidnapping occurs during your stay. This is where you begin to question your role as a planner in developing this project.

It has become apparent that the site’s water issues are drastic – constant drought in the city makes water usage a concern, and when there is rain, the potential effects of flooding are high in this precariously steep landscape. The physical plan needs to address possible independence from the larger water system. So far, however, the client has been primarily interested in maximizing the bottom line in the short-term and has given short thrift to design concepts which approach the issue in a sustainable manner. While your inclination would be to take a design direction based on integration within the landscape, maximizing scarce water resources through capture, cycling and infiltration methods, your client remains steadfast in calling for thick concrete walls, turrets, and other militarized security features that are ultimately less ecologically sustainable and more energy and engineering intensive features.
It's also clear the client has little interest in considering the ethical implications of building an exclusive luxury community in a city with such high rates of poverty and social instability. While you believe that a less exclusive development plan might in the long-term help weave a more integrated social fabric and lead to a more sustainable outcome, your client will not hear your ideas. You are forced to question your ability to evaluate the local political context and, given your limited understanding of the socio-cultural and economic structure of the city and country, your ability to calibrate your moral compass in the situation. Adding to the uncertainty, you learn of discussions between the Sheik, investment groups, and the local military and political elite to which your consulting firm has not been privy; it becomes obvious that the decision making process about development criteria has not been transparent. Thus, the degree to which information sharing is strictly controlled among the various actors, including your firm, becomes more evident. Despite serious political challenges in realizing these developments, the planning is moving forward. The development group has installed billboards on the sites to announce the plans publicly and has commissioned site planning studies to confirm feasibility. Your firm is eager to see the project through development and plenty of other consulting groups in the region are investigating opportunities along side you.

**Actors & Institutions**

**Emirate Sheik:** A Gulf Sheik is keen to build relationships and create unique investment opportunities within the Middle East. He sees in Yemen a strategic opportunity to fill a market niche while building regional political stability.

**Sovereign Wealth / Regional Investors:** These groups have hired you and your firm as a consultant for the development project. Their primary interest is to realize a competitive return on their potential investment in Sana’a and have hired you to complete market studies, create branding strategies, develop preliminary master plans and financial analyses to assess feasibility.

**President Ali Abdullah Saleh:** The President of Yemen has been in power for almost 30 years and Sana’a serves as his powerbase through his established local military and political alliances. By partnering with the Sheik he intends to improve Yemen’s international image and promote future investment.

**U.S. Based Real Estate and Development Consulting Firm:** You have been recently hired by this firm shortly after completing your Master of Planning program and this is your first major consulting project. The small firm (25 employees) specializes in real estate development and has previous international experience in the Gulf region, Eastern Europe and North Africa (though they primarily work in the United States). They have been hired as an in-house team for the investment/development group to deliver market analyses (Phase I), concept plans and marketing strategies (Phase II), and to develop site master plans (Phase III).
Local Political and Military Leadership: This group structures all incoming investments and is the primary landowner as well as the end-buyer targeted by the development project. They share much of the same optimism about the potential for the proposed projects to grow foreign and domestic investment in their country.

The Decision
As a planner consulting for the investment and development team, you face a significant internal conflict participating in the project given the context of widespread poverty and environmental vulnerability, and the obscure local and regional political dynamics. Do you:

a. Leave the project because, given the dynamics outlined above, your moral compass tells you this is not the kind of planning you want to support. You thereby forfeit your job with the development consulting firm solely out of principal; your action will have no effect on the overall development approach, its consequences, nor its progress considering you will be replaced by your consulting firm or the firm itself will be replaced.

b. Continue working with the consulting firm, remaining silent and working dutifully on the project. Given the overall development interest throughout the Middle East and potential for high growth in Yemen, you recognize that this may lead to other work in the region and increase your personal portfolio of projects. Although you may not agree with many of your client’s preferences, you also realize that this is not your culture and you need to be respectful of local dynamics you may not fully understand. Furthermore, you feel that in certain scenarios, generating economic growth is a precondition for addressing issues of social inequality or environmental vulnerability. You therefore feel that you can fully commit yourself to the project and its potential outcomes.

c. Continue working on the project, but insert your ideas as much as possible. You decide to approach this as a learning experience on a professional level, even though you may be compromising your own values in the process. While you will be gaining valuable expertise that you will be able to apply in contexts world-wide, you realize from the outset that you will not be able to make any major changes to the overall development approach and must come to terms with the fact that the project may exacerbate environmental challenges and contribute to a more economically and socially segregated Sana’a. As a planner and facilitator you try to influence the project as much as possible but if you do not offer suggestions sensitively, you could make the client angry enough to drop your firm’s contract all together; in fact, the client recently fired another foreign firm for this very reason.