Chapter 13
Cities of GCC in Post–Hydrocarbon Era: Challenges and Opportunities

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ABSTRACT

Gulf Cooperation Council (GCC) countries are highly urbanized. The states of GCC countries are considered rentier states and suffer from the Dutch disease. Acknowledging this fact, many GCC States endeavored to diversify their economic base by attempting to transfer their economies from hydrocarbon-based to knowledge-based economy. Many reports and studies claim these attempts still in need to be integrated within their urban settings, not just a development at the hinterlands of existing cities. The chapter outlines key challenges and opportunities for cities of GCC to transfer their urban development into a knowledge base. The chapter calls for an enabling environment for knowledge transfer, a transition towards a green economy, and institutional development by building and fostering global partnerships for knowledge, innovation, and energy.

1. INTRODUCTION

1.1. The State of Cities in GCC Countries

Today, the GCC is highly urbanized. In 2012, at least 70 percent of the total population lived in cities. For example, almost 100 percent of the population of Kuwait and Qatar lives in urban settlements (see Figure 1). However, late rates of urban growth have been relatively reasonable (UN-Habitat, 2012). The average annual change between 2010 and 2015 was 0.1, 0.0, 0.6, 0.1, 0.3, and 0.4 percent in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates, respectively (United Nations, 2014).
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There are various reasons for this situation. Atop of these reasons is oil and natural gas. The economies of GCC generated employment opportunities that attracted internal migrants and expatriate labor. Another major reason is maintaining high rates of natural population growth, where death rates declined because of improved health services while birth rates continued to be high. “Despite these slowing urban growth rates, the urban populations in all countries will continue to grow more rapidly than the total populations” (UN-Habitat, 2012, p. 128). The added population will be in existing cities. Between 2010-2015, the growth rate of Riyadh was about four percent (UNDESA, 2014).

Factors of geopolitical elements affected all countries located on the eastern side of the Arabian Peninsula. Gulf States are at the crux of global politics and trade. They were subject to external influences from Africa, India, Iran, the Levant and transformations from within the Arabian Peninsula (Riad, 1983). In 1981, the six countries founded the Gulf Cooperation Council (GCC) a regional intergovernmental political and economic bloc.

The residents of the Arabian Gulf states based their livelihoods on the strategic location of their port cities, Figure 2, where they mastered the arts of navigation and building ships and boats. They made use of the morphology of the coast and the use of a compass. In addition to transportation and trade, the residents of GCC states depended on extracting natural resources demanded in global markets, namely, pearls and petroleum (UN-Habitat, 2012). The fact that the Gulf states depended on producing goods and providing services, such as trade and transportation, that global markets demand explains why this region is at the center of world politics that global powers control (Riad, 1983). During the 19th century, local Arab powers, the Ottomans and British Empire competed to dominate the Gulf region thus affecting trade, particularly with India. Before 1930s, the Gulf region experienced an economic boom as a result of flourishing pearl trade and domination of the British influence that brought stability to the region. Between 1930-1940 due, in part, to the Japanese cultured pearls, together with the global economic

Figure 1. Proportion urban population as percent of total population, 1990-2050