

LET THEM EAT CAKE

**(AND SURF, AND SWIM,
AND PLAY GOLF):**

Is King Abdullah Economic
City (KAEC), Saudi Arabia
a Liberal Oasis?

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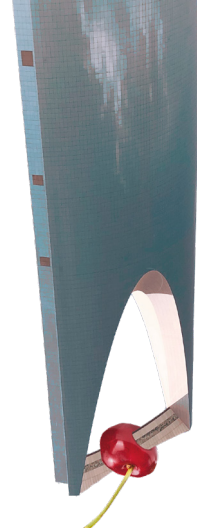
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1. LET THEM EAT CAKE (AND SURF, AND SWIM, AND PLAY GOLF): IS KING ABDULLAH ECONOMIC CITY (KAEC), SAUDI ARABIA A LIBERAL OASIS?

1. Introduction

Recently published research explored the economic travails of King Abdullah Economic City (KAEC), a new city being constructed in Saudi Arabia. The research was generally pessimistic about the economic prospects of KAEC but was tinged with a slice of social optimism, specifically that the social liberalism embedded in KAEC had a wide appeal for the country's young people (Klaus, 2023b). As discussed in this paper, this emerging social liberalism is commented upon frequently in relation to KAEC by the western media. This point has also been raised in *Cities*. KAEC and the other new cities being planned in Saudi Arabia (including NEOM) were argued to be both a practical response to population growth and rapid urbanization, but also as a way of creating jobs and economic growth and staving off political and social discontent (Moser et al, 2015). By contrast, it is difficult to find anything more than a fragmentary whisp of a hint of social liberalism in any official Saudi government source. Is there any substance to the social liberalism narrative or is it just a marketing rhetoric to help attract foreign investment and new technology to a 'modern' Saudi? Is this dual message reflective of Saudi trying to push the social liberalism signal overseas while maintaining a conservative rhetoric at home? Is there a social cherry on the slightly stale economic cake?

This paper is organized as follows section 2 reviews the (negative) economic implications of KAEC, section 3 the more positive social views about KAEC, section 4 explores a novel way of measuring and comparing social liberalism, in and outside KAEC, and section 5 concludes.

2. KING ABDULLAH ECONOMIC CITY (KAEC): THE ECONOMIC

A new database [New Cities Map](#) constructed shows that over the last 20 years, 159 new city projects have been announced, only 6 of these are located in the Global North, but 49 are in the Middle East and North Africa (Klaus, 2023a). 49 is a surprisingly large number, but we can probably dredge up enough dim recollections of oil-revenue fueled, grandiose building projects in Dubai, or the regional race to build the world's tallest skyscraper, to nod and realize that this large number does make sense.

KAEC was announced by the government of Saudi Arabia in 2005. KAEC is being planned and developed by Emirati property developer Emaar: the Economic City (EEC). KAEC is intended to comprise schools, universities, an industrial zone, a central business district, a luxury resort, and a deep-sea port (Moser et al, 2015). KAEC initially fell under the auspices of the Saudi Special Economic Zones (SEZs) program. The Economic Cities and Special Zones Authority declares that SEZs - geographically delimited zones - would offer foreign and domestic investors, tax incentives, easy visas for expatriate workers, free repatriation of profits, 'world-class' infrastructure, and business regulations 'benchmarked against international best practice'. In 2005 the SEZs were central to a vision for Saudi Arabia to become a 'global investment powerhouse' and diversify the economy away from oil. KAEC was slated to focus on the automobile supply chain, consumer goods, electronic light manufacturing, pharmaceuticals, and medical technology (Government of Saudi Arabia, 2023).

The government of Saudi Arabia has been keen to publicize every high-profile investor in KAEC. In October 2022 electric vehicle manufacturer Lucid Motors opened its first Saudi store in KAEC (Alarabiya News, 2022). In December, Ceer Motors, Saudi's first brand name electric vehicle, signed a land purchase agreement to build a manufacturing facility in KAEC (Daily News, 2022). In February 2023 KAEC signed an agreement with Zain KSA for landing the J2M underwater cable that would connect Europe to Pakistan and East Africa (Submarine Telecoms Forum, 2023).

This recent slew of positive press announcements has occurred against a backdrop of international pessimism about the prospects of KAEC. In May 2018 KAEC was described as being a 'sleepy city', offering a 'cautionary tale' and that its ambitious plans faced the 'challenge of economic reality' (Financial Times, 2018). In 2018, a decade after its launch, KAEC had a population of 7,000, against a target of two million for 2035. In June 2022, the US-based Bloomberg described KAEC as being 'big on hubris and low on practicality'. The vision of tall buildings, future-orientation, and the biggest port in the Middle East, were 'grand exercises in royal vanity' that would have 'a tendency to wilt in the face of economic reality' (Bloomberg, 2022).

A closer look at the 'good news' rather reinforces these concerns; there seems to be little cake beneath the publicised glossy icing. While Lucid Motors is headquartered in California, it is 61% owned by the Saudi Government's Public Investment Fund (PIF) (Alarabiya New, 2022). The electric car company Ceer Motors, is a joint venture between the PIF and Taiwanese firm, Foxconn (Daily News, 2022). It is Saudi government investment that is driving KAEC, not global investors. Back in 2016, PIF was reported to be negotiating to buy a stake in KAEC which was heralded as the 'only viable means of rescuing large mega-projects' (Economist Intelligence Unit, 2016). The rescue occurred in 2022 and by 2023 was being proclaimed by the CEO of Emaar as 'actually part of our strategy' which all along had planned 'to involve third-party developers, third-party investors and third-party operators in the development of the city.' (Arab News, 2023).



3. KING ABDULLAH ECONOMIC CITY (KAEC): THE SOCIAL

Away from the quantitative pessimism, there is a much bigger vision for KAEC. KAEC has become more than one of four SEZs in Saudi Arabia, or one of the 5,400 SEZs that were estimated to exist across the globe in 2018 (Alexianu et al, 2019). KAEC is being publicized as a new city that can help transform Saudi Arabia, economically and socially. Liberalization in KAEC is not just about tax incentives and easier migration, it is also social. Bloomberg (2022) described KAEC as ‘an ultra-modern urban setting, in which many of the kingdom’s restrictive social rules will be waived — for instance, women won’t need to cloak themselves in the ‘abaya’ in public places. The Financial Times (2018) describes KAEC as having all the ‘hallmarks of the modern Saudi Arabia’ including ‘pristine beaches, manicured lawns and rows of newly built villas’, and of course women who ‘walk freely without the long, cloak-like abayas.’

“Liberalization in KAEC is not just about tax incentives and easier migration, it is also social.”

The new cities database notes that developers and public officials tended to ‘exaggerate ambitions’ to ‘capture public support or secure financing’ for new cities. Many projects framed as ‘cities’ were, in reality, ‘new districts’ or ‘small communities’. The bold claim in 2015 by the newly elected government of India to ‘build 100 new smart cities by 2023’ in practice often amounted to ‘minor technological upgrades to existing infrastructure’ (Charter Cities Institute, 2023). The evidence for social liberalism in KAEC reported in the media seems to involve little more than a resident reporter looking up from a notebook and slice of carrot cake, to gauge if any women present were wearing a headscarf or not.

The official sources are much more reticent about social liberalism than the excited claims in the western media. The Vision 2030 document produced by the government of Saudi Arabia presents a decade-long national project to transform the country. Vision 2030 has aspirations to increase the role of the private relative to the public sector, to create jobs for the burgeoning young Saudi cohort, to increase foreign investment, and to diversify away from oil. The Vision does contain goals related to the quality of life, including increased spending on culture and entertainment, more individual exercise, and greater home ownership. Of social liberalism there is almost no mention, one target that could be interpreted in this light, is the aim to increase women’s participation in the workforce from 22% to 30%. The Vision is generally rooted in a traditional social framework, it declares that the ‘values of moderation, tolerance, excellence, discipline, equity, and transparency will be the bedrock of our success.’ (Government of Saudi Arabia, 2016:16)

The government of Saudi have targeted KAEC as being a destination for international tourism and the government’s official tourism website [Visit Saudi](#) advertises the waterfront, golf, motorsports, and a soft-sanded beach. But don’t jump to the conclusion this revolves around carousing, bikini-clad western tourists! Vision 2030 is clear that the tourism being targeted is of a more traditional kind. The government aims to increase Saudi’s capacity to welcome Umrah (religious pilgrim) visitors from 8 million in 2015 to 30 million every year (Government of Saudi Arabia, 2016:19). The new port in KAEC is explicitly scheduled to host much of that religious pilgrimage (Moser et al, 2015).

The official [KAEC website](#) is saturated with references to the family; a 'safe, family environment', a 'special community in which to raise and educate your children', or a 'family-focused district' to give three of the many examples. Safety is key to this, as evidenced in the 'city's sophisticated gates and the security procedures' and that 'police trained dogs are used to reach maximum security and provide protection to the city's residents and visitors.' While the KAEC school offers the attractions of an 'American International Curriculum' the teaching is still 'based on values that promote the standards and principles of the Kingdom'. The website makes KAEC look fun for men, who are pictured in both western and traditional Saudi dress playing golf, riding go-carts, and wind-surfing. Women by contrast are pictured having more sedentary fun (mainly chatting with each other or playing with children), and mostly wearing headscarves. A few women were seen wearing jeans and I did notice two (blurred) pictures of women without headscarves.

As noted, we can't always believe official announcements about grandiose city projects and the economic and social transformation they will bring. But what conclusions can we draw about KAEC? China's SEZ projects in the 1980s occurred against a backdrop of official commitment to communist ethics, opposition to private ownership, and ideological hostility to the outside world. In reality, the SEZs proved to be a test-bed for opening-up China to the outside world and reforming communism into a resolutely private-sector, market-oriented direction (Yuan et al, 2010). Is KAEC a socially conservative island in an even more conservative country? Is KAEC, as the as the headscarf counting foreign reporters noted, really a socially liberal island? Is KAEC a reform effort by stealth, to pioneer reforms that can then be gradually spread nationwide?



4. A TEST OF SOCIAL LIBERALISM IN KAEC

This section finds a rigorous methodology to answer the question posed at the end of the last section.

The general suggestion is that the social liberalism of KAEC (if it exists) is designed to appeal to a younger generation, to offer a chocolate filling of liberalism, employment and modernity in an otherwise vegan vanilla sponge cake. Where better to test that hypothesis than in universities? For this paper I examined two student handbooks, one from a traditional Jeddah-based university and the other from a new university established inside KAEC. These handbooks serve two functions: i) they describe the rules and the disciplinary procedures incurred for breaking them. The handbooks are not just the exaggerated pronouncements of excited property developers. The handbooks are the rules by which young people will live their lives in KAEC (and outside), and ii) the handbooks serve as part of the effort to attract and appeal to international and domestic new students and show how the two institutions package their appeal to prospective students.

“A chocolate filling of liberalism, employment and modernity in an otherwise vegan vanilla sponge cake.”



4.1 KING ABDULAZIZ UNIVERSITY (KAU)

The first example is that of King Abdulaziz University (KAU) (www.kau.edu.sa/home_english.aspx), based in Jeddah, containing almost 120,000 students, and founded in 1967. KAU was ranked the 101st best university in the world in 2023 by the Times Higher Education international league table and has been ranked the best Arab world and Middle Eastern University (The Times Higher Education, 2023)

KAU has *separate campuses* for male and female students. Female students have their own library and can only visit the library in the male campus on specific pre-announced Saturdays. The voluminous handbook I read was specifically for female students (King Abdulaziz University, 2023).

The handbook is a formal guideline to the ‘regulations and rules and the public traditions and morals within the University’. The *rules* offer a lot of discretionary scope for interpreting the activities of students regarding ‘depraved ideologies and destructive principles and early monitoring of any deviant behavior and work to address it’. There is almost unlimited scope to find students guilty of breaking rules which are defined as, ‘any act or statement that violates the provisions of the Islamic religion, or undermines modesty or violates good behavior, conduct and morals within the university’.

The prescriptive rules are very strict, especially regarding *accommodation*. Students must sign up for accommodation in the presence of a guardian. Any parental visits need to be registered in advance on either Wednesday or Thursday. There are strict regulations about the procedure for female students to gain permission to exit their accommodation. Outside the immediate family, only married women given legal authorization by the parents can grant this permission. Mobile phones or laptops with a camera are not permitted inside the female accommodation area.



Dress codes on campus are strict and any violation rates as a serious offence that could result in expulsion from the University. Inappropriate clothing include: pants (tights, mid leg pants, stretch pants, leggings, skinny pants, or ripped pants even if padded); blouse (sleeveless, transparent, with holes, too short that does not even cover the hip, wide open neck blouse, blouse with holes in the sleeve); and skirts (above ankle length skirts or split skirts). Inappropriate behavior includes, smoking, inappropriate hairstyles, inappropriate appearance, or sitting improperly.

4.2 KING ABDULLAH UNIVERSITY OF SCIENCE AND TECHNOLOGY (KAUST)

The second example is King Abdullah University of Science and Technology (KAUST) which was opened in 2009 in KAEC with over 400 students from more than 60 countries and a whopping \$10 billion endowment. The international media noted from the outset that KAUST would be different. In 2009 the BBC reported that women would be allowed to drive on campus, mix freely with men, and not be required to wear veils. The new president of KAUST, Professor Choon Fong Shih, was reported as saying 'We give our academics the full freedom to pursue exceptional science. We fund them to work together in groups - men and women - to work on big ideas that will make a big impact.' (BBC, 2009). A recent perusal of the KAEC website (<https://www.kaust.edu.sa/en/>) suggested something different from KAU was indeed afoot. The front page of the website shows an international group of women, wearing non-Saudi dress, and their hair uncovered. The Music Club were offering an Open Mic Night where 'all were welcome' which provided 'an opportunity for anyone to play a musical instrument or sing in front of a live audience.' A community picnic promised 'talented community musicians' focused on Arabic music but also 'some Mediterranean music, even Portuguese Fado.'

The KAUST student handbook discusses *community life* among students with no distinction between male and female students. There is a recreation room with table tennis and PS4 video games and a 'global kitchen' where students can 'cook their favorite dish and share their local cuisine with their fellow students'. The University library 'is open to the entire KAUST community twenty-four hours a day, seven days a week throughout the year'. A 200-seat cinema offers the latest Hollywood, Arabic, and Hindi blockbusters (King Abdullah University of Science and Technology, 2022).

In KAUST, male and female *accommodation* is separate and visiting between them is prohibited, but there is no mention of guardians or complicated rules to get permission to exit the accommodation. The handbook is almost apologetic about enforcing housing rules noting that 'KAUST recognizes that entry into students' living space is a serious matter, and we endeavor to respect students' privacy to the greatest extent possible.' Where any inspection is deemed necessary KAUST promises to give 'reasonable notice to the student' but reserves the right to inspect rooms without any notice, though only 'in an emergency or urgent situation.'

In KAUST, *dress codes* are a more minor (Class C) disciplinary matter. Any violation 'can normally be addressed by relevant faculty or staff and/or a relevant department or division of KAUST and do not necessarily need to be reported to the Dean of Graduate Affairs or the Conduct Officer'. The dress code is more relaxed and suggests that 'attire while on the academic campus should reflect a professional or smart appearance'.



For men, 'appropriate attire generally means pants and collared shirts.' For women, 'appropriate attire generally means tops with sleeves, pants, and skirts of modest length. Short, transparent, or revealing garments are not appropriate in public'. Even swimwear, as long as it is conservative and non-revealing, is permitted at 'swimming pools, beaches, and boating areas.'

The student handbooks offer real evidence that KAEC is something different. KAEC is a new city with a distinct social liberalism.

5. KAEC AND THE FUTURE OF SAUDI ARABIA

The fact that KAUST and KAEC offers a genuine corner of social liberalism in Saudi Arabia leads us to another big question: - what next?

The last fifty years have shown that SEZs can evolve in one of two ways. Some SEZs (like many of those in Africa) have developed as enclaves, cut off from the local economy, hosting foreign investment, importing inputs and foreign expertise, and exporting their production (Farole, 2011). Perhaps this is the point of KAEC? To provide a safety valve of quarantined social liberalism and education and employment opportunity for the young, in order to make social conservatism more viable and sustainable in the rest of Saudi Arabia? Other SEZs, such as those in 1980s China gradually became more integrated with the wider national economy, attracted vast number of migrants, purchased more inputs from China-wide firms, and eventually inspired the rest of China to emulate them and spread the social and economic progress more widely (Ge, 1999). Perhaps KAEC is the start of a Saudi reform by stealth, to demonstrate that social liberalism and globalization are compatible with Islam. Is this the start of Saudi Arabia evolving into somewhere more like contemporary Turkey or Dubai?

The international media are pessimistic about whether KAEC can enable economic reformers to have their cake; this paper has suggested that the more interesting question is whether social reformers can eat it.



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