

# Manchester thrived thanks to the train, and Dubai will too

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The launch of Dubai Metro's Green Line reminded me of a school trip to a local museum in my home town of Manchester. The museum recreated the day in 1830 when the world's first full-fledged steam train service began between Manchester and Liverpool, neighbouring northern English cities.

I forget what I called my school project. Probably not *The Role of Public Transport in Economic Development: A Case Study of Northern England and the Industrial Revolution* (I was only eight). But that's what it was.

The 56km locomotive service established Manchester as the richest city in the world for nearly a century. And I'm backing history to repeat itself, at least in part, with Dubai and its metro.

Why so confident?

I put my faith in what academic jargon refers to as agglomeration economics, or the science of cities. This tries to explain the success of towns as engines of growth, productivity, jobs - and the immense improvements in living standards over the past couple of hundred years. The Harvard economics professor Ed Glaeser is one of the loudest drumbeaters for agglomeration, describing it simply as "the benefits that come when firms and people locate near one another".

Transport is key.

Back in the Industrial Revolution, the challenge was bringing together physical stuff and physical processes.

Stephenson's Rocket, widely acknowledged as the first commercially viable steam train, linked the docks of Liverpool with the factories of Manchester. Raw cotton arrived in Liverpool from the US, travelled by train to the mills of Manchester, was put on the train back to Liverpool as finished bed sheets and clothes, and was then shipped around the world.

Win-win for everyone.

Fast-forward to the 21st century Gulf and things have moved on. Yes, physical trade still matters, particularly in Dubai, but you won't see cargoes of washing machines stacked on the platform at Jebel Ali Metro station. Today, agglomeration is about people.

It's about the ponytailed creatives of Media City, the pinstriped bankers of the Dubai International Financial Centre and the merchants of Deira converging for coffee at Khalid bin Waleed Street, where the Red and Green Metro lines cross.

"Modern cities are far more dependent on the role that density can play in speeding the flow of ideas," says Prof Glaeser.

So much for the economic theory. What about reality?

Nick McLean, the Middle East managing director of CB Richard Ellis, a global property consultancy, says the new Green Line is vital for Dubai at a macro level. "It gives Dubai a critical advantage in terms of quality of infrastructure. For companies wanting to operate in the Middle East and North Africa at the moment, Dubai is the number one choice for many reasons, but a very important component of that decision making is the quality of the infrastructure."

The evidence is weaker at a micro level. Mr McLean says reports that buildings next to metro stations in Dubai command a 25 per cent rent premium may be exaggerated, though there is no doubt that most things within 500 metres of a station get a lift.

Clearly, then, trains and metros help an economy. But let's not go overboard: Greece has almost 2,000km of active rail track, while Athens has a busy metro.

Even the environmental benefits have been questioned.

"Most rail transit lines use more energy per passenger mile, and many generate more greenhouse gases, than the average passenger automobile," says Randal O'Toole, a senior fellow at the Cato Institute, a think tank. Mr O'Toole claims that while the trains themselves are green, building metro systems produces masses of carbon, while the buses and cars that take people to stations are rarely full. I don't buy his argument, but it deserves mention.

For Dubai, the bigger picture is this: the Green Line alone is not going to transform the city. These things work only as part of an integrated transport policy, and to their credit, that is exactly what officials are doing.

A report from the Asian Development Bank ranked various transport measures for their environmental impact. Metros scored well, but top marks went to road tolls. Dubai ticks that box too with the Salik system.

Helpfully, Prof Glaeser recorded his thoughts on Dubai's agglomeration efforts in a piece for The New York Times.

Written in the dark days of late 2009, just after the Dubai World debt standstill, the piece was surprisingly upbeat. He praised Dubai's friendly business climate, ranking it up there with Hong Kong's and Singapore's. And he compared Dubai's property boom and bust to New York in the 1920s and 1930s. In the long run, he points out, all those skyscrapers served the Big Apple well.

Today, even Manchester is making a comeback, thanks partly to its expanding Metrolink service and partly to the billions of dirhams flowing into the city from Abu Dhabi. Indeed, Abu Dhabi and Qatar have commissioned metro systems of their own. Full steam ahead.

Richard Dean hosts Tonight on Dubai Eye 103.8 FM and is the author of Sink or Swim: Business Lessons from the UAE