

## Introduction

The IAMOT conference in Dubai in 2008 was interesting in two ways, the content of the presented papers and the context of country. Of the about three hundred papers presented, we have selected seventeen for publication. These papers all presented interesting theoretical issues along with empirical cases to provide evidence about the theory.

We have classified the papers into related categories. In these, one can see an emphasis on the emerging MOT issues concerning services and information technology. Also one can still see some continuing emphasis on manufacturing technology issues. But what is in light of subsequent and recent events about global economic development and global financial crises, one can identify a subject which MOT has not deeply addressed in this and previous conferences. This is an issue about technology and capital.

And this issue about technology and capital was vividly suggested by the context of the conference in Dubai. On arriving in Dubai, for the conference, a visitor was struck by the fact that this bit of desert of the Dubai Emirate was planning its primarily as a financial and trading center for the Arabian Gulf area. Its sister Emirate Abu Dubai had oil, and Dubai had none. But Dubai had embarked upon a rapid and vast construction project building hundreds of office towers and residential towers. The contrast between construction and urban spread and the desert and ocean was amazing.

Then a year later, as this book was going to press, Dubai was in the international news — in a big way. On 27 November 2009, Jennifer Hughes, David Oakley, Simeon Kerr reported: “Stock markets around the world were convulsed yesterday as investors scramble to understand the implications of Dubai World’s restructuring and unexpected debt standstill.” (Hughes, et al, 2009).

Dubai World was a holding company owned by the Dubai Emirate government: “Banks were scrambling to quantify potential losses in Dubai after Dubai World, the state’s holding company, shocked creditors by asking to halt debt repayments... Three years ago, demand was ... strong for the Nakheel bond at the centre of the Dubai’s troubles... Yesterday (26 November) those bonds were trading just above 70 cents on the dollar...” (Hughes and Oakley, 2009).

The seriousness for Dubai’s future as a financial center due to this bond payment default was emphasized: “It came in a short statement about the restructuring of Dubai World; one of the emirates biggest and best-known companies ... the decision to ask bondholders of the company ... to extend maturities from December to May 2010 was a bombshell. And the Middle East’s most glamorous and creative emirate will pay the price of its decision for a long time to come.” (Khalaf, 2009).

At the time of IAMOT’s Dubai conference, a year earlier, we had been struck by the enormous amounts of construction going on and also the apparent emptiness of most of the buildings. We wondered (1) where the finance for such major expansion was coming from (since one knew that Dubai did not have oil) and (2) what was the economic development strategy? A year later, we were learning that the money was borrowed and to an amount beyond having sufficient revenue to meet the debt obligations.

In this context of Dubai’s plan for economic growth, one can now ask an important question for future research in MOT. This is whether a purely financial strategy for economic development — without a complementary technology strategy — was really a viable strategy for long-time economic development in the global world?

We think this is an important issue which MOT needs to address more deeply. What are the proper interactions between

financial strategy and technology strategy for long-term economic development of a nation? MOT has long addressed this issue at a company level but not seriously at a national and global level.

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Hughes, Jennifer, David Oakley, and Simeon Kerr. 2009. "Dubai sends markets into turmoil", *Financial Times*, November 27, p. 1.

Hughes, Jennifer and David Oakely. 2009. "Jitters spread through Middle East", *Financial Tims*, November 27, p. 2.

Khalaf, Roula. 2009. "Emirate will pay dealy for a long time to come", *Financial Times*, November 27, p. 2.