

A Draft Strategic Vision for the State of Kuwait 2010-2035

An Executive Summary

Objective:

The principal objective of this study is to draft a strategic vision for the State of Kuwait for the years 2010-2025 in accordance with the broad vision proposed by His Highness the Emir. From this vision, a number of general strategic objectives emerged to serve as a platform for future development plans.

Methodology:

This study uses content analysis results of a survey of high profile individuals in the Kuwaiti society (Ministers, Deputy Ministers, Members of Parliament, representatives of NGOs, etc...). Personal interviews have been conducted to:

- Explore the extent of harmony between the vision of each of the interviewees and the broad vision of His Highness.
- Look into the ways to ensure that this vision is executable.
- Assess how far the status-quo is from the vision.
- Identify current Strengths, Weaknesses, Opportunities, and Threats.

Findings:

The results indicate that there is a clear consensus among the interviewees on the vision by His Highness that "**Kuwait is a Financial and Commercial Hub**". Nevertheless, many have proposed either widening the scope of this stated vision or simply adjusting some of its themes. All in all, three "versions" of the vision have emerged from the analysis (all of which evolve around the broad vision by His Highness). These are:

Version 1- Kuwait as a Financial and Commercial Hub:

All necessary conditions and pre-requisites for the achievement of "Kuwait as a financial and Commercial Hub" should be in place ahead of any action plan. Accordingly, a comprehensive reform package should be undertaken which includes reconsidering most of the prevailing economic and social policies (including those relevant to the notion of "welfare state") as they may be incompatible with the realization of this vision. According to this scenario, the strategic vision would be:

"Kuwait is a financial and commercial hub, attractive to investors, where the private sector is leading the economy, creating competition and promoting efficiency, under the umbrella of enabling government institutions providing adequate infrastructure, modern legislation and inspiring business environment"

Version 2- Kuwait as a Financial, Commercial and Services Hub:

According to this second version, the scope is expanded thus allowing for the State of Kuwait to be a center for a wide range of services activities, such as education (e.g., private universities, tourism, healthcare etc...).

Service activities under this scenario would be compatible and indeed supportive of the development of the financial and commercial sectors as stipulated in the vision of His Highness. Once again for this to be achieved, a comprehensive reform package must be in place, which includes reconsidering most of the prevailing economic and social policies (including those related to the notion of "welfare state") as they may be incompatible with the realization of this vision. According to this scenario, the vision would be:

"Kuwait is a financial and commercial and services hub, with a well diversified productive base under the umbrella of enabling government institutions providing adequate infrastructure, modern legislation and inspiring business environment, where a strong private sector leads the economy"

Version 3- Kuwait as a Financial, Commercial and Service Hub Ensuring High Quality of Life to all Citizens:

According to this third version, along with developing Kuwait as a financial and commercial hub, the scope should allow for a strong commitment to ensuring high quality of life to the citizens of Kuwait as the prime constituent of the vision. In the broad sense, this implicitly conveys the need to preserve the commitment to prevailing social policies, (especially those relating to the notion of "welfare state"), as well as the emphasis on human development (and not just economic growth). According to this scenario, the vision would be:

"Kuwait is a financial and commercial hub that provides high quality of life to its citizens, and promotes work ethics and human development, where the private sector is leading the economy towards balanced development, creating competition and promoting efficiency, under the umbrella of enabling government institutions committed to the principles of welfare state, and providing adequate infrastructure, suitable legislation and sound regulations that protect investors, inspiring healthy business environment characterized by transparency"

Strategic Objectives:

As all three versions have the common ground of "financial and commercial hub", general goals and strategies should to a large extent be alike. However, the focus within these goals and strategies ought to be different in light of the different versions. Here is the complete list of strategic objectives as identified in the study:

First Strategic Objective is: High Growth and Diversified GDP.

Needed executive Strategies in the area of:

1. Privatize
2. Free land ownership from state monopoly
3. Strengthen the financial market
4. Strengthen commercial banks
5. Encourage foreign investment and reform the Bureau in charge of it
6. Improve the infrastructure
7. Undertake a fiscal reform
8. Improve educational output
9. Adopt an environmental policy
10. Encourage labor force to work in the private sector

Second Strategic Objective is: Strong Private Sector Leading the Economy.

Needed executive Strategies in the area of:

1. Energize the private sector and promote privatization
2. Upgrade legislation to world standards and remove administrative barrier
3. Upgrade infrastructure
4. Reform the labor market
5. Upgrade human resources
6. Promote Entrepreneurship
7. Free land ownership from state monopoly
8. Attract foreign investment

Third Strategic Objective is: Supportive Government for the Private Sector and its requirements.

○ Needed executive Strategies in the area of:

1. Improve infrastructure
2. Lessen investment procedures and cancel visit permits
3. Provide support to small and medium enterprises
4. Upgrade commercial laws
5. ○ Create mechanisms to fight overlapping special interests
6. Upgrade the quality of educational output in accordance with private sector needs
7. Ease land ownership
8. Reform the labor market
9. Create an institution with the agenda to fight corruption
10. Create a mechanism and set standards for performance for government officials
11. Promote good work and business ethics in future generations
12. Promote and ease movement (transportation-ports-airports-courier-customs-etc)

Fourth Strategic Objective is: Increased Job and Human Development Opportunities for Kuwaitis.

○○ Needed executive Strategies in the area of:

1. Train and improve skills of human resources and encourage Kuwaitis to work in the private sector
2. Improve the competitiveness of the private sector
3. Impose quality control on educational outputs
4. Increase labor productivity
5. Reform the labor market
6. Create an efficient mechanism for screening qualifications
7. Promote good work and business ethics in future generations
8. Set-up selective criteria for importing expatriate labor force

Fifth Strategic Objective is: Strong Governments.

☉☉ Needed executive Strategies in the area of:

1. Appoint qualified Ministers
2. Allow the government longer durations in power
3. Set-up political stability between the legislative and the executive powers
4. Set-up strong and committing government action plans
5. Ensure transparency and accountability of public officials
6. Establish the culture of planning and improve the skills of planning
7. Strengthen the administrative system and impose the respect of law
8. Foster common interest relations with neighboring countries
9. Set-up systems and mechanisms to fight corruption
10. Simplify litigation procedures
11. ☉Lessen administrative procedures at government institutions
12. Set-up governance standards

Sixth Strategic Objective is: Humane Society and Good Governance.

☉☉ Needed executive Strategies in the area of:

1. Rationalize consumption
2. Foster patriotism and the sense of belonging to the Kuwait Society
3. ☉Solve the housing care issue
4. Regulate the marginal labor force
5. Attend to family-related problems
6. Attend to youth behavior problems
7. ☉ Tackle the debt problem
8. Tackle the stateless "Bidoun" problem
9. Attend to the addiction problem in some segments of the society