

CHAPTER 4

Chapter 4.6 Future Hopes and Fears: A Kuwaiti Perspective

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Because our hopes and fears of the future shape our decisions every day, it is wise for a country to make these beliefs explicit, systematically explore their relations to national policy, and periodically repeat the process as a step toward national participation, transparency, and coherence.

Kuwait has begun that process.¹

The staff of Early Warning System at HH Diwan the Prime Minister's Office, State of Kuwait, drawing on their collective intelligence system identified an initial list of hopes and fears for Kuwait.² This list was refined through a SWOT analysis workshop to 16 hopes and 16 fears. See chart below.

These formed the basis for a Real-Time Delphi survey. More than 400 experts in the areas of economic development, politics and governance, environment and energy, human development, security, and social affairs and demographic were selectively invited to answer the questionnaire, in which 193 participated. The results were then discussed with an expert group in a final workshop.

¹ This chapter is drawn from the report: "Our Hopes and Fears: A Kuwaiti Perspective by the Diwan of His Highness The Prime Minister, Technical & Advisory Office, Strategy Unit, State of Kuwait

² For earlier and similar exercises on "Hopes and Fears" please refer to Michel Marien (1991) "Future Survey Annual 1991: A Guide to the Recent Literature of Trends, Forecasts, and Policy Proposals" Transaction Publishers (January 1, 1991).

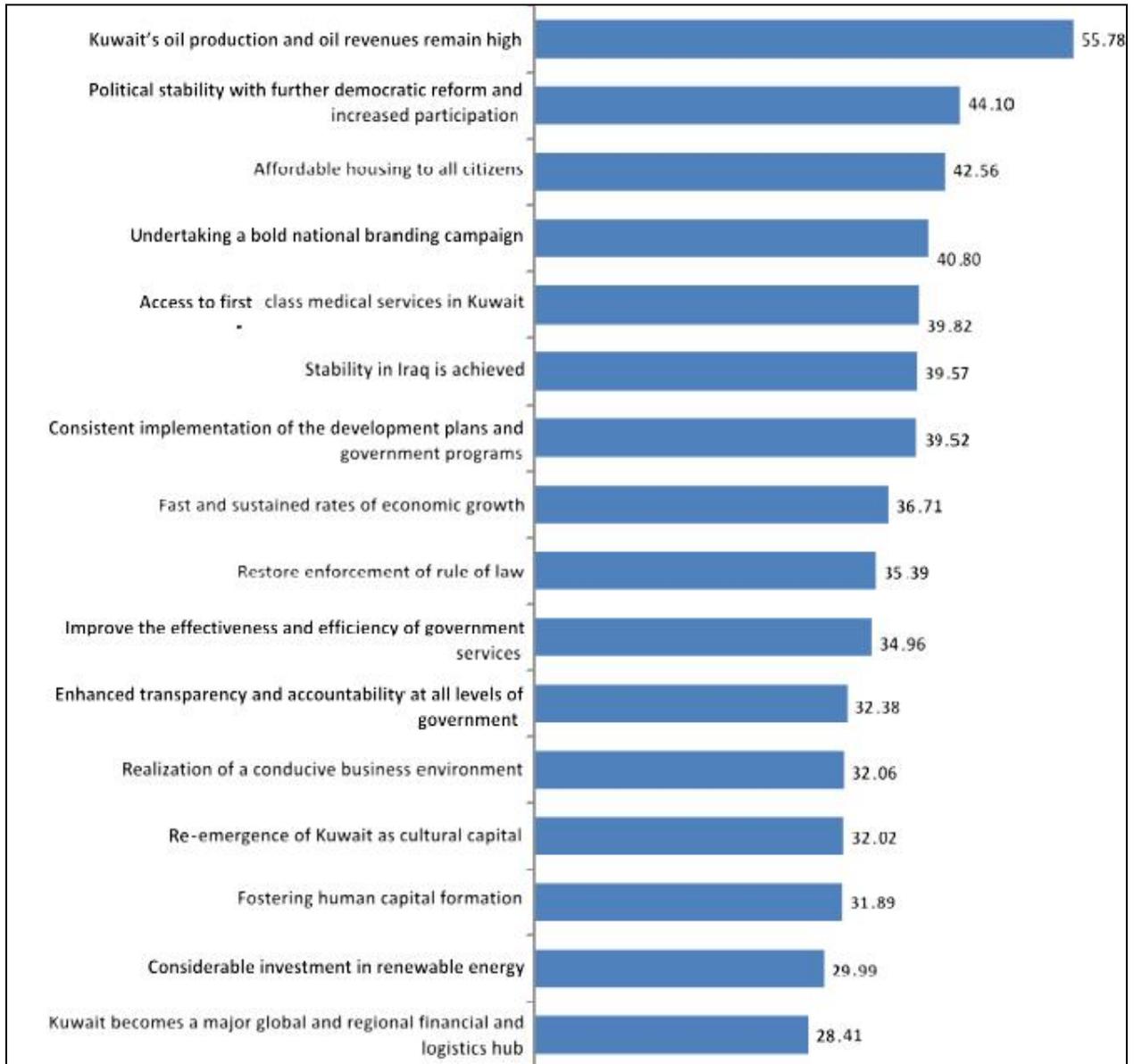
Table 1 Kuwait's Hopes and Fears of the Future

No.	Hopes	Fears
1	Fostering human capital formation (focus on skills, better education outcomes, focus on market skills and prerequisite for knowledge economy)	Persistent increases in corruption levels
2	Restore enforcement of rule of law	Sharp decline in oil revenues (due to fall in prices or production)
3	Enhanced transparency and accountability at all levels of government	Water shortages and depletion of aquifers
4	Improve the effectiveness and efficiency of government services	Youth idleness and moral decadence
5	Access to first-class medical services in Kuwait	The world witness a new and deeper financial crisis
6	Consistent implementation of the development plans and government programs	Increase prevalence rates of diabetes, obesity and other non-communicable diseases
7	Fast and sustained rates of economic growth.	Further deterioration of air quality
8	Realization of a conducive business environment (to foster private sector development in all sectors and to attract foreign investment)	Ethnic and sectarian tensions and civil strife ensues
9	Kuwait's oil production and oil revenues remain high	Environmental accident in Bushehr, Iran
10	Increase stability in the political system with further democratic reforms and increase participation (women, minorities, youth inclusion, etc)	Accentuation of "Bidoon" stateless issue
11	Affordable housing to all citizens	Eruption of a regional war
12	Kuwait becomes a major global and regional financial and logistics hub	Solid waste crowds out land from other economic activities
13	Considerable investment in renewable energy	Terrorism (home-grown or cross-border)
14	Stability in Iraq is achieved	Kuwait faces a food crisis
15	Re-emergence of Kuwait as cultural capital	Arab Spring spills over to Kuwait and leads to reversal of political and human rights
16	Undertaking a bold national branding campaign	A major natural disaster, including an earthquake

The respondents of the Real-Time Delphi survey ranked the list of hopes in terms of importance (ranging from 0-10, with 0 as least important and 10 as the most important) and the likelihood of occurrence (probability of occurrence ranging from 0% to 100%) in the absence of major policy changes in the next decade. Survey participants also listed their suggestions on needed policies to realize the various hopes.

Table 2: Hopes Ranked in Terms of Importance

No.	Hopes	Importance (max 10)
H1	Fostering human capital formation (focus on skills, better education outcomes, focus on market skills and prerequisite for knowledge economy)	9.69
H2	Restore enforcement of rule of law	9.60
H3	Enhanced transparency and accountability at all levels of government	9.57
H4	Improve the effectiveness and efficiency of government services	9.50
H5	Access to first-class medical services in Kuwait	9.50
H6	Consistent implementation of the development plans and government programs	9.34
H7	Fast and sustained rates of economic growth.	9.22
H8	Realization of a conducive business environment (to foster private sector development in all sectors and to attract foreign investment)	9.15
H9	Kuwait's oil production and oil revenues remain high	9.06
H10	Increase stability in the political system with further democratic reforms and increase participation (women, minorities, youth inclusion, etc)	8.95
H11	Affordable housing to all citizens	8.76
H12	Kuwait becomes a major global and regional financial and logistics hub	8.68
H13	Considerable investment in renewable energy	8.67
H14	Stability in Iraq is achieved	8.23
H15	Re-emergence of Kuwait as cultural capital	7.89
H16	Undertaking a bold national branding campaign	7.89

Figure 1: Hopes Ranked in Terms of Likelihood

Key Kuwaiti Hopes

Social and Governance Hopes Top Ranked in Terms of Importance

The hopes rated the most important by the expert participants were the attainment of social and governance objectives. The Real-Time Delphi survey results showed that participants consider the hope of fostering human capital formation as the most important, followed by restoring the enforcement of rule of law, enhancing transparency and accountability, improving the effectiveness of government service delivery, and access to first-class medical services.

Economic objectives and hopes were ranked by the experts in second place in terms of importance. In order of importance, these included attainment of sustained and rapid economic growth, enhancing the business climate, and maintaining high oil production and revenues.

The least two important hopes according to the experts were the re-emergence of Kuwait as cultural capital and of undertaking a national branding campaign.

Hopes that Require Structural Reforms Perceived Least Probable to Occur

There was an inverse relationship between likelihood of achievement and importance of the hope: most of the social and governance hopes ranked to be very important for Kuwait's future were assessed by participants to be the least probable to occur in the next decade. For instance, the likelihood of occurrence for fostering human capital formation (which was top ranked in terms of importance) is ranked in the fourteenth position in terms of likelihood. Similarly, while undertaking a national branding campaign was perceived to be the least important hope among the 16 hopes, it was assessed to be ranked fourth in terms of likelihood.

This inverse relationship could be attributed to the nature of structural reforms that are needed to realize these hopes. This view is supported by the observation that programs that are ongoing or do not require systemic long-term reforms received a higher probability of achievement.

Two of the 16 hopes were identified by participants to be relatively least important and unlikely to unfold in the next decade. These included re-emergence of Kuwait as cultural capital and considerable investment in renewable energy.

The likelihood of all hopes to occur was less than 50% (except the hope that Kuwait oil production and oil revenues would remain high (56%)). Moreover, out of 15 remaining hopes, 6 hopes had a likelihood of occurrence in the range of 40%, 8 in the range of 30%, and 1 in the range of 20%.

Major Kuwaiti Fears

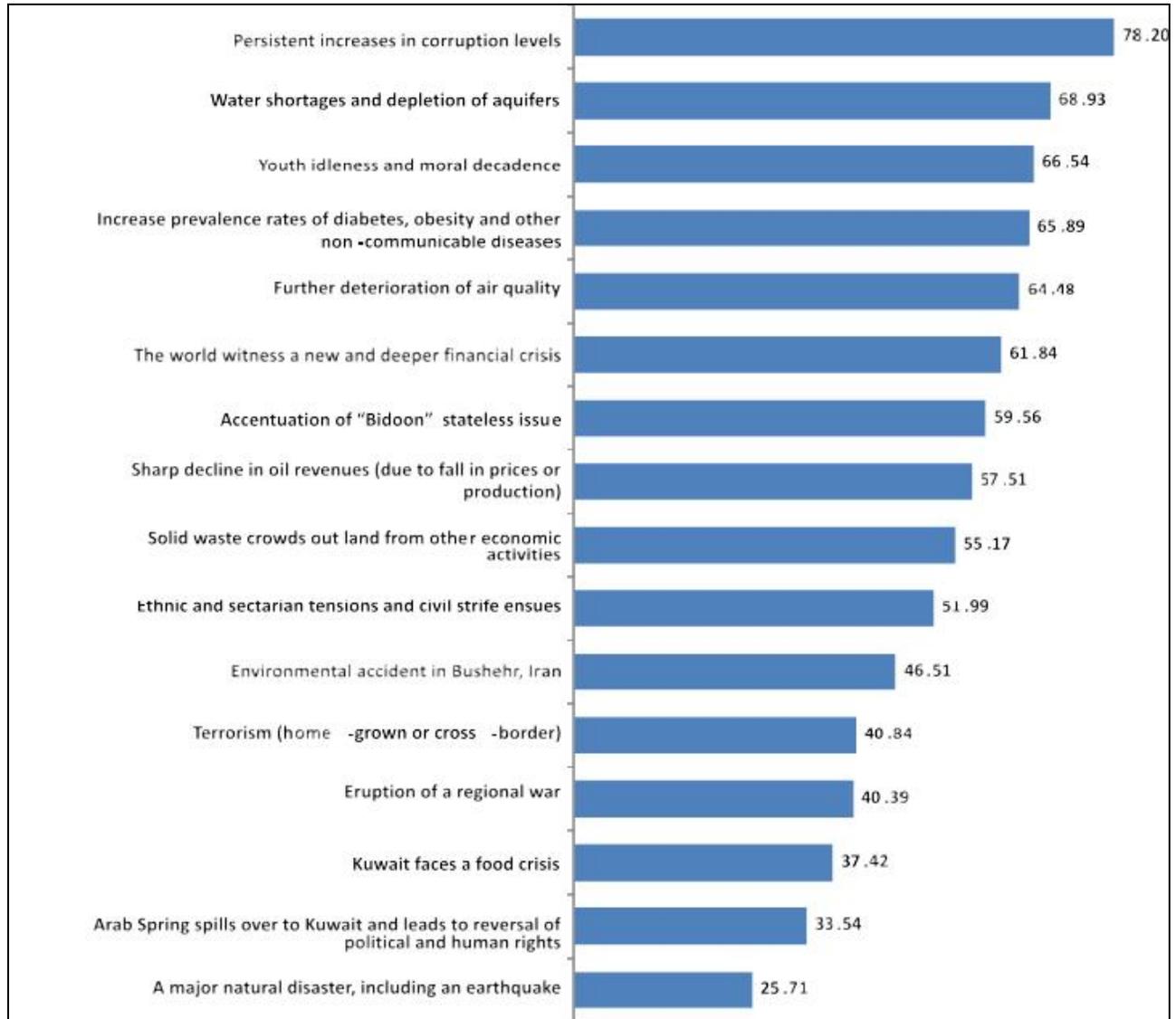
The Kuwaiti experts were asked to rank the 16 identified fears in terms of importance (ranging from 0-10, with 0 being least important and 10 as the most important). Participants were also requested to assess the likelihood of occurrence (probability of occurrence ranging from 0% to 100%) in the absence of major policy changes in the next decade. Finally, the RTD survey requested identification of appropriate policies to allay some of the fears.

TABLE 3: MAIN FEARS RANKED IN TERMS OF IMPORTANCE

No.	Fears	Importance (max 10)
F1	Persistent increases in corruption levels	9.43
F2	Sharp decline in oil revenues (due to fall in prices or production)	9.20
F3	Water shortages and depletion of aquifers	9.15
F4	Youth idleness and moral decadence	9.07
F5	The world witness a new and deeper financial crisis	8.93
F6	Increase prevalence rates of diabetes, obesity and other non-communicable diseases	8.88
F7	Further deterioration of air quality	8.82
F8	Ethnic and sectarian tensions and civil strife ensues	8.76
F9	Environmental accident in Bushehr, Iran	8.62
F10	Accentuation of “Bidoon” stateless issue	8.35
F11	Eruption of a regional war	8.29
F12	Solid waste crowds out land from other economic activities	8.00
F13	Terrorism (home-grown or cross-border)	7.83
F14	Kuwait faces a food crisis	7.40
F15	Arab Spring spills over to Kuwait and leads to reversal of political and human rights	7.00
F16	A major natural disaster, including an earthquake	6.23

The least important fears according to the participants in the RTD survey (ranging between 6.23 and 8.00) included concerns about natural disasters, food insecurity, political instability, terrorism, and problems of solid waste management.

Figure 2: Main Fears Ranked in Terms of Likelihood



Two main observations about the results of the likelihood of the major fears are worth noting. First, participants attached much higher probability of occurrence to the fears than the corresponding levels for the key hopes. Second, the dispersion in the probabilities for the main fears is also considerably higher (ranging from 25% to 78%).

Concerns about Corruption and Natural Resource Depletion Top Kuwaiti Fears

The RTD results showed wider dispersion in the rankings for fears in comparison with the ranking of the key hopes. The mean average for the importance ranged between 6.23 and 9.43.

The greatest fear ranked by the participants is corruption. Other important fears include concerns about the natural resource depletion (both oil and water). Fears about youth idleness and new global financial crisis were among the top important fears.

The middle ranked fears (with mean importance between 8.00 and 8.88) included social concerns (rise in non-communicable diseases, sectarian tensions and accentuation of "bidoon" problem) and environmental concerns (fears of poor air quality and environmental accident in Bushehr). Concerns about eruption of a regional war was also among the middle ranked fears.

Consistency in the Importance and Likelihood of Occurrence of the Fears

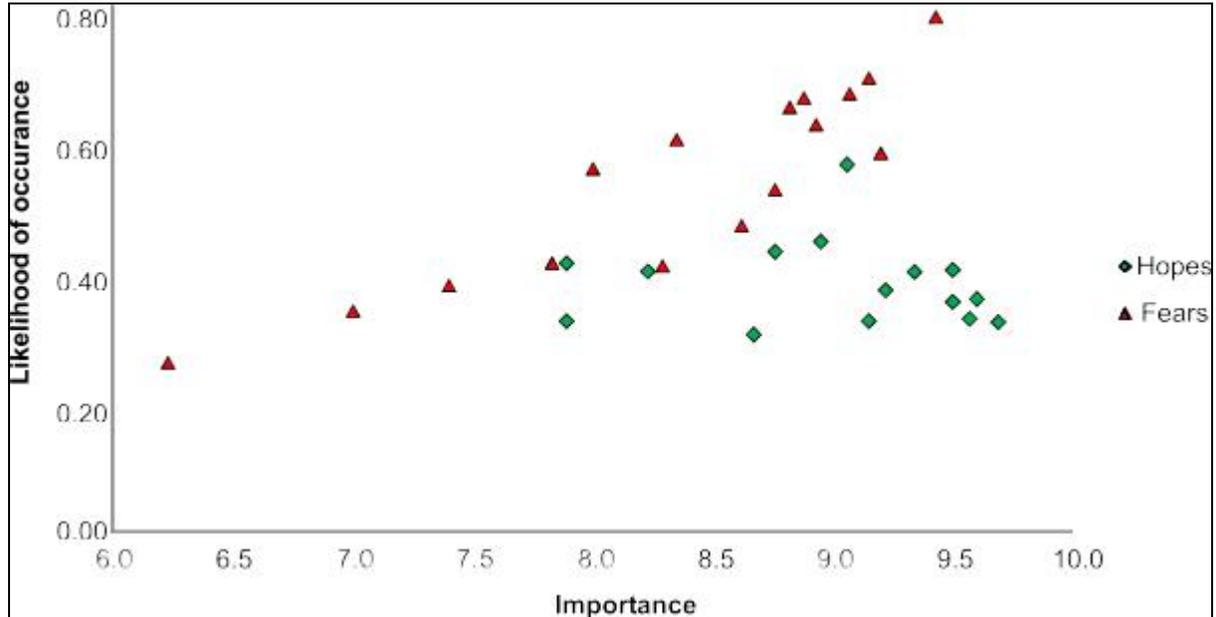
Unlike the probabilities attached to the main hopes, survey results showed correlation between importance of the fear and the likelihood of occurrence: the higher the importance, the greater the likelihood. The RTD survey results also revealed that concerns about rising corruption level and natural resource depletion have a higher probability of occurrence, while the likelihood of concerns about social and environmental concerns were ranked in the middle range. Similarly, participants also accorded lower probability for natural disasters political instability, food insecurity, terrorism, and eruption of a regional war.

Conclusions and Juxtaposition of Hopes and Fears

The results of the survey revealed that participants have held different perceptions about future developments (hopes or fears) and attached varying degrees of importance and likelihood of occurrence to these developments. Taken together, the results point to several important insights.

First, participants attached higher importance to most of the anticipated hopes as can be visually seen by the smaller dispersion of the identified important hopes. Conversely, the results show that participants did not attach higher importance to several of the identified fears (see Figure 3).

FIGURE 3: DISTRIBUTION OF HOPES AND FEARS



Second, participants expressed a pessimistic mood in terms of their anticipation of future developments. They accorded higher probability for the occurrence of various fears, in comparison with anticipated hopes. This can also be interpreted as lack of trust in the government's ability to undertake requisite reforms or lack of confidence that government policies, if implemented, will be effective or successful.

Third, participants held different perceptions about some of the closely linked hopes and fears. For example, deterioration in governance and improved governance outcomes have been accorded different probabilities of occurrence despite consensus of participants on their importance. This may be interpreted as recognition of the immediate and short term negative

impact of further deterioration of governance indicators and the long-term horizon needed to undertake systemic reforms to improve governance.

Fourth, the results of the survey point to possible prioritization of policy interventions to realize various desired hopes. There are a few “low hanging fruits” which have greater impact/ importance and can be realized with manageable programs. These include increasing oil production, maintaining rapid rate of economic growth, speedy implementation of the nation’s development plan, and improving medical services.

There are also important hopes that can be realized which require systemic and sustained reforms. These include enhancing the business climate, fostering human capital formation, improving governance structure, and raising government effectiveness in its service delivery.

Finally, there are few hopes that received lower ranking in terms of importance and their achievements is relatively difficult compared to other hopes. For these hopes the government should accord relatively lower priority though they are important to be achieved in the longer term. Examples for these hopes include considerable investment in renewable energy and re-emergence of Kuwait as cultural capital (see Figure 4). A similar prioritization exercise is useful in the way the government addresses the looming fears. It is interesting to note that the results of the RTD survey with regard to fears depict a clear trajectory for prioritization of government actions to mitigate and adapt to looming fears (see Figure 5).

Figure 4: Prioritization of Hopes

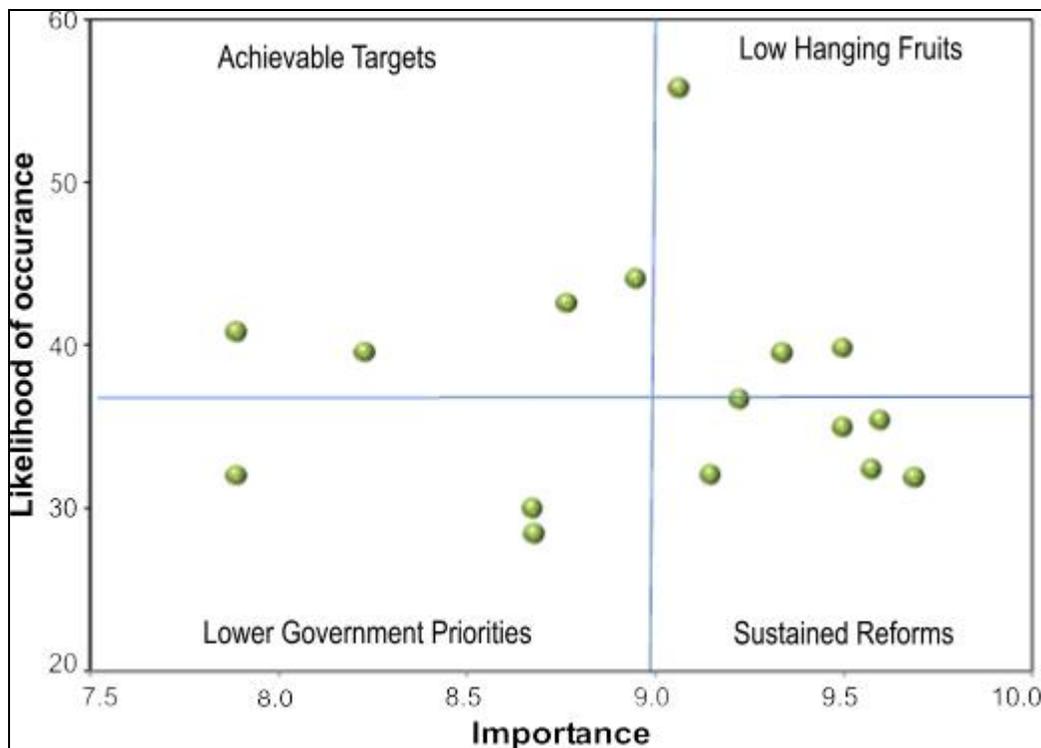
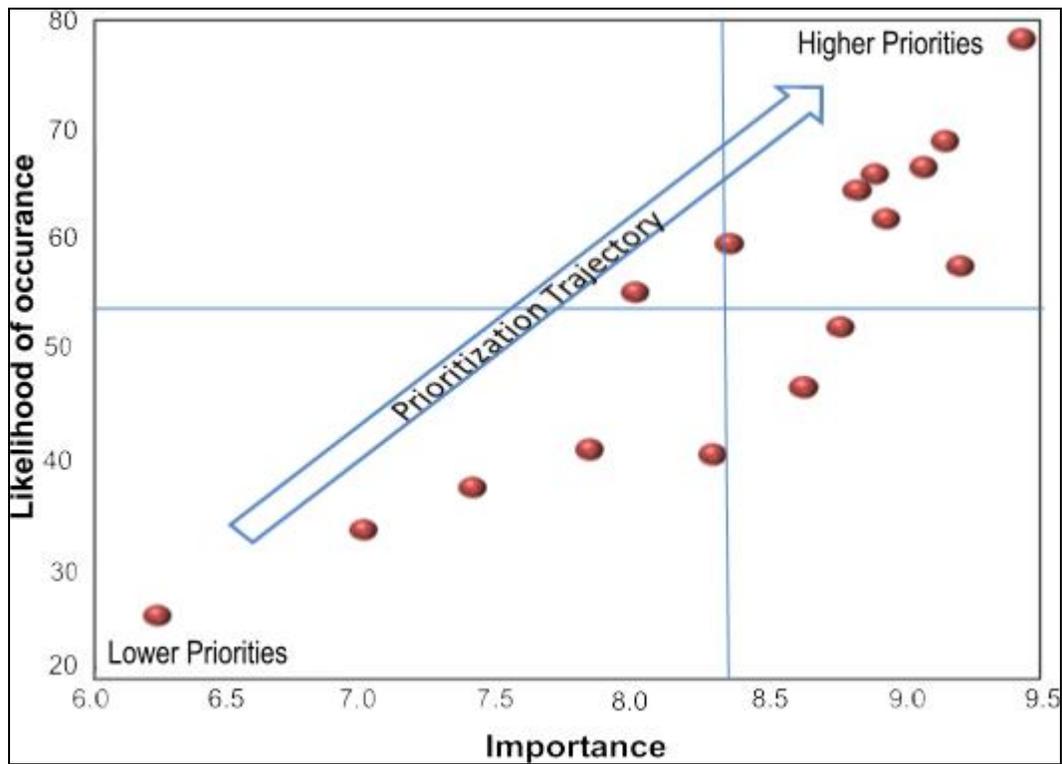


Figure 5: Prioritization of Fears

Conclusion

Kuwait's Hopes and Fears consistently point to the importance of governance as a top priority for the short and medium horizon, and recommends undertaking measures to address crucial social sector reforms, ensure a sustainable path for economic development. In addition, it points to the importance of setting up an integrated resilience and disaster management system and devising systematic ways of gauging public opinion and scanning future horizons.