

Lives and Livelihoods

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Historically, crises have served as catalysts that accelerate trends, such as growth and development. At other times, as evolutionary processes that favor the strongest and fittest, and separates the wheat from the chaff. Change is inevitable, and those who possess “efficient resilience” are left standing, and those who do not, perish. The coronavirus pandemic, with its economic repercussions, has brought with it record low oil prices, the likes of which the world has not seen in a long time. Despite the long shadows these prices cast, they also offer an opportunity for us to shape our future on three dimensions: government, economy and society.

Our government

The crisis has reaffirmed our dire need for economic and structural reforms to maintain inclusive sustainable prosperity. There no longer is room for complacency in our efforts to diversify the economy and minimize our dependence on oil. Establishing a stronger partnership with the private sector and increasing its role would ensure a conducive business environment for domestic and foreign direct investments. We need to streamline the government-operating model to become more agile and create effective digital government entities that direct expenditures towards resource efficiency and economic growth.

As economies back away from globalization and localize critical sectors such as food and medicine pharmaceuticals to drive self-sufficiency and supply chain continuity, we find that the need to strengthen our economic partnerships, diversify the suppliers of these strategic products, and ensure the availability of geographically convenient substitutes is more pressing. The government needs to create attractive investment opportunities for the private sector in these

critical areas, and to direct public investments towards these sectors, to build resilience to outside shocks. We must also prioritize health care reform for better pandemic preparedness and provide more home/community-centered patient care and digital medical services.

For those reforms to take shape, academia must invest in scientific research and training to develop a cohort of change agents equipped with forward thinking and cutting-edge technical training to bring to fruition the desired advances.

Our economy

A mindset is needed that embraces development, competitiveness, diversification, and innovation, especially in the areas that are most impacted by this crisis. “Efficient resilience” is therefore a necessity, as companies focus on providing additional value to customers, reinvent operating models and emphasize business continuity.

This crisis has demonstrated the importance of both the resilience and efficiency of the Central Bank of Kuwait and the banking sector in their ability to weather the storm effectively and independently. The prudent regulatory policies and strong risk management in place have strengthened the banking sector and allowed it to be part of the solution. Banks should continue on the same path, while ensuring strong business continuity frameworks, as they take on a larger role in the move towards economic diversity. They need to move beyond financial intermediation and build ecosystems where FinTech can thrive.

In our view of the economy of the future, the small and medium enterprise sector will be vital to increasing entrepreneurship, bolstering the digital economy, and creating job opportunities for Kuwaitis. This responsibility also befalls large corporations who should also drive economic growth and expand their social contribution.

Our Community

Increased productivity, and shifts in behavior will lead to a cultural resurgence of saving and investing. We will also see our national workforce, which has proven itself capable across all arenas, become more skilled. If we succeed in enacting these reforms, we predict greater Kuwaitization as a result of higher-quality jobs. Unskilled labor will make way for more skilled labor that can result in a more balanced demographic fabric and make higher contributions to the economy.

As remote work becomes more common and digital infrastructure more developed, the opportunities to reduce the population density and increase urban growth outside Kuwait City will allow for development of housing units that meet Kuwaiti families' needs.

Finally, this crisis uncovered Kuwaitis' mettle and fortitude. And shone the values we hold dear, of solidarity, altruism and compassion. These values, deeply rooted in Kuwait, are the way we have faced all crises in the past and are the foundation on which we will build our future.

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