

## ***The Silver Jubilee of the Institute of Banking Studies in the State of Kuwait***

It gives me pleasure to meet with you to celebrate together the twenty-fifth anniversary of the establishment of the Institute of Banking Studies in Kuwait in December 1970. On this occasion, I shall endeavor -in my capacity as Chairman of the Institute's board of directors- to highlight its past and ongoing contributions to the Kuwaiti banking business in particular, and to the objectives and aspirations of our national economy in general.

Before presenting the Institute's achievements and future aspirations, I would like you to join me in quickly revisiting the long fruitful years of its history, starting with a contemplation of its inception in 1970 and the circumstances which then called for its establishment.

In the beginning of our summary review of the history of the Institute's establishment, I would like to point out that its beginnings coincided with an important phase of the banking activity in Kuwait, a phase characterized by an impetus for development and advancement in all facets of banking and finance, and which was in harmony with the then prevailing era of growth and economic development in our beloved Kuwait.

The outcome of this important phase was the establishment in the seventies of many banking and financial institutions, among which was the Institute of Banking Studies. These institutions took on the responsibility of achieving both the advancement and development which were then needed in the banking and financial areas.

Because the functions assumed by the Central Bank of Kuwait (CBK) encompass regulating the banking profession, along with upgrading the performance of the banking system and improving the technical efficiency of local banks' employees, the CBK therefore deemed it necessary to establish what became known in 1970 as the Center for

Banking Studies, and which was later given the appellation of '**Institute**' as of December 1982.

Throughout the history of the Institute, achieving the purpose for which it was established remained its main focus of interest, and headed its priorities. This purpose -as defined in the Decree for the Institute's establishment- is "to upgrade performance sufficiency in the banking system and increase the technical efficiency of its staff members, by offering training programs and specialized study courses to those enrolled with the Institute, along with supporting research in banking and finance areas".

It therefore emerges that the purpose of establishing the Institute is, primarily, to develop Kuwaiti bankers capable of assuming the burden of work in the banking system, along with upgrading the performance of local banks' employees. This purpose stems from the conviction that the development of human resources is the approach through which our beloved Kuwait intends to pursue its quest for development and prosperity, especially since past experience has demonstrated that the success of developed countries is to a large extent an outcome of their efficient management of human resources, appropriately considered the most important element of development.

Notwithstanding the time considerations associated with the commencement of the Institute's work -a commencement characterized by the close interaction of the Institute's history with the era of economic growth and banking development in Kuwait in the seventies on the one hand, along with the synergy of the Institute's aims with the CBK's concerns on the other- the Institute's achievements throughout its long-lived course of action call for the commendation of its role and the status it achieved through unwavering efforts, seriousness of intent and effectiveness.

You may agree with me that this praise of the Institute's achievements is well-deserved, as it is based on important facts, foremost among which are the following:

- First:** The total number of those who were granted the first and second levels of the Diploma of Banking Sciences reached 377, the majority of which hold important and influential posts in the Kuwaiti banking system. Furthermore, 1743 students benefited from the academic programs.
- Second:** The Institute has presented 550 training programs, which counted the participation of 10,000 trainees.
- Third:** The number of those who benefited from the English-language programs exceeded five thousand.
- Fourth:** The Institute has conducted 48 researches and studies on numerous issues and challenges confronting the banking and financial system, and in the area of financial analysis for banks and financial institutions in Kuwait, as well as for banks in countries of the Gulf Cooperation Council (GCC).
- Fifth:** The Institute's contribution reached beyond our local banking and financial institutions to Arab and Gulf institutions. It is worth noting in this regard the Institute's role in meetings of the directors of the banking training institutes in the GCC through its contribution to the work of the committees, its presentation of working papers and studies, and its exchange of views which participate in developing these Gulf institutions and achieving the proper fulfillment of their mission. Furthermore, the Institute offers to those working for the GCC's banking and financial institutions the opportunity to join any of its various programs.

Presenting the achievements of the Institute of Banking Studies throughout twenty-five years fraught with significant developments and challenges is not an easy task. Moreover, focusing on figures and

quantitative indications derived from the statistics of the tremendous development in the numbers of training, study and research programs, as well as in the numbers of students and trainees, falls short of allowing the qualitative dimension in the Institute's activities the high significance it deserves. This is particularly so, since the Institute has allowed utmost consideration to the quality aspect, and has consequently made available modern facilities, in terms of computer software, hardware and the like, in furtherance of its activities in all areas.

We can therefore say that the Institute has truly undergone an outstanding qualitative change, especially throughout the last ten years, a change represented by the upgraded contents of its various programs, as well as by the adoption of an approach to their preparation and execution based on selecting outstanding local and international qualifications and experiences. This qualitative change has endowed the Institute with a distinct identity in comparison to prominent institutes for banking studies in other countries, and allowed it to acclimatize itself with continual developments in the banking industry.

Following up closely the history, development of the Institute, one cannot but notice several important matters, including:

**First:** The Institute did not limit its role to preparing programs in response to the ever-changing needs of banks' employees, or to attracting those at the highest level of expertise for the implementation of these programs; rather, it considered itself an essential partner in the process of developing the banking business in all areas and at all levels, through a close interaction with those concerned at the local banks in designing and developing its programs.

**Second:** The activities of the Institute and consequently their prioritization were, and still remain, an outgrowth of the actual needs of the continual development process in the

local banking system. In meeting these requirements, the Institute has given due consideration to practical aspects, adopted a realistic approach in its activities and made allowance for the working conditions of the banking industry in the State of Kuwait as well as for developments occurring in global banking business.

**Third:** The Institute embodies the prevalent concerns shared by the Kuwaiti banking units, as well their aspirations for concerted efforts within the area of local banking, since the latter represents the lifeblood of all facets of our national economy. Accordingly, we may find in many of the Institute's programs signs of its swift response to the common concerns of local banks in various areas.

**Fourth:** Although meeting actual banking needs in all respects, the Institute's implementation of programs and activities in this regard has always been accompanied by a quest for the latest advancements and innovations, with a view to selecting the most useful among them. Thus, the Institute's current reality was reaching toward its future aspirations.

Our celebration today of the Silver Jubilee of the Institute of Banking Studies is fraught with indications, one of which is our pausing to behold its course in a quest for useful learned lessons for the future. Another is to derive from these lessons a number of recommendations which we deem of pressing importance for the realization of the Institute's future aspirations. Following are some of these recommendations:

**First:** That Kuwaiti banks change their views of the human element, and grant it priority in their future plans. In fact, what is being witnessed globally nowadays in terms of the trend towards the formation of economic blocs and strong competition, along with the continual developments in the money and financial markets and the technological

advancements in areas of relevance to the environment of the banking business, makes the development of human resources strategic and pivotal in securing the growth and development of our Kuwaiti institutions and in enhancing their capacity to fulfill their mandate in service to the nation and its citizens. I am, therefore, calling on local banks to expend more efforts and pay more attention in selecting the appropriate quality of staff members who join the programs of the Institute of Banking Studies, while endeavoring to increase the percentage of qualified Kuwaitis in the total labor force at Kuwaiti banks.

**Second:** That the manpower departments at Kuwaiti banks be granted the proper importance and the suitable organizational position befitting the significance of the human element. We can here candidly state that the task of developing human resources in Kuwaiti banks cannot be truly realized unless these departments are granted that appropriate importance and position.

**Third:** That local banks be in continuous support of and cooperation with the Institute, and participate in all stages and areas of its activities. This would strengthen the Institute's capacity to best fulfill its mission.

**Fourth:** That the Ministry of Education reestablish its accreditation of the First Level Diploma granted by the Institute, as in the period before the brutal Iraqi invasion. Such accreditation was then based on the Ministry of Education's decision of December 29, 1976 to consider this diploma the equivalent of comparable educational qualifications awarded by accredited institutes for a study period spanning two years after the high school certificate or its equivalent. There is no doubt that reestablishing such accreditation of the First Level Diploma granted by the Institute would be an incentive for both the Institute and its students, the former

in further enhancing its efforts and the latter in further stimulating their eagerness to learn.

Furthermore, I would like to take the opportunity of this celebration, which coincides with the beginning of 1996, to point out the intensive efforts that will be needed during the coming phase to face the challenges and achieve the economic aspirations of our beloved country. These challenges and achievements require the existence of highly competent economic, financial and banking institutions, such as the Institute of Banking Studies. Therefore, I would like on this occasion to state two urgent requests:

***The First Request:*** addressed to those in both the executive and legislative authorities which are concerned with our national economy, urging them to expend intensive efforts in restructuring the Kuwaiti economy so as to face up to the most important and critical challenge confronting us, namely the continuing deficit in the State General Budget.

***The Second Request:*** addressed to the private sector to broaden its role in overall domestic economic activities, and to augment its domestic investments and employ a tangible portion of the national manpower.

While I hope that the Institute will find in this meeting a strong impetus to continue its significant contribution, I would not miss the opportunity to commend the strong bases upon which its course rests and which were firmly established by both former CBK governors, Mr. Hamza Abbas Husein and Mr. Abdel Wahab Al-Tammar. I would also like to commend the effective contribution of both the former and present members of the Institute's board of directors, as well as the active role played by the Institute's director, Dr. Abdullah Muhanna, and those working with him.

Finally, I wish the Institute further success in achieving its objectives, and ask that God Almighty bestow success and prosperity on the role

of the banking sector, under the guidance of His Highness Sheikh Jaber Al-Ahmed Al-Jaber Al-Sabah, the Amir of the State of Kuwait, and His Highness the Crown Prince and Prime Minister Sheikh Saad Al-Abdullah Al-Sabah, may God save them both.

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