

# Future Kuwait: Prosperity, Stagnation, or Decline? †

Andri Ottesen \*, Dieter Thom, Rola Mourdaa and Rupali Bhagat

College of Business, Australian University, West Mishref 13015, Kuwait

\* Correspondence: a.ottesen@au.edu.kw

† Presented at the Digital Transformation in Business: Challenges and New Opportunities, West Mishref, Kuwait, 17 November 2022.

**Abstract:** This study is a qualitative meta-analysis employing a critical interpretive synthesis to describe three equally probable future social and economic growth scenarios for the State of Kuwait over the next 15 years. The first scenario adheres to what we refer to as the “Sustainable Growth” Model, as stated by the United Nations Development Goals and the Kuwait Vision 2035 presented by His Majesty the Amir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah. As the polar opposite of the worst-case scenario, the next scenario is the ‘Mismanaged Resource-Based Autocracy’ Model, which reflects the negative. The third scenario, which we refer to as the ‘Equality of Result amongst Social Groups’ Model, falls between the first two. In order to avoid assigning blame for past deeds or pointing fingers, which could be unhelpful to a consensus-building process for necessary actions, we chose to use the pasts of other nations to forecast the future of the State of Kuwait. Singapore was the best fit for the first scenario, Venezuela for the second, and Lebanon for the third, according to our examination of recent socioeconomic histories. All of these nations attained independence about the same period as the State of Kuwait and share numerous other commonalities. The three future projections served as input variables for a bottom-up and top-down consensus-building procedure regarding utilitarian action in Kuwait.

**Keywords:** scenarios; public choice; stakeholder theory; scenario planning

## 1. Objectives

This study is a qualitative meta-analysis of three future scenarios of social and economic development in the State of Kuwait over the next two decades. It compares the social and economic developments of Singapore, Lebanon, and Venezuela over the last two decades. These countries were chosen due to their similarities to the demographics, economics, and value system of Kuwait. This study’s objective is to project the consequences if Kuwait’s social and economic environment develops as it has in these countries [1–4].

## 2. Methodology

This study combines stakeholder theory, public choice into a model of the market economy as per the Shell scenarios. There are eight steps to the execution of this study: we will select input drivers; map their interrelationships; define dimensions of uncertainty; select criteria for scenarios of similar outcomes; gather a wide range of relevant data; map foreseeable future challenges and formulate strategic options; receive feedback on the scenarios; and discuss the implications of this study in a forum [5–15].

## 3. Results

The Kuwait of the future could follow the pattern of Singapore (prosperity), Lebanon (stagnation), or Venezuela (decline), depending on the choices that are made by policy-makers in the next 10 to 20 years. If they implement effective policies that encourage direct foreign investment, small business entrepreneurship, and the local production of



**Citation:** Ottesen, A.; Thom, D.; Mourdaa, R.; Bhagat, R. Future Kuwait: Prosperity, Stagnation, or Decline? *Proceedings* **2023**, *85*, 24. <https://doi.org/10.3390/proceedings2023085024>

Academic Editor: Vladimir Simovic

Published: 20 March 2023



**Copyright:** © 2023 by the authors. Licensee MDPI, Basel, Switzerland. This article is an open access article distributed under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

manufactured goods, then the road to prosperity will be followed. If not, then stagnation is inevitable, and decline is possible as global demand for oil recedes [16–20].

#### 4. Implications

The impact of this exercise, assuming that it reaches a critical mass of influential decision-making Kuwaitis, will be profoundly influenced by political, cultural, and regional motivations. The purpose of this study is not to confirm preconceived ideas but to generate a wide discussion of future opportunities and threats by revealing the ‘big picture’ with a summary of the findings. It is hoped that this study will lead to strategies and policies based on informed, utilitarian value judgments.

#### 5. Originality

There have been several attempts to perform economic scenario forecasting for Kuwait and other countries. Shell conducted significant strategic research before investing in Kuwait’s infrastructure. The South African Mandela administration forecasted a favorable long-term scenario called ‘The Flight of the Flamingos’. In a paper commissioned by the Icelandic finance minister in 2001 for the Icelandic economy, the first author of this paper predicted a scenario that was fulfilled in the 2008 global economic crisis. The methodology in this paper rests on the work from 2001 with later improvement. This study is aimed to create a consensus of needed structural improvement for sustainable development.

#### 6. Contribution

Although this study is not primary research, it draws from numerous sources of secondary research, much of which is original. This paper synthesizes a wide range of research on different countries to posit possible outcomes for Kuwait. Its theoretical approach intertwines socioeconomic studies of public choice with stakeholder theory in a model of the market economy. It is hoped that this study’s theoretical contributions and resulting practical applications will be useful to a wide range of researchers. The study is an input for further papers about consensus making by focus group and Delphi method using this paper as the three possible outcomes depending on choices that yet have not transpired.

**Author Contributions:** A.O. was the principal investor of the project and was responsible for the conceptualization, methodology, and final editing, as well as funding acquisition and administration. D.T., R.B. and R.M. were responsible for the literature review, data curation, scenario writing, original draft preparation, and editing. All authors have read and agreed to the published version of the manuscript.

**Funding:** This paper is a follow-up of a wider study called “Breaking the ICE reign: mixed method study of attitudes towards buying and using EVs in Kuwait”. That study was funded by the Kuwait Foundation for the Advancement of Sciences, administered by the Middle East Center of the London School of Economics and Political Science. Aim of these projects are to promote sustainable development within State of Kuwait. The follow up study is financed by Kuwait Foundation for Scientific Advancement—Middle East Center of LSE: 001-2021.

**Institutional Review Board Statement:** The study was approved by the London School of Economics and Political Science Ethics Committee (0055800004KJE9AAO, dated 24 November 2021).

**Informed Consent Statement:** Informed statement about the usage and purpose of the study was included in the questionnaire, as directed by the LSE Ethics Committee.

**Data Availability Statement:** Not applicable.

**Conflicts of Interest:** The authors declare no conflict of interest.

## References

1. Bureau of Democracy, Human Rights and Labor. International Religion Freedom Report. 2010. Available online: <https://2009-2017.state.gov/j/drl/rls/irf/2010/148830.htm> (accessed on 26 June 2022).
2. Carvalho, A.; Youssef, J.; Ghosn, J.; Talih, L.; Kuwait in Transitions: Towards Post Oil Economy. Report Commissioned by Kuwait Investment Authority. 2017. Available online: [https://www.ticg.com.kw/content/dam/oliver-wyman/ME/ticg/publications/TICG\\_PoV\\_Kuwait\\_In\\_Transition.pdf](https://www.ticg.com.kw/content/dam/oliver-wyman/ME/ticg/publications/TICG_PoV_Kuwait_In_Transition.pdf) (accessed on 26 June 2022).
3. Coelho, G.; Hanel, P.; Johansen, M.; Maio, G. Mapping the Structure of Human Values through Conceptual Representations. *Eur. J. Personal.* **2019**, *33*, 34–51. [[CrossRef](#)]
4. Macrotrends. Kuwaiti Fertility Rate 2021. 2022. Available online: <https://www.macrotrends.net/countries/KWT/kuwait/population> (accessed on 30 September 2022).
5. Marcel, P.; Jurgen, R.; Stefan, S. How will last-mile delivery be shaped in 2040? A Delphi-based scenario study. *Technol. Forecast. Soc. Chang.* **2022**, *177*, 121493. [[CrossRef](#)]
6. Charles, P. *Learning from the Future*; John Wiley & Sons: Hoboken, NJ, USA, 1998.
7. Etemad, H.; Gurau, G.; Leo-Paul, D. International entrepreneurship research agendas evolving: A longitudinal study using the Delphi method. *J. Int. Entrep.* **2022**, *20*, 29–51. [[CrossRef](#)]
8. Gwartney, J.; Richard, S.; Russel, S.; MacPherson, D. *Private and Public Choices*, 17th ed.; Cengage: Boston, MA, USA, 2020.
9. Maier, D.; Maier, A.; Aschilean, L.; Anastasiu, L.; Gavris, O. The Relationship between Innovation and Sustainability: A Bibliometric Review of the Literature. *Sustainability* **2020**, *12*, 4083. [[CrossRef](#)]
10. Mueller, D. *Public Choice III*; Cambridge University Press: Cambridge, UK, 2003.
11. Ottesen, A. Three Future Scenarios for Ten Year Economic and Social Development for a Small Island State. Managing Effectively in the New Fiscal Reality—Annual Conference. *Proc. ACBSP* **2008**, *1*, 1–23.
12. Wack, P. Scenarios: Shooting the Rapids. *Harv. Bus. Rev.* **1985**, *63*, 139–150.
13. Wack, P. Scenarios: Uncharted Waters Ahead. *Harv. Bus. Rev.* **1985**, *63*, 72–89.
14. Prime Minister’s Office, Singapore. Speech by Prime Minister Lee Hsien Loong at Official Opening of University Town. 2013. Available online: <https://www.pmo.gov.sg/newsroom/speech-prime-minister-lee-hsien-loong-official-opening-university-town> (accessed on 26 June 2019).
15. Ottesen, A.; Thom, D.; Bhagat, R.; Mourdaa, R. Learning from the Future of Kuwait: Scenarios as a Learning Tool to Build Consensus for Actions Needed to Realize Vision 2035. *Sustainability* **2023**, *in press*.
16. Isabella, B.; Bianchi, G. Singapore: The Reasons Behind Its Economic Success. 2019. Available online: <https://hospitalityinsights.ehl.edu/singapore-economic-success> (accessed on 26 June 2019).
17. Patrick, J.K.; How Venezuela Fell from the Richest Country in South America into Crisis. History Channel. 2019. Available online: <https://www.history.com/news/venezuela-chavez-maduro-crisis> (accessed on 26 June 2019).
18. National Public Radio. How Singapore Become One of The Richest Places on Earth. 2015. Available online: <https://www.npr.org/2015/03/29/395811510/how-singapore-became-one-of-the-richest-places-on-earth> (accessed on 26 June 2022).
19. OECD. PISA—Program for International Student Assessment. 2022. Available online: <https://www.OECD.org/pisa> (accessed on 26 June 2022).
20. Krayem, H.; The Lebanese Civil War and the Taif Agreement. American University of Beirut. 2012. Available online: <https://libraries.aub.edu.lb/digital-collections/collection/borre-webarchive> (accessed on 26 June 2022).

**Disclaimer/Publisher’s Note:** The statements, opinions and data contained in all publications are solely those of the individual author(s) and contributor(s) and not of MDPI and/or the editor(s). MDPI and/or the editor(s) disclaim responsibility for any injury to people or property resulting from any ideas, methods, instructions or products referred to in the content.