



KUWAIT

**Contribution to the
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**General Secretariat of the Supreme Council for
Planning and Development (GSSCPD)**

Technical report on

**Achieving sustainable development through
employment creation and decent work for all**

**THE ECONOMIC AND SOCIAL COUNCIL
2015 INTEGRATION SEGMENT**

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Technical report on
“Achieving sustainable development through employment creation and decent work for all”

This report provides answers to the guidance questions provided by The United Nations Economic and Social Council, for the 2015 integration segments.

Q1: How has your Government used labor market policies, including wage policies, to help reduce economic and social inequalities?

A1: The government of Kuwait uses wage policies as one of the labor market policies to achieve equality among different sectors of the economy in terms of wages, working hours, number of working days per week, and other incentives. The main aim of such policies is to encourage the youth to work in the private sector rather than waiting for work opportunities in public sector, which suffers from over-employment.

Kuwait aims to adjust the occupational structure to be more relevant to the requirements of the labor market. Wage policies can be utilized in this regard to encourage the surplus of workers in public sector to change their occupations through the transformative training, and to encourage university's students to major in fields that are highly demand in labor market (science, technical, and technological).

Q2: How has your government used monetary, fiscal and trade policies to create employment and promote decent work for all, while ensuring social inclusion and environmental protection? In particular, is the pursuing of full employment considered as a primary monetary policy objective by Central Bank? Has your country experienced fiscal consolidation process in the recent years? What has been the impact on employment and social protection in your country?

A2: In fact, the role of monetary, fiscal, and trade policies in creating full employment is limited in case of Kuwait as a result of the commitment of government to employ all graduates. The most influencing policy in this regard is encouraging the private sector to participate in economic activities and creating more job opportunities, to lift the burden of employment of graduates in the public sector.

Yes, pursuing employment of all graduates is one of the policies of second development plan. Kuwait experience some fiscal consolidation due to reduction in Oil prices. Oil is the main source of income in Kuwait. Such fiscal obstacles, are not expected to affect the policies of employment and/or social protection with the commitment of the state to guarantee these services and benefits to all citizens.

Q3: What kind of trade-offs has your government encountered in the promotion of full employment and decent work for all? What can be done to enhance synergies between respect to international labor

standards and to environmental safeguards, productivity, competitiveness and economic growth?

A3: There is no trade-offs encounter in the promotion of full employment and decent work for all, but the most important challenge is the ability of private sector to create more job opportunities to nationals. The second developmental plan of (2015/2016-2019/2020) included many policies to achieve the synergy between international labor standards, environmental safeguards, productivity, competitiveness and economic growth as following:

- Expat workers in Kuwait enjoy health, education and social services for them and their dependents, according to laws and regulations, which assures Kuwait respect to international labor standards.
- Improving the business environment, facilitating the procedures, and providing major investment opportunities are the most important aims of the second development plan. Establishment of joint-stock companies, engagement in partnership projects with the private sector, improving public projects management, review and amend legislations, support the establishment of small businesses, and improve investment rates; are the most important policies to create opportunities at the private sector and to improve the economy in general.
- The second development plan aims at increasing the productivity and efficiency of the economy by reducing the role of the public

sector, increasing competition in the private sector, fighting monopolies, and rationalizing subsidies.

Q4: Is youth employment a major issue in your country? What is the proportion of the youth labor force [aged 15-24 years] that is unemployed in your country? Does your government have specific programs targeted at youth employment?

A4: Youth employment represents one of the major challenges in Kuwait. Unemployment rate among national youth reached 3.4% in June 2014.

The first development plan (2010/2011-2013/2014) addressed the shortcomings in the legislation, as an important element to reduce unemployment and to create more work opportunities for national labor force. Examples of these laws were: Law of supporting and the promotion of small and medium enterprises, and law of labor in private sector. The Second development Plan incorporate many policies to reduce unemployment, especially among Kuwaiti youth, such as:

- Supporting of SMEs through addressing the operational constraints, providing the financial support and administrative facilities, and ensuring the sustainability to attract youth and new-graduates.
- Support craftsmen through incentives to increase their competitive capabilities.

- Activating the National Fund for the Support of Small and Medium Enterprises, as one of important elements in reducing unemployment, creating sustainable Jobs, and one of the intermediate tools to support the main industries in the country.

Q5: How is your government addressing the challenges of education/skills and jobs mismatch in your country, especially in the context of the transition to a sustainable development? Does your country have successful initiatives that link education and training to world of work?

A5: Kuwait's government has addressed the challenge of education and Jobs mismatch through many steps:

First: studying the needs of the Kuwaiti labor market from different disciplines which indicated the shortage in the graduates from scientific, technical, and technological disciplines.

Second: directing the technical and higher education systems toward the current and future demand on these disciplines.

Thirdly: more focus was given to the necessity and importance of linking the outputs of education with the needs of the Kuwaiti labor market in the Second Development Plan. In addition, imposition of academic accreditation to education institutions, and applying of domestic and international standardized tests, are the most important policies of educational reform.

In view of the current situation of training and the distribution of training burden on several organizations, the following policies are included in the second developmental plan:

- Developing a strategy and a clear methodology for training in Kuwait, that includes types of training needed, target groups of trainees, measurements of training impacts, and linking training to productivity.
- Developing the technical and technological skills and expansion in the vocational skills training programs,
- Developing professional standards to the National Institutes of training, in order to improve their capabilities and the qualities of training programs.

Q6: How has your government mitigated the trade-offs between environment, economic and social dimensions? What kinds of investments have generated the greatest Job potential while maintaining environmental sustainability?

A6: The Government of Kuwait seeks to provide basic needs for housing, employment, social and economic services, and elements of communications and infrastructure in the framework of the determinants of social and cultural values, without collision or waste of natural environmental resources.

International Environmental data indicate the improvement of the environmental situation in Kuwait. Kuwaiti's Environmental

Performance Index (EPI) has been improved from the rank of 58 in 2010 to the rank of 42 in 2014, within 178 countries. Kuwait's rank among the GCC countries has also improved from the fourth rank to the third during the same period.

The new Comprehensive Environmental Law No. 42/2014 is the most important achievement of the first development plan (2010/2011-2013/2014), while the second Development Plan (2015/2016-2019/2020) paid attention to:

- The pollution sources, through estimating its quantities, and control of the industrial pollution.
- Applying environmental standards and controls to industrial activities.
- Encouraging scientific research in the field of combating desertification and drought.
- Developing a secured system to manage solid, liquid, and hazardous wastes.
- Encouraging recycling operations.

Q7: What kind of policy initiatives and approaches your government have to facilitate the transition from informal to formal employment and to formalize and increase sustainability of small and micro enterprises, taking into account the economic, social and environmental dimensions of sustainable development?

A7: It is worth noting that, most of the national labor force is concentrated in the formal sector of employment, while the majority of expats are concentrated in the informal sector. The issuance of Law No. 98/2013 regarding the National Fund for the Promotion and Development of Small and Medium Enterprises was one of the most important achievements of the first development plan. However, the second development plan adopted some motivating policies in this regard, such as:

- Provide integrated packages of supports and services for small and medium enterprises, including support for young entrepreneurs, to raise the employment rates of Kuwaiti workers in private sector.
- Activating the National Fund for Small and Medium Enterprises.
- Applying the new mandatory rates of employing Kuwaitis in private sector.
- Linking the grants and facilities to the institutions of private sector with the progress in the appointment of national employment in private sector.

Q8: What kind of institutional framework arrangements are in place in your country for the successful integration of the economic, social and environmental dimensions of sustainable development to facilitate decent work?

A8: The main institutional framework to integrate the economic, social and environmental dimensions, to facilitate the process of decent work are:

- Encouraging the private sector to be more involved in economic activities and to create more sustainable job opportunities. This can be done through reducing the gap between the public and private sectors with regard to level of wages, and other benefits related to work conditions, social and health insurance, number of working hours per day, and number of working days per week.

- Transforming Kuwait to a regional financial and commercial center, consist in its activities with the environmental dimension, will able of creating more opportunities for decent work.

- Reforming the educational and training systems to supply the labor market with the required disciplines and qualified employees, and consequently guarantee the decent work for citizens

Q9: How do the civil society, trade unions and private sector engage in prompting an integrated approach to employment creation and decent work for all?

A9: This can be done by:

- Strengthening the participation of civil society, trade unions and all partners in the process of selecting targets and policies of the development plans, in addition to their participation in follow-up and evaluation of the tracks of development as a type of community-based control.

- Activating and expanding the developmental role of civil society organizations in new social and non-profit activities, such as education, health, housing and transportation activities, including the creation of new sustainable and decent job opportunities.

- Strengthening the capabilities of civil sector and trade unions to play a greater role in supporting the artisans and small businessmen in establishing and managing small and medium enterprises.

- Strengthening the role of the private sector in youth empowerment, especially in the fields of starting a small business and marketing their products and services.

Q10: What can the ECOSOC system do to help countries boost economic growth in a sustainable way that creates employment and decent work for all?

A10: From our point of view, ECOSOC system can help countries in achieving full employment and decent work for all through four ways:

- Provide financial, technical support, and advice to developing countries to enable them to enhance their abilities and capabilities in creating sustainable economic development and consequently achieving the goals of full employment and decent work for all.
- Disseminate successful experiences of countries in achieving sustainable employment and decent work for all, and to promote exchange of ideas and experiences among developed and developing countries, especially in the fields of international labor standards and workers' rights.
- Promote social dialogue with broad engagement of stakeholders from public, private and non-profit sectors.