

# THE POLITICAL ECONOMY OF BUDGET REFORMS: EVIDENCE OF AN EMERGING MARKET

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## Abstract

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The purpose of the paper was to investigate the socio-economic and political processes that influenced Kuwait's budget reforms in the wake of declining oil prices. A qualitative study and a literature review were adopted and informed by political economy theory to generate in-depth insights into similar and different socio-economic and political processes that influenced the adoption and implementation of a range of budget reforms in Kuwait. The study revealed that the budget reforms in Kuwait, as part of the austerity measures, were influenced by the dwindling oil revenues; the entrenched welfare system; the power struggles between the state actors; and the strategic partnerships and coercive role of supranational agencies, especially in creating an enabling environment for global capitalism. The paper demonstrates how the socio-economic and political environment influences and is influenced by the strategic accounting choices and practices adopted and implemented. Budget reforms in Kuwait were proposed to address the socio-economic and political realities of the day, but also, the reforms prepared fertile grounds to support global capitalism. The paper contributes to the debate on the political economy and how it is relevant in understanding the socio-economic and political processes involved in the adoption and implementation of accounting changes, especially in developing countries.

**Keywords:** Political Economy, Budget Reforms, Developing Countries, Kuwait

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## 1. INTRODUCTION

Unprecedented budget reforms have rocked several developing countries for several decades (Dzigbede, Pathak, & Muzata, 2022; Kasumba, 2013; Uddin, Gumb, & Kasumba, 2011). These reforms have been suggested and enforced by several donor agencies, including the World Bank (Alnesafi & Kasumba, 2016), as *the panacea* for efficient and effective allocation and utilization of public resources in poor countries (Robinson, 2007, 2011; Kasumba, 2013). For instance, Alnesafi and Kasumba (2016) argued that globalization processes were involved in

the adoption and implementation of wide-ranging budget reforms in Kuwait and Uganda; where key national actors teamed up with development agencies, such as the World Bank to suggest several budget reforms.

Studies in accounting changes, including changes in budgeting reforms, have been characterized by several theoretical underpinnings in an attempt to understand the changes in the various socio-economic and political contexts (Jalali-Aliabad, Farooq, Sharma, & Mihret, 2021; Kasumba, 2013; Uddin et al., 2011). For instance, Kasumba (2013) employed neo-institutional sociology in studying the dynamics of the adoption

of new budgetary practices in local governments in Uganda. Uddin et al. (2011) developed a critical analysis of new budgeting practices in Uganda by drawing from the concept of spectacle to suggest how various actors viewed the new budget reforms and how they developed resistance to them (Boje, Rosile, Durant, and Luhman, 2004, for Enron case).

Notwithstanding, the theoretical insights deployed to study accounting change do not explicitly take into account the political and social contexts in which they [change] is applied (Cooper & Sherer, 1984; Arnold, 2012; Lassou & Hopper, 2016; van Helden & Uddin, 2016; Lassou, Tsamenyi, & Hopper, 2014). For instance, Cooper and Sherer (1984) acknowledged the value of corporate accounting reports that were prepared while focusing on the socio-economic and political contexts in which the reports were demanded and supplied. Similarly, Arnold (2012) studied the influence of Western nations in responding to the Asian financial crisis in the late 1990s by enforcing the adoption and implementation of international accounting standards (IAS). The standards were construed to be “magic bullets” for the restoration of the financial sector in Asia in the aftermath of the crisis (Arnold, 2012). Lassou and Hopper (2016) used a political economy theoretical framework to study the adoption and implementation of computerized accounting systems in a former Francophone African country. Thus, the political economy provides plausible theoretical lenses to inform studies of accounting changes, especially in the socio-political of developing countries (Lassou & Hopper, 2016; van Helden & Uddin, 2016; Lassou et al., 2014).

This paper develops a political economy construct to study the dynamics of the adoption and implementation of budget reforms in Kuwait. The purpose of this paper is to investigate the extent to which socio-economic and political factors influenced budget reforms in Kuwait.

The remainder of this paper is organized as follows. Section 2 is the literature review which discusses the theoretical construct and prior studies on accounting reforms. Section 3 addresses the research design and Section 4 is dedicated to the Kuwait case study. Section 5 explores the socio-economic and political factors that influenced Kuwait's adoption and implementation of budget reforms. After Section 5, comes the discussion of the paper in Section 6 and the last Section 7 is the paper's conclusion and further research.

## **2. THEORETICAL CONSTRUCT AND PRIOR STUDIES ON ACCOUNTING REFORMS**

### **2.1. Political economy theory in general**

Political economy is concerned with the linkages between individuals or a group of individuals and public policies (Cooper, 1980; Gallhofer & Haslam, 1991). It focuses on how various economic theories, such as communism and capitalism, influence global decisions and how they shape and are shaped by global economic institutions (Wickramasinghe & Hopper, 2005). There are two common strands of political economy: namely, the economic perspective that focuses on the rational choice models of positivists (Keefer & Khemani, 2005; Besley, Persson,

& Sturm, 2005); and the critical political perspective that acknowledges power relations in the creation and the stability of institutions (Cooper & Hopper, 1990; Hopper et al., 1986).

### **2.2. Socio-economic and political context of accounting reforms**

Political economy has influenced accounting research for decades (Rosser, 1999; Abeysekera, 2003; Wickramasinghe & Hopper, 2005). Recently, researchers have developed theoretical frameworks to study accounting change in the socio-economic and political context (Alferjani, Mirshekary, Dellaportas, Mihret, & Yaftian, 2018; Makhaiel & Sherer, 2018; Warren & Seal, 2018; Ahmed & Uddin, 2018; Lassou & Hopper, 2016; Hopper & Bui, 2016; van Helden & Uddin, 2016). In all these studies, researchers have focused on the socio-economic and political factors that influenced accounting changes (Cooper, 1980; Cooper, & Sherer, 1984; Lassou & Hopper, 2016; Arnold, 2012).

The political economy of accounting (PEA) considers accounting as a means of sustaining and legitimizing the socio-economic and political aspirations of the powerful actors in the organizational field (Tinker, 1980; Arnold, 2012). PEA seeks to introduce socio-economic and political factors that influence the adoption and implementation of accounting reforms in jurisdictions of less-developed countries (Lassou & Hopper, 2016; Kasumba, 2013). These factors influence the disruption, maintenance, and stability of institutions, including accounting reforms (Lawrence, Suddaby, & Leca, 2011). PEA seeks to explain how accounting changes influence and are influenced by the socio-economic and political context in which they are applied (Cooper & Sherer, 1984; Rosser, 1999; Abeysekera, 2003; Tinker, 1980; Makhaiel & Sherer, 2018; Warren & Seal, 2018; Ahmed & Uddin, 2018).

Wickramasinghe and Hopper (2005) studied how the organizational context of a textile mill in the traditional Sinhalese village in Sri Lanka constrained the implementation of new budgeting rules in the aftermath of the privatization process. The employees and local managers of the mill, drawing from their cultural beliefs and norms, resisted the new budgeting rules leading to serious consequences to the mill which forced the private owners to give it up. The new budgeting rules failed to be implemented due to the socio-economic and political context of a Sinhalese village that was deeply rooted in cultural traditions (Hofstede, 1980; Blesia, 2017).

Alferjani et al. (2018) disclosed how the socio-economic and political context influenced the development of the accounting regulatory regime in Libya. They argued that the accounting regulatory framework in post-colonial Libya was characterized by a linkage between the political economy and state ideologies of the North African country. Specifically, they noted that immediately after her independence, the accounting regulatory structure in Libya was associated with Western colonial ideologies. However, with the capture of state power by Muammar Qaddafi, the regulatory regimes for accounting changed with the “new” state ideologies of the day. Qaddafi had tried to create

a new political regime that sought to alienate itself from the pro-Western configuration (Little, 2013).

Makhail and Sherer (2018) studied the quality of financial reporting in Egypt. Drawing from a political economy theoretical framework, they revealed that CEOs of Egyptian companies were lured into “negative” accounting practices which impaired the quality of financial reporting. They argued that accounting cannot be universal due to the lack of universal socio-economic and political contexts in which it is applied (Ahmed & Uddin, 2018; Wickramasinghe & Hopper, 2005). Accounting is therefore deeply rooted in the socio-economic and political contexts (Hofstede, 1980; Uddin et al., 2011).

Ahmed and Uddin (2018) revealed that corporate governance regimes may not be applied with universality. Their study of Bangladesh companies revealed that due to differences in the organizational socio-economic contexts, corporate governance mechanisms are bound to succeed in some contexts while they fail in others (Bakoup, 2013). For instance, Bakoup (2013) acknowledged that budgetary aid was not making the impact intended for developing countries due to the socio-economic and political contexts which could not provide the appropriate and supportive environment (Makhail & Sherer, 2018).

### 2.3. Budget reforms in the socio-economic and political contexts

Budgets are a product of socio-economic and political configurations (Schick, 2006; Kasumba, 2013; Alnesafi & Kasumba, 2016). In other words, budget reforms are adopted and implemented to resonate with the socio-economic and political contexts in which they are applied (Goddard, Assad, Issa, Malagila, & Mkasiwa, 2016; Egbide, Sola, & Francis, 2014; Wendy, 2006). For instance, in the boom periods of the 1960s, governments in Organisation for Economic Co-operation and Development (OECD) expanded their expenditures accruing from revenue booms. However, during recess, the same governments constrained their budgets through wide-ranging budget reforms (Schick, 2006).

In a similar vein, governments that have been forced to implement various austerity measures, as a result of economic hardships, have introduced a series of budget reforms (Krause, 2015). For instance, Krause (2015) revealed that Chile attempted to mitigate the challenges of incremental budgeting during austerity measures by implementing alternative budget allocation methods). Usually, austerity measures are recommended by international development agencies as the panacea for solving poverty problems of developing countries (Mkasiwa, 2022; Goddard et al., 2016), but most importantly the measures have been associated with the spread of global capitalism (Alnesafi, Kasumba, & Aldhuaina, 2015; Zhang, Parker, & Kirkpatrick, 2006; Sklair, 2002). For instance, Alnesafi et al. (2015) investigated the privatisation process of the electricity sectors in the selected Arab states and Sub-Saharan African countries and revealed how supranational aid agencies, along with their associates, influenced the privatisation of the electricity sector as a strategic move to prepare fertile grounds for transnational corporations to

make direct foreign investments in pursuit of global profits. Sklair (2002) argued that the role of the supranational agencies is to regulate the world order in which global capital can traverse socio-economic and political spaces (Stiglitz, 2006; Williams & Ghanadan, 2006).

Notwithstanding, the socio-economic and political contexts influence the way the budgets are adopted and implemented (Egbide et al., 2014; Goddard et al., 2016). For instance, Egbide et al. (2014) revealed that the military regime in Nigeria had a total disregard for budgets and that the budget reforms that were introduced after the fall of the military junta were intended to revamp the system to restore the use of budgets for allocative and control purposes (Kasumba, 2009). On the other hand, Goddard et al. (2016) found out that the adoption and implementation of “new” budget reforms by the central government of Tanzania were construed as a gesture of compliance with donor conditionalities for international aid in a bid to remain legitimate and to guarantee continued access to badly needed development aid (Kasumba, 2013).

Similarly, socio-economic policies that a country would like to pursue will influence the nature of budget reforms (Wendy, 2006). For instance, Wendy (2006) undertook to study the changes in the budgeting process in a government-owned electricity corporation after the introduction of new public management (NPM). He revealed that NPM changed the way budgets were being developed and implemented in the reorganized public electricity entity in a competitive and market economy (Tsamenyi, Cullen, & González, 2006; Ajam & Fourie, 2016). For instance, Ajam and Fourie (2016) evaluated the implementation of new public financial management practices in nine provisional education departments in South Africa. Specifically, they undertook to study the factors that enabled or constrained the operationalization of new personal finance management (PFM) reforms, including budget reforms, in education departments in South Africa. They revealed that while the adoption and implementation of new PFM reforms were in steady progress, they were constrained by factors such as the quality of top leaders, skills, and knowledge of the reforms (Kasumba, 2009).

The social contexts in which new budget reforms are critical for their adoption and implementation (Mkasiwa, 2022; Kasumba, 2009, 2013; Uddin et al, 2011; Andrews & Jilke, 2016). Mkasiwa (2022) investigated how actors’ responded to competing logics (academic and business logics) in budgetary practices in a university in Tanzania were shaped by state pressure Kasumba (2009) studied the adoption and implementation of the integrated financial management system (IFMS), as part of the wider strategies to support the budget reforms in local governments in Uganda. IFMS was introduced to Uganda by the World Bank as one of the strategies to support budget management in the public sector of Uganda (Kasumba, 2009). Whereas IFMS was adopted by the government of Uganda, its implementation was affected by socio-economic factors, such as power struggles between politicians and technocrats; the inappropriate design of technology which never matched the socio-economic context; lack of adequate IT skills by

the users of IFMS; and the lack of positive attitude to harness new technologies (Kasumba, 2013).

In a similar vein, Kasumba (2013) studied the macro-dynamics for the adoption of new budgeting practices in local governments in Uganda. The study revealed various institutional pressures from the nation-state actors and their associated supranational agencies (Wendy, 2006). The supranational agencies were responsible for creating the demand and supply of the “new” budgetary practices in Uganda (Uddin et al., 2011). Specifically, the study revealed that, whereas the supranational agencies influenced the adoption and implementation of “new” budgetary practices in Uganda, the state actors used them [new budgetary practices] as a strategy to influence the actions of supranational agencies to gain access to development funds (see Krause, 2015; Ajam & Fourie, 2016; Wendy, 2006).

Uddin et al. (2011) studied the “new” budgeting practices in local governments in Uganda. Drawing from a theoretical construct of a spectacle, the study illustrated the participatory budgeting approach, as enforced by supranational agencies, was a mere spectacle through which images are observed. A spectacle makes images look bigger or smaller but the images themselves remain the same (Boje et al., 2004). A spectacle is a metaphor representing organizational practices, such as participatory budgeting (Uddin et al., 2011). However, Uddin et al. (2011) argue that the implementation of the “new” budget reforms in Uganda was challenged by socio-economic challenges (Krause, 2015; Ajam & Fourie, 2016). For instance, they posit that the participatory budgeting process in Uganda was reduced to “*wine and dine*” with little or no effect on influencing the budgeting outcomes (Wickramasinghe & Hopper, 2005).

Further, welfare state systems have been associated with the adoption and implementation of fiscal reforms, including budgetary reforms (Andrews & Jilke, 2016; Lindbom, 2001). For instance, Andrews and Jilke (2016) studied the influence of welfare states and social cohesion in Europe and argue that a good welfare system can create social cohesion and loyalty (Lindbom, 2001). Andrews and Jilke (2016) further posited that a review of the welfare system attracts significant attention from various stakeholders (state and non-state stakeholders), especially if it is to the detriment of the beneficiaries, which is likely to be resisted (Lindbom, 2001). Thus, a budget reform that seeks to constrain expenditure on welfare may not be easily adopted and implemented and may create power struggles among stakeholders (Kasumba, 2013).

### 3. RESEARCH DESIGN

A qualitative case study and literature review were undertaken to investigate the socio-economic and political contexts in which budget reforms were initiated and implemented in Kuwait. In specific terms, the political economy of Kuwait was probed to generate deeper insights into how socio-economic and political factors influenced “new” budget reforms in Kuwait.

The rationale for selecting Kuwait was that it has been one of the leading producers of oil; generating substantial revenues from the “*black gold*”.

For several years has been able to balance its budget without recourse to international donor funds, as is the case with most developing countries (Alnesafi & Kasumba, 2016; Kasumba, 2013). However, the volatility of oil prices has had unprecedented effects on revenues accruing to the state coffers, for which strategic decisions, including budget reforms, were enforced on the State of Kuwait (World Bank, 2016a).

The study reviewed various documentary evidence, including supranational agencies’ country reports on Kuwait, Kuwait State Documents, and newspaper clippings to generate an understanding of the demand and supply of budget reforms in Kuwait. The study reviewed a total of 23 sources that were published during the period 2012–2019 (see Appendix). The study also analysed the internal socio-economic and political processes of the semi-democratic state of Kuwait to reveal how they enabled or constrained the adoption and implementation of budget reforms (Kasumba, 2009, 2013; Alnesafi & Kasumba, 2016), especially its lavish welfare system that was established after the discovery of oil; and the highly power-wielding legislative Assembly of Kuwait (World Bank, 2016a; International Monetary Fund [IMF], 2019a).

Besides, the study probed the actions and intentions of supranational aid agencies operating in Kuwait and Kuwait’s strategic partners to reveal how they influenced the reforms in budgeting practices (Kasumba, 2011, 2013). The supranational agencies included mainly the IMF and the World Bank. Their reports on Kuwait were studied to generate insights into their role in influencing budget reforms.

The study also reveals the underlying socio-economic and political factors that influenced the strategic partners of Kuwait, mainly the United States of America to suggest wide fiscal reforms, including budget reforms in Kuwait (Wendy, 2006). Kuwait has had a strong and cordial relationship with the U.S. for strategic interests in the Persian Gulf (Lang, Awadallah, & Craig, 2017), thus its socio-economic and political stability is of strategic importance to supranational agencies and partners.

### 4. CASE STUDY OF KUWAIT

Kuwait is a constitutional emirate with a dual political system: a democratically elected legislature and an authoritarian executive headed by the Emir or Sheikh, who appoints the Prime Minister, who in turn appoints an executive. Article 4 of the Constitution of Kuwait provides that Kuwait is a hereditary emirate of the descendants of the late Mubarak Al Sabah (The Constitution of Kuwait, 1962). The dual political system has been a source of tensions and conflicts between the legislature and the executive. The members of the legislature (Assembly) have vested power and resources to question the executive’s actions and intentions (Kerr, 2019). It has been alleged that the critical nature of the legislature (especially the opposition) has been blamed for the delay in the adoption and implementation of rationalized social practices, such as budget reforms.

Kuwait, for decades, has had an oil revenue boom and this influenced the budgeting options for one of the richest states in the Gulf region. For instance, both the International Monetary Fund (IMF) and the World Bank alluded to the fact that Kuwait posited budget surpluses for several years since

the discovery of oil (IMF, 2019a; World Bank, 2016a). The revenue from its oil exports accounted for more than 50% of Kuwait's GDP and up to 95% of government revenue (Shawki, 2019).

**Table 1.** Statistics of oil revenue for Kuwait

<i>Income item</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Oil and gas exports (U.S. billion \$)	97.6	48.6	41.5	49.6	65.7

Source: IMF (2019b).

With vast resources at their disposal, Kuwait officials adopted a high welfare state with most social services, including education, and health provided to its citizens free of charge. Besides, the state provided substantial subsidies on water, electricity, and fuel. For instance, the BTI 2018 Country Report on Kuwait indicated that Kuwait had established one of the most "comprehensive" welfare states in the world owing to its vast oil resources (BTI, 2018).

## 5. BUDGET REFORMS IN THE SOCIO-ECONOMIC AND POLITICAL CONTEXT OF KUWAIT

This study undertook to study the dynamics of the adoption and implementation of budget reforms in Kuwait. This section presents the socio-economic and political factors that influenced the adoption and implementation of budget reforms in Kuwait.

### 5.1. Dwindling oil revenues and the need for budget reforms

As indicated in Table 1, from 2014 onwards, the oil revenues from exports started dwindling with high levels of volatility. With this level of volatility, IMF (2019b) indicated that due to the fluctuating oil revenues, Kuwait needed to adopt and implement wide-ranging structural and fiscal reforms, including budget reforms, to cater to its current and future demands. The declining oil revenues have prompted the state officials of Kuwait to adopt and implement several structural and fiscal reforms. For instance, Kuwait's Emir (the Constitutional Head of State) observed that despite the improvements in oil revenues posted in 2018, the oil-rich producing country in the Persian Gulf needed to continue with the adoption and implementation of fiscal reforms, including budget reforms. The Emir was quoted by Reuters saying:

*"I hope that the recent temporary improvement in oil prices does not obstruct this important path [introducing wide public sector reforms, including budget reforms] which aims to protect future generations."* (Reuters Staff, 2018).

The fiscal reforms included reducing public expenditure on salaries and lavish spending by the government of Kuwait. For instance, Kuwait was spending up to 18% of its GDP on the salaries of its public officials, which was no longer sustainable in the wake of dwindling oil revenues (World Bank, 2016). Instead, the State was advised to encourage its citizens to seek employment in the private sector, a strategy aimed at reducing the public expenditure on salaries (IMF, 2019a).

With regards to leaving spending on social services for its citizens, it was suggested that Kuwait

reduced its budget expenditure on fuel, electricity, and water subsidies, which hitherto had escalated to levels that could not be sustained by the highly volatile oil revenues (IMF, 2019a). In 2018, the Minister of Finance of Kuwait, Dr. Nayef Al-Hajraf, also argued that the reduction in public expenditure was a necessary measure to effect budget reforms. He said:

*"This is a reform budget and an expansionary budget at the same time. It is good for reform and good for the economy. Total expenditures have been capped at KD20 billion (up only 0.5 per cent from last year's KD19.9 billion) while including budgeted spending in industrial capital expenditure of KD2.9 billion (up to 14.7 per cent from last year)."* ("Kuwait Announces", 2018).

Further, the Minister of Finance of Kuwait argued that the budget cuts were a precondition for the wider structural and fiscal reforms that needed to be undertaken in the wake of declining oil revenues. The Minister observed that:

*"The country is currently instituting a structural fiscal and economic reform program, and control of expenditures is a necessary precondition for these reforms to succeed over time. Yes, the global economic outlook is improving and the price of oil is rebounding, however, that should not and will not steer us away from our path to reform. In fact, it makes our resolve for reforms grow ever stronger."* ("Kuwait Announces", 2018).

Unlike other nations that have introduced structural and fiscal reforms, Kuwait provides a unique case in which they opted for reforms when they started realizing dwindling oil revenues. It gave the State of Kuwait a privileged situation in which they took a gradual adoption and implementation of public sector reforms, rather than a radical and coercive approach as happened to many other developing countries. The Minister of Finance of Kuwait reiterated that:

*"Kuwait is in a unique financial position that enables us to introduce reform gradually, and in a controlled and responsible manner with a legislative and public environment that encourages a lively debate of the issues and the opportunities."* ("Kuwait Announces", 2018).

This is because Kuwait had accumulated foreign investments, which had generated substantial resources that the State preferred to use to cover its budget deficits (Kuwait Investment Authority, 2019). Notwithstanding the introduction of structural and fiscal reforms in Kuwait, as a strategic response to dwindling oil revenues, their implementation was highly influenced by the entrenched welfare system in Kuwait.

### 5.2. Effects of the welfarism on budget reforms

Kuwait has been regarded as a welfare state, with many social services, either provided at no cost or a highly subsidized user fee ("Is It Time for Kuwait to Rethink Housing Welfare System?", 2014; Kerr, 2019). This was made possible due to the good oil performance. However, the dwindling oil revenues distorted the welfare, which hitherto was considered as a shield to the ruling monarchy against the effects of the "Arab Spring", which threatened many regimes in the region (Lang et al., 2017). At the same time, the concept of

the welfare state has been a strong campaign tool for the highly volatile opposition in Kuwait. Thus, the adoption and implementation of structural and fiscal reforms in Kuwait were and are highly influenced by the welfare system.

After the discovery of oil, Kuwait established a strong welfare state with its citizens enjoying lavish subsidies on fuel, water, and electricity as well as many free social services (Dickinson, 2013). For instance, in 2016 it was estimated that Kuwait was spending more than \$3 billion on public subsidies and social aid, which accounts for about 5% of the public expenditure (*"Is It Time for Kuwait to Rethink Housing Welfare System?"*, 2014). The excessive welfare regime in Kuwait was considered one of the most expensive in the world (Dickinson, 2013). For instance, Dickinson (2013) argues that Kuwait by then was extending substantial grants and loans to its citizens for most of the social services, including education, health, housing, and big subsidies on fuel and gas.

The Oxford Business Group hinted that:

*"Seven decades of expanding oil production have led Kuwait to become one of the richest nations in the world with strong oil revenues driving year's successive budget surpluses, leading the state's young population to boast of the world's highest GDPs per capita. Kuwait's generous welfare system has guaranteed free education, health care, and housing to citizens, while subsidized electricity, water, and fuel prices are offered to its nearly 4 million residents giving it one of the lowest costs of living in the GCC."* ("Opportunities are being created by the National Development Plan", 2014).

However, when oil revenues started dwindling, the state of Kuwait opted for a review of its welfare system to match the economic realities of the time. The hitherto levels of welfare were no longer sustainable, despite the immense reserves the state had accumulated. For instance, The Prime Minister of Kuwait, Sheikh Jaber Al-Mubarak Al-Sabah reiterated that:

*"Everyone must understand that the existing welfare state that Kuwaitis are used to cannot continue. It is necessary that Kuwaiti society shifts from a consumer of the nation's resources to a productive people."* (Dickinson, 2013).

The Prime Minister was insinuating the State of Kuwait needed to review its welfare system in the wake of declining public resources to lessen government subsidies to put less burden on public expenditure. In 2013, the State presented a new development plan in which it was categorical that a shift in the budget allocation was made from subsidies to infrastructure and other investments. Whereas the State of Kuwait was coerced to adopt and implement stringent austerity measures as a strategic response to declining oil revenues, several questions have been posed as to the efficacy of the public sector reforms, including budget reforms. In the first instance, the social welfare programme had been considered key in raising Kuwait's per capita GDP to over \$40,000. Any change in the social welfare system would aggravate the socio-economic stability that Kuwait had achieved over the years. However, the big question is whether the state machinery of Kuwait was acting in the interest of social welfare or they were acting as agents of global capitalism.

Secondly, it is argued that the expensive welfare system in Kuwait had shielded the monarchy from the effects of the "Arab Spring" protests that engulfed and overthrew several Arab governments in the region. The citizens of Kuwait, especially the youth, had viewed the welfare system as their right and had been considered instrumental in maintaining peace and harmony in Kuwait. For instance, thus, the welfare system was a formidable tool for the socio-economic and political stabilization of the Arab State. Therefore, any reform (whether fiscal or structural or budget) that would negatively influence the entrenched welfare system would receive resistance from the beneficiaries. For instance, the proposed public expenditure management reforms would not be received well by the citizens and opposition politicians. For example, Bandow (2017) writing in Forbes commented that:

*"Last year [2016] Kuwait's government ran its first deficit in 17 years. Revenues dropped by 45 percent, while outlays were cut by only 15 percent, creating a \$27 billion gap. An even larger deficit, \$31 billion, is expected this year. The result has been unusual austerity for people used to living the good life courtesy of the world's once seemingly insatiable demand for energy."* (Bandow, 2017).

Even the national politicians in Kuwait acknowledged the critical nature of the welfare system in the socio-economic and political debate. For instance, the Minister of Information in Kuwait, Sheikh Salman Sabah Al-Salem Al-Homoud Al-Sabah explained that:

*"Some people are using the social mechanism for their own benefit...we cannot completely do away with the welfare state, but we have to work towards creating awareness in the population to take more responsibility. The country also needs market-friendly reforms to attract industry and services and turn Kuwait into a regional economic hub."* (Bandow, 2017).

Kuwait's welfare system has been addressing the current and future expenditure requirements for its citizens. With the discovery of oil several decades ago, in 1976 the State of Kuwait deliberately established the Future Generations Fund (FGF) with an initial deposit of US\$7 million, whose purpose was to insulate the lavish free public expenditure and subsidies. It also pledged to invest 10% of its revenues annually in the reserve fund to cater for the welfare of future generations. The Fund is managed by the Kuwait Investment Authority, which makes investments outside Kuwait and whose motto is *"Investing responsibly today for Kuwait's prosperity in the future"* (Kuwait Investment Authority, 2019).

The accumulated reserves in the FGF were instrumental in influencing the adoption and implementation of fiscal reforms, including budget reforms in Kuwait. For instance, during the oil revenue crisis, when the authorities of Kuwait were advised to institute tough austerity measures in the annual budgetary process, including cuts in subsidies and public wages, the State officials instead drew from the FGF to continue funding the lavish public expenditure. For instance, The Center for American Progress posted that:

*"Kuwaitis remain conflicted over how to respond to the drop-in oil prices and pursue economic reform."*

*The nation's sovereign wealth fund — the Future Generations Fund — provides a significant cushion against the price collapse, but the fiscal impact remains clear. In 2015, Kuwait ran a budget deficit for the first time in 15 years. The government was forced to borrow money, slash spending, and contemplate cutting its generous subsidies for fuel, electricity, and other services.*” (Lang et al., 2017).

The strong welfare system in Kuwait inhibited the implementation of budget reforms, as austerity measures in response to oil crises, in fear of reiteration of the politicians. The state, instead, preferred to go for deficit budgeting to protect the welfare system, arguably believed to have had a big impact on the relative peace and tranquillity of the small but wealthy state in the Persian Gulf. For instance, the Arabian Business Newsletter of 29th January 2016 reported that:

*“The ministry [of Finance] said revenues would cover only 71 percent of state salaries and associated costs, which are estimated at 10.4 billion dinars. The budget provides for 2.9 billion dinars for state subsidies, while capital expenditures are set at 3.3 billion dinars or 17 percent of the budget. The statement did not say how the deficit would be financed but the government is likely to resort to borrowing from state reserve funds.”* (“Kuwait Sees Budget Deficit”, 2016).

### 5.3. Power struggles and budget reforms

The politics of Kuwait influenced the adoption and implementation of budget reforms in the wake of declining oil resources. Kuwait has been regarded as the most democratic state within the Persian Gulf with an elected National Assembly (Parliament) and appointed Executive by the Emir (Kerr, 2019). The National Assembly of Kuwait has a significant amount of power resources to determine the financial affairs of the state, although the Emir has executive powers to make final decisions, including dissolving the Assembly (“Kuwait Protest”, 2012). The power relations between the legislature (Assembly) and the Executive have been critical in influencing whatever reforms could be undertaken in Kuwait (Elass, 2019).

The adoption and implementation of structural and fiscal reforms, including budget reforms, were highly influenced by the volatility of the National Assembly of Kuwait. For instance, amidst dwindling oil revenues, the State of Kuwait agreed to introduce austerity measures, including budget cuts on subsidies and to introduce a 5% VAT. However, such austerity measures were opposed by members of the Assembly. The Arab Weekly news reported that:

*“The elimination of energy-related subsidies and the notion of new taxes on citizens are extremely unpopular in Kuwait, with the government facing resistance from Parliamentarians on such suggestions... It was a pushback from Parliament that has delayed Kuwait introducing a 5% value added tax until the fiscal year 2012-22, though the Gulf country is expected to implement a “sin” tax on sugary drinks and tobacco in the fiscal year 2020-21.”* (Elass, 2019).

The power struggles between state actors ensued to the detriment of the adoption and implementation of fiscal reforms in Kuwait. The Emir of Kuwait, through his constitutional

mandate, used his power to prevail over the Parliament to continue with the reform process (“Kuwait Protest”, 2012). He has powers to dissolve the Assembly in the “interest” of the State. For instance, in 2012, the Emir dissolved the Assembly of Kuwait for what he termed “deteriorating conditions” that had “threatened the country’s higher interests” (“Kuwait Protest”, 2012). Similarly, in 2017, the Emir (Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah) dissolved the entire Cabinet noting political infighting which had stalled the implementation of fiscal reforms, including budget reforms in Kuwait (Al-Qatari, 2017).

Similarly, when the Parliament resisted the fiscal reforms, including budget reforms, the Emir used his powers to dissolve the Parliament and called for early elections to get rid of the “rebel” Members of Parliament (MPs). However, the “rebel” MPs were elected back into Parliament to continue with the resistance to the reforms (Aboudi & Hagagy, 2016). Whereas the government of Kuwait had sought to implement various fiscal reforms, including budget reforms, its efforts were delayed by socio-economic and political factors. For instance, one of the fiscal reforms that the state of Kuwait had intended to pursue, as part of its austerity measures, was the reduction of fuel subsidies (IMF, 2019a). However, the politicians in the National Assembly managed to fight the reduction in fuel subsidies.

In August 2016, using the power resources, the Cabinet/government sidelined the Assembly, which had powers to legislate on subsidies, and went ahead to increase fuel prices (Shehabi, 2017). Some members of the Assembly, using also the power bestowed to them by law, dragged the government to Court for usurping the powers of the Assembly. They cited a 1995 law restraining the government from increasing public service charges without explicit permission and approval from the Assembly (Shehabi, 2017). In September 2016, an Administrative Court gave orders to the government to abolish the increases in fuel prices (“Kuwait Court Orders Government”, 2016). However, in April 2017, the government appealed to the Appeals Court which agreed that the government’s decision to raise energy prices was in the interest of the nation’s austerity measures (Toumi, 2017). This is a reflection of how the power struggles in both arms of government (i.e., legislature and cabinet) influenced and or delayed the implementation of budget reforms in Kuwait.

Usually, the backlash of Members of Parliament against the government has been associated with the urge to protect the political interests of their constituencies, The Economic Intelligence Unit (EIU) (2016) posited that:

*“Although the current Assembly elected in 2013 has been more government-friendly than in the past, the approaching general elections in 2017 is likely to make them more mindful of a public backlash which is a growing risk in the coming months.”* (“MPs Oppose”, 2016).

The austerity measures, including budget reforms, that the government sought to introduce were to make the politicians unpopular in their constituencies, yet they had used the continued welfare system as campaigning resources to canvas

political support from the electorate. The Center for American Progress posted that:

*“Beginning in 2011, Kuwait was rocked by the aftershocks of the Arab uprisings; the collapse of oil prices; and a public struggle over the royal line of succession. Most recently, the emir dissolved the legislature in October 2016 and announced snap elections after members of parliament disrupted the government’s austerity agenda. Those elections returned opposition parliamentarians in force to the National Assembly. Tensions between the government and the opposition continue to rise...”* (Lang et al., 2017).

Similarly, Simeon Kerr, reporting for the Financial Times of 10th September 2019 observed that the Parliament of Kuwait had substantial power resources to block legislation that never favoured their electorates. He argues that:

*“Parliament, elected in 2016, has rejected and watered down many such proposals including cuts in subsidies for energy use. Its budgetary committee has also blocked the introduction of a sales tax, which all Gulf Cooperation Council states were supposed to introduce in 2018. Parliamentarians have vigorously defended the demands of 1.4 m Kuwaiti citizens, who are heavily outnumbered by more than 3m foreign workers and accustomed to generous state benefits and plentiful jobs.”* (Kerr, 2019).

#### **5.4. Strategic partnerships, the coercive role of supranational agencies, and budget reforms**

The Kuwait-U.S. relationship has been critical in influencing changes in Kuwait. It has created fertile ground for supranational agencies’ manipulations. The liberal foreign policy and its cordial relationship with her neighbours, made Kuwait enjoy a good relationship with the United States and became an indispensable partner with the U.S. in pacifying the Persian Gulf. For instance, the U.S. Department of State remarked that:

*“The United States signed trade and investment framework agreements with Kuwait in 2004 and with the Gulf Cooperation Council, of which Kuwait is a member in 2012, providing a forum to address mutual trade concerns and economic reforms.”* (U.S. Department of State, 2021).

Therefore, it could be inferred that the suggestion that Kuwait’s government reduces public expenditure through budget reforms that would promote development through the private sector is evidence of the works of supranational agencies, such as the World Bank, IMF, and others in preparing fertile ground for U.S. firms to partake in the financial resources of Kuwait under the guise of reforms. In the first place, a developing country like Kuwait would not have a vibrant private sector to provide the investment that was hitherto a domain of the government. At the end of it all, the foreign firms would be at a competitive advantage over the local Kuwaitis.

For example, the U.S. State Department added:

*“...U.S. firms do have a competitive advantage when it comes to the provision of advanced technology, especially in the fields of oil field equipment and services, power generation and distribution, telecommunications systems, automobiles, certain other consumer goods, and military equipment.”* (U.S. Department of State, 2021).

In a similar vein, the IMF Press Release No.19/104 on Kuwait highlighted the role of promoting private-sector-led development in Kuwait. The extract from the Release indicates that:

*“...Directors [of IMF] underscored the need for timely and well-sequenced fiscal and structural reforms to reduce Kuwait’s dependence on oil, boost government savings, and create more private sector jobs... They [Directors] underscored the need to tackle the large public sector wage bill, noting that public sector wages should be gradually aligned with those in the private sector to incentivize nationals to seek private sector opportunities and support competitiveness.”* (IMF, 2019b).

The suggestions by the IMF and the World Bank to undertake budget reforms in Kuwait by reducing public expenditure on wages and welfare to infrastructure development would be seen as a strategic action by the supranational agencies to promote foreign investments in Kuwait. Initially, some individuals claimed that doing business in Kuwait was very difficult due to insufficient infrastructure (BTI, 2018). For instance, BTI Country Report (2018) alluded to the fact that Kuwait’s infrastructure could not support the efficient and effective delivery of welfare services. The Report observed that:

*“Kuwaiti nationals are entitled to free social services such as health care and education, the quality of which are somewhat deficient. The aging infrastructure, quick growth of population and sluggish and inefficient bureaucratic environment, which is a roadblock to quick innovation, are the main reasons why government-delivered services are now far from satisfying”* (BTI, 2018, p. 8).

Therefore, to harness investment opportunities by foreign investors, the supranational agencies suggested fiscal reforms, including budget reforms that sought to promote global capitalism more than addressing the dwindling oil revenues of Kuwait. For instance, a report by the World Bank, Kuwait Country Program of 2017 proposed that:

*“A new World Bank Country Strategy spanning five years from FY 2016-2020 has been developed to support the government [of Kuwait] enhance public sector policy reforms, promote non-oil business growth and job creation, improve human capital reforms for economic competitiveness and boost critical infrastructure.”* (World Bank, 2017).

Similarly, the IMF emphasized the importance of structural reforms to boost the private sector in Kuwait. The IMF Press Release No.19/104 highlighted that:

*“Directors [of IMF] stressed the need for structural reforms to improve the business environment, support entrepreneurship, and foster productivity.”* (IMF, 2019b).

The fiscal reforms, including budget reforms in Kuwait, as suggested by supranational agencies, such as the World Bank, IMF, and others, were seemingly geared toward helping Kuwait to cope with the dwindling oil revenues. However, evidence indicates that these agencies were cultivating a conducive business environment to support the global political economy in which foreign companies were encouraged to participate in the oil revenues of the Persian Gulf country of Kuwait.

The coercive role of supranational agencies and strategic partnerships cannot be underestimated in



any budget reform process, especially in the context of developing countries, such as the state of Kuwait. The demand and supply of various fiscal reforms, including budget reforms in Kuwait, have been associated with some supranational agencies and strategic partnerships that Kuwait was coerced to enter into. This subsection examines the influence of these development agencies and strategic partners in creating the demand and supply of budget reforms as part of the austerity measures prescribed in the wake of declining oil revenues in the state of Kuwait.

In the first instance, IMF was instrumental in suggesting and encouraging several austerity measures, including economic and budget reforms for Kuwait. For instance, the IMF reviewed the nature of the main threats to Kuwait's economic sector resulting from declining oil revenues. Their [IMF] recommendations to Kuwait's government were to implement wide-ranging economic reforms, including budget reforms, to reduce the heavy dependence on oil revenues (IMF, 2014). Specifically, in their recommendation in the Staff Report, it was suggested by the IMF that Kuwait had to review its energy subsidies to be apace with socio-economic realities. The IMF Country Report on Kuwait (2014) indicated that Kuwait had to abolish diesel subsidies and was studying proposals for kerosene and electricity (IMF, 2014).

Further, the IMF had recommended to Kuwait contain its public expenditure, especially to control the wage bill and allocate more funding to infrastructure development (IMF, 2014). The investments in infrastructure development were considered by IMF as a panacea for promoting private sector development, which IMF had construed as necessary for the provision of jobs to the citizens, a strategy aimed at reducing the public expenditure on wages. All these were coercive mechanisms of a supranational agency to influence the adoption and implementation of budget reforms in Kuwait.

Recently, the IMF has continued to show interest in economic reforms, including budget reforms in Kuwait. For instance, the IMF acknowledged the importance of implementing fiscal reforms to guarantee future expenditure demands. In the Press Release, after they consulted with Kuwait's state officials, IMF indicated that:

*"Directors called for deeper fiscal reforms to ensure adequate savings for future generations. They encouraged authorities [of Kuwait government] to tackle spending rigidities and increase non-oil revenue while boosting capital outlays to improve infrastructure and raise potential growth."* (IMF, 2019b).

Likewise, the World Bank has made a series of suggestions to reform the budgetary process in Kuwait. Their major focus, like IMF, was on containing public expenditure, especially on public wages and on the reduction of subsidies to Kuwaitis. The government of Kuwait, with assistance from the World Bank, sought to manage the public expenditure on wages by attempting to promote the private sector to provide substantial employment to Kuwaiti citizens. For instance, the World Bank alluded that:

*"The adoption of an automatic mechanism should be viewed as the first stage of a transition to a*

*fully liberalized, pricing and supply regime, which has typically been a more effective approach to avoiding subsidies and protecting the budget."* (World Bank, 2016b).

The World Bank further intimated that Kuwait should consider dwindling oil revenues to justify to its citizens, as the government has limited financial resources, the lavish spending on subsidies and heavy expenditure on social services was unsustainable. The World Bank recommended that:

*"The current environment of low oil prices presents an opportunity to reform energy subsidies with minimal impact on the consumer while generating fiscal savings at a time when fiscal pressures are increasing."* (World Bank, 2016b).

Furthermore, the World Bank suggested to the Kuwait government that removing subsidies would promote the competitive private sector, which *inter alia* would stimulate employment, thus reducing the public expenditure on wages. The World Bank added:

*"The decision to remove subsidies is also strategically aligned with Kuwait's vision to further diversify the economy and enhance its competitiveness."* (World Bank, 2016b).

In another development, the World Bank held a view that, although in 2017 there were increases in oil revenues, the reforms in public financial management in Kuwait were still necessary owing to the volatility of oil prices on the global market. For instance, the then World Bank Country Director for the Gulf Cooperation Council (GCC), Mr Nadier Mohammed said:

*"Policy attention is shifting towards deeper structural reforms needed to sever the region's longer-term fortunes from those of the energy sector. While the recent increase in oil prices provides some breathing space, policymakers should guard against complacency and instead double down on reforms needed to breathe new life into sluggish domestic economies to create jobs for young people and to diversify the economic base."* (World Bank, 2018).

Although several international donor communities suggested far-reaching as well as hard-biting economic reforms to Kuwait, the socio-economic and political environment was not conducive to their implementation.

## 6. DISCUSSION

This paper set out to investigate the socio-economic and political factors that influenced budget reforms in Kuwait. The study revealed that the dwindling oil revenues created a demand to reform the budgeting options and decisions in Kuwait (IMF, 2019a; World Bank, 2016a). With declining revenues, a review of budgeting/spending choices had to be made and deliberate efforts were directed toward promoting non-oil revenues (IMF, 2019a). Several authors have studied countries with evidence of declining financial resources influencing budgeting options (Kasumba, 2009, 2013; Alnesafi & Kasumba, 2016). Thus, the socio-economic conditions of a country influence the budgeting choices it can make (World Bank, 2016a).

Secondly, it has been revealed that Kuwait's welfare system influenced the adoption and implementation of budget reforms. It was argued that the welfare system had significantly contributed to the social cohesion and stability of Kuwaiti

citizens (Andrews & Gilke, 2016). Any reforms to the welfare system would meet resistance from some state actors and citizens (Lindbom, 2001).

Although various supranational agencies were advocating for a review of the welfare system to match the socio-economic realities at the time, evidence from this study revealed that the reforms were resisted by some state actors (Lindbom, 2001; Boje et al., 2004), and the adoption and implementation of the reforms were delayed due to political struggles (Kasumba, 2013). In this way, this study presents a unique case in which, whereas in other developing countries that were coerced to reform their budgeting options, Kuwait resisted the reforms because of its privileged economic status that was characterized by the accumulated oil reserves over the boom period (IMF, 2014).

Further, the adoption and implementation of fiscal reforms, including budget reforms, were influenced by the power struggles between state actors (Kasumba, 2009, 2013; Uddin et al., 2011; Alnesafi & Kasumba, 2016). Whereas the appointed state government officials were coerced and "bought-in" to the reforms, the elected opposition Members of Parliament (MPs) drew from the power resources, including questioning the appointed officials (Ministers) to resist and delay the fiscal reforms, including budget reforms (Kasumba, 2009; Cooper & Hopper, 1990; Hopper et al., 1986). Power struggles have been identified as factors constraining the adoption and implementation of accounting changes, including budget reforms and especially in developing countries (Kasumba, 2013; Alnesafi & Kasumba, 2016). Thus, whereas the elected politicians wanted to protect the socio-economic interests of their electorate and their political interests, the appointed politicians acted to remain legitimate for the continued strategic relationships with external agencies, including the U.S. government (Kasumba, 2013). For instance, Kasumba (2013) revealed how the state actors of the government of Uganda adopted and implemented certain budget reforms for legitimacy purposes to receive the required funding from supranational agencies.

The demand and supply for budget reforms were created by the strategic relationships that Kuwait had with its strategic partners and through the coercive influence of supranational agencies (Uddin et al., 2011). Much as Kuwait did not need donor funds to finance its budget needs, its strategic position within the Persian Gulf, and its liberal

policies, especially in the global political economy, made it highly "vulnerable" to global politics and capitalism (Alnesafi & Kasumba, 2016). In the first instance, the fiscal reforms, including the budget reforms, in Kuwait were to support the creation of a conducive environment for direct foreign investments (DFI) under the guise of global capitalism (Alnesafi et al., 2015). For instance, Alnesafi et al. (2015) revealed that the public sector reforms of privatizing the state-owned electricity companies in selected Arab states and African countries were deliberate efforts to entrench global capitalism (Zhang et al., 2006).

## 7. CONCLUSION

This study revealed how political economy constructs are critical in analyzing accounting changes, especially in developing countries. It further discloses that, unlike other developing countries which are usually coerced to adopt and implement accounting reforms to support their ailing economies, Kuwait presented a unique situation. The state actors decided to delay effecting the reforms but instead supported their public expenditure, especially to protect and maintain their welfare system, by using their accumulated oil revenue reserves in the wake of the economic crisis caused by reducing financial resources. Finally, the study indicates how supranational agencies can draw on the power of reforms to create an enabling environment for global capitalism. Finally, whereas supranational agencies suggested fiscal reforms, including budget reforms, the socio-economic and political context of Kuwait constrained their adoption and implementation (Lassou & Hopper, 2016; van Helden & Uddin, 2016; Lassou & Tsamenyi, 2014).

The study has some limitations that should be considered when evaluating the findings. There is a limited/lack of literature in Kuwait in regard to the mentioned topic. Moreover, the evidence sourced was limited due to the lack of availability in most government documents.

The results of this study are unique for Kuwait and there are no previous studies about Kuwait in regards to budget reforms in Kuwait's political economy. It could also be seen as a contribution to the literature research on budget reforms in a political economy. Future studies could be built on this case study.

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## APPENDIX. LISTS OF SOURCES OF DATA

Table A.1. Supranational agencies

No.	Agency	Title	Date/Year of publication
1	International Monetary Fund	Kuwait: 2014 Article IV Consultation — Staff Report; Press Release (IMF Country Report No. 14/333)	5 November 2014
2	International Monetary Fund	Kuwait: 2019 Article IV Consultation — Press Release; Staff Report; and Statement by the Executive Director for Kuwait (IMF Country Report No. 19/95)	2019
3	International Monetary Fund	IMF Executive Board concludes 2019 Article IV Consultation with Kuwait [Press Release No. 19/104]	2019
4	World Bank	Kuwait. Retrieved from <a href="http://documents.worldbank.org/curated/en/993751523637283004/pdf/125255-MEM-April2018-Kuwait-EN.pdf">http://documents.worldbank.org/curated/en/993751523637283004/pdf/125255-MEM-April2018-Kuwait-EN.pdf</a>	2016
5	World Bank	Kuwait Country Program. Retrieved from <a href="https://www.worldbank.org/en/country/gcc/brief/kuwait-country-program">https://www.worldbank.org/en/country/gcc/brief/kuwait-country-program</a>	25 January 2017
6	US Department of State	US relations with Kuwait. Bilateral Relations Fact Sheet, Bureau of the Near Eastern Affairs. Retrieved from <a href="https://www.state.gov/u-s-relations-with-kuwait/">https://www.state.gov/u-s-relations-with-kuwait/</a>	4 October 2019
7	Center for American Progress	Rejuvenating the U.S. Partnership with Kuwait	2017

Table A.2. Kuwait state documents

No.	Source	Title	Date/Year of publication
1	State of Kuwait	The Constitution of Kuwait, adopted on 11 November 1962.	1962
2	Kuwait Investment Authority	Investing responsibly today for Kuwait's prosperity in the future, accessed on 15 October 2019.	2019

Table A.3. Newspaper clippings

No.	Agency	Title	Date/Year of publication
1	Economic Intelligence Unit (EIU)	MPs oppose fuel price hikes [in Kuwait]	8 September 2016
2	Reuters	Update 1 — Kuwait's Emir says economic reforms needed despite higher oil prices	30 October 2018
3	The Gulf News	Kuwait Appeals Court upholds oil price increase	24 April 2017
4	The National News	Kuwait court orders government to scrap petrol price rise	28 September 2016
5	The Oxford Business Group	Opportunities are being created by the National Development Plan	2019
6	TradeArabia News	Kuwait announces \$21.6bn budget deficit for 2018-2019, Business News Information. Retrieved from <a href="http://www.tradearabia.com/news/BANK_336088.html">http://www.tradearabia.com/news/BANK_336088.html</a>	29 January 2018
7	The Times of Israel	Kuwait's ruling Emir orders Cabinet dissolved amid turmoil	30 October 2017
8	Arab Weekly (online newspaper)	Is Kuwait rethinking its oil expansion plans? Oil and Company News	24 February 2019
9	Arabia Business Newsletter	Kuwait sees budget deficit jumping by 50% in 2016-17	28 January 2016
10	Forbes Newsletter	Bandow, G. (2017). Kuwait needs economic reform, but opponents dominated National Assembly Election.	9 January 2017
11	BBC News	Kuwait protest at court ruling dissolving parliament	27 June 2016
12	The National Newspaper (World)	Dickinson, E. (2013). Kuwait PM cautions that welfare state 'unsustainable'. Retrieved from <a href="https://www.thenational.ae/world/kuwait-pm-cautions-that-welfare-state-unsustainable-1.586252">https://www.thenational.ae/world/kuwait-pm-cautions-that-welfare-state-unsustainable-1.586252</a>	28 October 2013
13	Reuters — World News	Hagagy, A. (2016). Kuwait ruler dissolves Parliament, opens for elections.	16 October 2016
14	Financial Times	Kerr, S. (2019). Kuwait's economic reforms face domestic opposition.	10 September 2019