White Paper for the Public Administration Pillar

Towards an Integrated
Public Administration Reform
for the Digital Governance

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مركز الكويت للسياسات العامة
Kuwait Public Policy Center

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I. Introduction

Background and Objective

Under the framework of institutional and technical support for the establishment of the Kuwait Public Policy Center (KPPC), the United Nations Development Program (UNDP) and the State of Kuwait, represented by the General Secretariat of the Supreme Council of Planning and Development (GSSCPD), strive to enhance institutional capacities at various government agencies. They aim to do so by providing these agencies with the support needed to strengthen their capacities to shape national policy-making and policy agendas.

Within this context, this paper aims to provide policy directions and recommendations related to the public administration pillar of the next Kuwait National Development Plan (KNDP) 2020/2025. More specifically, this paper sets out the policies needed for an effective public administration to drive successful reforms and achieve the ambitious New Kuwait Vision 2035. It further addresses policy issues and challenges surrounding the public administration ecosystem from a whole-of-government approach. It also identifies relevant policy priorities to transform Kuwait's government into an efficient, open, and integrated digital smart government. It is expected that this paper will consolidate various policy areas and be used as a platform for much-needed dialogue and consensus-building by key stakeholders on how best to modernize and transform the public administration system in Kuwait, both in the short- and long-term.

Overview of the Public Administration pillar within "New Kuwait"

Kuwait launched its development plan, entitled "New Kuwait," in January 2017. The plan envisions a radical shift towards economic diversification and away from the oil dependence and public-sector expansion that have characterized the country's development

in recent decades. The plan aims to transform Kuwait into a regional financial, cultural, and institutional hub by 2035. The objectives of New Kuwait derive from the vision of His Highness the Emir Sheikh Sabah Al-Ahmad Al-Jaber Al Sabah. He sets out the nation's long-term goal "to transform Kuwait into a financial and trade center, attractive to investors, where the private sector leads the economy, creating competition and promoting production efficiency, under the umbrella of enabling government institutions, which accentuates values, safeguards social identify, and achieves human resource development as well as balanced development, providing adequate infrastructure, advanced legislation and inspiring business environment." [1]

Vision 2035 aims to ensure Kuwait can attract investment, develop competitiveness, and improve legislation to support economic and social systems. This will be accomplished through a seven-pillar approach that includes effective public administration, a sustainable and diverse economy, enhanced infrastructure, a sustainable living environment, high-quality health care, creative human capital, and an enhanced global position. This highlights that people and their well-being are at the center of the 2035 vision, and that their environment an important aspect of this.

More specifically, the pillar (effective government administration) involves reforming administrative and bureaucratic practices to reinforce integrity, transparency, and accountability in government, as well as to improve its effectiveness and efficiency. This includes reforming policy implementation and service delivery.

Approach and Methodology

This paper's initial policy analysis was based on existing policy objectives and targets set out in the KNDP 2015/2020. This was followed by a thorough policy-gap analysis and review of international trends and best practices in public administration reform. In addition, ongoing reforms and government priorities in Kuwait were reviewed to consolidate policy recommendations and build on existing government policies and priorities.

As such, many of the proposed policy recommendations in this paper did not commence from sractch and are in fact already in progress. This is because the government recently adopted a considerable number of policy initiatives and programs to address the various challenges it faces. The most significant are the creation of the Anti-Corruption Authority and the launch of the first National Anti-Corruption Strategy; the development of the National Program for Economic and Fiscal Sustainability, "Istidama"; and policy measures by the Civil Service Commission to ensure public-sector jobs are held by Kuwaiti citizens (rather than expatriates) and, most importantly, promote fiscal sustainability. Most of these initiatives have not been fully implemented, have realized limited results to date, and have lacked a systematic, coordinated approach. None of the main government agencies have put clear medium- to long-term strategic plans or sectoral strategies in place to achieve Vision 2035.

[1] Kuwait National Development Plan (2015-2020).

Considering the public administration pillar is a horizontal and a cross-sectoral area affecting all targeted sectors of the KNDP, its successful modernisation and transformation depends largely on a whole-of-government approach. It also requires considerable capacity and capabilities within government agencies to deliver and implement the targeted reforms. As such, the proposed policy priorities in this paper are specifically tailored to address these aspects. They are consolidated within a comprehensive multi-dimensional framework to bring the public administration ecosystem up to international standards and achieve digital government *(figure 1.)*. The overall policy directions and recommendations are grouped under the following six policy areas: i) restructuring the organization and functioning of the machinery of government; ii) building a world-class civil service; iii) open government for accountability and transparency iv) transitioning toward an integrated digital joined-up government; v) becoming a citizen-driven public service; and vi) achieving resource management efficiency and deepening engagement with the private sector.

Document Structure

This paper is structured in five sections. Section one introduces the background, objectives, and overall approach and methodology used to develop the various policy directions. Section two presents an overview of the public sector in terms of size, composition, key challenges, and ongoing government priorities and reforms. Section three suggests a framework to anchor proposed policies in an integrated and comprehensive way. Section four introduces policy directions and sets out the rationale, objectives, recommendations, as well as related policy instruments necessary for implementation, for each policy area. Section five provides conclusion and way forward for the transformation journey.

II. The State of the Public Administration in Kuwait
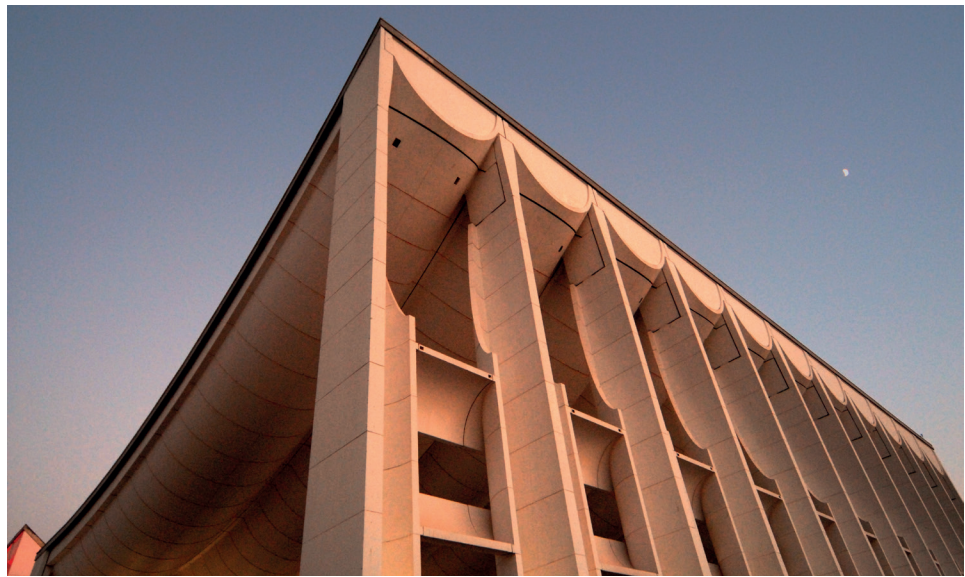
Origin and Development

Kuwait's large state bureaucracy and public administration emerged in the post-World War II period as a result of the vast government revenues generated by oil. In 1938, the government instituted the first ministries, budgets, financial controls, and other aspects of modern public administration to carry out the variety of new state functions and services. In June 1961, Kuwait became independent with the end of the British protectorate. Under the terms of the newly-drafted constitution, Kuwait held its first parliamentary elections in 1963. It began using the wealth generated by oil to create a comprehensive welfare state with extensive social services, education and health facilities ,and initiated mega-infrastructure projects. The first law on civil service policies and organization was passed in 1955. The Civil Service Commission and the Civil Service Law as we know it today were established in 1979 to modernize the overall public administration system and enhance the capacity and capabilities of Kuwait's public sector entities and their employees.

Kuwait has been characterized by rapid population growth due to foreign labour: between 1950 and 2016, the population grew 27-fold, increasing from 150,000 to over 4.1 million. As a consequence, the civil service grew tremendously. As of 2018, the public sector workforce almost doubled to about 400,000 employees from 199,000 in 2002. They are distributed across 17 ministries, 12 government departments, 21 public authorities and 16 state-owned companies. These employees comprise the bulk of the country's civil servants. The largest state institutions are those providing social services, notably education and health.

Characteristics and Key Issues

The main driving factor contributing to the growth of the bureaucracy was the government's guarantee of jobs to all citizens. The government is the largest employer in the country, and Kuwaitis prefer government employment over the private sector. This is true even when people are forced to take low-level positions that underuse their skills and time. Kuwait is well known for its excessive bureaucracy and overstaffing, to the extent that several people are often assigned to what could be one job. Many positions are created to provide employment to citizens without much focus on merit or need.

The public administration in Kuwait is governed by various laws and policies. The public-sector workforce and government size and organization is mostly governed by the Civil Service Decree Law #15 of 1979, which covers all policies related to the recruitment, employment, promotion, and mobility of civil servants. The Civil Service Commission and the Civil Service Council are the two main government bodies mandated to govern and regulate the employment and working conditions of Kuwait civil servants. These institutions oversee hiring and promotion and manage the country's bureaucracy. In addition, they support the cabinet during the creation, merger, or dissolution of government entities.

Several initiatives to reform the public administration focused on civil service policies – mainly wage and compensation policies and, to a lesser extent, employment policies. None of this has been successful in curbing public-sector employment or addressing the out-of-control wage bill. An eextensive nationalization policy across to provide public-sector work to citizens is underway. The aim is to achieve a 100-percent Kuwaiti-citizen workforce. Various ministerial, parliamentary, and other committees have been formed to examine look at removing expats from public-sector roles and replacing them with Kuwaiti nationals to combat Kuwaiti unemployment. These efforts are starting to yield limited results. The most recent BTI country report for 2018 describes Kuwaiti bureaucracy as functional, but bloated. The Global Competitiveness Report indicated that the biggest obstacle to doing business in Kuwait was inefficient government bureaucracy due to duplication and overstaffing of growing government entities with unmotivated and unskilled public servants (WEF, 2015).

The initial policy analysis for this paper revealed a number of challenges affecting the state of the public administration in Kuwait. These can be summarized under six main issues:

Issue 1. Ineffectiveness of the Organization Structure and Functioning of the Machinery of Government

Since its inception in the early 60's, the public administration system in Kuwait has been set up as a typical centralized hierarchy under the direct control of the central government and political leadership. It is based on a strictly hierarchical model of bureaucracy, staffed by permanent officials. These officials do not contribute to policy but merely implement and administer them. Today, this kind of system is considered outdated and ineffective to meet major economic, social, and technological challenges.

Kuwait launched its first National Development Plan 2010/2015 with the main focus on reducing the public sector workforce and the overall wage bill. It also focused to a certain extent on the transformation towards electronic government. Today, Kuwait is developing KNDP 2020/2025, its third national development plan. Yet the country still **lacks a clear vision and national strategy in terms of what type of transformation is**

needed for the medium and long-term, including the level of decentralisation needed. **Inefficiencies within the machinery of government and its siloed organization structure predominate,** with weak coordination, collaboration, and sharing of resources, information, and data. **This impacts government's ability to provide high quality public services and foster competitiveness and growth**. It impedes the implementation of complex policies such as economic diversification, transition to the knowledge based-economy, and digital governance.

The Center of Government (CoG) is not clearly defined and lacks clarity, capacity, and appropriate consolidation of its various functions. Typically, these functions include steering policy-making and legal coordination; synchronizing national strategic planning and budgeting; managing performance and programs; overseeing institutional governance and efficiency; improving service delivery; and strategic human resources management. All these functions are currently performed by various government agencies and there is no clear definition of which entities belong to or are excluded from the center. Nor is there a clear indication of how the various entities coordinate and integrate their mandates in order to effectively lead the transformation agenda. The lack of clarity on who does what, and how to effectively coordinate the transformation and modernization at the center, is at the heart of the challenge with the current public administration system.

There is weak and ineffective policy development and co-ordination at various levels of government across sectors, across agencies and between the center of government and agencies. The various challenges can be summarized as follows: i) weak coordination for strategy development, policy-making, decision-making, and legislative drafting; ii) lack of effective policy-making mechanisms and an absence of policies promoting policy and regulatory impact assessment, as well as a lack of monitoring and evaluation of adopted legislation (where, in most cases, regulations are introduced without adequate rationale and are characterized by arbitrary decision-making); iii) lack of a strong center of government that can ensure the compatibility of various policies and laws and anticipate any potential mismatch; and iv) weak alignment between planning and civil society and lack of policies that foster private-sector engagement.

Issue 2. Inefficient Civil Service System

The Global Competitiveness Report 2017/2018 indicates that the most problematic factor for doing business in Kuwait was the inefficient government bureaucracy due to duplication and overstaffing of growing government entities by unmotivated and unskilled public servants. Kuwait's ranking is slipping against regional peer countries, as well as internationally from 37th in 2012/2013 to 52nd in 2017/2018.

Weak motivation and inadequate skill level of public-sector employees to meet future challenges and achieve Vision 2035. This is mainly due to the strong preference of nationals for public-sector jobs, given higher wages and better working conditions and benefits (i.e., job security, shorter work hours, and longer holidays) compared to the private sector. This has increased the reservation wage (the lowest wage at which a person will accept a new position) and distorted skills development by creating a disincentive for nationals to invest in skills that are important for the private sector.

The current profile of the civil service by education level reveals significant challenge for meeting future needs. 51% hold a university degree or higher compared to about

49% below a university education, the existing workforce is not equipped to perform the functions required to transform toward digital governance. Other challenges include under-qualified and insufficiently experienced personnel who are promoted too quickly to senior positions, and a lack of comprehensive, competency-based training for civil servants that is not inked to performance results or actual government needs.

FIGURE 1

Distribution of Public Sector Workforce by level of Education

49% of the public sector workforce has an education level below university

Illiterate	Read Write	Primary	Intermediate	Secondary and Equivalent	Secondary and below University	University	Above University	Not stated
445,000	4.920,00	3.983,00	44.706,00	71.048,00	64.514,00	163.851,00	17.029,00	19.174,00
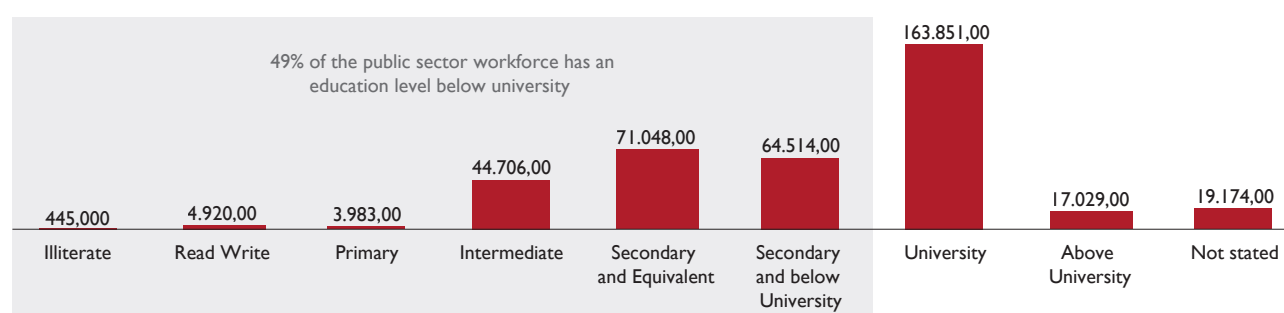
Source: Author analysis based on Central Statistical Bureau data for 2017.

Outdated civil service policies. The Civil Service Law Decree #15 of 1979 has seen multiple amendments but lacks cohesiveness. It is insufficient to address all inconsistencies and inefficiencies, including in recruitment policies, compensation and salary scales, training and development, appointment of senior leadership, and promotion. The law applies to a limited number of government entities, with the remaining entities having their own human resources policies. The current quality of public-sector employment policies are considered a main hindrance due to the various inconsistencies and the fact that they are **distorting the labor market.** Offering the highest public-sector wage premium provides strong incentives for citizens (especially the low-skilled) to seek public-sector rather than private-sector jobs. Other benefits include fewer working hours, job security, and guaranteed pensions – resulting in about 85% of employed nationals working for the government, 44% of whom are under the age of 30.

Inconsistencies and incoherent application of the civil service compensation law across entities. The public-sector wage bill structure has close to 200 different allowances, creating fragmentation across entities and making comparisons of employee compensation challenging. This hinders efforts to foster transparency and fairness. Public sector employees with the same grade and position can receive different compensation across entities. Internationally, basic salary constitutes about 90% of an employee's compensation. In Kuwait, this is essentially reversed, with basic salary constituting about 20% of total compensation. In addition, 90% of employees are rated as "excellent performers" in their annual performance reviews, and as such receive a yearly bonus regardless of their actual quality of performance.[2]

[2] Increasing private sector employment of nationals in GCC, TICG. 2017.

Weak operational capacity and capability. Kuwait's bureaucratic process is typically very slow and highly hierarchical. Business processes and procedures and not driven by any efficiency rationale, or by quality of service. Positions are generally occupied by employees who are not encouraged or incentivized to improve operational efficiency, making government activities often cumbersome and unreliable. Government entities rely mostly on third-party independent consultants and advisors – a practice that addresses both capacity and capability issues. Nevertheless, this third-party support should complement the current workforce rather than substitute for the government's capability and capacity requirements.

The civil service's weak capacity is also impeding the country's economic development and overall competitiveness. The size of the **public sector workforce is about 20% of the total workforce, compared to the average international benchmark of about 10%.** The permanent civil service workforce, as of 2018, numbered some 400,000 employees – an increase of 11.5% since 2014. Today, Kuwait has one of the highest ratios of public employees to population, at 10% (compared to the international average of about 3%).

FIGURE 2

Public Sector Employees Ratio / Out of Total Population
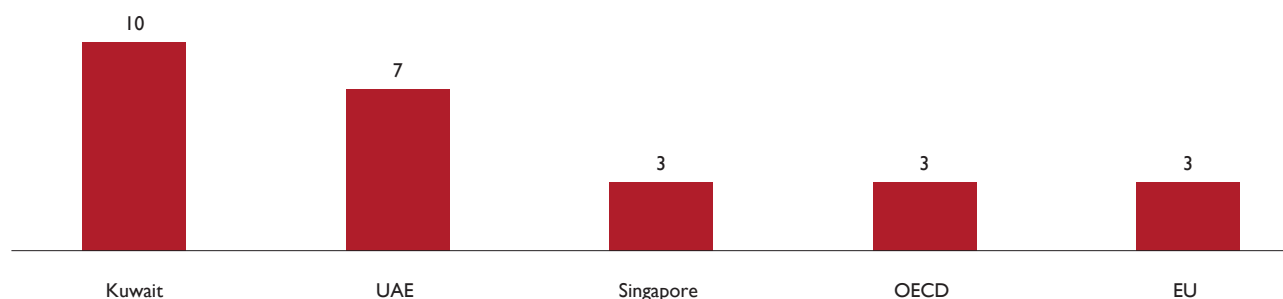
Source: Author analysis.

Uncontrolled expansion: the public sector suffers from an over-inflation of the number of government entities (83 entities) - where 74% of the workforce is distributed across 17 ministries, 9% across 22 authorities, 7% in 16 state-owned enterprises, 6% in 12 government departments, and 4% in 16 authorities with independent budgets. In Kuwait, teachers and health workers working for public organizations are considered civil servants. As direct employees of the ministries of education and health, they fall under the Civil Service Law. The latest figures submitted to the Central Bureau of Statistics show that the number of employees in the 17 ministries reached 288,953, where the Ministry of Education, Ministry of Health, and Ministry of Electricity and Water accounted for the largest numbers of public employees.

FIGURE 3

Number of Employees by Entity Type

Entity Type	Percentage	Number
17 Ministries	74%	288,953
22 Authorities	9%	34,433
16 State-Owned Enterprises	7%	27,097
12 Government Departments	6%	21,936
16 Authorities with Independent Budgets	4%	17,251
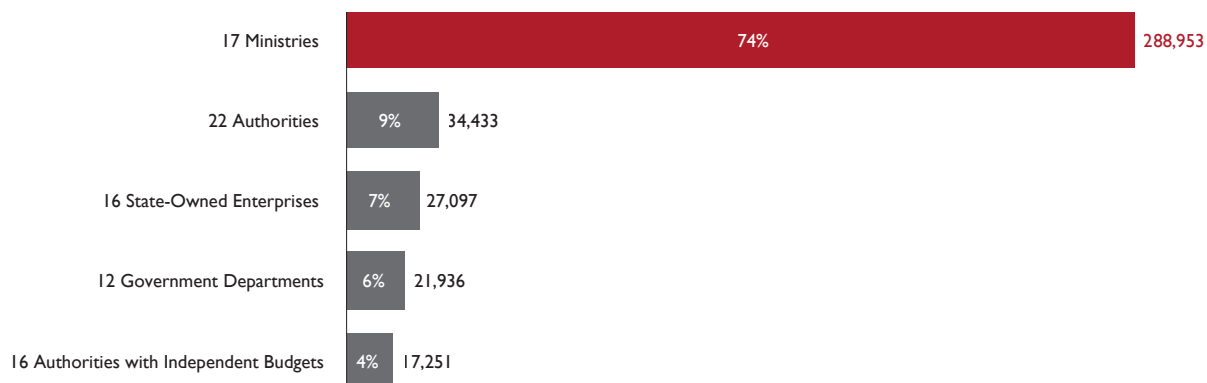
Source: Author analysis based on Central Statistical Bureau data for 2018.

FIGURE 4

Distribution of Employees by Ministry

Ministry	Number
Ministry of Education	109,160
Ministry of Public Health	61,410
Ministry of Electricity and Water	20,302
Ministry of Interior	19,728
Ministry of Awqaf & Islamic Affairs	14,443
Ministry of Public works	13,727
Ministry of Social Affairs	10,381
Ministry of Justice	9,666
Ministry of Communications	8,305
Ministry of Information	8,038
Ministry of Finance	3,357
Ministry of Commerce & Industry	3,145
Ministry of Defence	3,102
Ministry of Foreign Affairs	1,792
Ministry of Higher Education	1,137
The Supreme Council for Planning & Development	642
Ministry of Oil	620

Source: Author analysis based on Central Statistical Bureau data for 2018.

Issue 3. Insufficient levels of Transparency and Accountability

Heavy bureaucracy and red tape. The business community complains of red-tape formalities; for instance, starting a business is much more time-consuming in Kuwait than it is on average elsewhere in the region (Doing Business Report 2016). **Procedures to open, operate, and wind down a business should be simple, transparent, cost-effective and easy to understand.** According to Transparency International's 2017 "Corruption Perception Index" (CPI) on perceived levels of public sector corruption, Kuwait ranked 85th among 180 countries and territories. Part of the public administration reform objectives are the reform of administrative and bureaucratic practices to reinforce transparency, accountability, and efficiency in government. The technical review of existing legislation conducted between March 2018 until March 2019 revealed gaps in law and policy, such as the recruitment and appointment of senior leadership, accountability in governance, access to public and government information, whistleblower protection (in terms of reporting, coordination, and institutionalisation), code of ethics standards, and internal audit standards.

The public administration in Kuwait suffers from corruption and abuse of power, therefore presenting a high risk of corruption. Companies report that bribes and irregular payments often occur in return for obtaining public utilities (Global Competitiveness Report 2015-2016). Bureaucrats allegedly postpone administrative decisions to incite members of the public to pay bribes to expedite processes (The Peninsula, Mar. 2015). In addition, practices of favoritism are widespread within the administration. Administrative decisions are sometimes arbitrary and can involve corruption, thus encouraging unfair competition (BTI 2016).

The appointments of senior leadership and promotions do not happen in a transparent way. Citizens and members of parliament have frequently called for new legislation and transparent policies related to selection and appointment processes of senior officials. There is a serious policy gap within Civil Service Law # 15 of 1979 in terms of how senior officials are recruited, appointed, and promoted. Another issue is the lack of transparency and accountability for public servants in general, and particularly for senior leadership. According to the 2015 BTI Index, the public administration in Kuwait lacks professionalism. Businesses often rank government inefficiency as the greatest obstacle to doing business in Kuwait (Global Competitiveness Report 2015-2016). Further, there is a lack of laws and policies promoting access to public information. Citizens have a low perception of the integrity and trustworthiness of civil servants and overall decision-making.

Issue 4. Poor Quality of Public Service

Kuwait has a cumbersome regulatory environment for business. Kuwait's rank deteriorated to 97 in 2018 from 96 in 2017 among 190 economies for ease of doing business, according to the latest World Bank annual ratings. The index ranks countries against each other based on how conducive the regulatory environment is to business operations. Economies with a high rank (1 to 20) have simpler and friendlier regulations for businesses.

There is a considerable gap at the institutional level. Kuwait does not have a dedicated agency responsible for steering and driving excellence in public service across all government agencies. As a consequence, there is no national blue-print for public service centered on citizens. Such a national strategy is usually needed to guide government's full transformation as to

how it should design, deliver, monitor, and evaluate services for ongoing improvements and, most importantly, promote innovation and reduce costs. There is also a lack of measures and mechanisms to measure quality of services for citizens and businesses. Most government agencies that provide services don't have the right capacity, capability and organizational setup to monitor, measure, and evaluate service standards or customer satisfaction. They also do not have the right incentives in place to motivate employees to provide higher quality services, or innovate.

Lack of performance measurement and misalignment with goal orientation. Civil servants are not measured according by the results they produce. Instead, they are measured on whether they arrive at and leave work on time. Most government entities lack clear results targets, progress-tracking, and performance systems. Customer service satisfaction is not systematically measured or prioritized. There is lack of policies ensuring quality public services and customer satisfaction. Citizens and businesses are not yet fully engaged in the process of service design, delivery and evaluation.

Lack of policies promoting efficiencies in service design and delivery. Efficiency measures requiring quantitative information on costs (or physical inputs) and outputs of public services are not integrated in budget planning. Likewise, the measurement of outputs does not capture the quantitative and qualitative aspects of the public services provided. Policies to rationalize service delivery and enhance the role of the private sector are not yet fully integrated in the service design and planning cycle.

Lack of confidence of citizens in public services: In the education sector, we see a strong preference for enrolling Kuwaiti children in private schools due to low-quality education in the public sector. In the health sector, Kuwaitis have a strong preference for receiving medical care overseas for more specialized services. This is due to a lack of confidence in the local healthcare system. The transition towards the electronic government has been extremely slow and the heavy bureaucracy continues to impede Kuwait's competitiveness and economic growth.

Issue 5. Slow Transition Towards Digital Government

Over the past 20 years, Kuwait has embarked on a transformation towards electronic government. It has achieved considerable progress in strengthening statistical capacity and integrating information and communication technology across government agencies. These including allocating financial resources, integrating information and communication technologies (ICT) and statistics as part of previous national development plans, establishing the Central Agency for Information Technology, creating the common Kuwait Government Online (KGO, the official portal of the State of Kuwait which provides governmental information and services to all citizens, residents, and visitors in addition to the governmental and business sectors), to name just a few. The UN e-government survey ranked Kuwait 41st out of 193 countries on the e-government development index, up from 63rd in 2012. Despite these considerable efforts, Kuwait is still facing various challenges in transitioning toward digital smart government. These can be summarized as follows:

Absence of a national digital strategy that steers digital transformation across government entities. Extensive delays in implementing ICT projects due to weak capability and ineffective coordination hindering government interactions with citizens, businesses, and even across government agencies. Government employees lack the appropriate level of training and skill to manage and operate in the digital environment. We find today across all government agencies prevailing system based on paper documentation and processes.

Reluctance of government employees to change the way they operate for fear they might lose the power of information they hold. Employees might see technology as a threat, especially where corruption is a problem. A well-functioning digital government is not compatible with a system that suffers from corruption and thrives on personal connections, referred to as the wasta culture.

Electronic government is perceived mainly as a technological challenge and less of a fundamental way to change the way the whole-of-government operates. Fundamental governance policies to promote efficiency, better services, and leveraging of big data for better transparency and decision-making through technology have not yet been enacted. The transition to digital government is conceived largely in terms of information technology (IT) systems, tools and infrastructure, with less focus on policies that achieve truly open government as a mechanism to increase effectiveness.

Insufficient regulation and privacy policies around issues like access to information, digital signatures, cybersecurity, and personal data raise serious concerns about security.

Issue 6. Unsustainable Approach to Resource Management Efficiency

Currently, there is a **comprehensive fiscal reform agenda led by the Ministry of Finance to address public financial management.** However, considering the scope of this paper, we will address the challenges around policies related mostly to the disconnect between fiscal planning and performance results.

Heavy dependence on oil and high reliance on the public sector. Kuwait's economy has been dynamic and booming, with government expenditures affecting and driving every aspect of the economy. As of 2015, it has maintained one of the highest per capita GDPs in the world ($70,000). It has been able to ameliorate poverty and satisfy citizens' basic needs, creating a good standard of living and building necessary infrastructure. The state assumes primary responsibility for the welfare of its citizens, who are provided with free medical care, government-supported housing, interest-free loans, free education until graduation from university, and guaranteed employment. In addition, various services, including electricity, water, gas and telecommunications, are heavily subsidized (IMF, 2017).

High fiscal burden of the public sector wage bill. Public sector compensation affects public finances and distorts labor markets. Kuwait has one of the highest public-sector wage bills in the world. Government policy aimed at ensuring low unemployment among Kuwaiti nationals through public-sector jobs and pressure to increase wages during the oil price boom have inflated the wage bill considerably. The wage bill rose from under 10% of GDP in 2011 to over 18% of GDP in 2016, the steepest regional increase compared to other Gulf Cooperation Council (GCC) members. This reflects both higher public-sector employment as a percentage of the total national labor force, as well as the generous compensation package (IMF 2017). The wage bill accounts for the largest portion of government's expenditure, growing at an 8% annualized rate between 2012 and 2016. During these years, a total of USD 35 billion in expenditures were linked to government wages, constituting around 55% of the state's total expenditure.

The wage bill and related generous allowances account for more than 50% of the total pay, making the more unified basic pay an unreliable indicator of actual earnings. [3]

Financial planning across government entities and management practices are not tied to performance outcomes. Governments launch major reforms and initiatives, but often devote few or no resources to monitoring and evaluating them to see if they achieve the desired results. Often, the substantial differences between the short- and long-term effects of these reforms, such as efficiency gains and results, are dissipating over time.

[3] Kuwait Ministry of finance and TICG: Kuwait in Transition: Towards a Post-Oil Economy.

III. Towards a Whole-of-Government Approach

Effective, accountable, and inclusive institutions and public administration are the corner-stone of any government's work and play an essential role in improving people's lives. The Sustainable Development Goals (SDGs) stress the importance of a well-functioning public administration for economic and sustainable future: "[w]here capable administrations are lacking, governments are incapacitated; and where governments are incapacitated, sustainable development falls short". Reforming and transforming Kuwait's public administration ecosystem is imperative for the realization of Vision 2035.

The public administration pillar is a multi-disciplinary and multi-stakeholder sector. It combines various policy areas, from organizational theory and machinery of government to human resources management, ethics, budgeting, policy-making, and public service. Based on a review and analysis of the public administration pillar policies, challenges, and policy gaps in the KNDP 2015/2020, we propose a comprehensive policy framework combining six policy directions anchored in the following areas:

i.   the organization and function of the machinery of government;

ii.   the civil service ecosystem;

iii.   the transformation to digital government;

iv.   open government and transparency;

v.   public service design and delivery; and

vi.   public sector resource efficiency.

FIGURE 5

Proposed framework for public administration policy analysis and directions
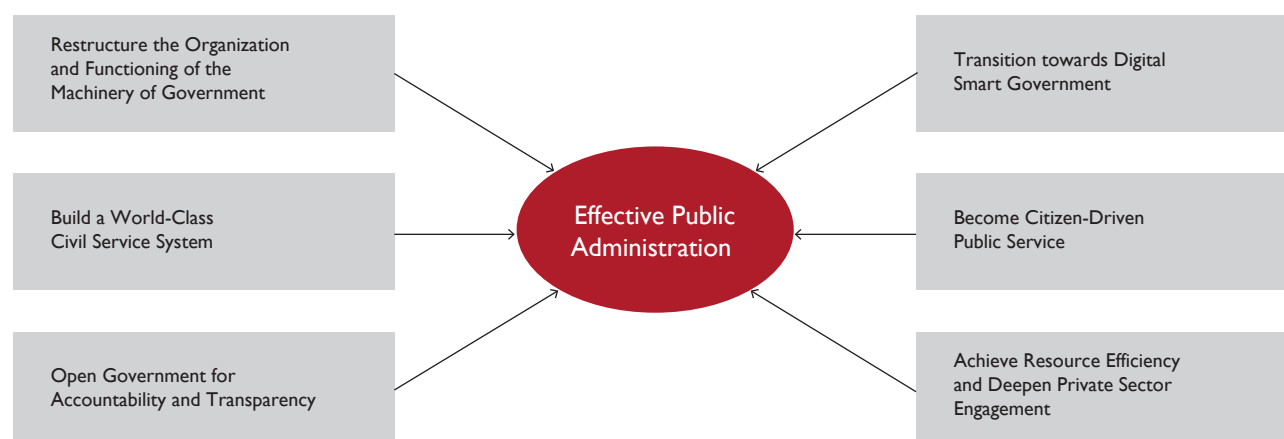
i. **The organisation and function of the machinery of government** refers to interconnected government structures and processes, such as the functions and accountability of government departments. The machinery of government is mostly concerned with the rules, institutions, and structure of the administration necessary to carry out government policy, including new tools for public administration, notably e-governance and e-government.

ii. **The civil service** refers specifically to human resources planning and management. It includes the Civil Service Law and related legislation to ensure Kuwait builds a world-class and competent public-sector workforce.

iii. **Digital government** examines how the Kuwait government can improve policies and combine existing systems, technologies, tools, and data sources to become a smart digital joined-up government.

iv. **Open government for accountability and transparency** will cover two main policy areas: anti-corruption, integrity, and transparency; and performance management. It will deal most importantly with how these two areas must be aligned to achieve accountability and transparency in decision-making.

v. **Citizen-driven public service** examine policy measures that foster service improvement and innovation to meet and adapt to citizen and business needs, while building on international trends toward open public service reforms.

vi. **Resource management efficiency** focuses on policies that enhance sustainable resource planning and management, foster effective public-private sector partnerships, and promote results-based and performance management aligned with organizational goals and needs.

IV. Strategic Policy Directions

Policy Direction 1. Restructure the organization and functions of the machinery of government

Objectives

This policy area has two multidimensional objectives. The first is to transform Kuwait's public administration into a lean, enabling administration. The second is to establish a strong well-functioning center-of-government as the engine of change.

Rationale

This policy area refers to the overall organizational structure of Kuwait's government in terms of number of entities, their size and structure, mandates and functions, governance arrangements, and how they work together to deliver results to citizens. The overall public administration is currently bloated and its machinery is crippled by inefficiencies across all levels. In its current state, it is unable to achieve Vision 2035. As such, this policy area addresses the following two dimensions:

Ineffective machinery of government for the creation, merger, and reallocation of government functions: Too many entities continue to be created and are too frequently re-organized. This is done without adequate planning, detailed impact analysis, or necessary capacity or capabilities to carry them out. As a result, they have considerable implications for delaying comprehensive reforms across all sectors. Within the scope of this paper, we have examined and analyzed the most recent restructuring of government entities between Decem-

ber 2017 and December 2018. We found that whilst these initiatives bring many benefits and advantages, all were conceived without careful design or sufficient planning, launched on very short notice, involved high costs, and suffered weak implementation capacity. For instance, the Public Authority of Manpower (PAM) and the Manpower and Government Restructuring Program (MGRP) merger took two and a half years, and even today they are not fully working as a single entity. Another example is the creation of Public Authority for Roads and Transportation (PART). From 2014 to today, about 30% of the authority's functions have not been fully operational due to opposition from Kuwait Municipality, the Ministry of Public Works and the Ministry of Interior regarding changes to its mandate. None of the proposals to create or merge entities are backed by adequate feasibility studies or cost-benefit analyses, and they lack anticipated target operating models and detailed financial plans for the medium- and long-term.

Weak and uncoordinated center of government with excessive decision-making time: There is a vacuum in place of a strong center-of-government, which should ensure the compatibility of the various policies and laws and anticipate any potential mismatch. There is a lack of clarity about which entities belong to or are excluded from the center and how the various entities coordinate and integrate their functions and mandates for maximum effectiveness. There is no central performance management system that measures to what extent entities are delivering on their mandate and core functions. In addition, entities belonging to the center of government do not have the resources to provide effective coordination and support to various government departments. The Civil Service Commission has no control over how independent entities apply or define compensation and benefits policies, and we see major discrepancies in applying compensation across entities.

Policy recommendations

1.1 Adopt a whole-of-government restructuring policy agenda and a framework for the public administration based on a clear vision and supported by the right operating model. As a starting point, there is a need to develop policy options around the most appropriate and optimal governance model and the level of centralization or decentralization needed in Kuwait.

Proposed policy instruments:

i.   Establish a national agreement on the level of decentralization needed for the whole of government of Kuwait;

ii.   Develop the target operating model to optimize the horizontal and vertical structure of government entities to ensure better sectoral coordination and inter-governmental relations;

iii. Launch a whole-of-government restructuring agenda streamlining government functions for each sector, separating regulation and policy-making from operational and service delivery functions, reducing overlapping and duplicative roles, and rationalizing public sector institutions for greater productivity and performance; and

iv.   Develop a rationalization roadmap between 2020 and 2035 to scale down overall government size and composition, taking into account the ultimate goal to become a digital smart government.

1.2 Redefine and strengthen the center-of-government as the engine and co-producer of change:

A typical Center of Government (CoG) refers to the organizations and units that provide direct support to the country's chief executive (president or prime minister) in managing the government's top priorities, generally for the political management of the government's actions, strategic management, coordination of policy design, steering of policy implementation, monitoring of performance and delivery, and communication of results[4]. Unlike sectoral ministries and other agencies, CoG organizations are not directly involved in providing services, nor do they focus on a specific policy area; rather, they perform coordination and monitoring functions for the entire government (James and Ben-Gera, 2004). In Kuwait, there are multiple entities delivering direct support that fall under the CoG such as the Ministry of State for Cabinet Affairs, Government Secretariat for Council of Ministers, Central Agency for Information Technology, Civil Service Commission, Government Performance Follow-up Agency, Legal Advice and Legislation, State Audit Bureau, and multiple Inter-Ministerial Committees. In addition, we find other entities performing dual roles supporting CoG and providing support to individual agencies: the Ministry of Finance, Central Statistics Bureau, Public Authority for Civil Information, and General Secretariat of the Supreme Council for Planning and Development. Currently, there is a lack of clearly-defined mechanisms to evaluate how the CoG functions and identify areas of duplication and overlap that need to be enhanced and streamlined. Having a strong and well-functioning center is essential to govern, provide coherence, and lead, no matter how decentralized and open the future public administration might be.

Proposed policy instruments:

i.   Redesign the structure and institutional setup, functions and mandate of the main CoG entity and government entities supporting CoG;

ii. Develop a cross-governmental accountability performance framework and standards for reporting information about policies and results;

iii. Develop a strategy to align government communications;

iv. Develop a comprehensive program to strengthen the operating capability and capacity of senior staff within CoG; and

v.   Update the CoG operating model based on the overall restructuring agenda.

1.3 Strengthen the capacity and capabilities of research and policy-making units across ministries and government agencies, especially those responsible for developing, monitoring, and evaluating public policy and regulations and overseeing sectoral strategies and programs. The main orientation for is to create policy coherence across government. This will be possible after the re-design of the center-of-government and agreement is reached where this unit would be most relevant.

Proposed policy instruments:

i.   Establish a central policy and research coordination unit mandated to provide one-stop consultation and co-ordination services and oversee policy-making across all sectors and levels of government, monitor and evaluate government policies out-

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[4] Source: Inter-American Development Bank.

comes, and provide data-driven insights to decision-makers and the leadership. This recommendations builds on the recently-established Kuwait Public Policy Center (KPPC) within the GSSCPD and examines how its mandate and capacity can be enhanced and strengthened for maximum optimization;

ii.   Develop a government-wide policy and research capacity-building program to train and build capacity of staff engaged in policy-making and research across all regulatory agencies; and

iii.   Establish a central policy-making mechanism to determine how policies and regulations should be developed, monitored, and evaluated and, most importantly, coordinate major cross-agency policies.

1.4 Develop a government reorganization guidance policy and standards to support government restructuring efforts when engaged in mergers, de-mergers, creation or termination of government entities which include principles and standards such as the separation of ownership between regulatory and operational functions in order to limit the pursuit of conflicting objectives by sector.

Proposed policy instruments:

i.   Develop policy guidance and standards applicable to all government agencies;

ii.   Train government employees engaged in organizational development on how to apply the guidance policy; and

iii. Develop a central mechanism to monitor and evaluate all recent restructurings for at least for the first three years in order to provide technical support for government entities who are newly created or affected by major restructuring.

Policy Direction 2. Build a world-class civil service system and a skilled public sector workforce

Objectives

The objectives of this policy are two-fold: the first is to modernize and strengthen the capabilities of the civil service ecosystem, and the second aims to develop a competent, productive, and skilled public-sector workforce as the backbone for the delivery of Vision 2035 and the transformation toward the knowledge economy.

Rationale

Since the launch of the first KNDP in 2010, only the employment and compensation dimensions of the civil service have been addressed. There has been no a comprehensive vision or strategic reform, which today is considered essential to modernizing all existing policies and ensuring Kuwait has a state-of-the-art civil service equipped with the right talent, competencies, and skills for the knowledge economy, and that overall civil service policies are in-line with international standards.

Policy Recommendations

2.1 Develop comprehensive civil-service reform as a stand-alone reform program in the next KNDP 2020/2025, avoiding a piece-meal and fragmented approach. The proposed reform should address all policies within the civil service system.

Proposed policy instruments:

i. A comprehensive civil service reform roadmap 2020/2025;

ii. Conduct a major update of the Civil Service Decree Law #15/1979 and related policies. These should be reviewed from a recruitment, retention, evaluation, promotion, mobility, retirement, and discipline perspective to achieve a major simplification and streamlining of procedures and processes. Human resources policies should be revamped overall to meet international standards and remove existing inconsistencies and ambiguities;

iii. Implement a comprehensive civil service pay reform that simplifies and harmonizes the public-sector wage structure and centralizes wage policy decisions to control wages as part of a medium-term fiscal effort. Such a policy reform will provide more cohesive alignment across entities and introduce a new salary scale competitive with private-sector salaries. A closer examination and review of key factors that affect the scope of civil service compensation reform should include: minimum wage laws, prevailing wage laws in the private and public sectors, minimum benefits laws, maximum pay policies, competitive pay policies, merit pay policies, cost-of-living adjustments, and pay-for-performance policies; and

iv. Enhance the civil service performance management system policies to ensure the overall salary structure, the recruitment and promotion policies must reward performance and correct under-performance as counter balance to the culture of favoritism and patronage.

2.2 Move towards a merit-based system of recruitment carried out through open competition: such a policy will be in line with the constitution to provide equal access for every citizen to the civil service, provided they meet the specific requirements of the vacancy. Considering the uncontrolled expansion of the civil service workforce, there is an urgent need to tighten entry to employment in the public sector. This can be done by eliminating guaranteed entry from all levels of the education system and by setting up yearly entry civil service career exams to ensure only the most qualified candidates are recruited. Employment of candidates with low educational attainment (high school and below) can be restricted. This will ensure Kuwait's civil service workforce is equipped with the right level of talent, competencies, and skills for the knowledge economy. International experience reveals that many OECD countries (e.g., Denmark, Estonia, Germany, and Ireland) have statutory civil servants who are distinct from other public employees in the sense that prospective civil servants have a probationary period of at least two and up to six years (in the case of Austria) during which their employment relationship can be terminated, before they are appointed as civil servants with life tenure.

Proposed policy instruments:

i. Introduce a merit-based recruitment policy through a national civil service career service examination to be administered by the Civil Service Commission (CSC) to determine the best candidates for a government position;

ii. Extend the probation period in Civil Service Decree Law #15 of 1979 between two and three years based on candidate performance; and

iii. Develop a merit-based system of recruitment to be carried out through open competition.

2.3 Introduce flexible working arrangements by introducing new types of employment contracts to maximize productivity and reduce the wage bill: such policies will allow flexible working time, compressed hours, remote working, and a part-time workers' scheme providing employees, especially students and female for shorter time periods, to be paid proportionately, providing flexibility to employees and reducing costs of the overall wage bill.

Proposed policy instruments:

i. A flexible work arrangements policy with clear guidelines for government entities on how to implement such policies along with standard contracts and rules to apply compensation benefits and allowances, and how it will affect other policies such as the retirement law;

ii. Conduct a government-wide mapping of positions where a flexible work arrangements policy can apply; and

iii. Develop the legal framework and contractual agreements to implement this policy.

2.4 Enhance the quality of public service human resource management (HRM) and make smart targeted investments to develop the skilled public-sector workforce of the future: the quality and level of capacity and capability of Kuwait civil service workforce is critical to driving all public policy and reforms. So far, little attention has been given to how Kuwait can truly enhance and articulate a strategic forward-looking vision of public sector workforce planning and build a highly-skilled civil service driving public sector performance. Lessons from leading OECD countries reveal that future-oriented workforce planning remain a challenge for public-sector HRM in most countries. Competency frameworks should focus on leadership, behavioral, and cognitive competencies, which are essential cross-cutting competencies that complement professional expertise in specific areas. "Workforce planning driven by skills and competencies, instead of numbers and costs, is essential to ensure that both capacity and capability considerations are factored into HR decision making. This suggests the need to develop better data on workforce skills, which are rarely available in civil services of OECD countries, as well as foresight capacity in order to ensure that the workforce keeps pace with the fast pace of technological and social change." [5]

Proposed policy instruments:

i. Establish a Civil Service College (CSC) or School of Government for public-sector employees to enhance the development of the public sector workforce, with professional development and training focused on relevant skills and stronger functional capabilities to meet the changing requirements of public service;

ii. A competency framework for all levels as a key enabler to strengthen capabilities in governance, leadership, public administration, policy making, service-wide capacity-building, program and project delivery, personal development and effectiveness, and most importantly digital skills and competencies;

iii. A Talent Management Framework Policy;

iv. A human capital strategy for government employees that will address the challenges

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[5] OECD (2016a), survey on Strategic Human Resources Management in central/federal governments of OECD, OECD, Paris.

of future training and capacity-building to better support relevant functional roles; and

v.   Update public-sector training policies and rationalize training budget allocation based on actual needs of government entities. Consolidate capability-building to encourage multi-skilling and a more targeted training curriculum that is relevant for the knowledge economy and digital governance.

2.5 Develop a civil service mobility framework that includes policies allowing the CoG (in collaboration with government entities) to reallocate surplus employees where needed in newly-created departments and those undergoing restructuring and re-organization. The underlying policy rationale is that government employees belong to the government as a whole and not to a specific government entity. Such policies will facilitate succession planning, and usually cover policies allowing the removal ghost workers; eliminating approved posts that remain unfilled; retrenchment of workers; offering incentives for the voluntary departure and retirement of surplus workers; freezing or otherwise restraining wages; and dismissing unnecessary or underperforming staff. The mobility framework is expected to enhance existing non-monetary incentives that can be very important to the most high-performing and professional employees. These may include more challenging and influential assignments, rotation, public recognition, training opportunities, and professional rewards.

Proposed policy instruments:

i.   Develop a talent mobility policy framework; and

ii.   Develop a centralized mechanism where a comprehensive employees database will allow government entities to post needed positions and see employees who are available for rotation; amend Civil Service Decree Law #15 of 1979 accordingly.

Policy Direction 3. Open government for accountability and transparency

Objectives

The objective of this policy is to enhance integrity and accountability and promote open government across all government agencies, ensuring that public officials and employees are held accountable.

Rationale

Kuwait has taken considerable steps in the last five years to fight corruption and establish key foundational policy instruments to enhance the government's role and efforts in fighting corruption, through a mix between long-term policies and operational support. The most considerable achievement to date was the setup of the Kuwait Anti-Corruption Authority (NAZAHA), an independent public authority to combat corruption under the Law No. 2 of 2016, and the development of NAZAHA governance framework (including the organization's vision, mission and the complete operating model). In March 2019, Kuwait also launched the very first Kuwait Integrity and Anti-Corruption Strategy (KIASC) 2019-2024. The establishment of the Central Agency for Public Tenders (CAPT) and Law No. 49 of 2016 on public tenders, along with the related supporting legal framework, was another major milestone. Given these considerable initiatives, there are still a number of policies needed based on policy gaps analysis and international leading practice.

Policy Recommendations

3.1 Strengthen the existing regulatory framework by developing and passing relevant laws for open government to complement existing laws and policies.

Proposed policy instruments:

i.   Develop the Access to Information Act and its related policies to provide direction and guidance to government institutions for effectively and consistently administrating access to information;

ii.   Develop the Policy Directive on Personal Information Requests to provide government entities with guidance on how to respond to personal information requests and create consistent practice and procedures;

iii.   Develop a comprehensive whistleblowing regime and supporting policies to ensure coherence and adequate protection of whistleblowers;

iv.   Develop the Digital Accountability and Transparency Act (the DATA Act), which established a legislative mandate that government data be made freely available in standardized, open formats;

v.   Develop the Privacy Act to protect privacy of individuals with respect to personal information about themselves held by a government agency and that provide individuals with a right of access to that information; and

vi.   Enforce public officials' disclosure of assets, conflict of interest policies, and Code of Conduct and Ethics across government.

3.2 Develop a whole-of-government management accountability framework to make Kuwait an open government by default. This will be a major reform of how government agencies deliver results and communicate them to citizens. Such a policy will promote accountability and will require agencies to publish performance results and disclose data and information in open formats (i.e., publication of budgets and actual spending and results by all government entities). In addition, this framework will be a key oversight mechanism to measure compliance and monitoring to what extent entities are meeting expected development outcomes and results.

Proposed policy instruments:

i.   Develop a Management Accountability Framework to be used by the Ministry of Finance to monitor how departments are meeting expected results. This policy framework should include key principles and more systematic data collection, monitoring, and evaluation mechanisms to track the impact of open government policies and practices and foster continuous improvements; and

ii.   Develop a government-wide Change Management Program to support the transformation toward a more accountable and transparent government. Offer public officials and employees equal training and development to practice sound, accountable public administration.

3.3 Institutionalize and improve public participation mechanisms, improve involvement of citizens in adopting decisions, increase budget transparency, increase integrity standards, ensure free access to information, and provide effective public services and better access to ICT for all citizens.

Policy Direction 4. Transition towards an integrated digital joined-up government

Objectives

The objective of this policy direction is to have a greater use of digital technology and innovation as a key enabler of rapid transformation into an integrated smart government.

Rationale

Kuwait's challenge today lies not in adopting and integrating technologies into public administration, but in achieving a real transformation into a digital government by integrating digital technologies into public sector modernization. Interventions in this area will require a more progressive path where public-sector capacities, operations, business processes and workflows need to be adapted to rapidly-evolving dynamics across and within government agencies. There is a need to rethink the machinery of government for digital governance as the cornerstone of restructuring efforts, and to integrate digital governance policies at the heart of modernization reforms.

Global trends reveal a significant change occurring in the public administration of most performing countries (e.g., USA, UK, Canada, Australia, New Zealand, and the Netherlands), with those countries calling for a transition to digital administration and governance. "The digital governance movement has three key elements for public administration reforms that can be very useful for the Kuwaiti context: 1) reintegrating functions and bringing issues back into government control; 2) adopting holistic and needs-oriented structures which requires reorganizing government around distinct client group/segments, and 3) progressive digitization of administrative process by fully exploiting the potential of digital storage and Internet communications to transform governance". [6]

Policy Recommendations

4.1 Strengthen the legislative environment for digital governance by developing the following policy instruments:

i.   the Digital Accountability and Transparency Act (the DATA Act), which established a legislative mandate that government data be made freely available in standardized, open formats; and

ii. the Digital Security Law, which promotes digital processes and transactions, such as electronic signatures, secured payment gateways, etc.

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[6] New Public Management is Dead – Long Live Digital-Era Governance
https://www.researchgate.net/publication/228301216_New_Public_Management_Is_Dead_-_Long_Live_Digital-Era_Governance

4.2 Develop a national digital strategy that includes a clear roadmap for the government-wide transition.

Proposed policy instruments:

i. Develop clear policies, unified standards, and guidelines. This should include a continuity policy that calls on all government agencies to go fully digital and transition from paper documents, systems, and processes to digital by design. At the heart of this transformation, data and information should be treated as strategic assets and foundational enablers of the public sector to work together and use of data to forecast needs, shape delivery, and respond to change;

ii. The strategy also needs to include a review and strengthening of the governance and institutional setup of the agency and mandate that would be responsible for steering the transformation agenda.

4.3 Promote data-driven decisions and leverage big data analytics for evidence-based decision-making, based on comprehensive data available from within and outside government entities. Develop a comprehensive Joined-Up Open Data Policy Framework.

Policy Direction 5. Become a citizen-driven public service

Objectives

The objective of this policy is to ensure the Kuwait government will take the necessary steps to streamline public service delivery through engagement of citizens, residents, and the business community in service design and delivery. This policy aims at ensuring government entities will have to become more citizen-centric and agile with the right culture, processes, and systems.

Rationale

Kuwait, like most GCC countries, is affected by various challenges from economic and fiscal pressures, population growth, aging infrastructure, and a slow and inefficient bureaucratic environment. This is considered a major roadblock, and a main reason, why government-delivered services are now far from satisfactory. While citizens in Kuwait are entitled and have access to free social services such as health care and education, the quality of these public services is somewhat deficient. The increasing demand by Kuwaitis for private schooling and for health care services overseas are clear indicators of the lack of trust in the quality of public services.

New technologies, the changing socioeconomic landscape, and the increased use of social media have created more engaged, connected citizens with higher expectations for service quality. Government has to change and adapt to these realities and ensure it becomes citizen-centric by design.

The main obstacle for engaging citizens in service design remains the organizational culture. One the one hand, it does not encourage citizen engagement. On the other hand, there is a lack of internal capacity and expertise across government entities to capture citizen preferences, needs, and level of satisfaction.

Policy Recommendations

5.1 Develop a government-wide "blueprint for service delivery trans-formation roadmap" that supports the philosophy that government services will be required to re-organize around user expectations and needs rather than government's own internal logic. A more focused strategy around the "one-stop-shop" concept and 24/7 access will simplify bureaucratic procedures. This should include a comprehensive Business Process Re-Engineering (BPR) aimed at reducing non-core services and focused on effectiveness and efficiency in service delivery. This will allow the government to shift its role from service provider to service facilitator and expand partnerships with the private sector and community to improve the delivery.

Proposed policy instruments:

i.   A national public service strategy for 2035 that will include a clear transformation roadmap;

ii.   A review and re-organization of public service governance where a lead entity should lead the transformation of government services;

iii. A BPR strategy that creates alignment between public service design and delivery and the digital governance transformation agenda in order to optimize delivery chan-nels and quality of service; and

iv.   Capacity and skills building across government entities for customer service excel-lence standards.

5.2 Shift towards participatory governance by citizens where govern-ment need to Institutionalize public participation mechanisms across all entities that provide public service.

Proposed policy instruments:

i.   Development of a "participation and engagement policy" with clear guidance to enti-ties on how and when to engage citizens in order to understand their needs, prefer-ences and engaging them as partners in service design and delivery; and

ii.   Develop a customer service integration policy with social media to help government leverage the social media and improve delivery.

5.3 Develop Public Sector Service Efficiency Framework to enhance ser-vice performance by measuring, and tracking KPIs.

Proposed policy instruments:

i.   Adopt a government-wide service delivery excellence model based on international standards. such a framework will include by d a clear set of indicators to address the issues related to public service quality, cost and allow the government to measure progress and engage in ongoing improvements; and

ii.   Establish a "Government Excellence Award" to recognize and award excellence, ac-countability and good performance.

Policy Direction 6. Achieve Resource Efficiency and Deepen engagement with the private sector

Objectives

The main objective of this policy is to achieve resource efficiency through rationalization and building effective partnerships with the private sector that go beyond traditional public-private partnerships.

Rationale

The increasing need for services and infrastructure development to stimulate economic growth and diversification means that the status quo of the public administration is no longer sufficient to deal with the prevailing inefficiencies and fiscal constraints. The plunge in oil prices by approximately 70% since mid-2014, and predictions that this could continue for the longer term, means that there is a pressing need to enhance the role of the private sector and foster successful public-private partnerships. This is a central goal of the KNDP and Vision 2035, which aims to diversify the economy away from oil and for an economy where the private sector leads growth.

Despite considerable efforts invested so far in the last two National Development Plans, limited progress has been made to foster effective engagement of the private sector, except for the conventional procurement of large infrastructure and mega-projects. The role of the private sector in service delivery and policy making is not yet part of the natural planning cycle across government entities. Government employees are not trained on how and when to engage with the private sector and are not aware which policy mechanisms and instruments to use in order to foster successful public-private partnerships. There is a considerable gap at the level of policy to guide government employees to make explicit the principles on which such relationships should be based, how to avoid conflicts of interest, protect citizen best interests, and maintain quality, integrity, and value for money for the public sector.

International experience and research reveal the importance and benefits of establishing a clear institutional policy framework to enhance the role and engagement of the private sector specifically in the areas of service delivery, strategic planning, research and development, and policy-making. Governments around the world invest considerable resources to leverage private sector funding, expertise, knowledge and innovation. This includes a wide range of approaches and the development of the relevant set of policies and conditions to strengthen links between public sector research and private sector research and development (R&D) in various sectors, like health care and education.

Policy Recommendations

6.1 Promote outcome-based budgeting policies that integrate both development and operating budgets to ensure government expenditure is aligned with national priorities and benefits citizens and businesses. Policies and programs at the national and government levels will be measured based on quantity, quality, cost, and timeliness. Agencies will be held accountable for program outcomes, which will form part of their key performance indicators.

6.2 Adopt shared-services and resources policies with the private sector to enhance rationalization and systematically reduce ownership and control of selected non-core services through privatization and outsourcing. Possible services include operational matters such as processing of payroll, call centers, and asset management.

6.3 Develop a clear policy framework for ministries and government entities on how and when to engage and expand the role of private sector in the areas of service design and delivery, strategic planning, research and policy-making.

Proposed policy instruments:

i.   Policy guidance on systematic engagement mechanisms for joint-work and close collaboration such as PPPs, outsourcing, partnering for innovation, R&D, and public policy-making; and

ii.   Training and capacity-building of leadership and staff of government entities on how to establish and maintain effective partnerships with the private sector.

6.4 Ground government policies and regulations on private-sector engagement on the principle of value for money and ensure that these policies are clear, transparent, monitored and enforced. Government employees can build capabilities on how to evaluate various options, assess potential projects in terms of risk factors and impact, rationalize decision-making, and maintain value for money by liaising with the private sector.

6.5 Establishment of private-sector advisory councils for key priority economic sectors as a mechanism to foster ongoing and long-term collaboration and dialogue on key policy reforms in priority sectors such as education, the labor market, health care, energy, and transportation.

IV. Conclusion and Way Forward

The ambitious New Kuwait Vision 2035 and the next medium-range National Development Plan present a unique opportunity to build on the achievements and progress made since the first KNDP in 2010. It is an opportunity to learn from previous mistakes and re-position the country in terms of the direction of public administration reforms.

The proposed policy directions, recommendations, and specific implementation instruments are expected to inform and feed into the next Kuwait National Development Plan 2020/2025. The successful modernisation and transformation of the public administration pillar will require an integrated whole-of-government approach to reforms. It will also require a concerted agreement and consensus on the way forward to avoid a piece-meal development approach.

The expectation is that this paper will be used to consolidate the various policy areas and create a platform for much-needed dialogue and consensus-building among key stakeholders. This will help establish how best to modernize and transform the public administration system in Kuwait, both in the short and long term. If Kuwait succeeds in transforming its public administration, only then will the remaining KNDP pillars succeed.

In conclusion, it is worth highlighting some critical success factors for the implementation of this policy agenda:

- An integrated approach to reforms and a strong center-of-government as the engine for change to steer, coordinate across government, and oversee reforms is necessary;

- The careful of sequence of reforms is essential. Agreement on the level of decentralization is needed as a starting point for policy implementation. The next target operational model and machinery of government must be adjusted accordingly.

- Civil service reform is a major reform and will result in high political, social, and economic impact and risk;

- Political support and buy-in is essential to guarantee continuity over the duration of the next KNDP. It is essential to have the "right driver in the right seat" for the duration of the reforms. Otherwise, reforms will stall, deviate, and lose momentum.

Appendix

Appendix A/B - Summary of Policy Directions and Recommendations

Summary of Policy Directions and Recommendations

Policy Directions	Policy Recommendations
Restructure the organization and function of the machinery of government	Adopt a whole-of-government restructuring policy agenda and a framework for the public administration based on a clear vision and supported by the right operating model.
	Redefine and strengthen the center-of-government as the engine and co-producer of change.
	Strengthen the capacity and capabilities of research and policy-making units across ministries and government agencies, especially those responsible for developing, monitoring, and evaluating public policy and regulations and overseeing sectoral strategies and programs.
	Develop a government reorganization guidance policy and standards to support government restructuring efforts when engaged in mergers, de-mergers, creation or termination of government entities.
Build a world-class civil service system and a skilled public sector workforce	Develop comprehensive civil-service reform as a stand-alone reform program in the next KNDP 2020/2025.
	Move towards a merit-based system of recruitment carried out through open competition.
	Introduce flexible working arrangements by introducing new types of employment contracts to maximize productivity and reduce the wage bill.
	Enhance the quality of public service human resource management (HRM) and make smart targeted investments to develop the skilled public-sector workforce of the future
	Develop a civil service mobility framework that includes policies allowing the CoG (in collaboration with government entities) to reallocate surplus employees where needed in newly-created departments and those undergoing restructuring and reorganization.
Open government for accountability and transparency	Strengthen the existing regulatory framework by developing and passing relevant laws for open government to complement existing laws and policies.
	Develop a whole-of-government management accountability framework to make Kuwait an open government by default.
	Institutionalize and improve public participation mechanisms, improve involvement of citizens in adopting decisions, increase budget transparency, increase integrity standards, ensure free access to information, and provide effective public services and better access to ICT for all citizens.

Summary of Policy Directions and Recommendations

Policy Directions	Policy Recommendations
Transition towards an integrated digital joined-up government	Strengthen the legislative environment for digital governance.
	Develop a national digital strategy that includes a clear roadmap for the government-wide transition.
	Promote data-driven decisions and leverage big data analytics for evidence-based decision-making.
Become a citizen-driven public service	Develop a government-wide "blueprint for service delivery transformation roadmap".
	Shift towards participatory governance by citizens where government need to Institutionalize public participation mechanisms.
	Develop Public Sector Service Efficiency Framework to enhance service performance by measuring, and tracking KPIs.
Deepen engagement with the private sector	Promote outcome-based budgeting policies that integrate both development and operating budgets to ensure government expenditure is aligned with national priorities.
	Adopt shared-services and resources policies with the private sector to enhance rationalization.
	Develop a clear policy framework for ministries and government entities on how and when to engage and expand the role of private sector in the areas of service design and delivery, strategic planning, research and policy-making.
	Ground government policies and regulations on private-sector engagement on the principle of value for money and ensure that these policies are clear, transparent, monitored and enforced.
	Establishment of private-sector advisory councils for key priority economic sectors as a mechanism to foster ongoing.

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