

INCOSAI CONFERENCE - A PLATFORM TO EXCHANGE EXPERTISE

ABU DHABI: The 22nd International Congress of Supreme Audit Institutions, or INCOSAI, is a highly important gathering for audit officials from the four corners of the globe, a Kuwaiti audit official stated. The conference serves as an important platform for audit agencies officials and experts to exchange expertise of the latest approaches in audit work, Assistant Undersecretary for Administrative and Financial Affairs at Kuwait's Civil Service Commission (CSC) Essam Al-Mutairi said on the sidelines of his participation in the event, which kicked off Wednesday in Abu Dhabi.

He pointed out that the Kuwaiti delegation would present to the conference two research papers: On sustainable development and the ability of audit agencies to upgrade their technical, accounting and auditing work. He described Kuwait as one of the leading countries in audit action. The CSC has several pioneering initiatives on good governance and application of international audit standards, he said. Al-Mutairi also

congratulated the UAE on hosting the world's most prestigious audit institution for three years (2016-2019).

Running until December 11, INCOSAI 2016 aims to discuss financial oversight and supervision and how to combat corruption in the public sector. Working papers from 165 monetary supervisory agencies from around the world will be discussed during the congress. INCOSAI 2016 provides an important opportunity to underline international operation in enhancing auditing and good governance and management as per the best international practices in oversight over the public sector.

The Congress is the supreme organ of INTOSAI and holds regular meetings once every three years to share experiences, discuss issues, and pass resolutions and recommendations to improve government accountability worldwide. INCOSAI 2016 seeks to promote the professional status of the state in the area of financial control and the fight against corruption in the public sector. —KUNA



Assistant Undersecretary for Administrative and Financial Affairs at Kuwait's Civil Service Commission (CSC) Essam Al-Mutairi.

SYMPOSIUM EXPLORES PATH TO INCLUSIVE ECONOMIC GROWTH

'RAISING INCLUSIVE ECONOMIC GROWTH IN ARAB COUNTRIES'

KUWAIT: The IMF Middle East Center for Economics and Finance (CEF) and Arab Fund for Economic and Social Development (AFESD) held a symposium on Wednesday to explore the path to inclusive economic growth. The event, themed "Raising Inclusive Economic Growth in Kuwait and other Arab Countries," was hosted by AFESD and moderated by the CEF's Director Dr Oussama Kanaan. The speakers included Professor James Robinson of the University of Chicago, whose seminal work on the role of institutions in economic development includes the award-winning book *Why Nations Fail*, and Professor Adeel Malik of Oxford University, author of highly influential publications on political economy of the Arab world.

Geographical disparity

The symposium brought to the fore successful economic growth strategies for Kuwait and other Arab countries that benefit all segments of society and take on board future generations' needs. Dr Kanaan provided an overview of the roots of the current economic slowdown, and discussed the special features of inequality in Arab countries along several dimensions beyond simple measures of income distribution. "First, a wide geographical disparity has emerged over time, within most countries, in income, wealth, and access to public services and infrastructure," he said. "Indeed, in many Arab countries widespread protests and demands for inclusiveness have been fanned by discontent in economically neglected, atrophying locations.

"Second, in most countries the younger groups have been increasingly alienated economically and socially, suffering from much higher rates of unemployment, with skills and overall human capital generally ill-matched to the demands of globalized markets. "Finally, income and wealth inequality has increasingly been rooted in differences

across social groups in their ability to exercise their civil rights, often emanating from institutionalized discrimination by gender, religion or national origin," Kanaan pointed out. "Drawing on international country experiences, the panel discussion has aimed at identifying the core ingredients of successful inclusive economic growth strategies, with a view to addressing these different sources and dimensions of inequality," he added.

Unlock latent talent

Professor Robinson argued that economists know very well what leads to sustained economic growth and diversification: the accumulation of human and physical capital, the innovation, creation and adoption of new technology. "To prosper a society has to unlock all of its latent talent. To do this it has to create broad based incentives and opportunities. "It is the institutions of society, the rules, which do this. In his lecture he emphasized that countries which have grown successfully have done so because they moved their institutions (construed broadly) in a more inclusive direction.

"This is just as true of China after 1978, or of Ethiopia after the fall of the Derg in 1991, as it is about the contemporary countries of Western Europe or North America," he went on. However, Professor Robinson noted that the difficulty is that moving institutions in a more inclusive direction is not just a technocratic problem, it is a political and social one. "Promoting economic change and diversification challenges many ways of organizing politics and societies in developing countries and thus creates difficult trade-offs for rulers and politicians.

"It also risks political instability and unleashing forces that are difficult to contain or manage. "Institutional transitions therefore take place when a political and social project emerges which can find a way of balancing these ten-

sions. "These projects often emerge for quite idiosyncratic reasons, as that of Deng Xiaoping did after 1978, or with President Park in South Korea in the 1960s, or the United Arab Emirates in the 1970s. "Importantly, projects that can stimulate growth may not be consistent with the sustainability of that growth and therefore must necessarily adapt and change. In many parts of the world, however, they have never emerged in the first place," Professor Robinson explained.

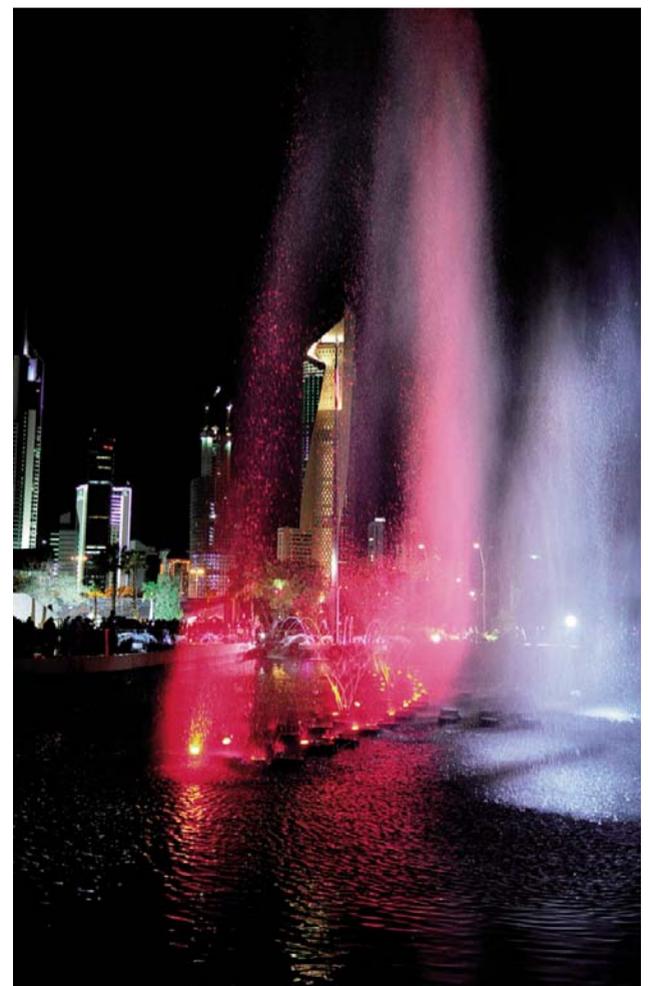
Growth strategy

Despite these idiosyncracies Professor Robinson argued that we do know quite a bit about what can promote inclusive institutional change on average and what can be done to foment it in particular contexts. He discussed some of the relevant empirical evidence and the type of lessons that Middle Eastern countries could learn from to help their economies prosper and diversify. In the following part of the symposium, Professor Malik started by discussing the importance of an inclusive growth strategy in the Arab world by examining the domestic and regional dimensions of trade liberalization.

He presented a general account of the politics of trade protection in several Arab countries, with a focus on Egypt and Tunisia. Drawing on his recent research on the Egyptian experience, Professor Malik argued that trade liberalization, when it became a policy imperative, was only selectively pursued to suit the interests of politically connected insiders. "Such partial liberalization created rents for insiders that were used to sustain the ruling coalition," he said. "However, these rents were created at the expense of continued exclusion of unconnected firms facing substantial barriers to entry and growth. The resulting economic repression of firms has huge implications for job creation and prospects for inclusive growth in Egypt," he added. —KUNA

AL-MSHABNAJ - SMALL WOODEN BOX HANDMADE BY OLD KUWAITI SAILORS

KUWAIT: During their long sea voyages in search of precious pearls, Kuwaiti sailors in the old days used to make small wooden boxes called Al-Mshabnaj to safe-keep their personal belongings and preserve presents to loved ones back at home. Al-Mshabnaj was usually made out of wood and whatever material available on deck, Kuwaiti craftsman Khaled Al-Hadab said. He said that rope was also an essential crafting material for Al-Mshabnaj, pointing out that the small size of the box was suitable to store some personal items and presents for family and friends. He said that sailors used to hand-pick the right type of wood to make their own personal boxes, adding that they also used to help each other to craft the item as a gesture of solidarity and brotherhood. —KUNA



Colorful display of water fountain at Al Shaheed Park. —KUNA