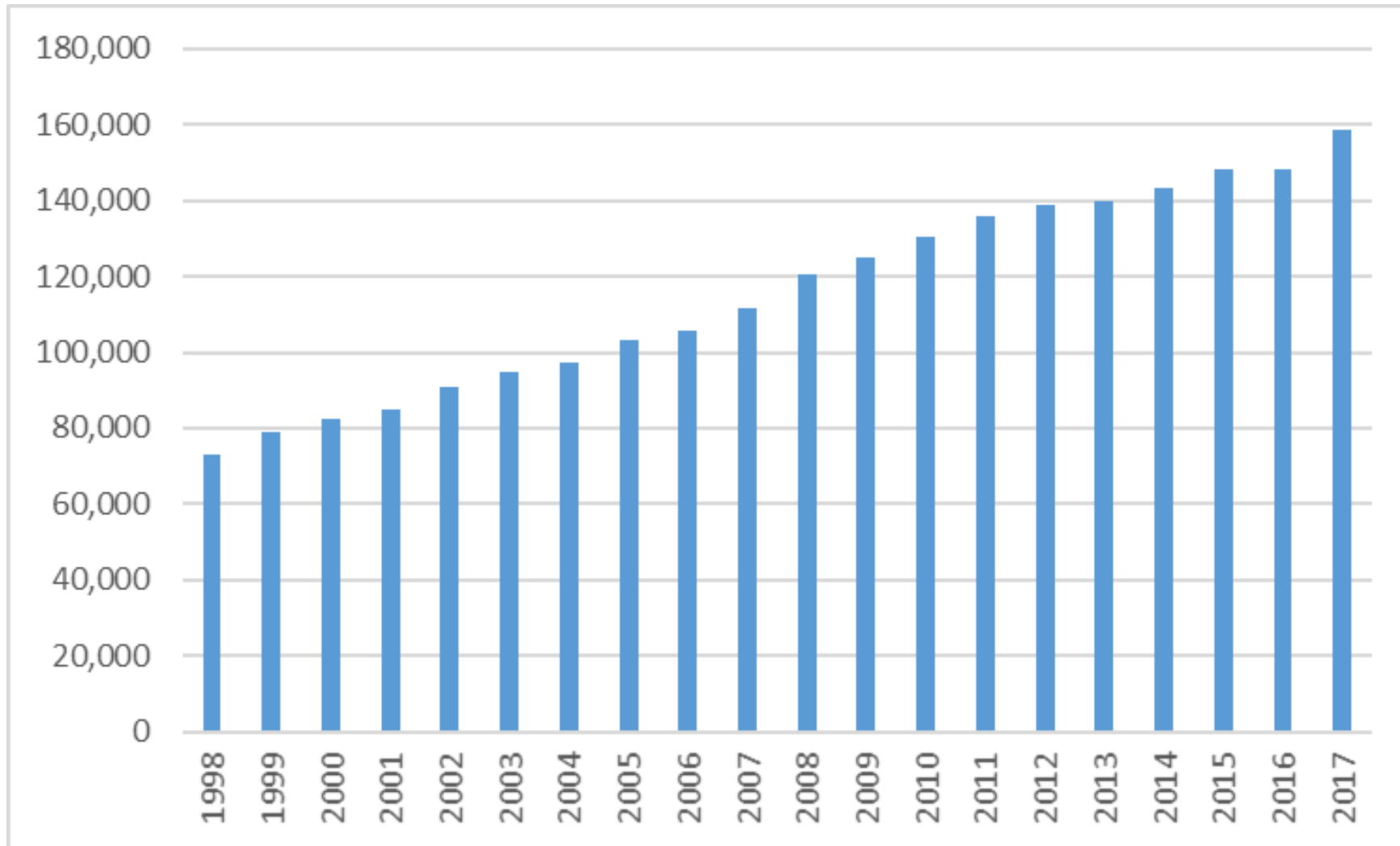


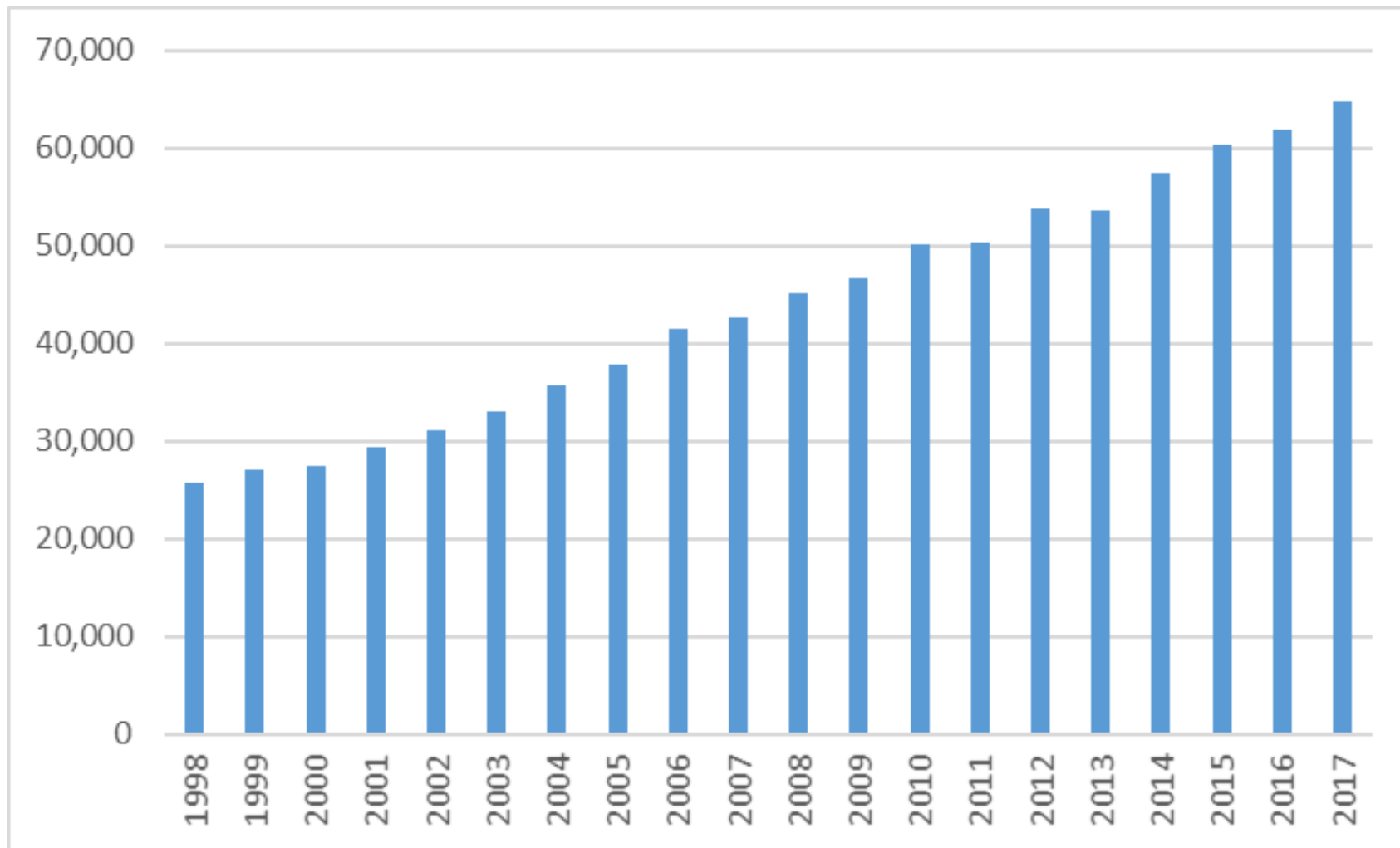
# Reforming the Gulf rentier state: from patronage to cash grants?

Steffen Hertog, LSE

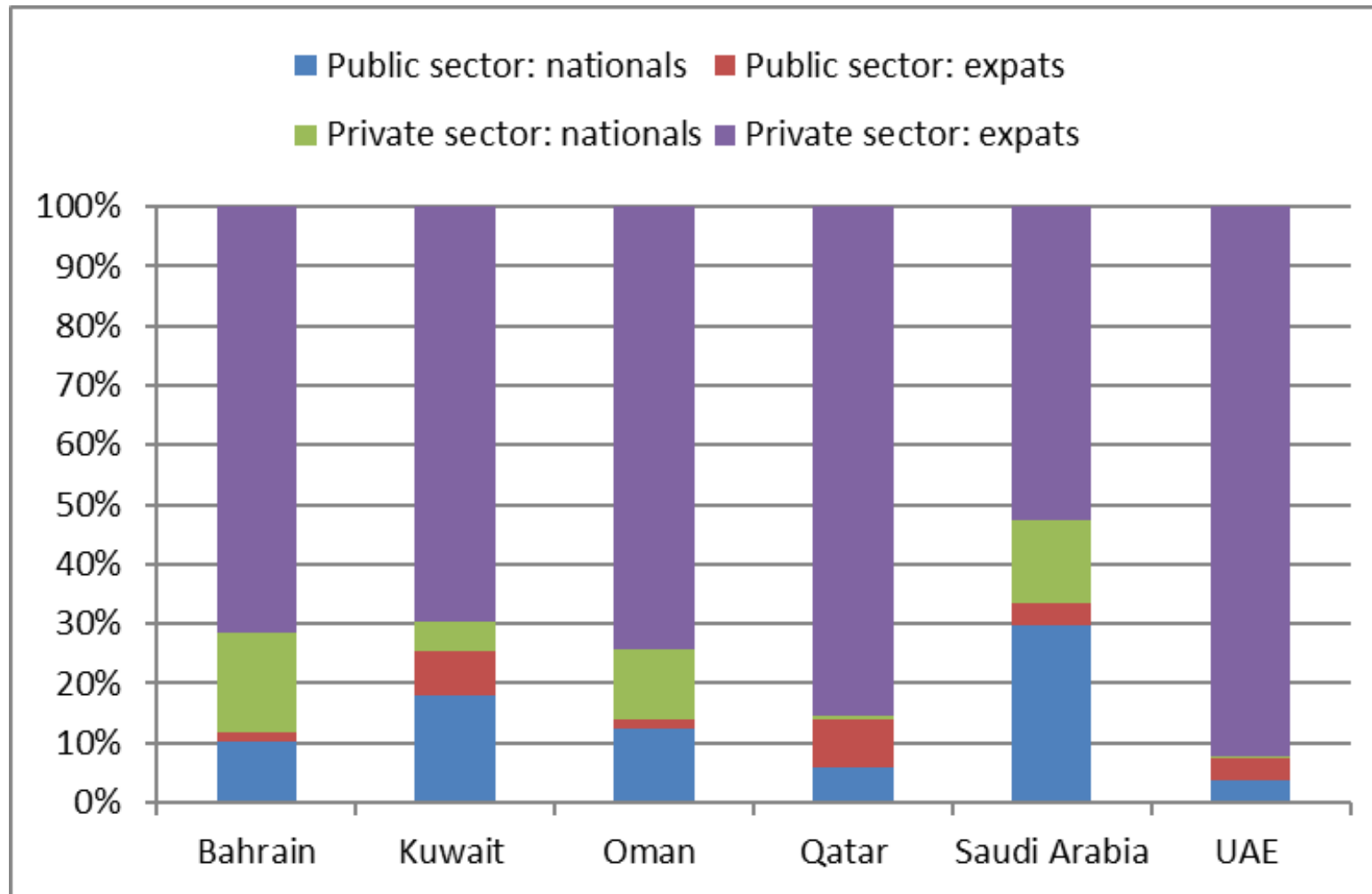
# Total production of distilled water in Kuwait, 1998–2017 (million imperial gallons)



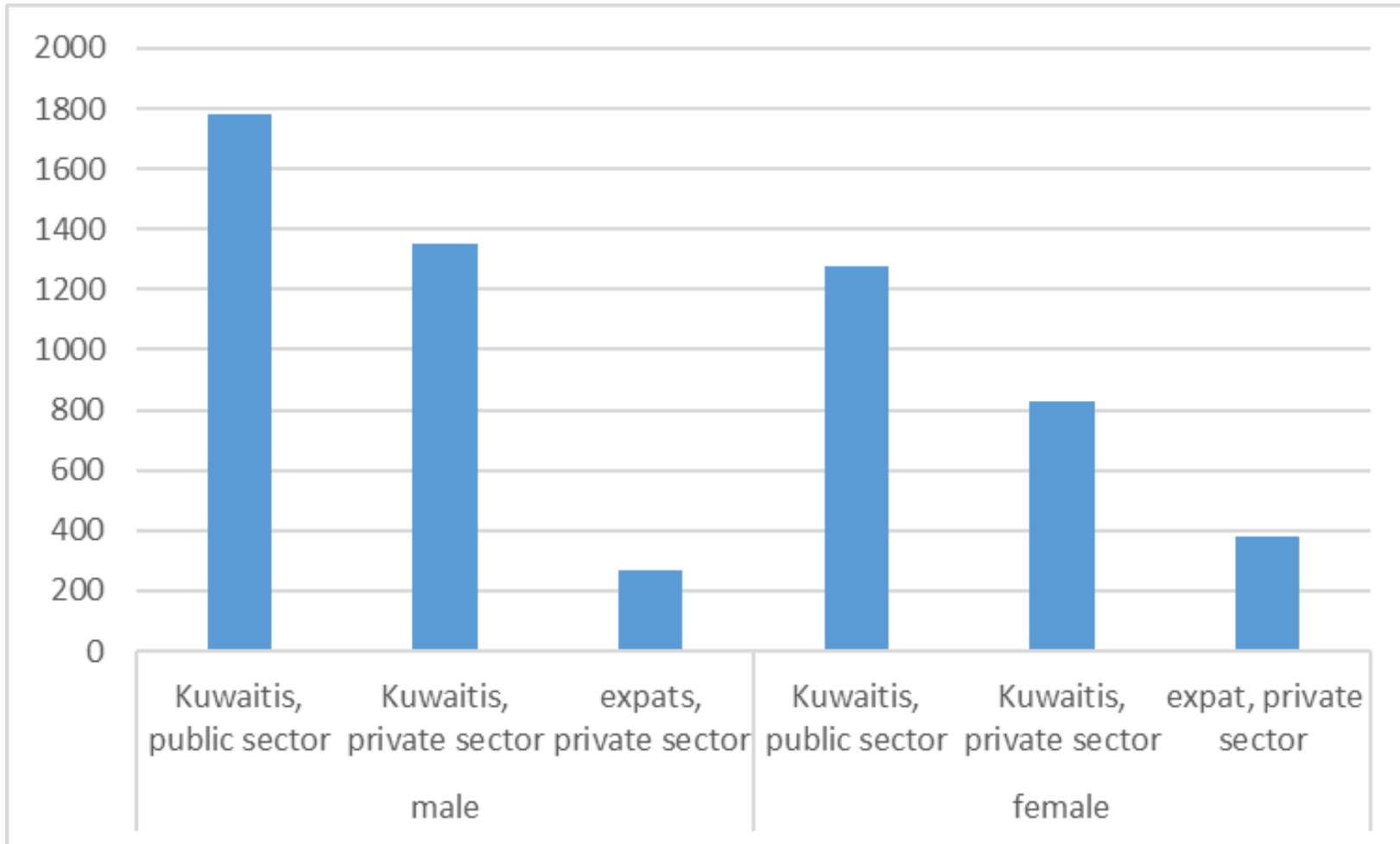
# Electricity produced by Kuwaiti power stations under the MoEW, 1998–2017 (million kWh)



# Public sector bias of national employment in GCC

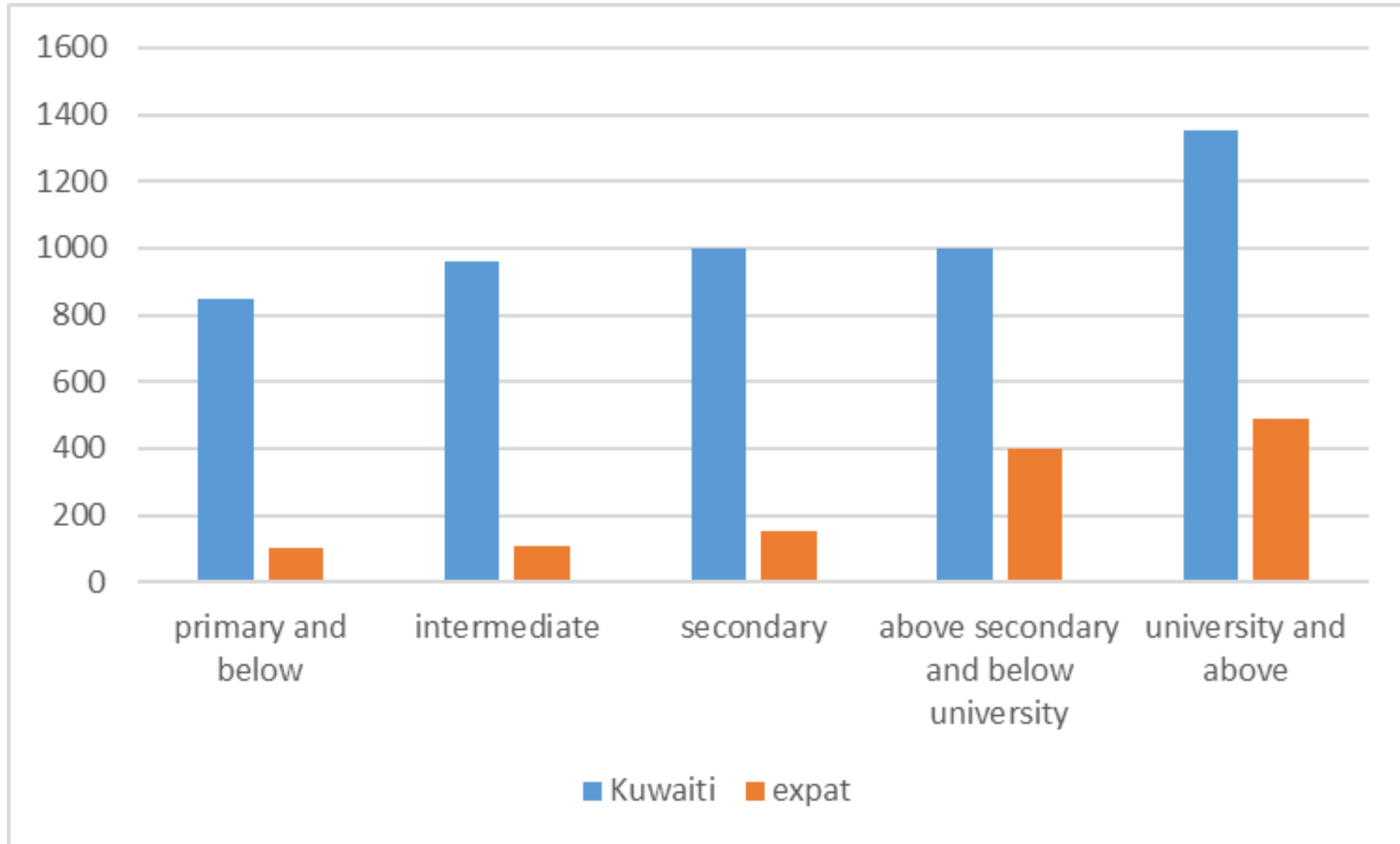


# Average monthly salaries by sector, gender and nationality in Kuwait, Q3/2018 (KD)

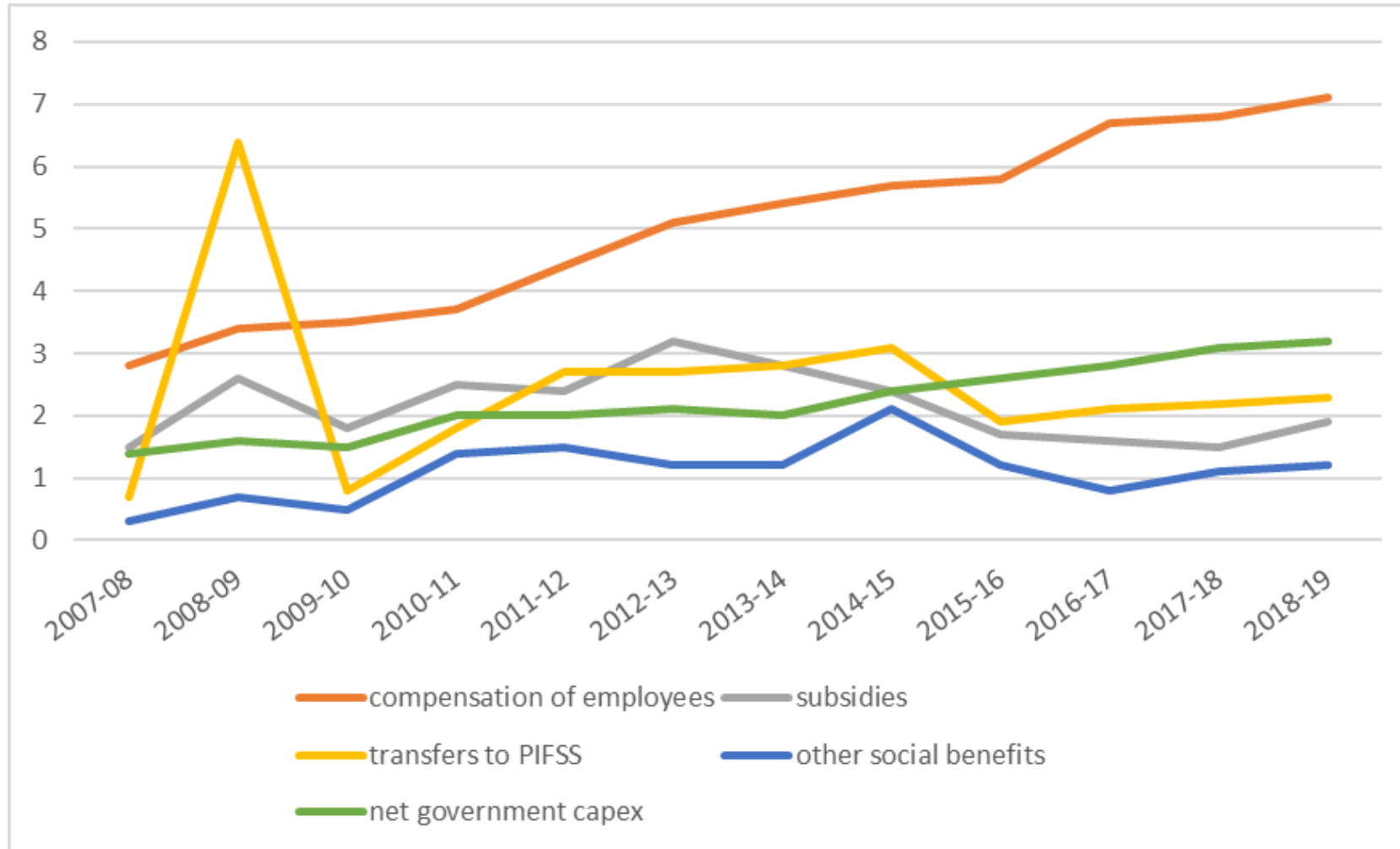


- 335,000 Kuwaitis worked in the public sector in 2018
- only 64,000 in the private sector

## Average monthly wages by level of education and nationality, (all sectors, 2015, KD)



# Kuwaiti government expenditure, 2007/08 to 2018/19 (KD billion)



Monthly KD cash grants that could be financed out of reduction of energy subsidies by 1.8b KD

|                          | Monthly | Annual  |
|--------------------------|---------|---------|
| UCG per Kuwaiti, flat    | 111.99  | 1343.87 |
| UCG adults, flat         | 143.81  | 1725.75 |
| UCG children, flat       | 71.91   | 862.87  |
| UCG adults in government | 60.00   | 720.00  |
| UCG other adults         | 212.52  | 2550.22 |



# Per capita annual net gains under UCG by household expenditure level (KD)

|   |          |           |           |           |           |        |
|---|----------|-----------|-----------|-----------|-----------|--------|
| Monthly household expenditure                                   | 450–1049 | 1050–1649 | 1650–2249 | 2250–2849 | 2850–3349 | 3450+  |
| Average household size (adults and children)                    | 3.9      | 6.1       | 6.4       | 7.8       | 8.0       | 9.2    |
| Reference: per capita extra cost of new utility tariffs*        | 318.90   | 325.01    | 442.89    | 501.15    | 657.44    | 805.80 |
| <b>Net annual per capita income effects at 100% consumption</b> |          |           |           |           |           |        |
| Two adults, none in public sector                               | 1409.28  | 1091.10   | 947.28    | 794.38    | 627.27    | 423.89 |
| Two adults, one in public sector                                | 939.99   | 791.06    | 661.31    | 559.73    | 398.49    | 224.96 |
| Two adults, both in public sector                               | 470.70   | 491.02    | 375.33    | 325.09    | 169.71    | 26.02  |
| <b>Net annual per capita income effects at 70% consumption</b>  |          |           |           |           |           |        |
| Two adults, none in public sector                               | 1511.75  | 1195.53   | 1089.59   | 955.41    | 838.53    | 682.82 |
| Two adults, one in public sector                                | 1042.46  | 895.50    | 803.62    | 720.77    | 609.75    | 483.88 |
| Two adults, both in public sector                               | 573.18   | 595.46    | 517.65    | 486.12    | 380.97    | 284.95 |

- All categories of citizen households gain
- Poorer households gain disproportionately
- Households without government employees gain disproportionately

# Surpluses/deficits under business as usual vs. UCG scenarios, 2007/08 to 2033/34

