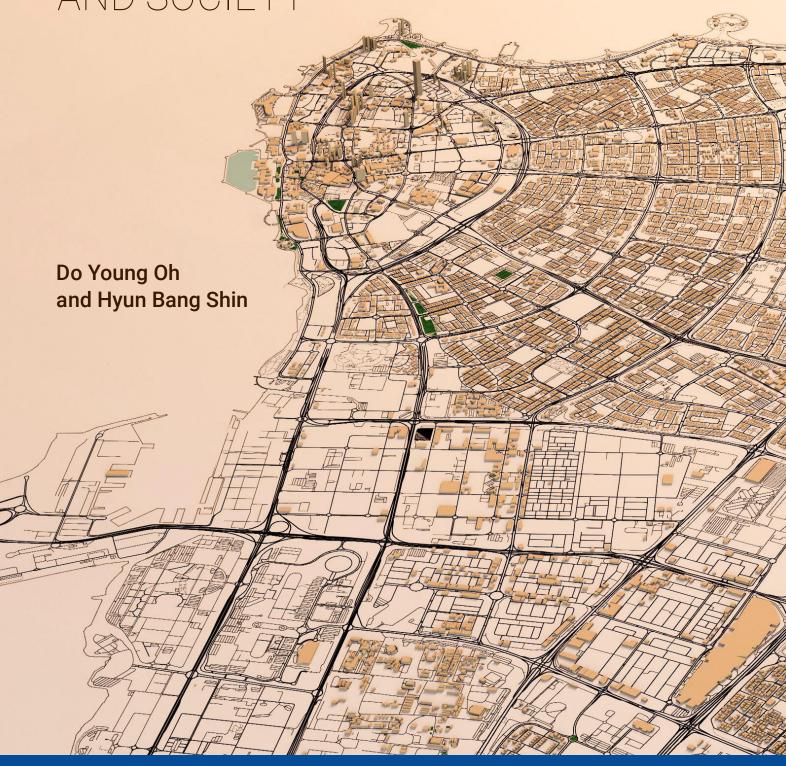




LOCATING THE HOUSING CRISIS IN KUWAITI STATE, LAND AND SOCIETY



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# Locating the Housing Crisis in Kuwaiti State, Land and Society

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#### **Abstract**

Despite the oil wealth and hyper-welfare provision to its citizens, Kuwait has seen the rise of a 'housing crisis' discourse in recent years. This paper aims to provide an opportunity to understand the nature of Kuwait's housing crisis and the reasons behind the state's perceived inability to respond to it. Through the analysis of research findings from the field, we argue that the housing crisis in Kuwait is socially constructed, reflecting the multilayered conditions of historic provision and consumption of housing in Kuwaiti society. The formulation of the housing crisis can be further disaggregated into (a) the crisis of the Kuwaiti welfare state. (b) the crisis of land development and (c) the society in crisis. Tackling the housing crisis, therefore, requires a holistic approach that involves multi-level stakeholder engagement, including a wide range of citizens. Our study on housing in Kuwait draws attention to the country's contemporary state-society relations and the complexities of housing crises unfolding globally.

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## Introduction

The city-state of Kuwait is well-known for its oil wealth and hyper-welfare provision to its citizens. Benefiting from one of the largest oil reserves in the world, Kuwaiti citizens have enjoyed free healthcare, education and social security, as well as public employment offered by the state. One of the most distinctive features of the Kuwaiti welfare state is its housing allocation system. Since 1954, the state has offered various types of support to promote homeownership among its citizens. At one point, the state provided a 1,000-square-metre land plot to each Kuwaiti family. Now, the state provides married Kuwaiti couples who meet specific criteria with largely two options: (a) a plot of land covering at least 400 m² or (b) the option between a house built on a minimum of 400 m² of land and a 400 m² apartment at deeply discounted prices.

Such a generous housing system for Kuwaiti citizens, however, is not without flaws. Between 2010 and 2019, an average of 7,610 applications per annum were received by the Public Authority of Housing Welfare (PAHW), the government authority for housing provision for Kuwaiti citizens, but only 26,262 units in total were distributed during the same period, according to the Central Statistical Bureau. The official backlog of housing applications is known to have reached nearly 90,000 as of 2019, with citizens having to wait an average of 15 years to receive housing. The opinion poll conducted by the General Secretariat of the Kuwait National Assembly in 2013 shows that housing is the most pressing issue for Kuwaitis. In this regard, Kuwaiti citizens actively call for immediate actions from the state to resolve this ongoing 'housing crisis'. The Kuwaiti government resorted to working on a series of new development projects in the peripheries of Kuwait City to alleviate the housing problem. Still, the process has been slower than expected among citizens, many of whom are concerned about the prospect of not being able to meet their housing aspirations to secure single-family housing.

<sup>1</sup> Laura El-Katiri, Bassam Fattouh and Paul Segal, 'Anatomy of An Oil-based Welfare State: Rent Distribution in Kuwait', in David Held and Kristian Coates Ulrichsen (eds), *The Transformation of the Gulf: Politics, Economics and the Global Order* (Abingdon, Oxon: Routledge, 2011).

<sup>&</sup>lt;sup>2</sup> Farah Al-Nakib, *Kuwait Transformed: A History of Oil and Urban Life* (Stanford, CA: Standford University Press, 2016).

<sup>&</sup>lt;sup>3</sup> Sharifa AlShalfan, 'The Right to Housing in Kuwait: An Urban Injustice in a Socially Just System', Kuwait Programme on Development, Governance and Globalisation in the Gulf States 28, The London School of Economics and Political Science (2013). Available at: <a href="mailto:shorturl.at/bgpOS">shorturl.at/bgpOS</a> (accessed 24 January 2023).

<sup>&</sup>lt;sup>4</sup> Central Statistical Bureau, 'Annual Bulletin of Social Statistics' *Government of Kuwait* (2019). Available at: <a href="https://www.csb.gov.kw/Pages/Statistics\_en?ID=40&ParentCatID=70">https://www.csb.gov.kw/Pages/Statistics\_en?ID=40&ParentCatID=70</a> (accessed 22 January 2023).

<sup>5</sup> Thid

<sup>&</sup>lt;sup>6</sup> Ghassan Alkhoja and Wael Zakout, 'Land Sector Reform is Key to Successful Diversification of Kuwait's Economy', *Arab Voices*, 26 August 2019. Available at: <a href="https://blogs.worldbank.org/arabvoices/land-sector-reform-key-successful-diversification-kuwait-economy">https://blogs.worldbank.org/arabvoices/land-sector-reform-key-successful-diversification-kuwait-economy</a> (accessed 15 July 2022).

<sup>&</sup>lt;sup>7</sup> Mahmoud Al-Kafrawi, 'Kuwaiti Citizen's Hopes Hang Over Housing' [Emal mouatin al-kuwaiti malaqa ola al-iskan], *Al Jazeera*, 24 October 2018. Available at: <a href="https://www.aljazeera.net/ebusiness/2018/10/24/">https://www.aljazeera.net/ebusiness/2018/10/24/</a> (accessed 15 July 2022).



Figure 1: Kuwait City

Source: Do Young Oh and Hvun Bang Shin, 2020.

Another notable characteristic of Kuwait is the socio-spatial segregation between different social groups. This is reinforced by the exclusion of non-Kuwaiti residents – who account for about 69% of the country's population of 4.5 million – from the government's support for housing. Most Kuwaiti citizens live in low-density suburbs while non-Kuwaiti residents live in the city centre and more densely populated areas: the living area densities of Kuwaiti and non-Kuwaiti populations are 3,043 and 6,805 persons per km², respectively. Although the government argues that there are no slums in Kuwait, vulnerable social groups, including low-income migrant workers and stateless *bidun* groups, have often ended up living in slum-like areas on the outskirts of Kuwait City. For example, a protest by migrant workers in 2015 revealed that as many as 30 were living in a two-bedroom flat with only one bathroom. Such hardships among migrant workers are not accidental but can rather be understood as a form of systematic marginalisation that is mediated by the state, in its efforts to maintain authoritarian rule.

<sup>&</sup>lt;sup>8</sup> Al-Nakib, Kuwait Transformed.

<sup>&</sup>lt;sup>9</sup> Philipp Rode et al., 'Resource Urbanisms: Asia's Divergent City Models of Kuwait, Abu Dhabi, Singapore and Hong Kong', *LSE Cities* (2017). Available at: <a href="https://www.lse.ac.uk/cities/Assets/Documents/Research-Reports/Resource-Urbanisms-Asias-divergent-city-models-of-Kuwait-Abu-Dhabi-Singapore-Hong-Kong-LSE-Cities.pdf">https://www.lse.ac.uk/cities/Assets/Documents/Research-Reports/Resource-Urbanisms-Asias-divergent-city-models-of-Kuwait-Abu-Dhabi-Singapore-Hong-Kong-LSE-Cities.pdf</a> (accessed 24 January 2023).

<sup>&#</sup>x27;é 'Kuwait National Report for the Third United Nations Conference on Housing and Sustainable Urban Development (Habitat III)', *Kuwait General Secretariat of the Supreme Council for Planning and Development* (2016). Available at: <a href="https://unhabitat.org/sites/default/files/documents/2019-08/nation-al-report-asia-pacific-kuwait-final-in-english.pdf">https://unhabitat.org/sites/default/files/documents/2019-08/nation-al-report-asia-pacific-kuwait-final-in-english.pdf</a> (accessed 15 July 2022).

<sup>&</sup>quot; Sharifa Alshalfan, 'COVID-19 in Kuwait: How Poor Urban Planning and Divisive Policies Helped the Virus Spread', *LSE COVID-19 Blog*, 16 September 2020. Available at: <a href="mailto:shorturl.at/AIQX2">shorturl.at/AIQX2</a> (accessed 15 July 2022); Claire Beaugrand, *Stateless in the Gulf: Migration, Nationality and Society in Kuwait* (London, New York: I.B Tauris, 2018).

<sup>&</sup>lt;sup>12</sup> 'Expatriate Workers Protest "Unhealthy Living Conditions", *Kuwait Times*, 28 September 2015, p. 3.

<sup>&</sup>lt;sup>13</sup> Nadeen Dakkak, 'Migrant Labour, Immobility and Invisibility in Literature on the Arab Gulf States', in Marian Aguiar, Charlotte Mathieson and Lynne Pearce (eds), *Mobilities, Literature, Culture* (London:

These complex situations present an opportunity to understand the nature of Kuwait's housing crisis and the reasons behind the state's inability to respond to it. Through the analysis of the research findings from the field, we argue that the perceived housing crisis is in fact socially constructed and reflects the multi-layered conditions of historic housing provision and consumption across Kuwaiti society. Tackling the crisis, therefore, requires a holistic approach that engages with a wide range of people across the country and stakeholders at different levels.

Although the COVID-19 pandemic affected our data collection, we were able to conduct seven semi-structured interviews with stakeholders and experts in January 2020 in Kuwait and eight in July–August 2021 in South Korea. An additional 20 interviews were conducted with Kuwaiti citizens and migrants in February and March 2022, with the help of an on-site research assistant guided by the authors. Most interviews were conducted in person, and consent was obtained when recording them. Interviews conducted in Arabic were translated into English upon transcription by the bilingual research assistant. Each interview usually lasted for about an hour. Field visits to Kuwait were carried out in January 2020, shortly before the pandemic lockdown. We have also collected extensive grey literature, including local newspaper articles and government publications to further substantiate our arguments.

The rest of this paper consists of four sections. We first review the academic literature relevant to the 'global housing crisis' debates, as well as how such crises relate to the state, land and society. We then present our findings, organised around three themes: (a) the crisis of the Kuwaiti welfare state, (b) the crisis of land development and (c) the society in crisis. The final section concludes the paper.

Palgrave Macmillan, 2019); Anh Nga Longva, 'Neither Autocracy nor Democracy but Ethnocracy: Citizens, Expatriates and the Socio-Political System in Kuwait', in Paul Dresch and James P. Piscatori (eds), *Monarchies and Nations: Globalisation and Identity in the Arab States of the Gulf* (London, New York: I.B Tauris, 2005).

 $<sup>^{14}</sup>$  The interviews in South Korea in particular were related to a collaborative project between the PAHW in Kuwait and the Land and Housing Corporation (LH Corporation) in South Korea.

# Global Housing Crisis and Kuwaiti Housing Contexts

Housing problems are endemic to capitalist economies. One of the best-cited works, which reflects the endemic nature of housing problems, is that of Frederick Engels (1872), <sup>15</sup> in which he reports on the poor housing conditions of industrial workers in Manchester and other large industrial towns in England in the late 19<sup>th</sup> century. Particularly since the 2008 global financial crisis, we have increasingly come across academic literature that refers to the rise of the 'global housing crisis'. Albers, for example, outlines how the 2008 financial crisis represents one of the critical junctures in housing development, pointing to how it led to the first 'global housing crisis'. <sup>16</sup> Wetzstein also argues that 2008 resulted in a 'global urban housing affordability crisis', focusing on the housing affordability problem as central to understanding the emerging housing problems of the West. <sup>17</sup>

The impact of the global housing crisis can be felt beyond the West, however.<sup>18</sup> In her investigation into housing issues in different parts of the world, Raquel Rolnik, a former UN Special Rapporteur on Adequate Housing, concluded that housing had been increasingly transformed into a commodity and a financial asset in other parts of the world.<sup>19</sup> Such studies are influential and informative because they imply that the housing question is not peripheral, and needs to be tackled urgently as an essential urban question at a global scale.

The 'global housing crisis' is not a homogeneous process. It is bound to be variegated across geographies, producing housing crises in plural forms. To understand their local manifestations, we adopt a political economy approach. While 'housing-as-policy' and 'housing-as-market' approaches have dominated housing studies, more recently, attempts to investigate the political economy of housing have been on the rise.<sup>20</sup> These studies focus on the financialisation of housing, highlighting how a political economy perspective can explain recent transformations under global capitalism and in different local contexts.<sup>21</sup> For Aalbers and Christophers, for instance, housing is at the 'forefront of ideological battles within capitalism'.<sup>22</sup> In this regard, the 'housing-as-political-economy'

<sup>&</sup>lt;sup>15</sup> Frederick Engels, *The Housing Question* (Moscow: Co-operative Publishing Society of Foreign Workers, 1995). Available at: <a href="https://www.marxists.org/archive/marx/works/1872/housing-question/">https://www.marxists.org/archive/marx/works/1872/housing-question/</a> (accessed 13 February 2023).

<sup>&</sup>lt;sup>16</sup> Manuel B. Aalbers, 'The Great Moderation, the Great Excess and the Global Housing Crisis', *International Journal of Housing Policy* 15/1 (2015), pp. 43–60, p. 56.

<sup>&</sup>lt;sup>17</sup> Steffen Wetzstein, 'The Global Urban Housing Affordability Crisis', *Urban Studies* 54/14 (2017), pp. 3159–77.

<sup>&</sup>lt;sup>18</sup> Desiree J. Fields and Stuart N. Hodkinson, 'Housing Policy in Crisis: An International Perspective', *Housing Policy Debate* 28/1 (2018), pp. 1–5.

<sup>&</sup>lt;sup>19</sup> Raquel Rolnik, *Urban Warfare: Housing under the Empire of Finance* (London: Verso, 2019).

<sup>&</sup>lt;sup>20</sup> See, for example, Manuel B. Aalbers and Brett Christophers, 'Centring Housing in Political Economy', *Housing, Theory and Society* 31/4 (2014), pp. 373–94; Rodrigo Fernandez and Manuel B. Aalbers, 'Housing and Capital in the Twenty-first Century: Realigning Housing Studies and Political Economy', *Housing, Theory and Society* 34/2 (2017), pp. 151–8.

<sup>&</sup>lt;sup>21</sup> Fernandez and Aalbers, 'Housing and Capital in the Twenty-first Century'.

<sup>&</sup>lt;sup>22</sup> Aalbers and Christophers, 'Centring Housing in Political Economy', p. 384.

approach demonstrates how housing is embedded in broader socioeconomic and political relations, and provides an explanation for how various aspects of the 'crisis' manifest themselves in different societies.

Examining housing in Kuwait provides an opportunity to understand the particularities of the country's contemporary state–society relations, while drawing attention to the complexities of the housing crises unfolding globally. The Middle East does not typically conform to existing urban or housing theories: the cities in the region are, as Molotch and Ponzini described, 'theoretical puzzlers'.<sup>23</sup> Oil-rich Gulf states have been providing generous welfare policies for their citizens but struggle to provide affordable housing, particularly for non-citizens.<sup>24</sup> As Ponzini shows, the 2008 global financial crisis provided an opportunity for sovereign wealth funds in the Middle East to invest in depreciated properties in the West.<sup>25</sup> However, the variegated domestic housing conditions in the region have rarely been investigated.<sup>26</sup> Also, while existing studies on Kuwait's housing system, including those by Alshalfan and Al-Nakib, provide a detailed overview of the system itself,<sup>27</sup> they do not sufficiently touch upon how the crisis is formulated and reproduced. Our study aims to fill these gaps.

To investigate the political economy of the housing crisis in Kuwait, we first define the housing crisis. A crisis indicates a 'time of great danger, difficulty or doubt when problems must be solved, or important decisions must be made', as defined by Oxford Learner's Dictionaries.<sup>28</sup> If so, the housing crisis must be understood as a particular moment of acute housing problems. However, as mentioned earlier, housing problems are complex and persistent issues. Even though the 2008 global financial crisis demonstrated local housing problems are effectively connected to globalised financial capitalism, housing-related issues such as unaffordability, homelessness and substandard lodging, in fact, have long been visible issues in our everyday lives.<sup>29</sup> In this regard, the housing crisis must also be understood as both a construction and an actually existing real crisis, reflecting particularly the vested interests of those who have maintained a key stake in the production and consumption of housing.

<sup>&</sup>lt;sup>23</sup> Harvey Luskin Molotch and Davide Ponzini, 'Introduction: Learning from Gulf Cities', in Harvey Luskin Molotch and Davide Ponzini (eds), *The New Arab Urban: Gulf Cities of Wealth, Ambition, and Distress* (New York: NYU Press, 2019), p. 3.

<sup>&</sup>lt;sup>24</sup> Sandeep K. Agrawal, Varkki Pallathucheril and Pradeep Sangapala, 'Affordable Housing for Emiratis in the United Arab Emirates: The Case Study of Ras Al Khaimah', *Housing Policy Debate* 30/6 (2020), pp. 900–25.

<sup>&</sup>lt;sup>25</sup> Davide Ponzini, 'Mobilities of Urban Spectacle: Plans, Projects, and Investments in the Gulf and Beyond', in Molotch and Ponzini (eds), *The New Arab Urban*.

<sup>&</sup>lt;sup>26</sup> Agrawal et al., 'Affordable Housing for Emiratis in the United Arab Emirates'.

<sup>&</sup>lt;sup>27</sup> Al-Nakib, Kuwait Transformed; AlShalfan, 'The Right to Housing in Kuwait'.

<sup>&</sup>lt;sup>28</sup> Oxford Learner's Dictionaries, 'Definition of Crisis Noun'. Available at: <a href="https://www.oxfordlearners-dictionaries.com/definition/english/crisis\_1?q=crisis">https://www.oxfordlearners-dictionaries.com/definition/english/crisis\_1?q=crisis</a> (accessed 13 February 2023).

<sup>&</sup>lt;sup>29</sup> Fields and Hodkinson, 'Housing Policy in Crisis: An International Perspective'; David Madden and Peter Marcuse, *In Defense of Housing*; Aalbers, 'The Great Moderation, the Great Excess and the Global Housing Crisis.'

Our investigation into the housing crisis in Kuwait engages with three key issues identified by our thematic analysis of our interview data, namely the state, land and society. First, the state has been considered the key actor in dealing with the housing crisis. Still, as argued by Jessop, crises are used as opportunities to sustain neoliberal reforms,<sup>30</sup> which means that countermeasures to overcome a housing crisis would bring about a new round of policy innovations and potentially new accumulation opportunities for capital without fundamentally solving the crisis itself. Instead of resolving the crisis, such countermeasures would replace an existing set of problems with another, or displace them both geographically and temporally, further aggravating the problems. Viewed this way, housing crisis discourses can be understood to produce justifications for the continued introduction of neoliberal housing policies that sustain existing inequality and injustice.31 Attention should be paid to the state's variegated and often conflicting roles in the housing crisis. In this regard, a recent study by White and Nandedkar provides a helpful reference.32 Conceptualising the housing crisis in New Zealand as an ideological object, their study shows how the notion of the housing crisis is mobilised by political parties to justify their ideological views. Such an argument also resonates with Madden and Marcuse's conceptualisation of the housing crisis as a 'politically loaded' idea.33

Second, land issues are also closely related to the source of the housing crisis, although their relationship remains under-discussed.<sup>34</sup> A steady land supply has been perceived as key to providing housing for the needy, putting pressure on the state to release more developable land,<sup>35</sup> but land issues are more complicated than supplying land for housing development. For example, in European cities, including London and Luxembourg, large landowners have more power to control the residential land supply by 'land hoarding'.<sup>36</sup> Thus, planning policies and land use regulations often play a marginal role in alleviating housing supply constraints. In Singapore, where public land ownership accounts for 90% of the city-state, such an issue has been avoided, and the state has been able to accommodate more than 80% of the population in public housing.<sup>37</sup> At the same time, in Hong Kong, which has a state-dominated land ownership structure similar to Singapore,

<sup>&</sup>lt;sup>30</sup> Bob Jessop, 'Recovered Imaginaries, Imagined Recoveries: A Cultural Political Economy of Crisis Construals and Crisis Management in the North Atlantic Financial Crisis', in Mats Benner (ed), *Before and Beyond the Global Economic Crisis: Economics, Politics and Settlement* (Cheltenham: Edward Elgar Publishing Ltd, 2013).

<sup>&</sup>lt;sup>31</sup> Julia Heslop and Emma Ormerod, 'The Politics of Crisis: Deconstructing the Dominant Narratives of the Housing Crisis', Antipode 52/1 (2020), pp. 145–63. See also: Yi-Ling Chen and Hyun Bang Shin (eds), Neoliberal Urbanism, Contested Cities and Housing in Asia (New York: Palgrave Macmillan, 2019).

<sup>&</sup>lt;sup>32</sup> Iain White and Gauri Nandedkar, 'The Housing Crisis as an Ideological Artefact: Analysing How Political Discourse Defines, Diagnoses, and Responds', *Housing Studies* 36/2 (2021), pp. 213–34.

<sup>33</sup> Madden and Marcuse, In Defense of Housing, p. 10.

<sup>&</sup>lt;sup>34</sup> Antoine Paccoud et al., 'Land and the Housing Affordability Crisis: Landowner and Developer Strategies in Luxembourg's Facilitative Planning Context', *Housing Studies* 37/10 (2022), pp. 1782–99.

<sup>35</sup> White and Nandedkar, 'The Housing Crisis as an Ideological Artefact'.

<sup>&</sup>lt;sup>36</sup> Anna Minton, 'From Gentrification to Sterilization? Building on Big Capital', *Architecture and Culture* (early online release, 2022); Paccoud et al., 'Land and the Housing Affordability Crisis'.

<sup>&</sup>lt;sup>37</sup> Anne Haila, *Urban Land Rent: Singapore as a Property State* (Chichester: Wiley-Blackwell, 2016).

the state faces challenges in supplying public housing.<sup>38</sup> Considering such differences across geographies, it can be expected that the rentier state based on natural resources coming from land, including the Kuwaiti state, may pose different challenges in its residential land supply. Still, as mentioned above, such a question has rarely been addressed.

Third, the formulation of the housing crisis is also closely related to society since housing is a 'relational process' produced across different geographies in a way that reflects uneven socioeconomic and political conditions.<sup>39</sup> The housing crisis is an inevitable part of contemporary society because, as David Harvey argues, the tendency to overaccumulate within the capitalist production system leads to different crises that also affect the built environment, including housing as both collective consumption and a profitable commodity.<sup>40</sup> The housing crisis affects society unevenly, benefiting existing property and land owners while systematically dispossessing and displacing vulnerable people.<sup>41</sup> In this regard, it can be argued that the current discourse on the housing crisis is a mere representation of the societal inequality reflected in the housing sector.<sup>42</sup> Such discourses are also prone to mobilisation by those with speculative interests, as demonstrated by Brill and Raco's study in London.<sup>43</sup> Thus, a housing crisis can be conceptualised as a political act through which different groups project their own needs and aspirations concerning housing – this calls for a nuanced understanding of crisis discourses, taking into account their socioeconomic and political contexts.<sup>44</sup>

<sup>&</sup>lt;sup>38</sup> Shu-Mei Huang, 'Displacement by Neoliberalism: Addressing the Housing Crisis of Hong Kong in the Restructuring of Pearl River Delta Region', in Chen and Bang Shin (eds), *Neoliberal Urbanism, Contested Cities and Housing in Asia.* 

<sup>&</sup>lt;sup>39</sup> Julia Heslop, Colin McFarlane, and Emma Ormerod, 'Relational Housing Across the North–South Divide: Learning Between Albania, Uganda, and the UK', *Housing Studies* 35/9 (2020), pp. 1607–27.

<sup>&</sup>lt;sup>40</sup> David Harvey, 'The Urban Process under Capitalism: A Framework for Analysis', *International Journal of Urban and Regional Research* 2/1–3 (1978), pp. 101–31.

<sup>&</sup>lt;sup>41</sup> Georgia Alexandri and Michael Janoschka, 'Who Loses and Who Wins in a Housing Crisis? Lessons From Spain and Greece for a Nuanced Understanding of Dispossession', *Housing Policy Debate*, 28/1 (2018), pp. 117–34; Michael Edwards, 'The Housing Crisis: Too Difficult or A Great Opportunity?', *Soundings* 62 (2016), pp. 23–42.

<sup>&</sup>lt;sup>42</sup> Estefanía Calo, Raimundo Otero-Enríquez, and Alberto Rodríguez-Barcón, 'Discourses on Spain's Housing Crisis: A Typological Proposal', *Journal of Urban and Regional Analysis* 13/1 (2021), pp. 77–91.

<sup>&</sup>lt;sup>43</sup> Frances Brill and Mike Raco, 'Putting the Crisis to Work: The Real Estate Sector and London's Housing Crisis,' *Political Geography* 89 (2021).

<sup>&</sup>lt;sup>44</sup> Siân Butcher, 'Appropriating Rent From Greenfield Affordable Housing: Developer Practices in Johannesburg', *Environment and Planning A: Economy and Space* 52/2 (2020), pp. 337–61.



Figure 2: Examples of Kuwaiti Houses

Source: Do Young Oh and Hyun Bang Shin, 2020.

By viewing the housing crisis in Kuwait as a series of intertwined issue involving the state, land and society, this study pluralises our understanding of housing, its meaning and the forms it assumes. As mentioned in the introduction, the state's insufficient supply of housing for Kuwaiti citizens has been considered a significant cause of the housing crisis in the country.<sup>45</sup> Indeed, the Kuwaiti state faces various land and financial constraints. While the government controls most of the land in Kuwait, there are several challenges to developing housing districts because a large part of the land needs to be protected as oil reserves.<sup>46</sup> The resulting lack of developable land for Kuwaiti citizens has increasingly become a serious legitimacy issue for the government.<sup>47</sup> Furthermore, the financial burden on the state cannot be underestimated as the PAHW reportedly provides housing at as low as 10 to 20% of the production costs.<sup>48</sup> Since more than 95% of the fiscal revenue of the state comes from oil, oil price fluctuations also directly impact government project financing.<sup>49</sup> The chronic undersupply of housing is also related to the steep increase in

<sup>&</sup>lt;sup>45</sup> Awad Al-Mutairi, 'Housing Crisis Worsens in Kuwait' [Azmat al-iskan tetfaqum fee alkouwait], Al-Araby Al-Jadeed, 21 October 2015. Available at: <a href="https://www.alaraby.co.uk/">https://www.alaraby.co.uk/الأرمة-الإسكان-تتفاقم في -الكويت/www.alaraby.co.uk/الأرمة-الإسكان-تتفاقم في -الكويت/www.alaraby.co.uk/الأرمة-الإسكان-تتفاقم في -الكويت/www.alaraby.co.uk/الأرمة (accessed 31 January 2022); 'Kuwait Struggles to Solve the Housing Crisis and Reduce the Number of Waiting People by 20%' [Kouwait takafeh lahal uzma al-skin watquels adad al-muntadhrin 20%], Al Eqtisadiah, 28 May 2017. Available at: <a href="https://www.aleqt.com/2017/05/28/article\_1194401.html">https://www.aleqt.com/2017/05/28/article\_1194401.html</a> (accessed 31 January 2022).

<sup>&</sup>lt;sup>46</sup> Sharifa AlShalfan, 'The Aftermath of a Masterplan for Kuwait: An Exploration of the Forces that Shape Kuwait City', in Eckart Woertz (ed.), 'Wise Cities' in the Mediterranean?: Challenges of Urban Sustainability (Barcelona: Barcelona Centre for International Affairs, 2018).

<sup>&</sup>lt;sup>47</sup> Al-Nakib, Kuwait Transformed.

<sup>&</sup>lt;sup>48</sup> Jae-Young Son, 'Enhancing Kuwait's Housing Care Program: Demand-side Approach', 2014/15 Knowledge Sharing Program with Kuwait: Enhancing the Macroeconomic Model for Planning and the Housing Care Program (Sejong: Korea Development Institute, 2015).

<sup>&</sup>lt;sup>49</sup> Hashem Al-Tabtabai and Ehab Soliman, 'Oil Prices Drop Effect on Construction Industry in Kuwait',

housing prices: Son estimated that residential land prices doubled in the six years between 2007 and 2013, despite the 2008 global financial crisis. <sup>50</sup> Considering these circumstances, the rest of this paper will analyse in depth how the state, land and society are related to the housing crisis as socially constructed and unevenly perceived by people in Kuwait.

## Crisis of the Kuwaiti Welfare State

There have been various attempts to locate housing in the Western welfare states. One of the most well-known arguments is Torgersen's conceptualisation of housing as the 'wobbly pillar' under the welfare state: housing has a unique position as part of the welfare state due to its complex and heterogeneous nature as a commodity, while adequate housing is considered a human right.<sup>51</sup> However, as Malpass observed, housing production and consumption are increasingly market-oriented, and housing wealth is unevenly distributed in the West.<sup>52</sup> Housing as part of the welfare state is, therefore, increasingly questioned. Yet, in Kuwait, the term 'housing welfare' has been widely used, and there continues to be a common expectation of housing provision by the state, with the Kuwaiti government having provided about 143,000 houses for its citizens from 1956 to 2018.<sup>53</sup> In this regard, a housing crisis in Kuwait is frequently attributed to a failure of state intervention.

PAHW, as a government agency, has been in charge of building housing, schools, neighbourhood facilities and relevant infrastructure since 1993. Although PAWH is not managing land and housing, it is rare to find such a governmental body in Kuwait to oversee a comprehensive development project, including a wide range of buildings and infrastructures for a new city. PAWH's primary role is to provide access to housing for married couples. Such housing has been supplied at nominal value, ranging between KD 5 and 12.5 per m² (around £13.3–£33.1).54 The government also offers KD 70,000 interest-free long-term loans and KD 30,000 subsidy for building materials if citizens take up a land plot instead of housing. A monthly rent allowance of KD 150 is also provided while citizens are on the waiting list for housing. Considering that the average residential land price in 2019 was KD 631 per m²,55 Kuwaiti citizens are expected to accumulate a fortune from housing allocated by the state by taking advantage of the value gap. The land supplied by the state is considered an important way of redistributing the country's oil wealth to citizens.56

Journal of Engineering Research (2021).

<sup>&</sup>lt;sup>50</sup> Son, 'Enhancing Kuwait's Housing Care Program'.

<sup>&</sup>lt;sup>51</sup> Ulf Torgersen, 'Housing: The Wobbly Pillar under the Welfare State', *Scandinavian Housing and Planning Research* iv/sup1 (1987), pp. 116–26.

<sup>&</sup>lt;sup>52</sup> Peter Malpass, 'Housing and the New Welfare State: Wobbly Pillar or Cornerstone?', *Housing Studies* 23/1 (2008), pp. 1–19.

<sup>&</sup>lt;sup>53</sup> 'Kuwait Investment Forum 2018', *PAHW* (2018). Available at: <a href="https://kif.kdipa.gov.kw/wp-content/uploads/hadeel-bin-naji-english.pdf">https://kif.kdipa.gov.kw/wp-content/uploads/hadeel-bin-naji-english.pdf</a> (accessed 15 July 2022).

<sup>54</sup> AlShalfan, 'The Right to Housing in Kuwait'.

<sup>55</sup> Kuwait Finance House, Report on Local Real Estate Market - Q1 Year 2019 (2019).

<sup>&</sup>lt;sup>56</sup> El-Katiri et al., 'Anatomy of An Oil-based Welfare State'.



Figure 3: A PAHW-constructed Housing Estate Near North West Sulaibikhat

Source: Do Young Oh and Hyun Bang Shin, 2020.

Kuwait prides itself on 'always hav[ing] been housing Kuwaitis',<sup>57</sup> while citizens understand that 'it's the duty of the government to provide housing for Kuwaiti families'.<sup>58</sup> However, as the state has struggled to provide sufficient housing for citizens on a long waiting list, further challenges are expected. As the country largely relies on oil exports, the Kuwaiti welfare state can only be sustainable if high oil prices are sustained. Thus, oil price fluctuations can pose a significant challenge to the state because a substantial cost is required for state-led housing provision in Kuwait. PAHW's annual budget reportedly amounted to less than KD 1 billion in the 2018/19 financial year, which may limit its capacity to address the backlog of housing supply.<sup>59</sup> For example, South al-Mutlaa City, a single housing development project with 28,363 housing units, is estimated to cost KD 987.8 million.<sup>60</sup>

The financial constraints on PAHW are further compounded by the Kuwaiti government's budget deficit, which began to be reported from 2016. In 2021, the government hit a recordhigh budget deficit of KD 10.8 billion. Various government units have been asked to cut their spending by at least 10 % to reduce the deficit. While it is expected that 342,960

 $<sup>^{\</sup>rm 57}$  Interview with a housing official, 12 January 2020.

<sup>&</sup>lt;sup>58</sup> Interview with a Kuwaiti citizen in her forties, 23 February 2022.

<sup>&</sup>lt;sup>59</sup> 'Increased Budget for Kuwait's Real Estate Sector Will Result in Dozens of New Developments by 2020', Oxford Business Group (2018). Available at: <a href="https://oxfordbusinessgroup.com/analysis/project-de-velopments-increased-budget-sector-will-result-dozens-new-developments-2020">https://oxfordbusinessgroup.com/analysis/project-de-velopments-increased-budget-sector-will-result-dozens-new-developments-2020</a> (accessed 15 July 2022).

<sup>60 &#</sup>x27;Actual Cost of Construction Projects in Fiscal 2020/'21 Hits KD 356.3m', *Arab Times*, 13 November 2021. Available at: <a href="https://www.arabtimesonline.com/news/actual-cost-of-construction-projects-in-fiscal-2020-21-hits-kd-356-3m/">https://www.arabtimesonline.com/news/actual-cost-of-construction-projects-in-fiscal-2020-21-hits-kd-356-3m/</a> (accessed 15 July 2022).

<sup>61 &#</sup>x27;Kuwait Budget Deficit Hits Record \$35.5bn', *Arab News*, 11 November 2021. Available at: <a href="https://www.arabnews.com/node/1966281/business-economy">https://www.arabnews.com/node/1966281/business-economy</a> (accessed 15 July 2022).

<sup>&</sup>lt;sup>62</sup> Sarmad Khan, 'Kuwait Orders Government Bodies to Cut Spending by at Least 10% as Budget Deficit Soars', *The National*, 17 August 2021. Available at: <a href="https://www.thenationalnews.com/business/economy/2021/08/17/kuwait-orders-government-bodies-to-cut-spending-by-at-least-10-as-budget-deficit-soars/">https://www.thenationalnews.com/business/economy/2021/08/17/kuwait-orders-government-bodies-to-cut-spending-by-at-least-10-as-budget-deficit-soars/</a> (accessed 31 January 2022).

new houses will be needed for Kuwaiti citizens over the next 20 years,<sup>63</sup> PAHW has only managed to distribute 2,626 units annually between 2010 and 2019.<sup>64</sup> In this regard, it is unclear whether the state can spend more on housing supply to meet the increasing demand amid mounting pressure on the government budget.<sup>65</sup>

The lack of housing supply is often understood as being related to the state's incompetence, threatening its legitimacy. Since 2016, there have been six housing ministers in the Kuwaiti Parliament. Such frequent turnover of housing ministers also means difficulties in implementing long-term plans and meeting housing provision goals, let alone collaborating with other ministries to implement housing development projects. For example, site preparation for the South Saad Al-Abdullah new city required close collaboration between multiple government departments and agencies, including Kuwait Municipality, the Public Authority of Agriculture Affairs and Fish Resources, the Environment Public Authority and the Ministry of Electricity and Water. As each department has its own set of objectives with a significant budget constraint, seeking active support for the new city project is challenging. Such lack of coordination and resulting inaction make the government appear inefficient and devoid of clear goals. As an interviewee puts it:67

[T]here must be a clear plan from the government on the housing issue and [for them] to be honest with the citizens. It shouldn't make citizens wait 15 years and then, in the end, say that I don't actually have the means to support you to build your house.

One member of parliament criticised such a situation by mentioning inaction, bureaucracy and mismanagement as the main drivers of the housing crisis in Kuwait.<sup>68</sup> Others consider the political conflict over rent distribution as the cause.<sup>69</sup> Though large-scale protests are rare in the country, citizens often protest to express their dissatisfaction with state housing provision.<sup>70</sup>

<sup>&</sup>lt;sup>63</sup> Kuwait Real Estate Association, *Private Housing Murshid* 2014 (2014).

<sup>&</sup>lt;sup>64</sup> Central Statistical Bureau, 'Annual Bulletin of Social Statistics'.

<sup>65 &#</sup>x27;Budget Is Main Obstacle in Launching Housing Projects', *Arab Times*, 18 September 2021. Available at: <a href="https://www.arabtimesonline.com/news/budget-is-main-obstacle-in-launching-housing-projects/">https://www.arabtimesonline.com/news/budget-is-main-obstacle-in-launching-housing-projects/</a> (accessed 15 July 2022).

<sup>66</sup> Interview with a Kuwait housing expert, 9 January 2020.

<sup>&</sup>lt;sup>67</sup> Interview with a Kuwaiti citizen in her forties, 23 February 2022.

<sup>&</sup>lt;sup>68</sup> Saad Al-Nashwan, 'Dr. Abdulaziz Al-Saqabi: The Housing Crisis in Kuwait is Caused by the Government's Inaction and the Greed of Some Merchants' [D. abdulaziz al-saqabi: al-azma al-iskania balkouit subbaha takaas al-hakkuma wajsha baad al-tajar], *Al Mugtama*, 3 July 2021. Available at: <a href="https://www.mugtama.com/hot-reports/item/126425-2021-07-03-10-38-40.html">https://www.mugtama.com/hot-reports/item/126425-2021-07-03-10-38-40.html</a> (accessed 31 January 2022).

<sup>&</sup>lt;sup>69</sup> Rivka Azoulay and Madeleine Wells, 'Contesting Welfare State Politics in Kuwait', *Middle East Report* 272 (2014), pp. 43–7.

<sup>&</sup>lt;sup>70</sup> Sylvia Westall, 'Kuwait Protest Movement Shifts Focus Ahead of Election', *Reuters*, 25 July 2013. Available at: <a href="https://www.reuters.com/article/us-kuwait-election-idUSBRE96OoCX20130725">https://www.reuters.com/article/us-kuwait-election-idUSBRE96OoCX20130725</a> (accessed 15 July 2022); 'Hundreds Protest Corruption in Kuwait', *France* 24, 6 November 2019. Available at: <a href="https://www.france24.com/en/20191106-hundreds-protest-corruption-in-kuwait">https://www.france24.com/en/20191106-hundreds-protest-corruption-in-kuwait</a> (accessed 15 July 2022).

# Crisis of Land Development, albeit in Selective Locations

Land issues are closely related to the housing crisis, though they are overlooked in such discussions. Indeed, land is a core element that distinguishes housing from other aspects of welfare, as land supply is not infinite. Land enjoys monopoly rent based on its geographical location, leading to the possibility of value capture. Land issues can be more significant when the state has a strong presence in the housing market, where it competes with market players or engages with private landlords. In Kuwait, the question regarding land use remains important, particularly as it is increasingly considered a speculative financial asset.

The state owns 95% of land in Kuwait, a figure higher than in Singapore, widely known for its state ownership of land. However, its oil-dependent economy and geographical and political environments severely restrict land use. Oil reservoirs must be kept to protect future income for the state. Other uses, such as water fields, agricultural areas and natural reserves, are critical to the country, while military bases, including those of the US, are also present, all of which limit the land available for development. If the current trend of land supply continues, the number of Kuwaiti households waiting for housing is expected to increase to 180,000 by 2050. While the state needs to implement new housing development projects to facilitate housing supply, PAHW cannot forecast where the land will be released as the decisions are made by higher-level government institutions. In this regard, it is difficult for PAHW to establish a long-term plan for housing supply and predict land availability.

Supplying houses in the city centre is not viable because high-demand residential areas are already fully developed, or speculative investors hold a significant portion of undeveloped land plots in these areas.<sup>75</sup> The expansion of the existing metropolitan area is limited mainly due to the surrounding oil and water fields. Such restrictive provision of land is often subject to criticism among Kuwaiti citizens. One of the interviewees, who is in her late twenties, states:<sup>76</sup>

They [the government] have all this land. And they're not using it because they haven't checked for oil yet. So, they're just freezing it. They're not letting anyone build there.

Nevertheless, the Kuwaiti state has continued supplying newly constructed residential towns over the years, often located more remotely. For example, the newly built South al-Mutlaa City and South Sabah Al Ahmad are 40 and 80 kilometres away from Kuwait City, respectively. New residential areas far from the city centre are inevitably unpopular. South Sabah Al Ahmad is offering 600 instead of 400 m² of land to attract citizens to its remote location. Still, such incentives are insufficient, as citizens prefer to stay closer to the city centre, where jobs and urban amenities are.<sup>77</sup>

<sup>&</sup>lt;sup>71</sup> David Harvey, 'The Art of Rent: Globalisation, Monopoly and the Commodification of Culture', *Socialist Register* 38 (2002), pp. 93–110.

<sup>&</sup>lt;sup>72</sup> Gulf Bank of Kuwait, Residential Real Estate in Kuwait (2021).

<sup>&</sup>lt;sup>73</sup> Nayef Alghais and David Pullar, 'Modelling Future Impacts of Urban Development in Kuwait with the Use of ABM and GIS', *Transactions in GIS* 22/1 (2018), pp. 20–42.

<sup>&</sup>lt;sup>74</sup> Interview with a housing official, 12 January 2020.

<sup>&</sup>lt;sup>75</sup> US Kuwait Embassy, 'The Importance (and Financial Benefits) of Being Kuwaiti', *WikiLeaks*, 28 May 2008. Available at: <a href="https://wikileaks.org/plusd/cables/08KUWAIT613\_a.html">https://wikileaks.org/plusd/cables/08KUWAIT613\_a.html</a> (accessed 31 January 2022).

<sup>&</sup>lt;sup>76</sup> Interview with a Kuwaiti citizen in her late twenties, 7 March 2022.

<sup>&</sup>lt;sup>77</sup> Interview with a Kuwait housing expert, 9 January 2020.

New residential areas built in more remote places further away from the city centre are not considered desirable and, in the words of an interviewee, 'not for Kuwaitis'.<sup>78</sup>

The tendency among Kuwaiti citizens to refrain from opting in for housing allocation in remote areas leads some officials and migrants to question the meaning of the 'housing crisis'. While Kuwaiti citizens on the waiting list tend to be frustrated by the unavailability of land for housing closer to the city centre and the outgoing of housing rents that are deemed unnecessary, their reluctance to opt for land in newer remote residential areas made some interviewees wonder if Kuwait is really experiencing a 'housing crisis'. A Kuwaiti citizen in his forties stated that 'there's a lot of places for rent, so I don't think there's a crisis for housing. Maybe, there's a crisis where people want their free government house.'<sup>79</sup> A government official echoed this sentiment when he declared:<sup>80</sup>

We don't have a housing problem. You know, everybody wants to live close to the city, so some people choose to wait 10 or 15 years...We provided it [housing], but they then want to wait for a closer project or a nicer one.

However, upon closer inspection, such concerns about the remote locations of new developments disguises equally important demands from people, further complicating the reasons behind people's preference to wait longer for housing. Here, interviewees often point fingers at the lack of appropriate infrastructure connecting these newly developed areas with Kuwait City and the absence of public services and amenities in such places. As an interviewee noted, 'if you want us to live further away, give us all the needs and services there too.'81 The provision of high-quality infrastructure in a timely and coordinated manner may encourage Kuwaiti citizens to consider new developments in more remote places, as indicated by an interviewee in his sixties:

The idea of far-away residential neighbourhoods is excellent because Kuwait City is small...but then, we have to invest in good public transportation.<sup>82</sup>

Building more infrastructure has obvious implications on government budget if current energy consumption behaviours remain unchanged. If, for instance, more highways and water desalination plants are provided as urban areas grow outward, demand for oil will also increase to sustain life in remote areas. As energy use in Kuwait has been heavily subsidised, the additional demand could add a heavier burden on the Kuwaiti state and its fiscal health. According to Steffen Hertog's estimation, the state's energy subsidy is equivalent to a significant amount of 8% of its GDP or KD 3.25 billion. He Building more remote residential towns will worsen this situation, adding pressure on government spending.

 $<sup>^{78}\,</sup>$  Interview with a Kuwaiti citizen in her sixties, 14 February 2022.

<sup>&</sup>lt;sup>79</sup> Interview with a Kuwaiti citizen in his forties, 16 February 2022.

<sup>80</sup> Interview with a housing official, 12 January 2020.

<sup>&</sup>lt;sup>81</sup> Interview with a Kuwaiti citizen in her sixties, 14 February 2022.

<sup>&</sup>lt;sup>82</sup> Interview with a Kuwaiti citizen in his sixties, 15 February 2022.

 $<sup>^{83}</sup>$  Mariam Alsaad, 'The Unsustainability of Kuwait's Energy System – Examining Kuwait's Energy Problem', LSE Middle East Centre Blog, 11 February 2021. Available at: <a href="https://blogs.lse.ac.uk/mec/2021/02/11/the-unsustainability-of-kuwaits-energy-system-examining-kuwaits-energy-problem/">https://blogs.lse.ac.uk/mec/2021/02/11/the-unsustainability-of-kuwaits-energy-system-examining-kuwaits-energy-problem/</a> (accessed 20 February 2023).

<sup>&</sup>lt;sup>84</sup> Steffen Hertog, 'Reforming Wealth Distribution in Kuwait: Estimating Costs and Impacts', *LSE Middle East Centre Kuwait Programme Paper Series* 5 (July 2020). Available at: <a href="https://eprints.lse.ac.uk/105564/">https://eprints.lse.ac.uk/105564/</a> (accssed 23 February 2023).

The idea of providing higher-density housing for citizens as an alternative to land plot allocation is extremely difficult to achieve because the demand for land is socially and culturally constructed, and does not reflect citizens' real needs.85 There was an earlier attempt to provide housing units in a high-density residential apartment complex in the city centre in 1981. The Al-Sawaber Complex, which had 524 units, was built to attract middle-class Kuwaitis to the city centre. It was demolished in 2019 due to poor estate management. The dilapidation of the complex has reinforced the preference for land plots.86 PAHW began to provide 400 m² apartment units again in the second half of the 2010s in North West al-Sulaibikhat and Jaber al-Ahmad City. These projects are considered relatively successful, thanks to their proximity to the city centre. 87 These apartments offer more than enough space to accommodate an average-sized Kuwaiti household of five people. It could also be a reasonable choice since the capital gains from securing a land plot are not as high as in the past. This is because the market price of residential land in peripheral governorates, where most of the new PAHW houses will be located, is half the price of those in the city.88 Still, these apartments are not attractive to every Kuwaiti citizen. The chances of winning the housing allocation lottery were relatively higher than those for land plots and detached housing units. Unlike migrants who are more used to living in apartments, deemed the main option for most of them, Kuwaiti citizens interviewed tend to consider apartment living as a second-best option and, often, an interim measure as they wait for the allocation of land for housing.

# Society in Uneven Crisis

The idea of the 'housing crisis' is also promoted by society for speculative interests. The Kuwaiti society has ideal housing types formulated by their political and social contexts. In Kuwait, single-family houses in suburbs are desirable. For Kuwaiti citizens, receiving a land plot from PAHW is the most effective way to increase household wealth due to the possibility of value capture. Property-based welfare was established early and has been deeply entrenched in Asian societies compared to the West, <sup>89</sup> and this can also be witnessed in Kuwait. In this regard, the idea of the housing crisis could be understood as the crisis of speculative profiteering rather than the crisis of access to an adequate standard of living.

<sup>&</sup>lt;sup>85</sup> Asseel Al-Ragam, 'The Destruction of Modernist Heritage: The Myth of Al-Sawaber', *Journal of Architectural Education* 67/2 (2013), pp. 243–52.

<sup>86</sup> Ibid.

<sup>&</sup>lt;sup>87</sup> "North West Al-Sulaibikhat" Is the Haven of the New Vertical Housing Experience' [«Shmal gharb el-selibikhat» Mladh al-tijraba al-jadida lilskon al-amoudi], *Al Jarida*, 5 July 2016. Available at: <a href="https://www.aljarida.com/articles/1464210483841716600/">https://www.aljarida.com/articles/1464210483841716600/</a> (accessed 15 July 2022); Interview with a Kuwait housing expert, 9 January 2020.

<sup>88</sup> Kuwait Finance House, Report on Local Real Estate Market - Q1 Year 2019.

<sup>&</sup>lt;sup>89</sup> Richard Ronald and John Doling, 'Testing Home Ownership as the Cornerstone of Welfare: Lessons from East Asia for the West', *Housing Studies* 27/7 (2012), pp. 940–61; Hyun Bang Shin, 'Contesting Property Hegemony in Asian Cities', in Chen and Bang Shin (eds), *Neoliberal Urbanism, Contested Cities and Housing in Asia*.

For Kuwaiti citizens, housing is one of the crucial ways of receiving oil rent distribution by the state, but such societal expectation has not been fully met. Historically, the land acquisition scheme in Kuwait benefited royal and merchant family members by helping them become wealthy rentiers. For At the same time, well-off Kuwaiti citizens received a residential land plot, each of which ranged between 750 and 1,000 m² in size in the early oil years. In this regard, citizens have long expected to consider the housing provided by the state as an entitlement, similar to other welfare programmes. To this day, citizens expect the government to provide them with housing, as securing homeownership in Kuwait is highly unaffordable. The housing price-to-income ratio was estimated at 16.5 in Kuwait. This number is as high as in London (15.7) and thrice as in Dubai and Abu Dhabi. The average transaction price of private residences rose 45% over 2013–14 and continues to grow. According to the 2011 census, Kuwaiti citizens' labour force participation rate was only 32.1%, with 85% of those government employees. In this regard, it is difficult for most Kuwaitis to purchase a house from the property market, especially with the underdeveloped mortgage system.

The expectation of housing is also highly related to the desire to gain speculative interests, expressed in citizens' preference for a land plot over other options provided by PAHW. A survey showed that 69% of citizens waiting for housing preferred a land plot, while only 5% preferred apartments (National Project for Sustainable Development, 2014, recited from Al-Haroun, 2019). This is related to the possibility of building a larger structure on their allocated land to host their extended family or rent extra space for profit. A 400 m² land plot can be converted into an apartment of 840 m² of floor space or more. This apartment size would accommodate 25 people in Korea and 65 people in Hong Kong, based on the average housing space. One piece of research estimates that 100,000 apartment units are rented and converted from houses in Kuwaiti single-family residential areas. These subdivided apartment units accommodate almost a fifth of all households in Kuwait. Their owners expect a return of 8–10%, which is several times higher than bank interest rates. In this regard, some well-off households wait to receive a land plot in a favourable location. This view is expressed by a Kuwaiti housing expert and several Kuwaiti citizens interviewed.

<sup>&</sup>lt;sup>90</sup> Al-Nakib, *Kuwait Transformed*; Alex Boodrookas and Arang Keshavarzian, 'Giving the Transnational a History: Gulf Cities across Time and Space', in Molotch and Ponzini (eds), *The New Arab Urban*.

<sup>&</sup>lt;sup>91</sup> Al-Nakib, Kuwait Transformed.

<sup>92</sup> Gulf Bank of Kuwait, Residential Real Estate in Kuwait.

<sup>93</sup> Ibid.

<sup>94</sup> International Monetary Fund, Kuwait: Selected Issues (Washington DC, 2015).

<sup>95</sup> Ibid.

 $<sup>^{96}</sup>$  Yousef Abdul Mohsen Al-Haroun, 'The Phenomenon of Apartments in the Kuwaiti House', *Journal of Engineering Research* 7/2 (2019).

<sup>97</sup> Kuwait Real Estate Association, Private Housing Murshid 2014.

<sup>&</sup>lt;sup>98</sup> Sadeq J. Abul, 'The Dynamic Relationship Between Stock and Real Estate Prices in Kuwait', *International Journal of Economics and Finance* 11/5 (2019), p. 30.

<sup>99</sup> Interview with a Kuwait housing expert, 9 January 2020.

Finally, the discourse on the housing crisis in Kuwaiti society tends to exclude non-Kuwaiti people, who comprise 69 percent of Kuwait's population. Most of them are legally prohibited from owning land and property, so they rent homes or live in accommodations arranged by their employers. While non-Kuwaitis are the backbone of Kuwait's economy, Kuwaiti firms often neglect the poor living conditions of low-wage migrant workers to save their costs.100 Many of them experience discrimination and overcrowded conditions of living in the rental market, while so-called 'expats' from Europe or North America are said to have easier access to rental apartments.<sup>101</sup> Forced eviction of migrant workers without providing alternative accommodation has continued as they are not allowed to live in residential areas by law, while others live in remote migrant camps. 102 Migrant workers living in overcrowded and unhygienic housing have also been hit harder by the COVID-19 pandemic due to the inattentive government and the stigma around virus spreading. 103 The housing crisis discourse is also largely exclusive in that it primarily values an ideal family type, a married Kuwaiti couple: all others, including those women married to a Kuwaiti family and subsequently divorced/separated, are marginalised. In particular, bidun, the stateless community living in Kuwait for several decades, is residing in slum-like areas without the state's proper support. 104 Finding civic voices for protecting the housing rights of vulnerable groups in Kuwait is challenging.



Figure 4: A Neighbourhood Where Housing for Migrants is Concentrated

Source: Do Young Oh and Hyun Bang Shin, 2020.

 $<sup>^{\</sup>mbox{\tiny 100}}$  Interview with a Kuwait housing expert, 14 January 2020.

<sup>&</sup>lt;sup>101</sup> Interview with a migrant in his thirties, 11 February 2022.

<sup>&</sup>lt;sup>102</sup> 'Forced Evictions: Kuwait's Dehumanising Campaign Targets Male Migrants', *Migrant-Rights.Org*, 19 September 2019. Available at: <a href="https://www.migrant-rights.org/2019/09/forced-evictions-kuwaits-dehumanising-campaign-targets-male-migrants/">https://www.migrant-rights.org/2019/09/forced-evictions-kuwaits-dehumanising-campaign-targets-male-migrants/</a> (accessed 15 July 2022).

Alshalfan, 'COVID-19 in Kuwait'; 'Promoting Balanced Media Reporting on Migrant Workers in the Arab States', ILO (2021). Available at: <a href="https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-bei-rut/documents/publication/wcms\_776372.pdf">https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-bei-rut/documents/publication/wcms\_776372.pdf</a> (accessed 15 July 2022).

<sup>104</sup> Beaugrand, Stateless in the Gulf.

## Conclusion

In this paper, we have presented extant housing issues in Kuwait, focusing on the nature of the country's housing crisis. It is challenging to fully address the complexity of the housing issues in this limited space, as they are based on the country's complex geographical and historical contexts. Still, we attempted to shed some light on Kuwait's housing questions, revealing that the housing crisis is socially constructed, reflecting the multi-layered, historical conditions of housing provision and consumption in Kuwaiti society. The housing crisis discourse is closely related to the ways in which the Kuwaiti welfare state has presented – or failed to present – itself to Kuwaiti citizens, as well as the extent to which land is perceived as desirable, depending on its location and the mode of provision. The housing crisis discourse is also shaped by the aspirations of Kuwaiti citizens who see housing as a commodity and an investable object to maximise their asset accumulation. In contrast, non-Kuwaiti citizens are rendered invisible in the Kuwaiti housing discourse, which is largely shaped by the government and Kuwaiti citizens.

Our findings imply that fixing the housing market per se would not be sufficient to solve the housing crisis itself; the housing crisis cannot be tackled by a short-term initiative to provide citizens with more land plots only. Distributing land plots to citizens may worsen the situation by reinforcing the segregation between Kuwaitis and non-Kuwaitis and inequalities between those who already own housing, including those who benefit from inheritance, and those who do not. Moreover, current economic and political climates make it difficult to provide a long-term roadmap to transform society toward sustainable urban living that can meet future needs.

Whither housing in Kuwait? While proposing a systematic set of recommendations goes beyond the scope of this paper and may prove to be challenging given the multi-layered and socially constructed nature of the 'housing crisis' in Kuwait, it would still seem important to listen to people in Kuwait. As an interviewee noted, Kuwait might be 'in a housing thinking crisis'. That is, 'the government isn't placing people who are specialised or experts in housing to manage the housing question." Others also refer to a more concerted effort among government organisations to offer a more holistic approach to a multi-centred spatial structure that provides new developments with adequate infrastructure and services, thus reducing unnecessary travel that consumes oil. While listening to the voices of people to devise solutions rooted in the realities of the socio-cultural and socioeconomic relations of people, it will also be essential to recognise the nature of the Kuwaiti welfare state that has been nurturing the sharing of oil wealth among its citizens, and to think of the ways in which such 'wealth sharing' can be extended to protect the lives of migrants who form the basis of Kuwaiti society and its economy.

<sup>105</sup> Interview with a Kuwaiti citizen in his sixties, 15 February 2022.

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