THE CONFERENCE

Economic Diversification in the Gulf States
Opportunities and Challenges

13-14 November 2021
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Timetable
# Day 1
**Saturday, 13 November 2021**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:30–9:45</td>
<td><strong>Opening Remarks</strong>&lt;br&gt;Hamid Ali&lt;br&gt;Canan Atilgan&lt;br&gt;Haider Saeed</td>
</tr>
<tr>
<td>9:45–11:45</td>
<td><strong>Panel One</strong>&lt;br&gt;<strong>The Need for Economic Diversification and the Role of the Human Factor</strong>&lt;br&gt;Chair: Marwan Kabalan&lt;br&gt;&lt;br&gt;Ann bint Saeed Al-Kindi: More than Economic Diversification&lt;br&gt;Noura Al-Lahow: The Effect of Human Capital on Economic Diversification Plans&lt;br&gt;Auhoud AlBaloushi: Education Diversification as the Key to Economic Diversification&lt;br&gt;Asrar Hayat: Why Is Economic Diversification Needed in Kuwait?</td>
</tr>
<tr>
<td>11:45–12:15</td>
<td><strong>Public Lecture 1</strong>&lt;br&gt;Khalid Rashid Al-Khater: The Rentier Growth Model in the Gulf: A Recipe for Faltering Economic Diversification and Altering the Demographic Structure of Society</td>
</tr>
<tr>
<td>12:15–13:30</td>
<td>Lunch</td>
</tr>
<tr>
<td>13:30 – 15:30</td>
<td><strong>Panel Two</strong>&lt;br&gt;<strong>Economic Diversification in the Gulf and the Role of Industry and Small and Medium-sized Enterprises</strong>&lt;br&gt;Chair: Fabian Blumberg&lt;br&gt;&lt;br&gt;Bashar Soboh: The Role of Industrial Infrastructure in Enhancing Economic Diversification in the GCC&lt;br&gt;&lt;br&gt;Yousuf AlBalushi: The Role of the Private Sector and FDI in Economic Diversification in the GCC&lt;br&gt;&lt;br&gt;Moudi Al-Homoud &amp; Hanadi Al-Mubarak: GCC Economic Diversification Through Smart Growth: Innovation, Incubator, SME, and Technology Transfer Programs&lt;br&gt;&lt;br&gt;Sebastian Sons: SMEs and Cultural Entrepreneurship in the Gulf States: Strengthening Economic Diversification and Youth Empowerment</td>
</tr>
<tr>
<td>15:30 – 16:00</td>
<td><strong>Public Lecture 2</strong>&lt;br&gt;Rabah Arezki: Transformation, Not Diversification?</td>
</tr>
</tbody>
</table>
# Day 2  
**Sunday, 14 November 2021**

<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
</tr>
</thead>
</table>
| 9:30 – 10:30 | **Panel Three**  
**Regional and Foreign Resources of Economic Diversification in the Gulf States**  
Chair: Sahar Yousef  
**Abdullah Baaboud:** Economic Diversification in the Gulf: Regional Cooperation is the Missing Element in the GCC State’s Various Vision Plans  
**Musalam Said Masan:** How to Exploit Foreign Direct Investment to Expand the Base of Economic Diversification in the GCC Countries |
| 10:30 – 10:45 | Break |
| 10:45 – 12:15 | **Panel Four**  
**The Gulf Experience in Economic Diversification: The Case of Qatar**  
Chair: Mohammad Yaghi  
**Farid Elsahn:** Economic Diversification: A Sustainable Development Approach (Qatar as a Case Study)  
**Frank Himpel:** The Successful Creation of Resilient Supply Chains Creates Potentials for Further Successful Economic Diversification: Qatar as a Case Study  
**Ayhab Saad:** The Effect of the Blockade on Trade and Export Diversification in Qatar |
| 12:15 – 12:30 | **Closing Remarks** |
| 12:30 | **Lunch** |

*Timing of sessions based on Doha local time (GMT +3)*
Participants

Abstracts
Auhoud AlBaloushi

Academic and Researcher who currently oversees an advisory office in humanities. She holds a PhD in Applied Linguistics from Warwick University, UK, and an MA and BA in education and curriculum from Sultan Qaboos University. She also holds a master's degree in international and commercial law from the University of Hertfordshire, UK. In addition, she is co-founder of the children's public library and "Children First" society, and she serves as vice chairman of the board of Directors of "Children First" Society in Oman. She worked at Sultan Qaboos University as an academic in the faculty of education, in addition to her work as the head of the Department of Studies and Research in Oman Studies Centre at the University.

Education Diversification as the Key to Economic Diversification

This paper discusses the pivotal role that school and post-school education plays in human development and hence economic diversification as one of its basic components. The quality of education, the extent to which educational systems keep pace with the skills required in the labour market, and the outlook of the educational system, which takes into account social and economic transformations and diversification of knowledge depth, play an important role in laying the foundations for economic diversification. The quality of human construction is closely related to the quality of the economy: this is what we see in the countries that succeeded in diversifying their economies. These countries gave education the most attention and looked at the individual as a basic resource, building and diversifying their abilities and skills.
Yousuf AlBalushi

Chief Economist of the Oman Vision 2040’s Taskforce and Senior Official at the Central Bank of Oman. He has advised on foreign direct investment (FDI) to both Oman’s Supreme Council for Planning and the International Monetary Fund. AlBalushi is widely published on regional economic and business issues, notably his book *Omani Economy: Globalization and the Winds of Change* (2018). He is also a regular contributor to leading policy forums and lectures on several master’s degree programmes at King’s College as well as GUtech Oman.

The Role of the Private Sector and FDI in Economic Diversification in the GCC

The Gulf states have progressed well over the last five decades in all aspects of development. However, there are great challenges facing the Gulf including diversifying the economic base and increasing private sector contributions to the GDP. In the face of economic challenges and geopolitical shifts, the economic diversification has become essential for the Gulf to move towards a more sustainable path of development. This paper critically evaluates the current GCC efforts to shift their economies away from heavy dependence on hydrocarbons towards more diversified economic systems, where the private sector becomes the engine of growth taking Oman as a case study, in order to adequately understand the trends and patterns of slow progress in private sector. The paper will discuss contextual factors that have considerable relevance in explaining the slow progress in economic diversification. The paper will attempt to answer following key questions: Why is the GCC having limited success in diversification? What factors have led to these reasons? How can Gulf states deal with the diversification dilemma? What is the way forward?
GCC Economic Diversification Through Smart Growth: Innovation, Incubator, SME, and Technology Transfer Programs

The Gulf Cooperation Countries (GCC) are factor-based economies whose GDP predominantly relies on energy resources, such as oil and gas. The governments of the GCC have long recognized the importance of economic diversification through an established modern economy such as innovation, SME, incubator, technology transfer and commercialization programs. The objective of this article is to identify the impact of these programs in GCC economic diversification from different perspectives. The research proposes a road map for shaping the economic diversification of the GCC countries as modern knowledge-based economies.
Khalid Rashid Al-Khater

Research Fellow at the Centre for Macroeconomics and the Institute for New Economic Thinking at the University of Cambridge, UK. He holds a PhD in economics from the University of California, Irvine, and was a scholar-in-residence at Georgetown University in Qatar from 2011 to 2012. Al-Khater was the director of research and monetary policy at Qatar Central Bank (QCB) and a member of the Monetary Policy Committee and the Investment Committee at QCB. From 2003 to 2010, Al-Khater represented Qatar in the Technical Committee for the GCC Monetary Union. His research interests include monetary and exchange rate policies, macroeconomic policies and economic diversification in the GCC countries, and the political economy of the rentier state. His work has been published in academic journals, books, and research centers.

The Rentier Growth Model in the Gulf: A Recipe for Faltering Economic Diversification and Altering the Demographic Structure of Society

Economic diversification has been the biggest economic challenge facing the GCC countries for more than half a century. Since the discovery of oil in the region, these countries have been almost entirely reliant on oil for their income, spending, economic activity, and social welfare, making them vulnerable to fluctuations in energy prices, technology shocks, resource depletion, and the many ills of the rentier economy. However, the GCC countries’ efforts to diversify their economies have yielded only modest results, which are insufficient to meet the growing challenges. The paper explains the economic growth model used in the GCC countries and defines the general characteristics of their economies in order to comprehend how they function and the implications for the economic diversification process and the changing demographic structure of society. It provides some recommendations for overcoming diversification-related roadblocks and advancing economic diversification in the region.
Ann bint Saeed Al-Kindi

Independent Strategic business consultant, specialist in strategic planning. She holds a BA in finance from Sultan Qaboos University, and a master’s degree in Leadership Science from the University of Glasgow, Scotland. She worked in the Treasury Department at the Ministry of Finance, and the Office of the Secretary General of the Ministry of National Economy (2006-2012), during which time she oversaw the restructuring of the electricity sector and commissioned projects such as the restructuring of the road transport sector. She served in the Supreme Planning Council (2012-2017), where she contributed to the Logistics Strategy 2040.

More than Economic Diversification

This paper raises questions imposed by the passage of time since the launch of economic diversification’s plans in the Gulf countries in light of the rapid development of the capabilities of the Fourth Industrial Revolution. This is added to the changes caused by the Covid-19 pandemic and the severe drop in oil prices, as well as the geopolitical changes and the formation of the new Middle East and its impact on the geopolitical importance of the Gulf states. Will economic diversification be achieved in the Gulf countries? Why? What are the requirements for economic diversification? What are the requirements of a digital economy? Is economic diversification an choice or inevitable for survival and sustainability? What is the impact of oil hegemony intellectually and politically? What is the role of the giant oil companies in shaping this effect? The paper seeks to provide a holistic view of the Gulf countries, focusing on the context of economic diversification in the Sultanate of Oman.
The Effect of Human Capital on Economic Diversification Plans

The human resource is the basis for the formation of any state and is therefore the basis for structuring the economy of the state. The human resource is simply the peoples' minds, inclinations and capabilities, and it is an effective tool in the prosperity and diversification of the economy of countries as well as in their destruction. It is well known that the mechanism of economic diversification differs from one country to another, as the geographic factor, the political nature of the state and human resources are the compass that determines the type and method of this diversity. In addition to these factors, decision-makers must develop a plan and strategy to direct its young people and children towards what the state needs to strengthen and diversify its economy by establishing a human capital entity. If we take the subject in a simpler way, we find that the human capital, added to it a state that invests in its people, as well as a vision, shall result in a state with a solid and diversified economy.
Hanadi Al-Mubaraki

Founder and CEO of Ecosystem Consultants. She has over 25 years of business experience in creating and sustaining supportive innovation and entrepreneurial ecosystem for smart growth, economic diversification, educational, and investment purposes. She has published many studies.

GCC Economic Diversification Through Smart Growth: Innovation, Incubator, SME, and Technology Transfer Programs

The Gulf Cooperation Countries (GCC) are factor-based economies whose GDP predominantly relies on energy resources, such as oil and gas. The governments of the GCC have long recognized the importance of economic diversification through an established modern economy such as innovation, SME, incubator, technology transfer and commercialization programs. The objective of this article is to identify the impact of these programs in GCC economic diversification from different perspectives. The research proposes a road map for shaping the economic diversification of the GCC countries as modern knowledge-based economies.
Transformation, Not Diversification?

The collapse in oil prices that started in 2014 has put diversification at the forefront of the policy debate in many nations that have long been dependent on fossil fuel production. Many oil-rich countries have indeed either announced or already put in place policies to help transform their economies and move away from dependence on oil. Diversification strategies have been pursued in the past and historically those managed by the state have not worked. That’s because top-down management almost inevitably shies away from actions that would facilitate the diversification process because it does not empower managers (and their teams) who are best able to guide the process and adapt to new circumstances. In other words, states should not concentrate on the end goal—that is diversification—and focus instead on what is required to get there, no matter how disruptive that transformation process might be to traditional production. The paper explores the role of technological change in shaping energy markets, discusses the nature of the risks and opportunities associated with the changes occurring in energy markets and argues the need for economic transformation of oil dependent economies and state-owned enterprises, concluding by discussing ways to change the landscape for "big state oil."
Abdullah Baaboud

Visiting fellow and Chair of the State of Qatar for Islamic Area Studies at the Faculty of International Research and Education at Waseda University, Tokyo. He is also an Adjunct Professor in the Gulf Studies Center at Qatar University. He holds a PhD in International Political Economy from the University of Cambridge, UK. He worked as the director of the Gulf Research Center at the University of Cambridge and the director of the Gulf Studies Center at Qatar University. His academic interests focus on the Gulf states and their economic and social development as well as their international relations.

Economic Diversification in the Gulf: Regional Cooperation is the Missing Element in the GCC State's Various Vision Plans

While the GCC states have carried out formal development planning since the mid-1970s, there's been a lot of hype surrounding the current economic published development plans, diversification policies and visions over the last decade. Their ambitious "new style" of planning seems to establish visions, set aims, milestones and targets, identify sectors and priorities and is more comprehensive than the "old style," especially in recognising and involving the private sector. Despite the hype, there seems to be some missing elements in these plans, not least the lack of building viable and accountable institutions to ensure accountability and suitability and the near absence of any mention of enhancing regional cooperation and integration, which are essential in achieving economic growth. The aim of the paper is to focus on the latter and to demonstrate the importance of regional cooperation in helping to achieve GCC plans and visions.
Farid Elsahn

Professor of Public Administration Program at the Doha Institute for Graduate Studies. He received a PhD from Strathclyde University, UK in 1984 and previously served as Chairperson of the Business Administration Department and Vice Dean for Community Services and Environmental Affairs in the Faculty of Commerce, Alexandria University, Egypt. He also served as the MBA Director and Head of Management and Marketing Department at University of Bahrain (2011-2015). He was Public Administration Program Chair in Doha Institute (2015-2020), and the Director of the Excellence Center for Training and Consulting (2015-2021). His professional experience includes management and marketing consultation and training services for public and private organizations in the Arab region.

Economic Diversification: A Sustainable Development Approach (Qatar as a Case Study)

This paper examines the State of Qatar's efforts in adopting a new strategy for economic diversification based on productivity and competitiveness, while handing the private sector great importance in achieving the targeted economic growth from 2018-2020. It presents Qatar's general framework of the national agenda for economic diversification, explaining the main pillars of growth, priority sectors, diversification aiding factors, in addition to the factors supporting the system as a whole. The paper ends by discussing the main result of the economic diversification strategy, the intermediate results and the set of strategic objectives that aim to enhance and sustain the economic diversification path, develop the private sector, which is one of the pillars of economic development in the Qatar National Vision 2030, and enhance its contribution to the Qatari economy.
Asrar Hayat
Social Activist and Contributor for Al-Qabas newspaper. She is a member in the Board of Directors of the Kuwait Transparency Association, and a member of the Board of Directors of the Kuwait Aviation Services Company (KASCO). She holds an MBA from Maastricht University, Netherlands (2016). She is the founder of the non-profit "Notek" initiative that specializes in spreading economic awareness in Kuwait and is a founding partner of the non-profit "Madawi Platform" initiative to support women leaders for elected positions. She also owns and runs a children's school and has recently taught master's students at the University of Birmingham, UK during this year's summer course. She held leadership positions in Global Investment Company and Kuwait Airways. She also held the position of General Manager of Tarasul Telecom Communications Company and a member of the Board of Directors of Diyar Al Kuwait Real Estate Company.

Why Is Economic Diversification Needed in Kuwait?
This paper starts by defining the economy, economic development, and the sustainable economy. It then defines and discusses the main resources of the State of Kuwait and their impact on the economic situation in the state, and deals with the resources of the other Arab Gulf states. The paper presents several scenarios for economic diversification in Kuwait and the Arab Gulf states. It concludes by providing suggestions and recommendations that reinforce the importance of having different resources for each country and the impact that this might have on the economy, people, and the positive relations between the GCC countries.
Frank Himpel

Director of the Institute of Logistics at Anhalt University of Applied Sciences in Germany. Frank is an International Business and Economics scholar, focusing on organizational strategy, operations, and complex partnerships. He has researched and taught Logistics and Supply Chain Management with emphasis on the global transportation industry at leading universities in Germany and Qatar.

The Successful Creation of Resilient Supply Chains Creates Potentials for Further Successful Economic Diversification: Qatar as a Case Study

For three-and-a-half years, starting in the summer of 2017, Qatar was under a blockade resulting from a diplomatic rift. At the beginning of the blockade, supply chains of critical goods needed to be restructured. Food, especially dairy products, and other relevant supplies needed to be procured worldwide, which was a major change from the single sourcing approach Qatar had employed until then. Some key products were also produced locally, and new production facilities were set up. In overcoming the adversarial effects of the blockade, the country managed to become less dependent on traditional supplies, and opened up to new suppliers on a global basis. The creation of resilient supply chains was one key component to overcome the blockade in total. However, the positive effects of these resilient supply chains continue to have an impact on the country’s efforts to further diversify its economy. For example, Qatar today is overly self-sufficient in dairy products, and can start looking into exporting these goods. The proposed contribution aims at looking into the efforts Qatar accomplished in overcoming the 2017-2020 blockade, and turning these efforts not only into a resolution of the diplomatic rift, but also further utilizing its positive effects for the purpose of economic diversification.
Musalam Said Masan

Acting Assistant Secretary General for Committees and Information at Oman's Shura Council. He holds master's in Business Administration (MBA) from the University of Bedfordshire, UK and a bachelor's in economics from Sultan Qaboos University. He was the director of the Affairs of the Economic and Financial Committee at the Shura Council and for several years he was a researcher and an economic expert at the Shura Council. He contributed to many studies related to the Shura Council especially about laws presented to the Council. His publications have appeared in the Shura Magazine and AlRoya newspaper.

How to Exploit Foreign Direct Investment to Expand the Base of Economic Diversification in the GCC Countries

The Omani economy is counting on foreign direct investment (FDI) to accelerate economic diversification programs (the experience of the Sultanate of Oman and the Vision 2040) during the coming years of the "Oman Vision 2040." The paper attempts to assess the role of FDI flows through the following periods: the five-year programs and plans from 1976-1995, the Oman vision from 1996-2020, and the goals of the "Oman Vision 2040". The paper will then focus on the challenges of the non-oil sectors in terms of their attractiveness to FDI, and concludes by suggesting some programs, policies and features that would enhance the role of FDI in consolidating economic diversification.
The Effect of the Blockade on Trade and Export Diversification in Qatar

This paper examines the impact of the blockade on trade diversification in Qatar using disaggregated trade data. The empirical evidence suggests that Qatar’s imports became more diversified, measured by the average number of import markets per a product, after the blockade. In addition, the paper aims to quantify the impact of the blockade on exports diversification in Qatar by tracking a constructed measure of export diversification before and after the blockade.
The Role of Industrial Infrastructure in Enhancing Economic Diversification in the GCC

The huge increases in oil prices since the early 1970s led to extensive investment in the energy sector and related energy-intensive industries such as petrochemicals, chemicals, fertilizers. In addition, GCC countries have made significant investments in infrastructure, with construction and real estate sectors as leading sectors of investment and growth. Such limited pace of development undermines resource-based industrialization, which is not being fulfilled in the Gulf region. Despite the abundance of capital and cheap energy, GCC countries were unable to develop an industrial infrastructure that could form the base of industrial and technological development. This paper stresses the vital role of the private sector as an engine of growth and effective tool for economic diversification and development. Diversification can only be achieved if the private sector is assigned a significant role in Gulf economies. A paradigm shift from state-led approach to private sector-led approach is a cornerstone for achieving diversification, in which private sector employment represents a real alternative to public sector jobs.
SMEs and Cultural Entrepreneurship in the Gulf States: Strengthening Economic Diversification and Youth Empowerment

In the Gulf states, socio-economic diversification aims to empower a large number of young female and male entrepreneurs and start-up initiatives supported by national angel investors and governmental accelerators. The sheds light on emerging cultural entrepreneurial developments by presenting them as interesting examples for political, social, and economic transformation. Based on empirical research, the paper presents cultural entrepreneurship as a driving force for political, social and economic transformation in Gulf states' societies by highlighting several outstanding examples, analyzing potential for enhanced cooperation between cultural entrepreneurship on an international but also on an inter-regional level, and, finally, outlining existing challenges for the sustainable development of cultural entrepreneurship.
Moderators

Hamid Ali
Associate Professor and Dean of the School of Public Administration and Development Economics at Doha Institute for Graduate Studies. He obtained his PhD in Economics and Public Policy from the University of Texas-Austin in 2004 and was a researcher at US government Accountability Office (GAO), where he was a major contributor on various reports to US congressional committees. His primary research interests focus on peace economics, economic inequality, defence spending, natural resources, and conflict. He is the co-author/editor of a number of books, including: Natural Resources, Inequality and Conflict (2021); Institutional Reforms, Governance, and Services Delivery in the Global South (2021); Darfur Political Economy: A Quest for Development (2014); and Defense Spending, Natural Resources, and Conflict (2017).

Canan Atilgan
The head of Middle East and North Africa Division in the European and International Cooperation Department. She received her doctorate in political science with a focus on international relations. Prior to that, she was Director of the Southern Mediterranean Political Dialogue Regional Programme based in Tunis and of the South Caucasus Regional Programme in Tbilisi (2011-2015). Her stations at the Konrad-Adenauer-Stiftung also included office management in Thailand, the Palestinian Territories and Jordan. In addition, she was coordinator for European policy at the Foundation’s headquarters in Berlin (2005-2007).

Fabian Blumberg
Regional Representative to the Gulf States at Konrad-Adenauer-Stiftung (KAS). He studied Political Science at Rheinische Friedrich-Wilhelms-Universität Bonn and Freie Universität Berlin. He worked as KAS’ Representative to Pakistan, the Assistant to the Secretary General and Deputy Head of the Executive Office of KAS, and an Advisor to the Department of Strategies and Planning at CDU Headquarter. He also served as an Assistant to Jürgen Rüttgers, former Minister-President of North Rhine Westphalia (2010-2011) and a Speechwriter for the Chairman and the Honorary Chairman, Hans Gert Pöttering, former President of the European Parliament and Bernhard Vogel, former Minister-President (2009-2010).

Marwan Kabalan
Director of the Political Studies Unit at the Arab Center for Research and Policy Studies, President of the Gulf Studies Forum, and Director of the Diplomatic Studies and International Cooperation Program at the Doha Institute for Graduate Studies. He has published several books and extensive research in Arabic and English on Foreign Policy and International Relations, including Qatar’s Foreign Policy: Strategy versus Geography (2021).
Haider Saeed


Mohammad Yaghi

Research Fellow and programme manager at the Regional Program Gulf States at Konrad-Adenauer-Stiftung (KAS). He received his doctorate in political Science from the University of Guelph, Canada. His research combines the various internal and foreign relations issues of the GCC states. In particular, he focuses on the growing role of the GCC in MENA region, the Gulf States' security, the GCC's foreign aid, and the social transformation within the Gulf States. He was an adjunct professor in the department of political studies at Queens University, Canada.

Sahar Yousef

Assistant Professor on the Development Economics Program at the Doha Institute for Graduate Studies. She has a PhD in applied economics from the Ohio State University, USA. Her research is at the intersection of political economy, development economics, and international trade. Her current research projects focus on factors that can trigger conflict, such as water scarcity and climate change and on the role of trade policies in mitigating conflicts.