

CAN KUWAIT ADOPT FISCAL POLICY INSTRUMENTS IMPLEMENTED BY OTHER COUNTRIES TO REDUCE TRAFFIC CONGESTION?

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ABSTRACT

Unlike other equally important social problems the Kuwaiti people face, such as political corruption, rapidly deteriorating health and education services, unemployment, inflation, fluctuating oil prices and high costs of living – the problem of traffic congestion in particular affects the whole population of nationals and expatriates equally regardless of what level of income they fall under. The Kuwaiti people are increasingly enraged by the massive amounts of time and money being wasted in tedious traffic congestions every day, not to mention the fatal car accidents and environmental issues associated with rapidly growing traffic. Calls for serious government interference are no longer a mere consideration but a crucial necessity. The government's inadequate response to growing traffic – on the other hand – has consisted of small road expansions in limited areas of the state. In practice this has proven to be an insufficient solution for two reasons; the first, is that new road capacity will divert some travel off congested roads in the short term, only to have the new roads quickly fill up with traffic almost immediately, not to mention the very slow process of infrastructure expansion. The second reason why increasing roads does not relieve traffic is a purely economic one, rising traffic means there is a higher demand for roads than there is a supply of roads, thus, increasing the supply of roads will only increase the demand and cause more traffic unless a higher price is implemented on usage of those new roads, i.e. congestion charges which this paper will discuss as an effective solution to traffic congestion. Rising traffic congestion is a multidimensional social problem and thus requires multidimensional social solutions, therefore, the state has to consider effective short term solutions in addition to the long term ones, implementing a single legal or fiscal policy and expecting traffic relief is not only highly ineffective but can also be a waste of large sums of public funds. This paper attempts to look at various fiscal policies such as congestion charges, employee parking cash-out, gas tax, HOT lanes, and carpooling, implemented and tested by other traffic ridden cities around the world to find whether or not such policies can be as effective in the small state of Kuwait.

Keywords: Traffic congestion, road expansion, congestion charges, HOT lanes, carpooling, employee parking cash-out, gas tax.

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