

# **Understanding the Environment and Cultural Linkages in a Utility Subsidized Economy: A Case Study of Kuwait**

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## **Abstract**

Fossil fuel and energy conservation became an important issue as the crude oil price hit an all time high in summer 2008. Non-renewable nature of the resource and the growing demand for this resource from the new emerging economies has renewed the call for production and use of alternative energy sources and increase efficiency of existing energy use. Adam Smith's (1776) classical economic theory suggests that market forces are capable to allocate the resources efficiently. However, in most of the oil producing countries energy prices are subsidized, which deprives the reflection of the true economic cost to the nations in the region. The citizens in the region are use to subsidized energy prices for a considerable period of time and it is not known whether the concept of resource conservation is embedded in their culture. The cultural-and-environmental linkage is an important as a medium of exchange, in which the culture could shapes the environment and the environment could shapes the culture. In this paper, we examine the level of awareness and the state of resource conservation practices among two distinctive segments Kuwaitis: high school seniors attending Kuwaiti public schools and the general adult population. We use the demographic, cultural and behavioral variables to explain the local population's motivation for resource conservation. We expect higher income, educational level and women are more likely to have a favorable perception for resource conservation.

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