**Abstract**

**“ Governance of Special Economic Zones**

**between**

**the ‘Accuracy’ of the legal and administrative organization**

**and**

**the ‘Flexibility’ of the litigation system “**

**(comparative study)**

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The global competition in attracting foreign direct investment has always been a major feature of contemporary world in an effort to achieve universal sustainable development.

A result of this global trend, during the past three decades, is the unprecedented increasing of special economic zones (SEZ), which have become one of the priorities of the economic policies and the most important methods for attracting foreign investment. According to the World Investment Report 2019 issued by the United Nations Conference on Trade and Development (UNCTAD), there are (5400) special economic zones, and it is expected that more than (500) economic zones will be established in the coming years.

What is more striking, is the variation of its models and the diversity of its patterns not only between countries but even in the same country. While some of them are limited to facilitating commercial and logistical services, others are aimed to localize modern industries and high technologies, developing financial services, science and innovation.

Due to the lack of a unified model to follow, and the rareness of quantitative, qualitative and impact performance evaluation reports, each country has designed and implemented its own economic zones compatibly with its development vision. As a result, and according to the above-mentioned report, the international experiences are highly varied between remarkable successes and striking failures.

On this contradictory perspective, the accuracy of the legislative system and its fulfillment to the requirements of legal and administrative aspects of governance, on one hand, and the flexibility in the litigation system on the other hand, are in fact very important in order to achieve the desired effectiveness and productivity without neglecting the privacy of each country.

In light of the State of Kuwait’s tendency to approve the draft law of “the Northern Special Economic Zone” and establishing other economic zones based on the paragraph(3) of Article (4) of the Law on Promoting Direct Investment in the State of Kuwait No. (116)/2013, it is necessary to discuss the challenges of the legal environment related to the establishment, management and function of the prospective economic zones and the flexibility to settle its disputes, in light of the local legislation governing the world of finance, business and investment on the one hand, and comparative law on the other hand.

In this context, several important questions arise:

**First**: The expected role of the economic zones in the administrative system of the State of Kuwait, based on the recognition of decentralization in the Kuwaiti constitution.

**Second**: The implications of the application of the economic public utility concept to economic zones and its impact on the public office legal system and the legal framework that governs its function, contracts and relationships with the public.

**Third**: The management of the special economic zones, in terms of formation, specializations and avoiding conflicts of interest.

**Fourth**: Measuring the compatibility of its adopted litigation system with the general principles recognized in Kuwait and comparative law, particularly in regard to the desired flexibility and effectiveness.

To highlight these problems, and to measure their legal consequences, a critical and analytical approach will be adopted with the use of all methods of research in the principles and theoretical and practical bases that govern best practices in economic regions in an attempt to utilize them for the service of the upcoming Kuwaiti experience.

Thus, this paper will be divided into two main parts. In part(1), we will discuss the accuracy of the legal and administrative system of the special economic zones in fulfilling the requirements of governance. In part(2), we will confirm the flexibility of the adopted litigation system. In conclusion, we will mention the appropriate proposals that could guarantee, in our point of view, the particularity of the Kuwaiti local system and the requirements of best practices.

**Keywords**: legal system, foreign direct investment, alternative dispute resolution, public utility, sustainable development