

# CRS Report for Congress

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## Kuwait: Security, Reform, and U.S. Policy

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### Summary

Kuwaiti leaders peacefully resolved a succession crisis that erupted following the January 15, 2006 death of its long-ruling Amir. However, a new crisis erupted in May 2006 over the structure of the next parliamentary elections, prompting a dissolution of the existing parliament and scheduling of new elections for June 29, 2006. Women will be able to run and to vote. This report will be updated. See also CRS Report RL31533, *The Persian Gulf States: Issues for U.S. Policy, 2004*, by Kenneth Katzman.

### Governmental Changes and Political Reform<sup>1</sup>

Kuwait's optimism after the fall of its nemesis Saddam Hussein in 2003 was interrupted by a succession crisis upon the January 15, 2006 death of Amir (ruler) Jabir Ahmad al-Jabir Al Sabah at the age of 78. His relative, Crown Prince Shaykh Sa'd Abdullah Al Sabah, was declared successor, but he is seriously ill, leading Prime Minister Shaykh Sabah al-Ahmad al-Jabir Al-Sabah (about 76, the younger brother of the late Amir) and his branch of the Sabah family to challenge the succession. After extensive discussions within the ruling family and with the elected National Assembly, which had never before had a role in succession, Shaykh Sa'd abdicated, and the Assembly formally affirmed Shaykh Sabah as the new Amir on January 29, 2006. The peaceful handling of the succession crisis was widely hailed, although the subsequent appointments could aggravate long-standing rivalries within the Al Sabah.

Amir Sabah subsequently sidestepped a tacit agreement to alternate succession between the Jabir and Salem branches of the family by appointing members of his Jabir branch as his Crown Prince/heir apparent (his half-brother, Shaykh Nawwaf al-Ahmad Al Sabah, age 67) and Prime Minister (his nephew, Shaykh Nasser Muhammad al-Ahmad Al Sabah, age 64). The highest ranking "Salem" in the new cabinet is Dr. Mohammad

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<sup>1</sup> Much of the information in this section is from the State Department's country report on human rights practices for 2005 (released March 8, 2006); the Department's report on "Supporting Human Rights and Democracy: The U.S. Record 2005-2006, by the Bureau of Democracy, Human Rights, and Labor (April 5, 2006); the *International Religious Freedom Report* (November 8, 2005); and the *Trafficking in Persons Report for 2005* (June 3, 2005).

Al Sabah, who kept his Foreign Minister post and simultaneously was made a second deputy prime minister. However, in a further diminution of the Salem branch, a relative from another branch, Shaykh Jabir al-Hamad Al Sabah was made first deputy prime minister and given the powerful posts of defense and interior ministers. In other major moves, two prominent reformists were removed from the cabinet, as was a prominent hardline (Salafi) Sunni Islamist. A second Shiite Muslim was named, giving the cabinet two Shiite ministers for the first time since 1992. The one woman, Massouma Mubarak, was retained as Minister of Planning; she was first appointed in June 2005.

It was widely anticipated that, as Amir, Shaykh Sabah would accelerate political reform, but he appears to want to ensure continued Sabah control of government. Kuwait has the longest serving all-elected National Assembly of the Gulf monarchies; 50 seats are elected, comprising two seats each from 25 districts, plus up to 15 ministers serving in it ex-officio. The body was established by Kuwait's November 1962 constitution, but the Amir has sometimes used his power to dissolve the Assembly (1976-1981, 1986-1992, 1990, and 2003) when the Assembly aggressively challenged the government. The Assembly can vote no confidence in ministers and can veto government decrees made when the Assembly is not in session. Amir Sabah suspended the Assembly on May 21 and called new elections for June 29, 2006, after 29 Assembly members demanded to question the Prime Minister over the government's refusal to endorse a proposal to reduce the number of electoral districts to 5, from the current 25. Reformists in the Assembly want to reduce the number of districts, and thereby increase the size of each, so that it would be more difficult to influence the outcome through alleged "vote buying" or tribal politics. The June election will have the existing 25 districts, and many expect pro-government candidates will do well because of the short campaign period.

Reformists also want to see formal political parties allowed. They are prohibited currently, although candidates are allowed to organize as informal *currents*, such as the Salafi movement (hardline Islamists); the Islamic Constitutional Movement (Kuwait's branch of the Muslim Brotherhood); the "Popular Bloc" (merchants/nationalists); the Kuwait Democratic Forum (liberal, pro-rapid reform); and tribal candidates. Kuwaitis also have a parallel tradition of informal political consultations in nightly "*diwaniyyas*" (social gatherings) held by many elites, including some women.

Kuwait is a country of about 2.4 million (900,000 are citizens). Over the past decade, the government expanded the all-male electorate gradually<sup>2</sup> by extending the franchise to sons of naturalized Kuwaitis and Kuwaitis naturalized for at least twenty (as opposed to thirty) years — but these modifications raised the electorate to only about 130,000, or about 15% of the citizenry. The electorate will be far larger for the June 2006 elections because women will be voting. To date, 11 women have filed to run as candidates in the June election. The long deadlock on female suffrage began to break in May 2004, after the government submitted to the Assembly a bill to give women the right to vote and run. (A government attempt in May 1999 to institute female suffrage by decree was vetoed by the Assembly.) In May 2005, then Prime Minister Shaykh Sabah pressed the Assembly to adopt the government bill, which it did on May 16, 2005 (35-23), effective as of the

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<sup>2</sup>This election was held one year earlier than expected because new elections were required after a brief Assembly suspension by the Amir, precipitated by Assembly challenges on several issues.

next National Assembly elections. Islamist deputies succeeded in adding a clause that will require gender-segregated polling places (or entrances).

According to the State Department, the U.S. Embassy in Kuwait uses various programming tools, including dialogue and public diplomacy and funds from the Middle East Partnership Initiative (MEPI), to encourage democracy. The Embassy has sponsored several Kuwaitis, particularly women, to attend regional and U.S. conferences and training programs. MEPI funds have been used to fund political education brochures for Kuwaiti women, among other uses. U.S. embassy officers attend nightly diwaniyyas and conferences to promote rule of law, civil society, women's empowerment, labor rights, and democratization. Several Kuwaiti non-government organizations, such as the Kuwait Women's Cultural and Social Society, actively promote democratization.

The State Department human rights report for 2005 noted progress particularly on female suffrage but says "serious problems remained." Shiite Muslims report official discrimination, including limited access to religious education, although the State Department's religious freedom report for 2005 noted some improvement over the past year. There continue to be reports of abuses of mostly Asian domestic workers. Kuwait was designated by the State Department "Trafficking in Persons" report for 2005 (released June 3, 2005) as a "Tier Three" (worst level, and down from a Tier Two ranking the previous year) because Kuwait had not made significant efforts to fully comply with minimum standards for the elimination of trafficking, particularly forced labor. However, official press censorship ended in 1992, and a vibrant press often criticizes the government. Kuwait permits some public worship by non-Muslim faiths and has seven officially recognized Christian churches of various denominations. The government allows one trade union per occupation, but the only legal trade federation is the Kuwait Trade Union Federation (KTUF). Foreign workers, with the exception of domestic workers, are allowed to join unions.

## **U.S.-Kuwait Relations and Cooperation on Iraq**

A U.S. consulate was opened in Kuwait in October 1951; it was elevated to an embassy upon Kuwait's independence from Britain in 1961. Kuwait, the first Gulf state to establish relations with the Soviet Union in the 1960s, was not particularly close to the United States in the 1960s and 1970s. Relations warmed considerably at the height of the Iran-Iraq war (1987-88), when the United States established a U.S. naval escort and tanker reflagging program to protect Kuwaiti and international shipping from Iranian naval attacks (Operation Earnest Will).

Kuwait's leaders were shaken by the 1990 Iraqi invasion, and they were heavily criticized domestically for failing to mount a viable defense. The country drew even closer to the United States after U.S. forces led the January-March 1991 Persian Gulf war that liberated Kuwait, and it signed a ten-year defense pact with the United States on September 19, 1991 (the text is classified). In September 2001, the pact was renewed for another ten years. The pact reportedly does not explicitly require that the United States defend Kuwait in a future crisis, but provides for mutual discussions of crisis options. It also is said to provide for joint military exercises, U.S. training of Kuwaiti forces, U.S. arms sales, pre-positioning of U.S. military equipment (enough armor to outfit a U.S. brigade), and U.S. access to Kuwaiti facilities. A related Status of Forces Agreement (SOFA) provides that U.S. forces in Kuwait be subject to U.S. rather than Kuwaiti law.

Kuwait contributed materially to the 1991 war and subsequent containment efforts, paying \$16.059 billion to offset the costs of Desert Shield/Desert Storm (all received by the end of 1991). It funded two thirds of the \$51 million per year U.N. budget for the Iraq-Kuwait Observer Mission (UNIKOM) that monitored the Iraq-Kuwait border until the 2003 war, and it contributed about \$350 million per year to pay for costs incurred by the U.S. military in its Kuwait-based Iraq containment operations. During the 1990s, Kuwait hosted about 1,000 U.S. Air Force personnel performing the U.S. and British-led enforcement of a “no fly zone” over southern Iraq (Operation Southern Watch) which ended after Saddam Hussein was toppled. Kuwait hosted additional U.S. forces (about 5,000) during Operation Enduring Freedom in Afghanistan that ousted the Taliban.

Kuwait privately supported the Bush Administration’s decision to militarily overthrow Saddam Hussein (Operation Iraqi Freedom (OIF)), even though it joined other Arab states in publicly opposing the U.S. action. Kuwait closed off 60% of its territory in order to secure the U.S.-led invasion force of about 250,000 personnel and several thousand pieces of armor. It allowed U.S. forces to use two air bases that the United States had helped upgrade (Ali al-Salem and Ali al-Jabir), as well as its international airport and sea ports. Kuwait provided \$266 million in burdensharing support to the combat, including base support, personnel support, and supplies such as food and fuel. Since then, according to Defense Department budget documents, Kuwait contributed \$213 million in burdensharing support to OIF in FY2005, and is expected to contribute \$210 million in both FY2006 and FY2007. Kuwait also built a water line into Iraq, assists the Polish-led security sector in Hilla, Iraq, and it runs a humanitarian operation center (HOC) that has funneled over \$500 million in assistance to Iraqis since Saddam fell.

Kuwait hosts as many as 90,000 U.S. military personnel, mostly rotating in or out of the 133,000-person U.S. force in Iraq. However, only about 10,000 (military and civilian) Defense Department personnel are based in Kuwait more permanently, down from 18,000 in 2005, according to U.S. military officials in Kuwait. The key U.S. staging facility in Kuwait for OIF is Camp Arifjan and a desert firing range facility, Camp Buehring. Camp Doha, the facility that had been the primary command facility for U.S. forces in Kuwait during the 1990s, was vacated by U.S. forces in December 2005. In part to express appreciation for Kuwait’s support to OIF, on April 1, 2004, the Bush Administration designed Kuwait as a “major non-NATO ally (MNNA),” a designation held by only one other Gulf state (Bahrain). Partly to reciprocate U.S. friendship, Kuwait pledged \$500 million worth of oil to U.S. states affected by Hurricane Katrina.

Another of Kuwait’s concerns has been discovering the fate of about 600 Kuwaitis missing from the 1991 war; the bodies of about 400 of them have been found in post-Saddam searches. Kuwait also wants to receive the U.N.-supervised reparations by Iraq for damages caused from the 1990 invasion; an estimated half of the awards judgments announced to date are to Kuwait’s government or firms. However, U.N. Security Council Resolution 1483 (May 22, 2003) reduced to 5%, from 25%, the percentage of Iraqi oil revenues deducted for reparations, reducing the rate of reparations payouts. Kuwait reportedly pledged to U.S. envoy James A. Baker that it would forgive a substantial portion of the \$25 billion Iraq owes Kuwait, mostly incurred during the Iran-Iraq war.<sup>3</sup>

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<sup>3</sup> Baker Secures Promises of Iraq Debt Relief From Gulf Oil States. *Agence France Presse*, January 21, 2004.

Kuwait and Iraq have re-established diplomatic relations, although Kuwait has some concerns about the Shiite Islamist factions that are ascendant in Iraq. It has pledged to send an ambassador to Baghdad but has not done so to date out of security concerns. About 25% of Kuwait's population are Shiite Muslims, the sect that predominates in Iran, and Kuwaiti leaders have always feared that this community could be manipulated by Iran, even though Kuwait's Shiites are well integrated into its economy. Many Kuwaitis recall a period of Shiite-led terrorism in Kuwait, including the December 1983 bombings of the U.S. and French embassies in Kuwait and an attempted assassination of the Amir in May 1985. Those attacks were attributed to the Iraqi Da'wa (Islamic Call) Party; seventeen Da'wa activists were arrested for these attacks and a Kuwait Airlines plane was hijacked in 1987 with the demand that the prisoners be released; they were not. Iraq's two elected prime ministers, Ibrahim al-Jafari and Nuri Kamal al-Maliki, are leaders of the Da'wa Party, but there is no evidence that they participated in these attacks.

U.S. officials say that the U.S.-Kuwait defense relationship has improved the quality of the Kuwaiti military, particularly the air force. The military, which numbered about 17,000 before the 1990 Iraqi invasion, has now nearly regained that strength (15,500), but it is fewer than the 25,000 troops recommended in 1991 U.S. and British studies of Kuwait's needs. Recent sales of major systems to Kuwait have encountered little congressional opposition. Kuwait is a "cash customer" — it is not eligible to receive U.S. excess defense articles and receives no U.S. assistance. Major post-1991 Foreign Military Sales (FMS) <sup>4</sup>include (1) the purchase of 218 M1A2 tanks at a value of \$1.9 billion in 1993 (deliveries were completed in 1998); (2) a 1992 purchase of 5 Patriot anti-missile fire units, including 25 launchers and 210 Patriot missiles, valued at about \$800 million (delivery completed in 1998). Some of them were used to intercept Iraqi short-range missiles launched at Kuwait in the 2003 war; (3) a 1992 purchase of 40 FA-18 combat aircraft (delivery completed in 1999); and (4) a September 2002 purchase of 16 AH-64 (Apache) helicopters equipped with the Longbow fire-control system, a deal valued at about \$940 million. Kuwait is said to be considering purchasing about 10 additional FA-18s, but it may not view new purchases as urgent now that Saddam is gone.

## Other Foreign Policy Issues

After Kuwait's liberation in 1991, Kuwait's fear of Iraq colored virtually all of its foreign policy decisions, particularly its relations with entities that sympathized with Iraq's 1990 invasion. On the Arab-Israeli dispute, Kuwait has tried to remain within a broad Gulf state consensus, although it was far more critical than were the other Gulf states of the late Palestinian leader Yasir Arafat because he publicly supported Iraq in the 1991 Gulf war. As a result of that alignment, about 450,000 Palestinian workers were expelled or pressured to leave Kuwait after the 1991 war. Since Arafat's death, Kuwait has rebuilt its relations with the mainstream Palestinian Authority (PA) leadership, including president Mahmoud Abbas. Nonetheless, the *Washington Post* reported in May 2005 that Kuwait is still \$140 million behind in disbursing pledged aid to the PA, a larger arrearage than any Arab state other than Libya. On February 13, 2006, Kuwait publicly said it would work with Hamas as legitimate leader of a new Palestinian government, a result of Hamas's victory in January 25, 2006 Palestinian elections. In March 2006, it pledged \$7.5 million per month in aid to the Hamas-led government as part of a broader

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<sup>4</sup> Information in this section provided by the Defense Security Cooperation Agency. March 2004.

Arab League pledge of \$55 million per month to help the Palestinians cope with reductions in Western aid. Kuwait participated in multilateral peace talks with Israel that took place during 1992-1997, although it did not host any sessions. In 1994, Kuwait was key in persuading the other Gulf monarchies to cease enforcement of the secondary (trade with firms that deal with Israel) and tertiary (trade with firms that do business with blacklisted firms) Arab boycotts of Israel.

**Cooperation in Global War on Terrorism.** The State Department report on global terrorism for 2005 (released April 28, 2006) credits Kuwait for bolstering measures to protect U.S. forces in Kuwait from terrorist attacks but notes that Kuwait has been “reluctant to confront extremist elements within the local population.” Shortly after the September 11, 2001, attacks, Kuwait moved to block the accounts of suspected Al Qaeda activists in Kuwait. A June 2005 State Department fact sheet says it has established an office at the Ministry of Social Affairs and Labor to monitor Islamic charities such as the Islamic Heritage Revival. Nonetheless, some attacks have occurred in Kuwait. During October 2002 - December 2003, one U.S. marine and one U.S. defense contractor were killed by alleged Al Qaeda gunmen in four attacks there. Since January 2005, Kuwaiti security forces have engaged terrorists in at least five confrontations in Kuwait City, resulting in the deaths of the gunmen as well as some Kuwaiti security personnel. None of the attacks reached any U.S. targets in Kuwait. In December 2005, Kuwait convicted six men of belonging to a terrorist group (“Lions of the Peninsula”) allegedly planning attacks on U.S. troops in Kuwait. In May 2006, Kuwaiti judges dismissed charges against five Kuwaitis who were repatriated from the U.S. facility at Guantanamo Bay.

## **Economic Policy**

Although Kuwait has a relatively open economy, U.S. officials have attempted to persuade Kuwait to open its economy to foreign investment in order to attract technology and expand the private sector. Kuwait’s state-owned oil industry still accounts for 75% of government income and 90% of export earnings. The United States imports about 260,000 barrels per day in crude oil from Kuwait, equal to about 3% of U.S. oil imports. Kuwait’s proven crude oil reserves are about 95 billion barrels, about 10% of total proven world oil reserves and enough for about 140 years at current production levels (about 2.5 million barrels per day (mbd)). The Kuwaiti government wants to open its northern oil fields to needed foreign investment (“Project Kuwait”) to raise oil production to 4.0 mbd by the year 2020. Project Kuwait itself would generate about 500,000 barrels per day of production. However, the National Assembly has blocked the \$8.5 billion project for about a decade because of concerns about Kuwait’s sovereignty. Assembly action might hinge on the outcome of the June 2006 elections. Several U.S. energy firms, including ExxonMobil, Chevron Corporation, and ConocoPhillips, are part of consortia that want to bid on the project. In 1994, Kuwait became a founding member of the World Trade Organization (WTO). In February 2004, the United States and Kuwait signed a Trade and Investment Framework Agreement (TIFA), often viewed as a prelude to a free trade agreement (FTA), which Kuwait has said it seeks.