



## CRS Report for Congress

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

Kenneth Katzman  
Specialist in Middle Eastern Affairs  
Foreign Affairs, Defense, and Trade Division

### Summary

Kuwait, which would be pivotal to any U.S. decision to wind down its military involvement in Iraq, has advanced its democratic development since the fall of Saddam Hussein, but it remains concerned about security threats emanating from a still unstable Iraq. In June 2006 parliamentary elections, women voted and ran for the first time, but none won. This report will be updated. See also CRS Report RL31533, *The Persian Gulf States: Issues for U.S. Policy, 2006*, 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 his seriously ill health led Prime Minister Shaykh Sabah al-Ahmad al-Jabir Al-Sabah (about 77, the younger brother of the late Amir) and his branch of the Sabah family to successfully challenge the succession. After extensive discussions with the elected National Assembly, which had never before had a role in succession, the Assembly formally named Shaykh Sabah as the new Amir on January 29, 2006. The peaceful handling of the succession crisis was widely hailed.

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 Al Sabah, who kept his Foreign Minister post and simultaneously was made a deputy

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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 6, 2007); the Department's report on "Supporting Human Rights and Democracy: The U.S. Record 2006, by the Bureau of Democracy, Human Rights, and Labor (April 5, 2007); the *International Religious Freedom Report* (September 14, 2007); and the *Trafficking in Persons Report for 2007* (June 12, 2007).

prime minister. In moves that have broadened representation in government, a second Shiite Muslim was named, giving the cabinet two Shiite ministers for the first time since 1992; a third (Minister of Public Works Musa al-Sarraf) was added in a March 2007 reshuffle. That reshuffle also added a second woman to the cabinet, Nuriya as-Sabih, as Minister of Education and of Higher Education, joining Ms. Massouma Mubarak, a Shiite who is now Minister of Health (she was first appointed Minister of Planning in June 2005). In a cabinet reshuffle in October 2007 intended to shield the Finance Minister from Assembly questioning, Prime Minister Nasser moved the finance minister to Oil Minister (thus exempting him from parliamentary questioning) and also appointed a new Interior Minister, a post that was held simultaneously by first deputy prime and Defense Minister Shaykh Jabir al-Hamad Al Sabah.

Amir Sabah supports political reform, but he wants to ensure continued Sabah control. Kuwait has the longest serving all-elected National Assembly of the Gulf monarchies; 50 seats are elected, 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 opposition members — an alliance of liberals and Islamists — 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. The opposition wanted to increase the size of each district so that it would be more difficult to influence the outcome through alleged "vote buying" or tribal politics.

The opposition, which attracted youth support under a banner called the "Orange" movement, won a majority in the elections: 34 out of the 50 seats as follows: the Salafi movement (11 seats; hardline Islamist); the Islamic Constitutional Movement (6 seats; moderate Islamist); the "Popular Bloc" (9 seats; merchants and nationalists); and the "National Action Bloc" (8 seats; liberals and merchants). None of the 28 female candidates (out of 249 candidates) won, even though women constituted 57% of the 340,000-person electorate. Islamists deputies increased to 17, up from 14, while liberals were reduced to six, from the previous eight. Turnout was 65%. In post-election politics, on July 17, 2006, the reformist alliance achieved passage of a law to reduce the number of electoral districts to five, as they had sought. They have failed to achieve permission to form political parties, but candidates are allowed to organize as informal *currents*. Kuwaitis also have a parallel tradition of informal political consultations in nightly "*diwaniyyas*" (social gatherings) held by many elites.

Kuwait's population is only about 2.4 million, of which 900,000 are citizens. Over the past decade, the government expanded the all-male electorate gradually 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 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 next National Assembly elections. Islamist deputies succeeded in adding a clause that requires gender-segregated polling places (or entrances).

The latest State Department reports on human rights and democracy praise Kuwait for allowing female suffrage but list continuing abuses, such as arbitrary killings of some in custody and continuing abuses of Asian domestic workers and stateless residents (“bidoons”). Kuwait is now designated by the State Department’s “Trafficking in Persons” report (for 2007) as a “Tier Three” (worst level) country – a downgrade from the 2006 report (Tier Two Watch List) – because Kuwait is not “making significant efforts” to comply with minimum standards for the elimination of trafficking. Official press censorship ended in 1992, and a vibrant press often criticizes the government. 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. On religious freedom, the State Department report for 2007 reports “no change” in Kuwait’s performance on that issue during the reporting period. Shiite Muslims report official discrimination, including limited access to religious education, but Kuwait permits some public worship by non-Muslim faiths and has seven officially recognized Christian churches.

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 sponsors 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. Several Kuwaiti non-government organizations, such as the Kuwait Women’s Cultural and Social Society, actively promote democratization.

## **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 until the 1980s. At the height of the Iran-Iraq war (1987-88), 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 subsequently shaken by the 1990 Iraqi invasion, and they drew even closer to the United States after U.S. forces liberated Kuwait in the 1991 Persian Gulf War. Kuwait signed a ten-year defense pact with the United States on September 19, 1991 (the text is classified), which reportedly does not explicitly require that the United States defend Kuwait in a future crisis, but provides for mutual discussions of crisis options; 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.<sup>2</sup> In September 2001, the pact was renewed for another ten years.

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<sup>2</sup> Hajjar, Sami. U.S. Military Presence in the Gulf: Challenges and Prospects. U.S. Army War College, Strategic Studies Institute. P.27.

Kuwait contributed materially to the 1991 war and subsequent containment efforts – it paid \$16.059 billion to offset the costs of Desert Shield/Desert Storm, 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 contributed about \$350 million per year to pay for costs incurred by the U.S. military in its Kuwait-based Iraq containment operations. During 1992-2003, 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). Kuwait hosted an additional 5,000 U.S. forces during Operation Enduring Freedom in Afghanistan that ousted the Taliban.

### **U.S. Aid to Kuwait and Purposes**

(dollars in thousands)

|   | <b>FY2006</b>                              | <b>FY2007</b> | <b>FY2008 Request</b>  |
|---|--|---------------|--|
| Economic Support Funds (ESF)                                    |  |               | \$470 for judicial reform, election reform, and terrorism law development  |
| International Military Training and Education (IMET)            |  | 19            | \$15 for training Kuwaiti officers in civil-military tradition, democratic practices. Amounts allow Kuwait to obtain discount for all students it funds for U.S. training. |
| Non-Proliferation, Anti-Terrorism, De-Mining and Related (NADR) | 628; of which 193 for Anti-Terrorism (ATA) |               |  |

Kuwait supported the Bush Administration’s decision to militarily overthrow Saddam Hussein (Operation Iraqi Freedom (OIF)); it closed off its entire northern half to secure the U.S.-led invasion force, and allowed U.S. use of 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 contributing \$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 \$550 million in assistance to Iraqis since Saddam fell, in line with Kuwait’s pledges at an October 2003 donors meeting and since.

Kuwait hosts an average of about 50,000 U.S. military personnel who are rotating in or out of Iraq. The key U.S. staging facility in Kuwait for OIF is Camp Arifjan and a desert firing range facility, Camp Buehring. Secretary of Defense Robert Gates visited Arifjan in August 2007, in part to assess its ability to support a withdrawal of U.S. troops from Iraq through Kuwait, were there a decision to withdraw. Kuwait’s facilities might also host a post-withdrawal U.S. force that could assist the Iraqi government on short notice. Camp Doha, the primary command facility for U.S. forces in Kuwait during the 1990s, was vacated by U.S. forces in December 2005. In appreciation of Kuwait’s support to OIF, on April 1, 2004, the Bush Administration designated Kuwait as a “major non-NATO ally (MNNA),” a designation held by only one other Gulf state (Bahrain). Kuwait gave \$500 million worth of oil to U. S. states affected by Hurricane Katrina.

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). 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) include (1) the purchase of 218 M1A2 tanks at a value of \$1.9 billion in 1993 (deliveries 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 (delivered by 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 (purchase of an additional 10 are under consideration); 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. According to the Defense Security Cooperation Agency (DSCA), another \$730 million in purchases were agreed during 2005-2007, including a \$20 million deal for 436 TOW anti-tank missiles. Other significant sales might be completed under the estimated \$20 billion “Gulf Security Dialogue” package of sales to the Gulf states designed to help contain Iran.

Through its humanitarian aid, Kuwait is trying to build ties to the Shiite Islamist factions that now dominate Iraq and secure the border from violence in southern Iraq. Official relations with Iraq have been reestablished and Kuwait has pledged to send an ambassador, but it has not established a full embassy in Iraq to date. About 30% of Kuwait’s population are Shiite Muslims, the sect that predominates in Iran, although there are few Sunni-Shiite tensions in Kuwait. The December 1983 bombings of the U.S. and French embassies in Kuwait and an attempted assassination of the Amir in May 1985 were attributed to the Iraqi Da’wa (Islamic Call) Party, the party of elected prime minister Nuri Kamal al-Maliki. Seventeen Da’wa activists were arrested for these attacks and a Kuwait Airlines plane was hijacked in 1987 by Da’wa sympathizers.

Seeking to preserve some leverage over the Iraqi leadership, Kuwait still accepts U.N.-supervised reparations by Iraq for damages caused from the 1990 invasion; about \$37 billion of the payments awarded to date — of a total of \$52 billion awarded — are to Kuwait’s government, firms, or residents. U.N. Security Council Resolution 1483 (May 22, 2003) reduced to 5%, from 25%, the percentage of Iraqi oil revenues deducted for reparations, slowing the rate of actual payouts. In 2004, Kuwait reportedly pledged to forgive a substantial portion of the \$25 billion Saddam era debt,<sup>3</sup> but it has not written off the debt to date. Kuwait also seeks return of 600 Kuwaitis missing and presumed dead from the 1991 war; the bodies of over 400 have been found in post-Saddam searches. A Kuwait company, First Kuwaiti General Trading and Contracting, is one of the lead contractors building the large new U.S. embassy in Iraq; the firm has been criticized by competitors and others of shoddy work and delays in the embassy project.

## Other Foreign Policy Issues

After Kuwait’s liberation in 1991, Kuwait’s fear of Saddam Hussein colored its foreign relations, particularly with entities that sympathized with the 1990 invasion. On

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

the Arab-Israeli dispute, Kuwait was more critical than were the other Gulf states of the late Palestinian leader Yasir Arafat because he publicly opposed war to liberate Kuwait. Kuwait expelled about 450,000 Palestinian workers after liberation. Since Arafat's death, Kuwait has rebuilt its relations with the mainstream Palestinian Authority (PA) leadership. In March 2006, Kuwait pledged \$7.5 million per month in aid to the Hamas-led government as part of a broader Arab League pledge of \$55 million per month to help the Palestinians cope with reductions in Western aid. It supported an Abbas-Hamas unity government forged in March 2007, but, unlike Saudi Arabia, was not directly involved in forging that compromise, which has now broken down. Nor has Kuwait joined a U.S.-forged grouping of Arab countries, established in March 2007, to promote the new U.S. push for Israeli-Palestinian peace; the two Gulf countries in this grouping are Saudi Arabia and United Arab Emirates. 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 2006 (released April 2007) credits Kuwait for bolstering measures to protect U.S. forces in Kuwait from terrorist attacks but notes that Kuwait has been "reluctant to confront extremists." The report also says Kuwait has had mixed results prosecuting various alleged terrorists, including those belonging to the "Lions of the Peninsula" group, the "Jihadists in Iraq" group, and eight terrorist suspects released to Kuwaiti custody from the U.S. detention facility on Guantanamo Bay. 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, preventing attackers from reaching any U.S. targets there. Kuwait is credited by the report with strengthening its legal regime against terrorism financing, but the report says enforcement has been uneven. Shortly after the September 11, 2001, attacks, Kuwait blocked accounts of suspected Al Qaeda activists. Kuwait's Ministry of Social Affairs and Labor has increased efforts to monitor Islamic charities such as the Islamic Heritage Revival.

## **Economic Policy**

Although Kuwait has a relatively open economy, U.S. officials have attempted to persuade Kuwait to open to foreign investment in the energy sector and to 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 foreign investment ("Project Kuwait") to generate about 500,000 barrels per day of extra production from that project. However, the National Assembly has blocked the \$8.5 billion project for over a decade because of professed concerns about Kuwait's sovereignty. 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.