Kuwait: Governance, Security, and U.S. Policy

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Summary

Kuwait has been pivotal to U.S. efforts to secure the Persian Gulf region because of its willingness to cooperate with U.S. strategy and military operations in the region, its location close to both Iran and Iraq, and its role as the object of past Iraqi aggression. Kuwait arguably became even more central to the U.S. ability to project power in the northern Persian Gulf when all U.S. combat troops left in Iraq in 2011. Kuwait has helped Iraq reintegrate into the Arab world; it is supporting U.S. efforts to contain Iranian power and enforce Iran sanctions; and it is procuring missile defense technology that furthers the U.S. goal of a GCC-wide missile defense network. Still, as demonstrated by the Amir’s May 2014 visit to Iran, Kuwait maintains relatively normal economic and political relations with Iran so as not to provoke the Islamic Republic.

Kuwait is supporting U.S.-led efforts to defeat the Islamic State organization in Iraq and Syria by placing its airbases and other military facilities at the disposal of the U.S.-led anti-Islamic State coalition—even though Kuwait is not itself participating in coalition military operations against the group. Yet, U.S.-Kuwait differences have emerged over what U.S. officials say is Kuwait’s inability to stanch the flow of private Kuwaiti funds to extremist Islamist groups fighting in Syria. Kuwait’s government supports the Sunni-led rebellion in Syria with humanitarian aid only.

On other regional issues, Kuwait generally acts in partnership with its allies in the Gulf Cooperation Council (GCC). In March 2011, Kuwait sent naval forces as a largely symbolic participation in GCC military intervention to help Bahrain’s government suppress an uprising by the majority Shiite population. Kuwait’s leadership, along with that of Saudi Arabia and UAE, sees the Muslim Brotherhood organization as a domestic threat, and all three countries supported the Egyptian military’s July 2013 removal of elected president and senior Muslim Brotherhood leader Mohammad Morsi from power. Kuwait has tended to defer to GCC leader Saudi Arabia and other GCC states in offering proposals to resolve the Israeli-Palestinian dispute, while expressing residual resentment of Palestine Liberation Organization (PLO) officials for supporting Saddam’s invasion of Kuwait.

Domestically, Kuwait’s political system was in turmoil during 2006-2013, initially manifesting as parliamentary opposition to Sabah family political dominance but later broadening to visible public unrest in 2012-2013. Disputes over the ruling family’s power and privileges produced repeated constitutional dissolutions of the all-elected National Assembly and new elections, the latest of which were held on July 27, 2013. The July 2013 elections produced a pro-government Assembly more amenable to working with the ruling family, ushering in a period of renewed legislative and governmental action on long-standing issues and an end to most public protest.

Yet, the ruling family has not necessarily eliminated the causes of the unrest. Kuwait remains a relatively wealthy society, where most citizens do not want to risk their economic well-being to try to bring about the downfall of Al Sabah rule. The government has reduced unrest by implementing budgets replete with subsidies and salary increases, and undertaking some repressive measures such as imprisoning or revoking the citizenship of social media critics for “insulting the Amir.” These measures have tarnished Kuwait’s reputation as the most politically progressive of the GCC states. The years of political paralysis also has contributed to economic stagnation relative to Kuwait’s more economically vibrant Gulf neighbors such as Qatar and the United Arab Emirates (UAE).
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Government and Political Reform

Kuwait’s optimism after the 2003 fall of its nemesis, Saddam Hussein, soured after the January 15, 2006, death of Amir (ruler) Jabir Ahmad al-Jabir Al Sabah. Since then, Kuwait has lurched from one political crisis to the next, producing a sense of economic and political stagnation. At the time of Amir Jabir’s death, his successor, Shaykh Sa’ad bin Abdullah Al Sabah, was very ill (he later died), and a brief succession dispute among rival branches of the ruling Al Sabah family ensued. It was resolved with then Prime Minister Shaykh Sabah al-Ahmad al-Jabir Al Sabah, the younger brother of the late Amir, succeeding him on January 29, 2006. Shaykh Sabah is about 83 years old. The succession dispute was unprecedented in Kuwait and the broader Gulf region for the first involvement of an elected legislature in replacing a leader.

Although the leadership question was resolved, it produced a suspension of the tacit agreement to alternate succession between the Jabir and Salem branches of the family. Amir Sabah appointed two members of his Jabir branch as Crown Prince/heir apparent and as prime minister (Shaykh Nawwaf al-Ahmad Al Sabah and Shaykh Nasser al Muhammad al-Ahmad Al Sabah respectively). Tensions between the two branches of the family have since simmered.

Government Structure

Under Kuwait’s 1962 constitution, the Amir is the head of state and ruler of Kuwait. He serves as Commander-in-Chief of the Armed Forces, appoints all judges, and has the power to suspend the National Assembly for limited periods of time. The Amirs can be as involved in or detached from day-to-day governance as he chooses; Amir Sabah tends to be more directly involved in governance than was his predecessor.

The Amir appoints a Prime Minister, as head of government, who in turn appoints a cabinet. The Prime Minister has always been a member of the Sabah family, and until 2003 the Prime Minister and Crown Prince/heir apparent posts were held by a single person. Some in the Sabah family argue that the Prime Minister and Crown Prince positions should again be combined because the National Assembly is not constitutionally able to question the Crown Prince. In typical Kuwaiti cabinets, three out of four deputy prime ministers are members of the family, as are the Defense Minister, Foreign Minister, Interior Minister, and at least a few other ministers. The Prime Minister is Shaykh Jabir al-Mubarak Al Sabah, who took office in December 4, 2011, and was reappointed following the July 2013 elections. The cabinet has 28 ministers, plus a Central Bank governor. Shaykh Nawwaf, mentioned above, remains Crown Prince/heir apparent.

The Elected National Assembly

The National Assembly, established by Kuwait’s November 1962 constitution, is the longest-serving all-elected body among the Gulf monarchies. Fifty seats are elected, and up to 16 members of the cabinet serve in the Assembly ex-officio. The government has expanded the
electorate gradually: in the 1990s, the government extended the vote to sons of naturalized
Kuwaitis and Kuwaitis naturalized for at least 20 years (as opposed to 30) years. The prohibition
on female suffrage began to break in May 2004, after the government submitted to the Assembly
a bill to give women the same rights to vote and run as men. (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 (now Amir) pressed the Assembly to adopt the government bill, which it
did on May 16, 2005 (35-23); the bill was effective as of the 2006 National Assembly elections.
In recent elections, about 400,000 Kuwaitis have been eligible to vote.

Assembly Authorities

Although Kuwait’s constitution enshrines the hereditary monarchy, the Kuwait National
Assembly has more scope of authority than any legislative or consultative body in the Persian
Gulf. It can introduce legislation as well as vote on government-introduced legislation. The
Assembly does not confirm cabinet nominees (individually or en bloc), but it can, by simple
majority, remove individual ministers in a vote of “no confidence.” When the Assembly takes that
step, it generally does so after parliamentary questioning of that minister, referred to as “grilling.”
The Assembly can vote no confidence in the prime minister by voting “inability to cooperate with
the government,” and it can veto government decrees issued during periods of Assembly
2008, 2009, 2011, and 2012), used their constitutional authority to dissolve the Assembly when it
grilled or threatened to grill government ministers. Suspension of the Assembly mandates new
elections within 60 days.

Those opposing the government have tended to seek greater authority for the Assembly and a
limitation of the powers of the government and by extension, limitations of the political and
economic power of the Al Sabah. The opposition, in general, seeks a constitutional monarchy in
which the Assembly, or an elected majority faction within the Assembly, names a Prime Minister
who in turn assembles a cabinet. The governmental infighting provided rationale and additional
political space for various youth and other reform-oriented groups inspired by the 2011 Arab
uprisings to support activist parliamentarians’ efforts to limit the ruling family’s powers.

Political Factions in and Outside the National Assembly

Political parties are still not permitted, but factions are organized and compete in Assembly
elections as “currents,” “trends,” or “political societies.” Many of these factions meet and plan
their strategies at a parallel Kuwaiti tradition called diwaniyyas—informal social gatherings, held
at night, held by elites of all political ideologies and backgrounds. There are a growing number of
diwaniyyas organized by women. Factions in Kuwait, both in and outside the National Assembly,
are often fluid, but in general they group as follows:

The “Opposition”

• “Liberals.” Highly educated elites who tend to form the core of the opposition to
the government. Many of the liberals had been part of Arab nationalist
movements in the 1960s and 1970s, and in many cases have studied abroad. In
prior years they had operated under the banner “Kuwait Democratic Forum.”
Some liberal Kuwaitis often side with the government.
- **Sunni Islamists.** They are generally opposed to the government. Within this broad category, there are two major groupings: those linked to the Muslim Brotherhood, and harder line Sunnis called Salafists. Those linked to the Muslim Brotherhood have often operated under a banner called the Islamic Constitutional Movement (ICM).

- **Youths and Intellectuals.** The broader opposition, outside the National Assembly, the opposition includes youth and intellectuals, many of whom have become more active since the Arab uprisings began in early 2011 but have been active in Kuwait far longer than that. Since 2008, these groups have sometimes organized during election campaigns to support liberal deputies, using such names as the “Orange Movement” or “Fifth Fence.”

**Government Supporters**

- **“Tribalists.”** Generally less educated but who dominate two out of the five electoral districts and tend to support the government, although not universally. At times, some tribalists in the Assembly have grouped into a faction widely referred to as “service deputies”—Assembly members primarily focused on steering government largesse and patronage to their constituents.

- **Shiites.** Most in the Assembly are Islamists, assembled in a bloc called the National Islamic Alliance. They tend to side with the government, perhaps out of greater concern about Sunni Islamists.

- **Women.** When in the Assembly, female deputies, both Shiite and Sunni, have tended to align with the government.

**Post-2006 Political Crises: Assembly Suspensions and Elections**

The constant disputes between the Al Sabah and oppositionists in the Assembly during 2006-2013 manifested as repeated Assembly suspensions and subsequent elections. None of these actions has resolved fundamental differences over the power balance between the executive and the legislature.

**Elections During 2006 - 2009**

- Five months after becoming leader, Amir Sabah suspended the Assembly in May 2006 when 29 opposition members demanded to question the Prime Minister over the government’s refusal to reduce the number of electoral districts to five (from 25). The opposition wanted the larger districts to make it more difficult to influence the outcome through “vote buying” or tribal politics.

- **June 29, 2006 election.** In this election, the opposition, which attracted youth support under the “Orange” banner, won 34 out of the 50 seats. The election was the first in which women could vote or run, but none of the 27 women candidates won. After the election, the Amir accepted demands to reduce the number of electoral districts to five and a law to implement that change, as of the next election, took effect.

- **May 17, 2008 Election.** The disputes between the opposition and the government produced another crisis in March 2008 when the Assembly insisted on pay raises
for state employees to help them cope with spiraling inflation. The government refused, the cabinet resigned, and the Amir dissolved the Assembly and set new elections for May 17, 2008. Sunni Islamists and conservative tribal leaders won a total of 24 seats—an increase of 4 and their allies—the so-called “liberals”—won seven seats. Shiites increased their representation by one, to a total of five seats. Pro-government and other independent tribalists held the remaining 14 seats. As in the 2006 election, none of the 27 female candidates was elected. In November 2008, the cabinet resigned when three Sunni Assembly deputies requested to question the Prime Minister about corruption and the visit of a radical Iranian Shiite cleric, but the Amir did not suspend the Assembly.

- **May 16, 2009 Election.** The power struggle between the government and opposition deputies flared anew in March 2009 when the Assembly insisted on questioning the Prime Minister on his handling of the global financial crisis and alleged misuse of public funds. On March 19, 2009, the Amir suspended the Assembly, triggering elections held on May 16, 2009. Turnout was relatively light at about 55% of the 385,000 eligible voters, and produced more than 20 new parliamentarians, including four women—the first women to be elected. They included Masouma Mubarak (a Shiite); Rola Dashti (who was narrowly defeated in 2006); and two professors. In December 2009, Assembly members questioned Prime Minister Shaykh Nasser for corruption in the earlier 2008 elections, marking the first time in the Gulf region that a head of government appeared before an elected body. On December 17, 2009, a new election was avoided when deputies voted 35-13 to express confidence in him, but he only narrowly survived a no-confidence vote on January 5, 2011 (22 of the 50 Assembly deputies supported the motion). 2

**Arab Uprisings Intensify Kuwait’s Political Crisis**

The Arab uprisings that began in early 2011 affected Kuwait by broadening the opposition beyond the National Assembly and other elites. In late January 2011, opposition deputies, supported by youths calling themselves the “Fifth Fence,” demanded Interior Minister Jabir al-Khalid Al Sabah resign for failing to prevent the alleged torturing to death of a man in custody. He acceded to that demand in advance of a February 8, 2011 protest. In March 2011, a Shiite parliamentarian requested a “grilling” of the Foreign Minister about Kuwait’s sending of naval forces as part of the GCC military intervention to support Bahrain’s government—a decision many Kuwaiti Shiites opposed as unjustly supporting the Sunni monarchy of Bahrain. To head off the questioning, the cabinet resigned, and Prime Minister Nasser formed a new cabinet on May 8, 2011 (the seventh cabinet formed by Shaykh Nasser after he became Prime Minister).

The government came under renewed popular pressure in September 2011 following reports that two of Kuwait’s largest banks had deposited at least $92 million into the accounts of several parliamentarians. The payments implied that the government had sought to buy the loyalty of parliamentarians. Thousands of Kuwait protesters took to the streets on September 21 and September 23, 2011 to call for the resignation of the Prime Minister. Probably as a direct response to the allegations, on September 25, 2011, the cabinet adopted an anti-corruption draft law. The

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2 “Kuwait’s Prime Minister Survives Parliament Vote.” *Al Jazeera TV,* January 5, 2011; Kristin Smith Diwan, “Kuwait: Too Much Politics, or Not Enough?,” *Foreign Policy* online, January 10, 2011.
protests were accompanied by strikes in the oil industry and the state-run banking and health care industry in September 2011. However, these job actions did not appear directly related to the political disputes, but rather to disputes over pay, benefits, and working conditions.

2012-2013: Frequent Elections and Demonstrations

With protests in the streets continuing, in October 2011 opposition Assembly deputies boycotted committee meetings, and moderate liberals joined opposition deputies to give the opposition enough votes for a successful no-confidence motion against the prime minister. On November 16, 2011, oppositionists in and outside the Assembly, including the Fifth Fence, forced their way into the Assembly building and demanded Prime Minister Nasser’s resignation. On November 28, 2011, he did so. The Amir subsequently appointed another royal family member, then-Defense Minister Shaykh Jabir al-Mubarak Al Sabah, as Prime Minister. He was sworn in, but without first naming a new cabinet, on December 4, 2011. Two days later, on December 6, 2011, he recommended—and Amir Sabah concurred—dissolution of the National Assembly and new elections. New Assembly elections were set for February 2, 2012 (within the constitutionally mandated 60 days).

- **February 2, 2012, Election.** In the run up to the vote, 20 opposition deputies announced they would compete as one “Opposition Bloc.” Youth leaders announced they would back opposition deputies who would push for a fully elected government in which the prime minister is selected by the Assembly, not the ruling family; legalization of political parties; and election law changes. Such announcements affirmed the assertions of the royal family that calling new elections would empower oppositionists—liberal and Islamist—sympathetic to the 2011 Arab uprisings. However, refusing to call a new election would have portrayed the government as attempting to cover up alleged corruption. As shown in Table 1 below, groups opposed to the government won at least 32 of the 50 seats. Islamist groups increased their influence markedly, but liberals lost support. None of the 19 women who ran was elected. Turnout was about 62%, slightly higher than the 2009 election. A leading opposition figure, Ahmad al-Sadun, a previous speaker (1985-1999), returned to that post when the Assembly convened in February 2012, replacing the pro-government Jassim Al-Khurafi, a major figure in Kuwait’s merchant community.

- The government formed after the election was again headed by Prime Minister Shaykh Jabir al-Mubarak Al Sabah. He appointed 10 new ministers and retained the remainder. None was female. The government refused opposition demands to appoint oppositionists to at least nine cabinet positions, appointing only four such ministers. The Prime Minister was grilled by the Assembly on March 28, 2012, but opponents did not file a vote of no-confidence motion. With the Assembly insisting on “grilling” the Interior Minister, on June 18, 2012, the Amir exercised his prerogative under Article 106 of the constitution to suspend the Assembly for one month—a temporary suspension renewable for another two months (but with the concurrence of the Assembly). The suspension extended almost to the holy month of Ramadan, at which time the Assembly is not in session anyway, essentially closing the Assembly until October 2012.

- **December 1, 2012 (Second Election in 2012) Triggered by Court Decision.** On June 20, 2012, Kuwait’s constitutional court ruled that the December 2011 Assembly suspension was not conducted in accordance with the constitution.
because a new cabinet had not been sworn in before the Amir’s suspension was ordered. The court reinstated the May 2009 Assembly reinstated, but it did not meet at all. On October 8, 2012, after the constitutional court ruled against the government’s request to revisit the number of election districts, the Amir disbanded the National Assembly and set new elections for December 1, 2012.

- The Amir simultaneously issued a decree altering the election law to allow voters in each district to vote for only one candidate—not the four per district in prior law. The Amir’s decree was seen by the opposition as an effort to complicate opposition efforts to forge alliances in each district. On October 21, 2012, an unprecedented demonstration of an estimated 50,000-150,000 Kuwaitis was held. It was suppressed by security forces, who injured some, and arrested several parliamentarians and even some younger members of the Sabah family who were demonstrating. A demonstration on October 31, 2012, calling for the freeing of outspoken oppositionist Musallam al-Barrak, a former parliamentarian who was arrested on October 15, 2012, for allegedly “insulting the Amir.” On November 2, 2012, the government announced it would enforce an October 2012 ban on gatherings of over 20 persons.

- The government went forward with the December 1, 2012 vote, under the Amir’s revised election rules. Turnout was about 40%. Because the opposition boycotted the vote, the election produced an overwhelmingly “pro-government” Assembly on the strength of the seventeen pro-government Shiites elected—including five Islamist Shiites of the National Islamic Alliance. The number of Shiites was double that in any prior Assembly. Three females, including Masouma Mubarak, were elected. Some Sunni Islamists were elected, but—with the exception of two in the Salafi grouping—they were generally not affiliated with Sunni Islamist political societies that have been in the Assembly for decades. On December 5, 2012, the Amir asked Prime Minister Shaykh Jabir Mubarak to form a new cabinet. The opposition continued demonstrating to try to force change on the Al Sabah, and demonstrations became a regular occurrence.

- **July 27, 2013: Another Court-Triggered Election.** Even though the December 1, 2012 election took place, the Amir’s election decree remained under opposition legal challenge. On June 16, 2013, the Constitutional Court ruled that the Amir’s decree that each person would vote for only one candidate (reduced from four) was constitutional, but the court dissolved the Assembly on the basis of improper technicalities in the Amir’s election decree. The government subsequently set new elections (the sixth election in five years) for July 27, 2013.

- A total of 418 candidates registered, of which 8 were female. The turnout was just over half the electorate. Because some opposition societies, including those linked to the Muslim Brotherhood, boycotted, the vote produced a decidedly pro-government Assembly. The Muslim Brotherhood opposition was absent and only a few Salafi Islamists were elected. Pro-government deputies in the Assembly include a broad range of groups and reflected successful government outreach to the tribalists, and cooptation of many liberals. Shiite deputies number eight—close to the long term average number in the Assembly. The National Assembly speaker is Marzuq al-Ghanim, the nephew of former speaker al-Khurafi.

- A cabinet was named on August 4, 2013, with Shaykh Jabir continuing as Prime Minister. Among significant changes, Shaykh Khalid al-Hamad Al Sabah was
promoted to first deputy prime minister and Minister of Foreign Affairs. A former head of domestic intelligence (National Security Bureau), Shaykh Mohammad Khalid Al Sabah, was made Minister of Interior. Lieutenant General Khalid Al Jarrah Al Sabah, formerly chief of staff of the Kuwaiti army, entered the government as Minister of Defense. The cabinet included two Shiites and two females (former Assembly deputy Rola Dashti as Minister of State for Planning and for National Assembly Affairs and Thikra al-Rashidi as Minister of Social Affairs and Labor). However, on January 7, 2014, possibly to garner support from Islamists in Kuwait, he replaced the two female ministers with only one—Hind al-Sabih, taking over both their portfolios. He replaced a member of the ruling family (Shaykh Salem Abd al-Aziz Al Sabah) as Finance Minister with Anas al-Salih, who is well known to the business community. He replaced the Minister of Oil with Ali al-Umair, a Salafist parliamentarian (one of two parliamentarians in the cabinet). He reduced the number of Shiite cabinet members to one—Yasser Abul as Minister of Housing. Housing registers as a major issue among Kuwaitis. The reshuffle brought the total Islamists in the cabinet to four, from two—but all are from the Salafist faction and not the Muslim Brotherhood.

Since the election, there have few major public demonstrations. Opposition demands remain confined to calls for a constitutional monarchy, in which the elected parliament selects the cabinet. However, the government has continued to arrest opposition activists who criticize the Amir on social media, as discussed below. Some unrest returned in June–July 2014 following a June 11, 2014, speech by opposition leader/former parliamentarian Musallam al-Barrak, mentioned above, alleging embezzlement by senior government officials. The speech drew thousands of opposition supporters. Barrak was arrested on July 2 for allegedly “insulting the judiciary,” sparking five days of rallies by pro-Barrak oppositionist demanding his release. Government security forces suppressed the demonstrations with tear gas. Barrak was released on bail on July 7.
Table 1. Composition of the National Assembly: 2008–2013

<table>
<thead>
<tr>
<th>Ideology/Affiliation</th>
<th>Post-2008 Election</th>
<th>Post-2009 Vote</th>
<th>Post-Feb. 2012 Vote</th>
<th>Post December 2012 Vote</th>
<th>Post July 2103 Vote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunni Islamist (Muslim Brotherhood and Salafi, including tribalists. generally opposes the government)</td>
<td>24</td>
<td>14</td>
<td>23</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>(all Salafi, no Muslim Brotherhood)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberals (generally opposition)</td>
<td>7</td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>Popular Action Bloc (generally opposition)</td>
<td>0</td>
<td>2</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Shiite (generally pro-government)</td>
<td>5</td>
<td>9</td>
<td>7</td>
<td>17</td>
<td>8</td>
</tr>
<tr>
<td>Sunni Independents (includes tribalists, pro-business deputies and women). Generally pro-government</td>
<td>14</td>
<td>17</td>
<td>11</td>
<td>28</td>
<td>30</td>
</tr>
<tr>
<td>Women (generally pro-government)</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Included in categories above</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CRS, based on articles and analysis from various observers.

Note: Some members of the National Assembly might span several different categories and several sources often disagree on precise categorizations of the members of the Assembly.

U.S. Responses and Implications for U.S. Interests

Despite the government’s use of security forces to end protests and its arrests of critics, there has been no evident alteration of the U.S.-Kuwait relationship. On October 23, 2012—following the large protest discussed above—the State Department said the United States “call[s] on all sides to exercise restraint,” and criticized the government’s ban on large public gatherings. The official statements following President Obama’s meeting with Amir Sabah at the White House on September 13, 2013, did not indicate that the political situation in Kuwait was discussed in depth.3

U.S. democracy programs in Kuwait continue. These programs, funded from the Middle East Partnership Initiative (MEPI) and other U.S. assistance accounts, included discussions with Kuwaiti leaders, public diplomacy, building civil society, enhancing the capabilities of independent Kuwaiti media, promoting women’s rights, and providing a broad spectrum of educational opportunities.

Broader Human Rights Issues

On broader human rights issues, the latest State Department Country Report on Human Rights Practices for 2013, released February 27, 2014, largely reiterated the criticisms of previous reports. It identifies the key human rights problems as limitations on citizens’ rights to change their government, restrictions on freedom of speech and assembly, limitations on workers’ rights, and trafficking in persons within the foreign worker population. There has been broad criticism of Kuwait’s recent practice of revoking citizenship of perceived critics, as discussed below. In May 2011, Kuwait took over Syria’s bid for a seat on the U.N. Human Rights Council.

Women’s Rights

Women enjoy more rights and freedoms in Kuwait than in virtually any other GCC state, as exemplified by their running and winning election to the National Assembly and service at all levels of Kuwait’s government. In September 2012, the Higher Judicial Council appointed seven women as public prosecutors. Women in Kuwait can drive, unlike their counterparts in neighboring Saudi Arabia, and many women own businesses. There are several nongovernmental organizations run by Kuwaiti women, such as the Kuwait Women’s Cultural and Social Society, that are dedicated to improving rights for women and to agitating on several different issues unrelated to gender.

Still, Kuwait remains a traditional society and Islamists who want to limit women’s rights have substantial influence. The law does not specifically prohibit domestic violence, although courts try such cases as assault. Kuwaiti women who marry non-Kuwaiti men cannot give their spouses or children Kuwaiti citizenship. Numerous international reports assert that violence particularly against expatriate women working in domestic service roles, is frequent. Some expatriate women have also been subjected to nonpayment of wages and withholding of passports.

Trafficking in Persons

Kuwait was, for the seventh year in a row, designated by the State Department’s Trafficking in Persons report for 2014 (issued July 2014, cited earlier) in “Tier Three” (worst level). The designation has been maintained because, according to the 2014 report, Kuwait was “not making sufficient efforts” to comply with minimum standards for the elimination of trafficking. Kuwait adopted an anti-trafficking law in March 2013, but it has not demonstrated significant efforts to prosecute and convict trafficking offenders and there is no lead national anti-trafficking coordinating body.

Status of “ Stateless Persons” (Bidoons)

Non-Gulf Arabs and Asians, and about 100,000—140,000 stateless residents (known as “bidoons”—the Arabic word for “without”) continue to face discrimination. The government asserts that the bidoons deliberately destroyed evidence of another nationality in order to obtain

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generous social benefits in Kuwait. Despite that suspicion, in October 2010 the government promised to implement a plan to resolve the legal and economic status of the bidoons. In March 2011, the government set up a “Central System for Remediying the Status of Illegal Residents,” with a mandate to resolve the status of the bidoons within five years. A separate decree approved provision of some government services and subsidies to bidoons.

During 2011-2014, the government has granted citizenship to several hundred bidoons each year. In March 2013, security forces used rubber bullets and tear gas to disperse bidoons demonstrating for greater rights. That demonstrating might have sparked One bill that was enactment by the National Assembly on March 20, 2013, of legislation giving about 4,000 “bidoons” (stateless residents, discussed below) citizenship. In November 2014, the government announced a plan to obtain for tens of thousands of bidoons “economic citizenship in the Union of the Comoros. The bidoons would be allowed to remain physically in Kuwait, but would not get Kuwaiti citizenship; human rights groups called the plan far from an acceptable solution to the bidoon issue.

**Freedom of Expression and Media Freedoms**

Official press censorship ended in 1992, fostering the growth of a vibrant press, but successive State Department human rights reports have asserted that the government does not always respect the constitutional provisions for freedom of speech and the press. By law, newspaper publishers must be licensed by the Ministry of Information. And, the government has made increasing use of existing and new laws to act against opponents—including revoking their citizenship—who use newspapers and social media to criticize the government and mobilize demonstrations.

Kuwait’s penal code (Article 25) provides for up to five years in jail for “objecting to the rights and authorities of the Amir or faulting him”—wording that sometimes takes varying forms in charging documents and other official announcements. The Constitutional Court rejected a challenged to Article 25 in December 2013. In 2013, cases were brought against at least 29 Kuwaitis who allegedly criticized the Amir or the government on social media platforms. Five persons charged with “faulting the Amir” were acquitted in February 2013, but in July 2013 an appeals court overturned the conviction of three former Assembly deputies on that charge. The same court upheld a 20 month sentence of Sarra al-Darees for Twitter messages “tarnishing the Amir’s authority.” In mid-April 2013, Musallam al-Barrak, mentioned earlier, was sentenced to five years in prison for insulting the Amir, but his sentence was overturned in May 2013. In November 2013, a Kuwaiti court sentenced a Kuwaiti man to five years in prison for a Twitter comment about Sunni and Shiite theology.

The government also has sought to silence media that expose internal discussions among the royal family. On April 20, 2014, a judge ordered two newspapers (Al Watan and Alam al Yawm) closed for two weeks for disobeying a court-ordered news blackout on a videotape purporting to show former senior officials plotting to try to remove the Amir from office.

Thus far in 2014, the government has revoked the citizenship of 33 people, all for criticizing the government on social media and through other media outlets. One whose citizenship was revoked is Ahmad Jabir al-Shammari, owner of Alam al-Yawm newspaper, discussed above, and a television station. Others whose citizenship have been revoked on similar grounds include an

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Islamist former member of the National Assembly, Abdullah al-Barghash, and Saad al-Ajmi, an opposition spokesman.

**Labor Rights**

The law protects the right of workers to form and join unions, conduct legal strikes, and bargain collectively, but contains significant restrictions. 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, and the government has tended not to impede strikes. On October 10, 2011, about 3,000 customs officers went on strike demanding higher wages and better working conditions; the action caused a temporary halt to Kuwaiti oil exports. On October 26, 2011, the government criticized the strikes as “tantamount to attacks on the state’s status, sovereignty, its interests, and its citizens,” and “cannot be tolerated.” In early 2012, strikes briefly grounded state-owned Kuwait Airways, and there have been occasional small strikes since.

**Religious Freedom**

The State Department religious freedom report for 2013 (released June 19, 2014), cited earlier, did not alter its assessment of the government’s respect for religious freedom from that of previous years. Shiite Muslims (about 30% of Kuwait’s population) continue to report official discrimination, including limited access to religious education and the perceived government unwillingness to permit the building of new Shiite mosques. Of Kuwait’s Shiite population, about half are Arab Shiites, some of whom are originally from the eastern provinces of Saudi Arabia, and half are of Persian origin. Unlike in Bahrain, Shiites are well represented in the police force and the military/security apparatus, although they generally are not offered leadership positions in those institutions. In 2012, the Kuwaiti ministry that oversees houses of worship began monitoring Shiite mourning houses known as *Husseiniyas*, but it also began providing state funds to Shiite mosques, as it does for Sunni mosques. In June 2012, the Amir refused to sign (vetoed) a National Assembly bill stipulating the death penalty for those who curse the major figures and symbols of Islam, including the Quran.

Kuwait has seven officially recognized Christian churches to serve the approximately 450,000 Christians (mostly foreign residents) in Kuwait. However, Islamists in the National Assembly have sometimes sought to prevent the building of new churches in Kuwait. Members of religions not sanctioned in the Quran—including about 400 Baha’i’s, 100,000 Buddhists, 600,000 Hindus, and 10,000 Sikhs—are mostly non-citizens working in Kuwait and have not been allowed to operate official places of worship. They have been permitted to worship in their homes. There are a few hundred Christians and some Baha’i’s among the citizenry.

**U.S.-Kuwait Relations and Defense Cooperation**

Kuwait was not strategically or politically close to the United States until the Iran-Iraq War (1980-1988). Kuwait’s government was a pivotal partner of the United States in that war as well.

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as through two subsequent Gulf wars: the 1991 Persian Gulf War to liberate Kuwait from Iraq’s occupation, and the 2003 U.S.-led war to oust Saddam Hussein. In all three of these Gulf wars, Kuwait’s security was directly at stake. In 2014, Kuwait has joined the U.S.-led coalition attempting to defeat the Islamic State organization in Iraq and Syria by placing its defense facilities at the disposal of U.S. and coalition partner forces. Kuwait did not contribute forces to the U.S.-led stabilization operations in post-Taliban Afghanistan or post-Saddam Iraq, and is not conducting military operations against the Islamic State.

Recognizing Kuwait’s consistent and multi-faceted cooperation with the United States, 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). Afghanistan obtained that designation in 2012. The designation opens Kuwait to buy the same U.S. equipment that is sold to U.S. allies in NATO.

Cooperation During the 1980-1988 Iran-Iraq War

Kuwait and the United States first grew politically and militarily close during the Iran-Iraq War because of its spillover to Kuwait. Through intimidation, Iran sought to compel Kuwait not to support Iraq in that war. Iran fired at and struck some Kuwaiti oil facilities, including the Al Ahmadi terminal, with Silkworm surface-to-surface missiles. In 1987-1988, 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). As part of the skirmishes between the United States and Iran in the course of that operation, Iran attacked a Kuwaiti oil installation (Sea Island terminal).

Liberation of Kuwait/Operation Desert Storm

Believing incorrectly that Saddam Hussein would reward Kuwait for assisting Iraq financially and logistically during the Iran-Iraq War, Kuwait’s leaders were shaken by the August 2, 1990, Iraqi invasion. Iraq’s public justification was an accusation that Kuwait was overproducing oil and thereby harming Iraq’s ability to repay its debts and recover economically from the long war with Iran. However, most experts believe that the invasion was a result of Saddam’s intent to dominate the Persian Gulf politically, economically, and militarily. Iraq’s occupation lasted until a U.S.-led coalition forces of nearly 500,000 expelled Iraqi forces from Kuwait in “Operation Desert Storm” (January 16, 1991 - February 28, 1991). Kuwait’s leaders, who spent the occupation period in Saudi Arabia, were restored to power in Kuwait and eventually restored the all-elected National Assembly. Kuwait contributed financially to the 1991 war—it paid $16.059 billion to offset the U.S. incremental costs of Desert Shield/Desert Storm.

U.S.-Kuwait Defense Cooperation Agreement (DCA)

The U.S.-led expulsion of Iraqi forces from Kuwait led to a deepening of the U.S.-Kuwait security relationship, the cornerstone of which was a broad 10-year Defense Cooperation Agreement (DCA) signed on September 19, 1991 for an initial 10-year period. The DCA remains in effect. Although the text is classified, the pact reportedly provides for mutual discussions in
the event of a crisis; joint military exercises; U.S. evaluation of, advice to, and training of Kuwaiti forces; U.S. arms sales; prepositioning of U.S. military equipment; and U.S. access to a range of Kuwaiti facilities.

These facilities used by the United States military under the DCA have included Ali al-Salem Air Base; Shaykh Jabir Air Base; the main U.S. headquarters in Kuwait at Camp Arifjan (40 miles south of Kuwait City); a desert training base and firing range called Camp Buehring, far out in the desert, near the border with Saudi Arabia; and a naval facility called Camp Patriot. Under the DCA, enough U.S. armor to outfit at least one brigade is pre-positioned in at Camp Arifjan; the equipment pre-positioned there was used for the 2003 invasion of Iraq and returned after the U.S. mission in Iraq ended. (U.S. forces vacated Camp Doha, the headquarters for U.S. forces in Kuwait during the 1990s and former site for pre-positioned tanks, in December 2005.) The DCA includes a Status of Forces Agreement (SOFA) provides that U.S. forces in Kuwait be subject to U.S. rather than Kuwaiti law—a common feature of such arrangements.

Kuwait’s cooperation under the DCA was pivotal to U.S. and allied efforts to contain Saddam Hussein after the 1991 war. U.S. forces used Kuwaiti facilities to conduct containment operations, including the 1992-2003 enforcement of a “no fly zone” over southern Iraq (Operation Southern Watch). This operation involved 1,000 U.S. Air Force personnel in Kuwait, mostly at Kuwait air bases. As a deterrent to Iraq, as noted above, the United States prepositioned armor in Kuwait, there were generally about 4,000 or more U.S. troops stationed in Kuwait at any given time during the 1990s. Kuwait contributed about $200 million per year for U.S. military costs of these containment operations, according to U.S. observers. Kuwait also funded two-thirds of the $51 million per year U.N. budget for the 1991-2003 Iraq-Kuwait Observer Mission (UNIKOM) that monitored the Iraq-Kuwait border. Kuwait hosted an additional 5,000 U.S. forces during the major combat phases of Operation Enduring Freedom, which ousted the Taliban in Afghanistan.

Supporting the U.S. Ousting of Saddam and Stabilization Mission: 2003-11

Because Saddam Hussein had invaded Kuwait, Kuwait enthusiastically supported the George W. Bush Administration’s decision to militarily overthrow Saddam Hussein (Operation Iraqi Freedom [OIF]). It hosted the vast bulk of the U.S. invasion force of about 250,000 forces, as well as the other coalition troops that entered Iraq. To secure that force, Kuwait closed off its entire northern half for weeks before the invasion. It also allowed U.S. use of two air bases, its international airport, and sea ports; and provided $266 million in burden sharing support to the combat, including base support, personnel support, and supplies such as food and fuel.

In order to promote Iraqi stability after the fall of Saddam Hussein, Kuwait took a number of major steps: it built a water line into Iraq, and it ran a humanitarian operation center (HOC) that gave over $550 million in assistance to Iraqis from 2003-2011. A Kuwaiti company, First Kuwaiti General Trading and Contracting, was lead contractor on the large U.S. embassy in Iraq that opened in January 2009. On April 22, 2008, Kuwait hosted a regional conference on Iraq’s stability, which included the United States, Iran, and other neighboring countries.

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10 Author conversation with U.S. military official in the Kuwait. February 2014.
According to Defense Department budget documents, Kuwait contributed about $210 million per year in similar in-kind support to help defray the costs incurred by the U.S. military personnel that rotated through Kuwait into or out of Iraq for operations in Iraq. In FY2012, Kuwait contributed $350 million for these purposes, as stipulated in the FY2012 Consolidated Appropriation (P.L. 112-74). During 2003-2011, there was an average of 25,000 U.S. troops based in Kuwaiti facilities, not including those rotating into Iraq at a given time. These U.S. forces in Kuwait provided logistical and other support to the U.S. forces moving into or out of Iraq.

Cooperation Post-U.S. Withdrawal from Iraq in 2011

Kuwait served as the key exit route for U.S. troops as they withdrew from Iraq. The United States and Iraq had discussed retaining 3,000-15,000 U.S. troops in Iraq beyond 2011 to continue training Iraqi forces. However, Iraq and the United States were unable to agree on a legal status framework for retaining U.S. troops, and the last U.S. troops left Iraq on December 18, 2011.

There reportedly was discussion within the Administration that, because no U.S. troops were remaining in Iraq after 2011, the United States might build up forces in Kuwait to potentially be able to intervene in Iraq or to confront Iran.11 However, following the withdrawal the numbers of U.S. forces in Kuwait were not increased substantially, although the mix of forces did change. Then Defense Secretary Leon Panetta noted, in a trip to Kuwait in December 2012, that there were about 13,500 U.S. troops in Kuwait,12 and U.S. force levels in Kuwait have remained at that level since. This U.S. force level is higher than that positioned in Kuwait during the 1990s but lower than the 25,000 there for the 2003-2011 period of U.S. military involvement in Iraq. It also constitutes more than a third of the 35,000 U.S. forces in the Gulf. The forces stationed in Kuwait include some combat troops, not purely support forces, as was the case prior to 2011.13

Cooperation Against the Islamic State Organization

The enhanced mix of U.S. forces in Kuwait indicates that the United States wanted to retain at least some combat power in close proximity to both Iraq and Iran. Unexpectedly, the need for U.S. forces to return to Iraq has arisen, although not in the form of ground combat units. U.S. advisers and other forces to train Iraqi units—some of which might be first transiting through Kuwait—have been sent to Kuwait to counter major gains in Iraq by the Islamic State organization. At a meeting between the United States and the GCC countries in Jeddah, Saudi Arabia on September 11, 2014, Kuwait formally joined the U.S.-led coalition against the Islamic State. Four GCC countries—Saudi Arabia, Bahrain, UAE, and Qatar—have flown air strike or air support missions against Islamic State forces in Syria. Kuwait has not militarily participated in anti-Islamic State operations in either Iraq or in Syria, but it has placed its military facilities at the disposal of the United States and several coalition partners flying strikes against the Islamic State in Iraq. Two coalition countries, other than the United States, that Kuwait has allowed to base

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reconnaissance and combat aircraft in Kuwait include Canada and Italy.14 Since U.S.-led military operations in Iraq began in August 2014, Kuwait has contributed an additional $10 million to help Iraqi victims of abuses by advancing Islamic State forces. In part because of sectarian demographics, Islamic State forces have advanced no further east or south than Baghdad and do not appear able to potentially advance to the border with Kuwait.

Kuwait’s Defense Cooperation with GCC Allies

Kuwait is also cooperating with U.S. efforts to improve the defense capabilities of the GCC as a whole. As noted below, Kuwait has purchased missile defense equipment that supports U.S. efforts to forge a joint GCC missile defense network for the Gulf. Kuwaiti naval forces participate in U.S.-led mine clearing exercises in the Persian Gulf—exercises apparently intended to signal to Iran the strength of a U.S.-led coalition to contain Iran.

At the GCC summit in Kuwait during December 10-11, 2013, Kuwait and the other GCC states announced intent to form a GCC joint military command. The decision reportedly reflected a view among some of the GCC leaders that the Obama Administration might be reluctant to use force or threaten force in the event of another crisis in the Gulf. Those apparent concerns have been reflected in an April 2014 GCC decision to recruit additional manpower from Jordan and Morocco, and a separate Kuwaiti decision in April 2014 to set up an office in Pakistan to recruit Pakistani trainers for Kuwait soldiers.15

Still, the GCC decision on joint military command was consistent with Obama Administration efforts to augment Gulf security by forging greater coordination and interoperability of equipment among the GCC states. That U.S. policy was supported by December 16, 2013, Presidential Determination authorizing U.S. defense sales to the GCC as a whole.

Possibly signaling that Kuwait wants to be fully integrated into long term security structures, including with other U.S. partners, it was reported in December 2011 that NATO discussed with Kuwait opening a center in Kuwait City as part of the “Istanbul Cooperation Initiative (ICI)” initiated in 2004. Kuwait joined the ICI in December 2004. The NATO center in Kuwait did not open, in part because the ICI has languished as NATO member states face significant financial constraints.

U.S. Security Assistance

The United States continues to bolster Kuwait’s defense capabilities to promote interoperability with U.S. forces should a regional contingency arise. U.S. officials say that the U.S.-Kuwait defense relationship, enhanced in recent years by small amounts of U.S. assistance shown in Table 2 below, has improved the quality of the Kuwaiti military, particularly the Air Force. Kuwait receives very small amounts of U.S. assistance, if any, because of its ability to fund its own security requirements. Kuwait has been mainly a donor to U.S. operations rather than a recipient of U.S. funds. As a result of Kuwaiti recruitment efforts, its military has now nearly regained its pre-Iraq invasion strength of 17,000. In 2008, U.S. Central Command (CENTCOM)

15 Middle East Media Research Institute. April 22, 2014.
established in Kuwait a permanent platform for “full spectrum operations” in 27 countries in the region—among its objectives is to help Kuwait establish a more capable navy.

Major U.S. Arms Sales to Kuwait

U.S. arms sales have sought to enhance Kuwait’s capability. U.S. sales to Kuwait are intended to comport with the overall goals of the “Gulf Security Dialogue” program designed to contain Iran by enhancing the individual and joint capabilities of the Gulf states. Kuwait is not eligible to receive U.S. excess defense articles. Major post-1991 Foreign Military Sales (FMS) include the following:

- **Patriot Missile Defense System**: In 1992, Kuwait bought five Patriot anti-missile fire units, including 25 launchers and 210 Patriot missiles, valued at about $800 million. Delivery was completed by 1998. Some of them were used to intercept Iraqi short-range missiles launched at Kuwait in the 2003 war. In 2007, Kuwait also bought 80 PAC-3 (Patriot) missiles and 60 PAC-2 missiles and upgrades, valued at about $1.3 billion. In August 2010, the Administration notified Congress of the potential sale to Kuwait of 209 Patriot “Guidance Enhanced Missile-T” (GEM-T) missiles valued at $900 million. The prime contractor for that system is Raytheon. On July 20, 2012, the Administration notified a potential sale of 60 Patriot Advanced Capability (“PAC-3”) missiles and 20 Patriot launching stations, plus associated equipment. The total value of the sale could reach $4.2 billion. On December 31, 2013, DOD said Lockheed Martin would deliver 14 of the missiles and seven launcher modification kits by June 30, 2016. There has been no announcement whether Kuwait might buy the more sophisticated missile defense system called the Theater High Altitude Air Defense (THAAD) system that the United States has sold to UAE and Qatar.

- **Combat Aircraft**. The core of Kuwait’s fleet of combat aircraft are 40 FA-18 combat aircraft Kuwait bought in 1992. On December 4, 2013, DSCA notified a possible sale to Kuwait of technical support to its U.S.-made F-18s for an estimated cost of about $150 million. Kuwait is said to be considering adding more FA-18 aircraft, although it is evaluating and might instead order the Rafale or the Typhoon. The latter two combat aircraft are made by European manufacturers.

- **Tanks**. In 1993, Kuwait bought 218 M1A2 tanks at a value of $1.9 billion. Delivery was completed in 1998.

- **Apache Helicopters**. In September 2002, Kuwait ordered 16 AH-64 (Apache) helicopters equipped with the Longbow fire-control system, valued at about $940 million.

- **Air-to-Air Missiles**. In 2008, Kuwait bought 120 AIM-120C-7 Advanced Medium Range Air-to-Air Missiles (AMRAAM), along with equipment and services, with a total value of $178 million. On February 27, 2012, the Administration notified Congress of a potential sale of 80 AIM-9X-2 SIDEWINDER missiles, and associated parts and support, with an estimated value of $105 million. The sale, if completed, would help Kuwait modernize its fighter aircraft and enhance interoperability with U.S. aircraft.
• DSCA announced on June 30, 2014, that the U.S. Army Corps of Engineers would build a Kuwait Armed Forces Hospital in Kuwait at a cost to Kuwait of $1.7 billion.

International Military Education and Training (IMET)

As noted in Table 2 below, in recent years Kuwait has received very small amounts of funding under the International Military Education and Training (IMET) program. That funding has been provided primarily to qualify Kuwait for a discount in the rate it pays for Kuwait-funded trainees to participate in U.S. programs. Kuwaiti military students in the United States study intelligence, pilot training, and other disciplines. In FY2010, Kuwait spent about $9.7 million to provide such education for 216 Kuwaiti military students. There has been no U.S. assistance to Kuwait since FY2010.

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Foreign Policy Issues

After the United States, Kuwait’s most important alliance is with the Gulf Cooperation Council (GCC), which consists of fellow Gulf monarchies. In May 2012, Saudi Arabia proposed a close political union among the GCC states—a proposal opposed by several GCC states, including Kuwait, and not adopted. Kuwait has a much longer and more extensive experience with elections and parliamentary process than does Saudi Arabia or the other GCC states, and most Kuwaitis are perceived as fearful of forfeiting their democratic tradition were there to be a GCC political union. The issue was discussed again at the annual GCC summit on December 10-11, 2013, in Kuwait, but continued Kuwait, Omani, and other opposition to the union concept led to a less sweeping GCC announcement to form the joint military command referenced earlier. Kuwait hosted a summit of Afro-Arab countries in November 2013 and hosted an Arab League summit meeting in March 2014.

As noted, until the 1980s, the United States and Kuwait were not close allies. 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 was the first Gulf state to establish relations with the Soviet Union in the 1960s, perhaps reflecting the influence on Kuwaiti politics of many relatively left-wing figures who were attracted to the ideologies of Gamal Abd al-Nasser of Egypt and his patron, the Soviet Union.
As allies since the Iran-Iraq War, the United States and Kuwait now cooperate on a broad range of regional and international issues. Regional issues were the main focus of discussions between the Amir and President Obama on September 13, 2013, according to the White House statement issued after the meeting. The U.S. Ambassador to Kuwait is Douglas Silliman.

**Resolving Residual Bilateral Issues With Iraq**

Even though Iraq has not posed an existential threat to Kuwait since Saddam was ousted, Iraq’s stability and the bilateral Iraq-Kuwait relationship remain paramount Kuwaiti foreign policy concerns. Kuwait has tried to build political ties to all Iraqi factions in order to ensure there is no repeat of the 1990 Iraqi invasion of Kuwait or any Iraqi Shiite-led violence such as that which occurred in the 1980s. The Islamic State capture of substantial territory in Iraq has reportedly caused substantial concern in Kuwait because instability in Iraq might threaten the carefully-constructed set of post-Saddam understandings that Kuwait and Iraq have established. On July 18, 2008, Kuwait named its first ambassador to Iraq since the 1990 Iraqi invasion—Ali al Momen, a retired general and a Shiite Muslim.

**Residual Issues from the 1990 Iraqi Invasion and Occupation**

The Kuwait-Iraq relationship remains colored by the August 2, 1990, Iraqi invasion. Iraq-Kuwait relations were frozen during the rest of Saddam Hussein’s rule, and Kuwait and the other GCC states have been wary of the post-Saddam Iraqi governments that were dominated by Shiite Muslims. The potential for a major breakthrough in Iraq-Kuwait relations occurred on January 12, 2011, when then Prime Minister Nasser became the first Kuwait Prime Minister to visit Iraq since the Iraqi invasion. That visit occurred a few days after Iraqi Prime Minister Nuri al-Maliki said that Iraq’s former ambitions against Kuwait “have gone forever and will never return again.” Maliki made his first visit to Kuwait on February 16, 2011.

Later in 2011, some mutual suspicions briefly resurfaced. On July 23, 2011, Iraqi parliamentarians called on Kuwait to suspend construction for its Mubarak the Great port because it would impinge on Iraq’s attempts to expand its access to the Persian Gulf at the tip of the Faw peninsula. Other Iraqi parliamentarians alleged that Kuwait was slant drilling in the area and therefore stealing oil from Iraq. The disputes were reminiscent of the arguments made by Saddam Hussein to try to justify his invasion of Kuwait in 1990.

These recriminations quieted, helping resolve some issues during a March 15, 2012, Maliki visit to Kuwait. That visit paved the way for Amir Sabah’s attendance at the March 27-29, 2012, Arab League summit in Baghdad—an event Iraq considered crucial to its efforts to return to the Arab fold after decades of isolation. In August 2012, the Iraqi government said “Iraq will end all pending issues with Kuwait before the start of [2013].” The Iraqi statement appeared to be an Iraqi effort to garner support for the U.N. Security Council to remove any remaining “Chapter 7” (of the U.N. Charter) mandates on Iraq stemming from the 1990 invasion. Kuwait’s Prime Minister Jaber visited Iraq on June 12, 2013, and reached agreement on taking some of the bilateral issues involving missing Kuwaitis and Kuwaiti property out of the Chapter 7 supervision of the United Nations and replacing them with alternative mechanisms, as discussed below.

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Issues Still Outstanding Between Iraq and Kuwait

Reparations Payments Continue. Kuwait has not dropped its insistence on full U.N.-supervised reparations by Iraq for damages caused from the 1990 invasion. Iraq wants the reparations issue closed out to cease the deduction of 5% of all its revenue that is used to pay compensation to the victims of the Iraqi invasion of Kuwait. To date, the U.N. Compensation Commission (UNCC) created by the post-Desert Storm U.N. resolutions has paid out over $38 billion to over 100 governments, encompassing nearly 1.5 million claimants. However, about $13.6 billion is still owed to Kuwaiti claimants, and the U.N. Secretary General’s December 14, 2012, report says it expects to complete the compensation process by April 2015. On December 15, 2010, the U.N. Security Council passed three resolutions—1956, 1957, and 1958 that ended Saddam-era sanctions against Iraq, but the resolutions did not fully end the “Chapter 7” U.N. mandate on Iraq and continued the 5% automatic revenue deductions.

Missing Kuwaitis and Kuwaiti National Archives. The U.N. resolutions adopted December 15, 2010, also continued the effort, required under post-1991 war U.N. resolutions (most notably 687), to resolve the fate of the 605 Kuwaitis and third party nationals missing and presumed dead from the 1991 war, as well as that of the missing Kuwaiti national archives. A special U.N. envoy, Gennady Tarasov, was U.N. High-Level Coordinator for these issues. In September 2011 and in June 2012, Iraq called for an end to the mandate of Tarasov and for Iraq and Kuwait to pursue the issue bilaterally. Tarasov retired on December 31, 2012, and the U.N. Secretary General appointed Victor Poliakov to assume Tarasov’s duties. The June 16, 2013, visit of the Kuwaiti Prime Minister to Iraq—which followed progress on border demarcations issues discussed below—resulted in an Iraq-Kuwait joint recommendation to remove these issues of missing property and persons from the Chapter 7 U.N. mandate, a recommendation that was endorsed in the U.N. Secretary General’s report of June 17, 2013. U.N. Security Council Resolution 2107 of June 27, 2013, formally abolished the High-Level Coordinator mandate and transferred the continuing supervision of these issues to the U.N. Assistance Mission—Iraq (UNAMI)—under Chapter VI of the U.N. Charter (which does not carry enforcement mechanisms as those adopted under Chapter VII).

The search process has resulted in finding the remains of 236 Kuwaitis. The cases of 369 Kuwaitis remain unresolved. In 2010, Kuwait made a $1 million grant to the Iraqi Ministry of Human Rights, which is the lead Iraqi agency trying to determine the fate of the Kuwaitis. A Tripartite Commission on the issue (Kuwait, Iraq, International Committee of the Red Cross) met on May 18, 2011, for the first time in many years. To date, more than 10,000 trenches have been dug to search for remains and jailed members of the Saddam regime have been interviewed. However, the December 14, 2012, and June 17, 2013, U.N. reports on these issues said no progress has been made recently, although some excavations were undertaken in Iraq in 2013.

As far as the Kuwaiti National Archives, U.N. reports on December 14, 2012, and June 17, 2013, say there has been no progress locating the archives. However, Annex I to the June 17, 2013, report (U.N. document S/2013/357) contains a list of all the Kuwaiti property returned to Kuwait by Iraq since 2002. Most recently, in June 2012, Iraq did return to Kuwait numerous boxes of recovered tapes from Kuwait’s state radio, as well as books belonging to Kuwait University, and keys to Kuwait’s Central Bank.

Kuwait-Iraq Border: Disputes over the Iraq-Kuwait border have also been mostly resolved. Under post-1991 Gulf War U.N. Security Council Resolution 833, the Council accepted the U.N.-demarcated border between them. Kuwait has sought that the post-Saddam government in Iraq
formally acknowledge its commitments under the resolution to pay some of the costs of border markings and signs. In July 2010, Kuwait gave preliminary approval to open a special border crossing into Iraq that would facilitate the work of international oil companies working in Iraq. And, as a consequence of the March 15, 2012, Maliki visit to Kuwait, Iraq agreed to pay its portion of the costs of maintaining the border markings. The issue of the sea border markings and related issues was resolved in early 2013.

**Other Outstanding Bilateral Disputes/Iraqi Airways.** Among other residual issues from the Saddam era, in 2004, Kuwait reportedly pledged to forgive a substantial portion of the $25 billion Saddam era debt, but it has not written off the debt to date. Another major dispute concerned Kuwait Airways’ lawsuits alleging that Iraq owed Kuwait $1.2 billion for planes and parts stolen during the Iraqi invasion; the actions led to the long-term impoundment of Iraqi Airways jets. The March 15, 2012, Maliki visit resolved the issue with agreement for Iraq to pay Kuwait $300 million in compensation, and to invest $200 million in an Iraq-Kuwait joint venture to form a small new airline. Subsequent to the visit, Iraq-Kuwait direct flights resumed. In November 2013, Kuwait’s national airline, Kuwait Airways, made its first flight to Iraq (Najaf) since the 1990 Iraqi invasion.

**Remaining Threat from Iraqi Extremist Groups.** Even though Iraq and Kuwait have improved relations substantially, Kuwaiti leaders say they remain wary of extremist groups in Iraq. 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 Iran-inspired Iraqi Da’wa (Islamic Call) Party, composed of Shiites. Seventeen Da’wa activists were arrested for those attacks, and Da’wa activists hijacked a Kuwait Airlines plane in 1987. Da’wa is the party that Maliki heads, although the party no longer has a militia wing. The Prime Minister-designate of Iraq, Haydar al-Abbadi, who as of August 2014 is likely to succeed Maliki, also is a senior Da’wa member.

In July 2011, the Iran-supported militia of Shiite cleric Moqtada Al Sadr rocketed Kuwait’s embassy in Iraq and caused Kuwait to temporarily bring its diplomats back to Kuwait. Also that month, another Iraqi Shiite militia, Khata’ib Hezbollah, threatened to attack workers building the Mubarak the Great port (named after a past ruler) on Bubiyan Island. These and other Iraqi Shiite militias continue to operate in southern Iraq, although they are said to be entering the political process in Iraq and de-emphasizing their armed wings.

At the same time, Kuwait has become alarmed at the offensive by the Islamic State, which is composed of Sunnis but is radical in its ideology. Following the Islamic State’s capture of the large city of Mosul in June 2014, Kuwait announced a full military alert. As noted above, Kuwait has joined the U.S.-led anti-Islamic State coalition, even as some of its citizens apparently raise funds for the Sunni-led Syria rebellion and might be aiding the Islamic State financially.

**Iran**

For years after the 1990 Iraqi invasion, Kuwait supported Iran as a counterweight to Saddam Hussein. Kuwait often hosted pro-Iranian Iraqi Shiite oppositionists against Saddam, even though these same Shiite groups had conducted attacks in Kuwait in the 1980s. Since Saddam’s fall, Kuwait has, through defense cooperation discussed above, joined U.S. efforts to contain Iran and protect itself. The Qods Force of the Islamic Revolutionary Guard Corps (IRGC-QF) of Iran is the IRGC unit that supports pro-Iranian movements and conducts espionage in neighboring and other foreign countries. Qods Force activity in Kuwait suggests that Iran has sought to pressure Kuwait or to promote dissent among Kuwait’s Shiite minority. In May 2010, Kuwait confirmed
that it had arrested some Kuwaiti civil servants and stateless residents for allegedly working on behalf of the Qods (Jerusalem) Force of the Islamic Revolutionary Guard Corps (IRGC) of Iran in a plot to blow up Kuwaiti energy facilities.\textsuperscript{17} In March 2011, a Kuwait court sentenced two Iranians and a Kuwaiti to death in the alleged plot. Kuwait expelled three Iranian diplomats, and Iran expelled three Kuwaiti diplomats in response. The sentences were commuted to life in prison on May 28, 2012. In May 2011, the two countries agreed to return their respective ambassadors. In November 2011, Iran arrested several individuals in Iran who it alleged were “Kuwaiti spies.”

Kuwait also has cooperated with the growing global consensus to sanction Iran. This cooperation has come despite the comments by the Amir in November 2009 endorsing Iran’s right to purely peaceful nuclear energy. In July 2010, a U.S. law, P.L. 111-195 (the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010) was enacted that would penalize firms that supply gasoline to Iran. One Kuwaiti gasoline trading firm, Kuwait’s Independent Petroleum Group, was reported to be a supplier of gasoline to Iran,\textsuperscript{18} although it says it stopped doing so as of September 2010.

At the same time, Kuwait has sought to engage Iran at times when Iran tries to allay GCC suspicions. Like the other Gulf states, Kuwait hosted visiting Iranian officials following the November 2013 interim nuclear agreement between Iran and the six negotiating powers. Amir Sabah went somewhat further than the other GCC leaders in welcoming the apparent changed Iranian approach by visiting Iran during June 1-2, 2014. His visit included a meeting with Iran’s Supreme Leader, Ayatollah Ali Khamene’i, as well as elected President Hassan Rouhani.

**Arab-Israeli Dispute**

For many years after the Iraqi invasion, the positions taken by countries and factions on how to deal with the Iraqi invasion determined Kuwait’s foreign relations. Kuwait was more critical than were the other Gulf states of the late Palestinian leader Yasir Arafat because he had opposed war to liberate Kuwait from Iraq. Kuwait expelled about 450,000 Palestinian workers after liberation, viewing them as disloyal. Kuwait subsequently maintained ties and gave financial support to Arafat’s Palestinian antagonist, Hamas. Kuwait’s relations with Jordan were strained for many years because of then leader King Hussein’s opposition to a U.S.-led war to expel Iraqi forces from Kuwait.

In part because of Kuwait’s past antagonism to the mainstream Palestine Liberation Organization (PLO) that still largely leads the Palestinian Authority (PA), Kuwait has not been a major mediator in intra-Palestinian disputes. Nor has it publicly advanced its own proposals for resolving the Israeli-Palestinian dispute. In line with the positions of the other GCC and Arab states, Kuwait supports U.N. recognition of the State of Palestine, requested formally by PA President Mahmoud Abbas at the U.N. General Assembly meetings in September 2011.

During the period of active Gulf-Israel negotiations (1992-1997), Kuwait attended multilateral working group peace talks with Israel—sessions on arms control, water resources, refugees, and other issues that were begun as part of the “Oslo Accords” process between Israel and the Palestinians. However, Kuwait did not host any sessions of the multilaterals. In 1994, Kuwait was

\textsuperscript{17} “Iran Spy Cell Dismantled in Kuwait.” Associated Press, May 6, 2010; “Iran Cell Planned Attacks in Kuwait, Minister Says. Reuters, April 21, 2011.

\textsuperscript{18} http://www.defenddemocracy.org/index.php?option=com_content&amp;task=view&amp;id=11788115&amp;Itemid=105.
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. However, Kuwait did not, as did Qatar and Oman, subsequently exchange trade offices with Israel and therefore Kuwait retained the “primary Arab boycott” (on direct trade with Israel). On the other hand, potentially signaling the Kuwait might join other GCC states such as UAE in cultivating private ties to Israel, Kuwait’s Foreign Minister Shaykh Sabah al-Khalid al-Hamad Al Sabah visited the Old City of Jerusalem in September 2014. The Kuwaiti government denied it represented a trip to Israel, stating that the Old City is a part of Palestine that is occupied. The visit required at least the tacit cooperation of Israeli authorities. Other press reports indicate that Kuwait Airways might organize visits by Kuwaiti tourists to Jerusalem.

**Actions on 2011 Uprisings in the Region**

Kuwait has generally acted in concert with—although not always as assertively as—other GCC states on regional issues such as those that have stemmed from recent uprisings in the Middle East.

*Bahrain.* Of all the countries affected by “Arab spring” uprisings, Kuwait has the most direct stake in the outcome in Bahrain, a GCC ally. Kuwait sent a naval unit to support the March 14, 2011, intervention of the GCC’s “Peninsula Shield” unit to assist Bahraini security forces. The nearly 2,000 GCC ground forces that entered Bahrain were Saudi troops and UAE police. The Kuwaiti naval unit departed Bahraini waters in July 2011 following the end of the state of emergency there. The GCC intervention was at odds with U.S. policy to support dialogue between Bahrain’s government and protesters, and Kuwait’s involvement came despite opposition from Kuwaiti Shiites, who have largely sympathized with Bahrain’s Shiites.

*Libya.* Kuwait supported the Arab League position in favor of U.N.-mandated intervention to protect civilians but, initially, it stopped short of recognizing the Transitional National Council (TNC) as the legitimate representative of the Libyan people (an action that Qatar and the UAE took). In April 2011, it pledged about $177 million in financial aid to the TNC. Kuwait did not contribute any air or other forces to the NATO coalition that conducted strikes in support of anti-Qadhafi rebels. It recognized the TNC as the sole legitimate representative after the fall of Tripoli in August 2011.

*Yemen.* Kuwait joined its GCC allies in developing and implementing a plan for a peaceful transition of power in Yemen. That effort bore fruit with the departure of President Ali Abdullah Saleh in January 2012 and the subsequent presidential elections in March 2012.

*Syria.* As noted above, Kuwait is hosting coalition air operations against Islamic State forces in Syria. However, as do the other GCC states, Kuwait views the ouster of Syria’s President Bashar Al Assad, an ally of Iran, as perhaps an even higher priority than combatting the Islamic State. The GCC countries voted with other Arab League countries to suspend Syria’s membership in the League in November 2011, and the GCC states closed their embassies in Damascus in April 2012.

The Kuwaiti government has been a major donor of humanitarian aid to victims of the civil war in Syria, but it has not provided government funds to the armed rebels. Kuwait has hosted two major donors’ conferences (January 30, 2013, and January 15, 2014) at which Kuwait has pledged a total of $600 million in humanitarian aid ($300 million at each conference. The funds were composed overwhelmingly of donations to nine U.N. agencies and to the International
Committee of the Red Cross (ICRC). Of the Kuwaiti government’s pledges, about $70 million was channeled through Kuwaiti agencies such as the Kuwait Fund for Arab Economic Development and the Kuwait Red Crescent Society. At the same time, as discussed below under “Countering Terrorism Financing,” U.S. officials have stated that the Kuwaiti government has not done enough to curb private donations by wealthy Kuwaitis to extremist rebel groups in Syria.

Egypt. Kuwait has adopted a position on Egypt similar to that of Saudi Arabia and UAE, but at odds with Qatar. Qatar was the major Gulf financial benefactor of Egypt during the presidency of Muslim Brotherhood senior figure Mohammad Morsi. Kuwait, Saudi Arabia, and the UAE assert that the Brotherhood in Egypt supports Muslim Brotherhood oppositionists in the Gulf states, including Kuwait. After Morsi was deposed by the Egyptian military on July 3, 2013, Kuwait contributed $2 billion in loans and oil grants19 to a Saudi-brokered $12 billion financial package to assist the beleaguered Egyptian economy. Kuwaiti leaders also have criticized U.S. cuts in aid to Egypt since the Morsi ouster, as reportedly discussed during the September 2013 White House meeting between the Amir and President Obama. However, Kuwait did not join Saudi Arabia, Bahrain, and UAE in withdrawing their ambassadors from Qatar over the Egypt/Muslim Brotherhood dispute. The rift was resolved in November 2014 when Qatar signed an agreement to increase cooperation with the other GCC states on foreign policy issues and the three GCC states returned their ambassadors to Doha.

Kuwait has also made arrests of Egyptians in Kuwait for political activities. In April 2011, just after President Hosni Mubarak was overthrown, security officers arrested and deported 21 Egyptian nationals resident in Kuwait for attending meetings in support of Egyptian opposition figure Dr. Mohammad El Baradei. In August 2011, in line with Kuwait’s stance against the Egyptian Muslim Brotherhood, Kuwaiti authorities said they would deport nine pro-Morsi demonstrators who had been protesting outside the Egyptian embassy in Kuwait.

Other Assistance. In July 2011, Kuwait contributed $1 million to help relieve the effects of drought in Somalia. In November 2013, Kuwait donated $10 million in relief aid to the Philippines following a destructive typhoon there.

Performance on Countering Terrorism Financing/Islamic State Donations20

The Obama Administration and outside experts have been increasingly critical of Kuwait for failing to halt private Kuwaiti donations to Islamic extremist groups in Syria.21 According to press reports, Kuwaiti donors and donor aggregators use social media and other methods to collect funds for such Syrian factions as Al Nusra Front, which the U.S. government has designated as a terrorist organization.22 The total amounts of such Kuwaiti donations to Syrian rebel groups is not known, but the private donor effort reportedly has been highly organized, operating under such slogans as “Syria Calls,” launched by a group called the “Union of Kuwaiti Campaigns to

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Support Syria.” The donors involved purportedly do not consider the Syrian rebel factions as “terrorists” to which funds should be denied.

U.S. officials have urged the Kuwaiti government to try to stop this financial flow. Treasury Department Under Secretary for Terrorism and Financial Intelligence David Cohen said publicly on March 4, 2014, that the appointment of a leading Kuwaiti donor to Al Nusra, Nayef al-Ajmi, as Minister of Justice and Minister of Islamic Endowments (Awqaf), was “a step in the wrong direction.” Subsequent to those comments, Ajmi resigned his government posts. On August 6, 2014, the Treasury Department imposed sanctions on two Ajmi tribe members and one other Kuwaiti, under Executive Order 13224 sanctioning support for international terrorism. The three sanctioned were Shafi Sultan al-Ajmi, Hajjaj al-Ajmi, and Abd al-Rahman al-Anizi. Hajjah al-Ajmi and another Kuwaiti, Hamid Hamad Al Ali, were sanctioned by the United Nations Security Council for allegedly providing financial support to the Al Nusra Front. In a speech on October 23, 2014, Cohen reiterated his earlier criticism, saying Kuwait (and Qatar) were still “permissive jurisdictions” for terrorism financing. Earlier, on August 17, 2014, the United Nations Security Council froze the assets of one of these charities—the Islamic Heritage Restoration Society—for alleged links to Al Qaeda, under E.O. 13224.

The government has taken some steps to accommodate U.S. views on this issue. In May 2014, the Ministry of Social Affairs warned Kuwaiti citizens that the campaigns are unauthorized and violate Kuwaiti law on financial donations. Kuwait law limits fundraising to only authorized charity organizations, including the Social Reform Society, Islamic Heritage Restoration Society, Direct Aid, Sheikh Abdullah al-Nuri Charitable Society, Prisoners Solidarity Society, Sunna Sciences Society, Kuwait Relief, Al-Najat Charitable Society, Good Tidings Charity, and Patients Helping Fund Society. The State Department report on global terrorism for 2013, cited above, credited Kuwait with passing, in May 2013, comprehensive money laundering and anti-terrorism financing legislation in 2013. According to the State Department report, the 2013 laws correct significant deficiencies an earlier 2002 law that had hampered Kuwaiti prosecutions of terrorism-related crimes. The 2013 laws also created a Financial Intelligence Unit (FIU), which will investigate terrorism financing and money laundering and prescribe a jail term of up to 15 years for those convicted of funding terrorist organizations. Kuwait is a member of the Middle East North Africa Financial Action Task Force ( FATF), and the 2013 laws adopted apparently were the product of an action plan Kuwait developed with the FATF to address Kuwait’s weaknesses on the issue. In August 2014, Kuwait arrested three of its citizens suspected of funneling funds to extremist groups.

Previous State Department terrorism reports have also praised Kuwait’s programs to encourage moderation in Islam in Kuwait. There appeared to be no significant attacks attributed to terrorist organizations in Kuwait in 2013 or thus far in 2014. On November 27, 2011, security services arrested three Kuwaiti military officials on suspicion of links with a terrorist cell plotting to attack locations in Bahrain and Qatar.

25 Treasury Department, Office of the Press Secretary. August 6, 2014.
In April 2011 Kuwait introduced biometric fingerprinting at Kuwait International Airport and has since extended that system to land and sea entry points. The NADR funds shown above have been used, in large part, to assist Kuwait with counterterrorism efforts, border control, and export controls.

Kuwait has long sought the return of two prisoners held at the U.S. facility in Guantanamo Bay, Cuba, under accusation of belonging to Al Qaeda. Amir Sabah reportedly raised the issue with President Obama during their September 13, 2013, White House meeting. Kuwait has built a rehabilitation center for the two, Fayez al Kandari and Fawzi al-Udah, to reintegrate them into society after they are returned. On November 5, 2014, Fawzi al-Udah was released from Guantanamo and returned to Kuwait. Al Kandari remains in Guantanamo.

**Kuwaiti Economic Policy**

In part because of the political disputes and unrest since 2006, Kuwait has underinvested in capital infrastructure and overspent on public sector salaries and subsidies, according to the IMF and other observers. Delayed spending on capital infrastructure projects has created an image of stagnation, particularly compared to the more vibrant GCC states Qatar and UAE. This impression has been augmented by a lag in foreign direct investment in Kuwait relative to other GCC states. Only $800 million has been invested in Kuwait in the past 10 years. In contrast, in the same time period, $10 billion was invested in Bahrain, $73 billion in UAE, and $130 billion in Saudi Arabia.27

Recent Kuwaiti budgets appeared intended to calm or avoid unrest rather than to set Kuwait up for long-term growth. As an example, in mid-2013, the National Assembly passed a law obligating the government to pay $2.5 billion in debts owed by Kuwaitis as a result of the 2008 financial crisis. Total subsidies cost the government about $17.7 billion annually. Observers say that the government benefits, if continued at current rates, are likely to put Kuwait’s budget into deficit during 2017-2020. In October 2013 Prime Minister Jaber said the subsidies system had produced a “welfare state” and was “unsustainable,” and he pledged to work to reduce them. Kuwait’s finances are likely to suffer further with the drop in oil prices in late 2014 from over $100 per barrel to about $75 per barrel—Kuwait’s budget is based on a “break even” price of $75 per barrel.

Compounding economic uncertainty, in late October 2014, Saudi Arabia closed an offshore oil field (Khafji) that it shares with Kuwait. The field produces 280,000 barrels per day, split between the two countries. The dispute might spill over into other disputes over production in their shared “neutral zone,” one of whose fields is operated by Chevron Corp. The neutral zone is the only place in either Saudi Arabia or Kuwait where foreign oil companies are permitted to have equity in oil fields.

On the other hand, Kuwait has a large sovereign wealth fund, managed by the Kuwait Investment Authority, with holdings estimated at about $550 billion as of mid-2014, which presumably would help Kuwait mitigate budgetary shortfalls in future years.28 The National Assembly passed


some legislation, which took effect September 2010, to privatize major sectors of the Kuwait economy. In January 2014, the National Assembly approved legislation to privatize Kuwait Airways.

Political disputes have also prevented movement on several major potential drivers of future growth, the most prominent of which is Project Kuwait. The project, backed by the Kuwaiti government, would open Kuwait’s northern oil fields to foreign investment to generate about 500,000 barrels per day of extra production. The Assembly has blocked the $8.5 billion project for over a decade because of concerns about Kuwait’s sovereignty, and observers say no compromise is in sight. A project to build a fourth oil refinery, estimated to cost $8 billion, also has not advanced.

The 2008 financial crisis, coupled with the political infighting, earlier caused Kuwait to shelve a joint venture with Dow Chemical to form the largest maker of polyethylene. On December 29, 2008, the government cancelled the venture, which was to have required a Kuwaiti investment of $7.5 billion by state-run Petrochemical Industries Co.-Kuwait. Dow reportedly had planned to use the proceeds of the investment to fund its purchase of the Rohm and Haas chemical firm, although that deal ultimately went through anyway. In May 2013, an arbitrator decided in favor of Dow Chemical, ordering the Petrochemical Industries Co.-Kuwait to pay Dow $2.2 billion in damages for severing the venture.

The state-owned oil industry still accounts for 75% of government income and 90% of export earnings. The United States imports about 250,000 barrels per day in crude oil from Kuwait (about 3% of U.S. oil imports). Total U.S. exports to Kuwait were about $2.6 billion in 2013, the same as the few preceding years, consisting mostly of automobiles, industrial equipment, and foodstuffs. Total U.S. imports from Kuwait in 2013 were about $12.6 billion, of which almost all was crude oil and other petroleum products. Figures for the first half of 2014 show a slight increase in both exports to Kuwait and imports from Kuwait compared to 2013.

Like other Gulf states, Kuwait sees peaceful uses of nuclear energy as important to its economy, although doing so always raises fears among some in the United States, Israel, and elsewhere about the ultimate intentions of developing a nuclear program. Kuwait is cooperating with the International Atomic Energy Agency (IAEA) to ensure international oversight of any nuclear work in Kuwait.

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. Kuwait gave $500 million worth of oil to U.S. states affected by Hurricane Katrina.

### Table 3. Some Basic Facts

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<tbody>
<tr>
<td>Population</td>
<td>About 2.7 million, of which 1.2 million are citizens.</td>
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<tr>
<td>GDP (purchasing power parity, PPP)</td>
<td>$166 billion (2013)</td>
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<tr>
<td>Religions</td>
<td>Muslim 85% (Sunni 70%, Shiite 30%); other (Christian, Hindu, Parsi) 15%</td>
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<tr>
<td>GDP per capita (PPP)</td>
<td>$42,000/yr. (2013)</td>
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Kuwait: Governance, Security, and U.S. Policy

<table>
<thead>
<tr>
<th>GDP growth rate</th>
<th>2.3% (2013)</th>
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<tr>
<td>Inflation</td>
<td>2.8% (2012)</td>
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<tr>
<td>Oil (proven reserves)</td>
<td>102 billion barrels (7% of world proven reserves)</td>
</tr>
<tr>
<td>Oil exports</td>
<td>2.15 million barrels per day (mbd)</td>
</tr>
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**Sources:** CRS, CIA, *The World Factbook* reports; IMF.

Figure 1. Map of Kuwait

*Source:* Graphic created by CRS. Boundaries and cities generated by Hannah Fischer using data from Department of State, Esri, and Google Maps (all 2013).

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