

Purpose

Below is some research from over the past year regarding Kuwait. My intention is to give some background information and the best description I can regarding the current political climate within Kuwait. I want the debate community to make a well informed decision in reference to whether or not to include Kuwait in the topic. I am going to attempt to be as objective as possible.

Background

Background from **Katzman 11'** [Congressional Research Specialist: Kuwait: Security, Reform, and U.S. Policy. Kenneth Katzman

Specialist in Middle Eastern Affairs February 8, 2011 <http://www.fas.org/sgp/crs/mideast/RS21513.pdf>]

(***I recommend reading this whole report as it is from the US Congressional Specialist and highlight multiple possible areas for democratic assistance and represents the best description of Kuwait current political environment and the US's relations regarding these issues.)

Summary

Kuwait was pivotal to two decades of U.S. efforts to reduce a threat posed by Iraq. After U.S. forces liberated Kuwait from Iraqi invading forces in February 1991, Kuwait was the central location from which the United States contained Saddam during 1991-2003, and it hosted the bulk of the U.S.-led force that invaded Iraq in March 2003 to remove Saddam from power. It is the key route through which U.S. troops have been withdrawing from Iraq during 2009-2011. Kuwait's relations with the current government of Iraq are hampered, in part, by issues not fully resolved from the August 1990 Iraqi invasion of Kuwait, although a January 12, 2011, visit by the Kuwaiti prime minister appeared to represent a major, at least symbolic, breakthrough. With the strategic threat from Iraq sharply reduced, Kuwait is cooperating with U.S.-led efforts to contain Iranian power in the Gulf. At the same time, like the other Gulf monarchy states, Kuwait seeks to maintain normal economic and political relations with Iran so as not to provoke Iran or cause it to increase its support to pro-Iranian movements in Kuwait.

Kuwait has been troubled domestically for at least five years, but due to factors unrelated to or unlike the reasons for the unrest throughout the Middle East in 2011. The domestic disruptions have taken the form of infighting between the elected National Assembly and the ruling Al Sabah family primarily over the political dominance and alleged corruption of the Al Sabah. In March 2009, the infighting led to the second constitutional dissolution of the National Assembly in one year, setting up new parliamentary elections on May 16, 2009. That produced an Assembly that was considered more pro-government, and included four women, the first to be elected to the Assembly in Kuwait since women were given the vote in 2005. However, over the subsequent two years, the Assembly has turned against the ruling family, producing two unsuccessful attempts (the most recent on January 5, 2011) to vote no confidence in Prime Minister Shaykh Nasser al-Muhammad al-Ahmad Al Sabah. The political deadlock has prevented breaking longstanding legislative and regulatory logjams holding up key energy projects, including some projects involving major foreign energy firms.

Kuwait has been only lightly touched by the unrest sweeping the Middle East in 2011. There have been only small political demonstrations in Kuwait during the period of region-wide unrest, perhaps because Kuwait is considered a relatively wealthy society where citizens do not want to take risks to achieve greater freedoms. However, the government response to the small demonstrations has, in some measure, tarnished Kuwait's reputation as a protector of rule of law and human rights in the Gulf region. Suppressive measures have included beatings of demonstrators and imprisonments of journalists. However, Kuwait's tradition of vibrant civil society and expression of opinion led to the resignation of the interior minister, held responsible for repressive measures, on February 7, 2011, in advance of a planned public demonstration. The cabinet resigned on March 31, 2011, rather than face questioning from a Shiite parliamentary deputy about its reaction to the unrest in Bahrain.

On other regional issues, the political stalemate in Kuwait has contributed to a tendency among Kuwaiti leaders to defer to Saudi Arabia and other more active Gulf states. Kuwait has not attempted to take a leading role in formulating new approaches to the Arab-Israeli dispute, in mediating disputes within the Palestinian territories, or trying to determine Iran's role in Gulf security and political arrangements.

My take on the current environment

I spent the last two months of the high school topic researching Kuwait, specifically with the intent to write a negative file centered on the internal politics of the country as it related to troop withdrawal. Below is a collection of some of the internal links and descriptions to support my claims I will make in this review. It is not all encompassing, but does represent the literature that could be expected regarding Kuwait and political/democratic reforms.

I believe the country has some great potential for inclusion. There is a strong democratic movement within the country aimed at predominately two goals: Economic reforms via privatization and moving away from government run businesses and oil, and human rights with an emphasis on those who are not Kuwaiti gaining equal rights (close to 40% of the people in Kuwait fit into groups being excluded currently). Some literature suggests these movements are working together and others say they are separate factions. There is also literature that argues some of these movements (namely those aimed at equal rights) are instigated by the Iranian regime and hence will be a likely case debate area. There is also some literature about women's rights and issues within the country that could also serve as an affirmative (or negative) case area.

Kuwait also represents a good topic country because of its close relationship to the US and vital interests within MENA. From Oil, troops and forward deployment, Iran and proliferation issues, Iraq withdrawal, and its role as a "role-model" for democracy and human rights within the region, Kuwait serves as a country with lots of advantage areas to debate and democracy is a key internal link to all of these issues.

However, there are some drawbacks to the inclusion of Kuwait. The largest one would be the relationship the US has with Kuwait, the many active programs they jointly work together on (here is an extensive list of previous programs/projects the US State department worked on with Kuwait: <http://2002-2009-mepi.state.gov/c10156.htm>). However, this also cuts through some of the debates about Government to Government cooperation because the relationship is there and strong. Also, if the USAID was the actor, according to the USAID website there currently are no programs in Kuwait through USAID: <http://www.usaid.gov/locations/> (it is a map and designates not programs in Kuwait). Which could mean it is a better country but needs to be considered when crafting a resolution.

Another potential problem (although it could be an advantage area as well) is the Kuwaiti Government doesn't just crackdown on movements, it also restricts information that can be release and published. It recently expelled the al jazeera news agency from within the country. After this happened, which also included a strengthening on restrictions for Kuwaiti news agencies, there were virtually no articles written about the democratic protests from this point on. I recognize this could be great for debate and a good reason to include Kuwait; however, it severely cuts the number of articles and information about the current events within Kuwait and also calls into question the reliability of news coming from Kuwait. While this may be great for debate, it could also prove problematic for productive and thoughtful debate about the country. I feel strongly about the education and knowledge produced from and through debate, and I think it is lost if the information we have access to is not valid or reliable. I am sure many will say that is what debate is for, and I agree with this to a large extent, but if both sides of the issue are false then the discussion has no chance to be fruitful.

Evidence

Kuwait is on the brink of full-scale protests and the opposition wants the removal of the current government.

Koons 2/11 [http://www.foreignpolicy.com/articles/2011/02/11/blow_up_in_the_gulf?page=full, JENNIFER KOONS | FEBRUARY 11, 2011 is a freelance reporter and a former journalism teacher at Northwestern University in Qatar].

DOHA, Qatar — Following sympathy demonstrations in front of the Egyptian Embassy in Manama, Bahrain, on Friday, Feb. 4, protesters there have declared a "day of rage" on Feb. 14, nine years to the day after the country declared itself a constitutional monarchy. King Hamad bin Isa al-Khalifa, a Sunni, rules over a Shiite-majority population that has long called for greater political representation -- though certainly without the urgency that has characterized recent opposition rhetoric, which includes a list of 14 demands: "releasing all [political] detainees and compensating them, reforming the judiciary system ... banning alcohol and prostitution ... [and] halting torture and human rights abuses." Is the revolution coming to the Persian Gulf states?

The Persian Gulf was meant to be immune to the types of social and economic pressures that have been thought to be the catalysts for recent uprisings in Tunisia and Egypt. The oil-rich Gulf monarchies, from Kuwait to Oman to Bahrain, have so far remained largely untouched by the wave of political protests sweeping across the region. But in the past few days, that has begun to change. Now, the Arabian monarchs -- historically protected from the need to democratize by their massive oil fortunes and close relations with the West -- are confronting a serious and growing threat to their legitimacy from protesters empowered by the revolutions in Tunisia and Egypt.

Bahrain has a long history of subduing its Shiite minority, which has been involved in past attempts to take over power, dating back to the Islamic Front for the Liberation of Bahrain, an Iran-backed Shiite group that attempted a coup in 1981. Last August, possibly cracking down in prelude to the Oct. 23 parliamentary election, the government detained hundreds of Shiites during anti-government street protests. Many of the detainees allege that they were tortured while in jail. In the days before the election, government officials blocked the opposition party's website and banned local news coverage of the arrests.

Sheikh Ali Salman, the leader of Al Wefaq, the main Shiite political group, alleged that at least 2,000 voters were blocked from casting ballots in October because of incomplete lists. Al Wefaq has claimed that Bahraini leaders gerrymandered voting districts and created a program to give citizenship to Sunnis from across the Middle East to alter the country's demographic balance.

The government has also clamped down on the press and NGOs, said Sarah Leah Whitson, Middle East and North Africa director at Human Rights Watch, blocking websites and arresting activists. And 25 Shiites from last fall's round-up are currently being tried under terrorism charges (two in absentia), trials that have only inflamed sentiments on both sides.

The latest protests are being organized by the same Shiite groups that organized the last round of demonstrations in the fall. But they are joined by Islamists, human rights activists, intellectuals, and several Sunni groups, according to Christopher Davidson, an expert on the Persian Gulf region at Durham University in Britain.

In an attempt to address popular grievances, King Hamad this week ordered a hike in food subsidies and reinstated welfare support for low-income families to compensate for inflation, according to the state-run Bahrain News Agency. Opposition groups expect further concessions during a scheduled speech by the king on Feb. 12.

But these efforts may not go far enough to stave off a revolution, Davidson said.

"Bahrain is the most likely of the Gulf monarchies to face a broad opposition-led demonstration," he told me. "[The problem] is not merely a sectarian issue, but rather a widespread concern over an increasing wealth gap between regular Bahrainis and the ruling elite. I believe there is potential for an unseating of the current regime."

In a statement on their Facebook page, organizers of the Feb. 14 rally accuse the Sunni-lead government of "suppress[ing] the legitimate rights of the people" and call for a new constitution and investigations into "economic, political and social violations."

"Events in Tunisia and Egypt convinced the Bahraini [opposition] that change could happen if there is a will," said Bahraini human rights activist Nabeel Rajab. "People have realized that they are stronger than they thought."

And Bahrain seems to just be the tip of the spear. Unrest is spreading across the Gulf states, with coordinated anti-government protests also planned in Kuwait and the United Arab Emirates (UAE).

"By the beginning of March, we will have an idea if serious unrest in the Gulf is likely," said Davidson.

In Kuwait, planned protests are being scheduled to coincide with the upcoming 50th anniversary of the country's independence from the British Empire. The Kuwaiti government also appears to be shelling out for domestic peace. In an attempt to stave off discontent, the government recently announced a \$5 billion domestic aid package.

And just a day after the protests broke out in Egypt, the Kuwaiti parliament approved further legislation to grant each citizen 1,000 Kuwaiti dinars, or \$3,580, and subsidize the cost of basic food items over the next 14 months. The payouts will begin Feb. 24 and will be given to all Kuwaitis over 21 years old.

The emir's office claimed that this grant was a one-time deal to celebrate Kuwait's 50th anniversary of independence. But, "given the nature of the gift -- specifically to offset high food costs -- this seems to be too much of a coincidence," Davidson said.

Meanwhile, in another attempt to show good faith, Kuwait Interior Minister Sheikh Jaber al-Khaled al-Sabah resigned this week amid an investigation that a Kuwaiti citizen was tortured to death in police custody.

A cross-faction opposition group called "The Fifth Fence" postponed until March 8 a planned anti-government rally as a result of the minister's resignation. "We still believe that the departure of this government is the only step that fulfils our demands," the group said in a statement promising that demonstrations would continue.

Islamist disruptions to Kuwaiti democracy destroy Democracy in the Middle East.

Pakistan Chronicle 4/9/11 [<http://www.pakistanchronicle.com/content/kuwait%E2%80%99s-democracy-troubles-arab-rulers>, Kuwait's democracy troubles Arab rulers, Published: June 25, 2009]

DUBAI: The ups and downs of parliamentary democracy in Kuwait are being used by Gulf Arab rulers to discredit the idea of representative government that dilutes their immense powers, analysts say.

A new episode in the soap opera of Kuwait's system began this week with an attempt by parliamentarians to force out the interior minister, who is a member of the ruling family. The Sabah family that dominates the cabinet is expected to remove him rather than see one of its own face a public thumbs-down in a no-confidence vote set for July 1. Last month the former British protectorate of 3.2 million — one of the world's largest oil exporters — held its third elections in three years, part of a protracted tussle for power between the ruling-family and elected parliamentarians.

But **the trend in the Gulf,** from commentary in state-dominated media to official statements, **has been to cite Kuwait** — unique in its wide, free vote for a parliament with teeth — **as an argument for more dynastic and autocratic rule.** The violence following Iran's recent elections has also raised Gulf fears of instability, giving another reason for no change.

Islamist and tribal deputies stand accused of holding back government development plans by voting down legislation proposed by cabinet and seeking no-confidence votes in Kuwaiti ministers.

"In recent months there was a lot of glee and schadenfreude about Kuwait's political problems. Many articles were written about the mess that Kuwait's democracy had got them into," said British academic Christopher Davidson, a Gulf specialist.

Gulf countries often cite "khususiyya", or special characteristics, to justify limiting popular participation in government and prefer to avoid the word "democracy". In 2006 elections to the Federal National Council of the United Arab Emirates, for example, less than one percent of the country's native population was eligible to vote.

"Our leadership does not import ready-made models that may be valid for other societies but are certainly not suitable for our society," Dubai ruler and UAE vice-president Sheikh Mohammed said in an interview in April this year.

Western governments, who back the Gulf ruling families, **also look askance at the sight of Islamists spoiling plans for economic liberalisation in Kuwait or gaining a say elsewhere.**

"The way things go are not encouraging with development (projects) blocked by deputies. Even Kuwaitis are embarrassed about their democracy," said a Western diplomat in Riyadh.

Saudi Interior Minister Prince Nayef said this year the Gulf's largest country at 25 million people had no need for elections to its advisory Shura Council, and last month the absolute monarchy delayed municipal council polls for two years, snuffing out for now a brief democracy experiment.

Islamists opposed to relaxing clerical influence were the main winners in the Saudi municipal vote in 2005, which was held after Western pressure to democratise. Now many Gulf Arab liberals look to the ruling families to protect them from the Islamists, who have popular support.

Saudi intellectual Abdullah al-Ghaddami said Western-allied Gulf governments would always brand the strongest opposition force, Islamist or otherwise, as an obstacle to progress. "If we'd had elections 40 years ago the socialists and leftists would have won, since that was predominant then. Now it's the Islamists," he said. "Democracy cannot impose results that it wants. That's another form of dictatorship."

Analysts and democracy activists say the wrong lessons are being drawn from Kuwait's system, where deputies are seeking public accountability from ministers resistant to the concept.

Parliament does not form cabinets, and the prime minister, deputy prime minister, defence minister, foreign minister, information and interior are all in Sabah hands. Assembly deputies are voted in as individuals since political parties are banned. The Emir has the power to pass legislation by decree and has suspended parliament three times, including for years on end. Yet still government websites tout Kuwait as a "thriving democratic society with a democratic government". Turki al-Rasheed, a Saudi columnist who has observed Kuwaiti elections and ran a programme to encourage Saudis to vote in 2005, said ruling family members could not have it both ways.

"You cannot have royal protection and be a salaried employee," he said, dismissing the idea that Kuwait set a bad example for democracy in the region. "We don't want decoration, we want to question people who call the shots."

He said the Emir and his prime minister should appoint ministers based on merit rather than on bloodline. Whole cabinets have resigned rather than have senior al-Sabah members appear before the elected body, which triggered last month's elections as well as numerous cabinet reshuffles.

Killing private sector growth leads to reliance on Oil and Government Jobs which leads to instability. Current reforms will work to promote Private sector growth.

Egypt News 11' [<http://egyptmnews.com/story-z865796>

Private sector key to Kuwait's growth, March 9, 2011]

In his address, Al-Humaidi expressed concern at the inflation in the annual budget due to increasing public sector wage bills which can reach up to KD7.5 billion, projecting that these are set to increase to take up to 70 percent of the total state budget, while the expenditure on development will be only 14 percent of the total.

If matters continue at their current rate, he warned, the public sector wage bill for 2025 will come to KD25 billion, an immense burden on the state's coffers. The primary concern for Kuwait is its almost-complete reliance on oil as a source of income, said Al-Humaidi, pointing out that the profits from this sector represent 94 percent of Kuwait's annual revenue. He said that the recent oil price rises are rooted in concerns over regional volatility rather than based on demand.

We have a big problem, which is the downsizing of the private sector's role," he said, adding that there is no appetite among Kuwaitis for private sector growth, given the government's exaggerated support for the public sector and the great privileges available to all public sector workers. Al-Humaidi expressed concern that this **"governmental generosity" might lead to Kuwaitis taking to the streets to plead for it to write off their personal debts, warning that continuing in this fashion would lead to political and social disaster.**

The other guest speaker, Al-Saadoun, asserted that the primary problem in Kuwait is one of management, with the current government unable to offer the people real management or to move from those projects proposed under the existing system and those intended to advance development. The development-related plan requires the building of a state and the peaceful transfer of authority, he suggested, since all development-related projects require political stability and the existence of state institutions.

Al-Saadoun suggested that the development plan must be executed through the deployment of two simultaneous

strategies, first identifying and avoiding the negative practices used in previous development initiatives so as to avoid similar consequences in the future, and secondly working to achieve genuine benefits **through letting the private sector participate directly and effectively in implementing the development plan and creating real job opportunities.** He asserted that **current public sector employment practices are creating "masked unemployment," which is problematic for the economy, as well as suggesting that a gradually introduced system of private sector taxation would be another means of raising revenue.**

Al-Saadoun and Al-Humaidi both stressed the crucial importance of the private sector in strengthening Kuwait's economy, asserting that the Kuwaiti private sector is one of the most active and successful in the region in its investments and operations. Another speaker at the event, businessman Abdullah Najib Al-Mulla, also **stressed the important role played by the Kuwaiti private sector and the problems it is facing in the lack of enthusiasm from Kuwaitis to work for private sector employers who cannot compete with the pay and privileges offered by the public sector.**

Another of the prominent guest speakers at the seminar, Mahmoud Abou Al Oyoum, the executive manager of Kuwait International Bank and the former governor of the Egyptian Central Bank, said that the only common factor of any development work anywhere, whoever is carrying it out, is the vital importance of human resources. He stressed that workers are the assets to rely on in any development, saying that this is the standard whether the development plan in question successfully works out or not.

Economic Downturn in Private sector leads to social and political unrest in Kuwait.

Kuwait Times 11' [http://www.gulfbase.com/site/news/Private-sector-key-to-Kuwaits-growth_170113.aspx 09/Mar/2011, Kuwait Times]

At its latest weekly seminar, the Arab Media Forum hosted former Kuwaiti finance minister Badr Al-Humaidi, along with the board director of Al-Shall Economic Consultants, Jassem Al-Saadoun, to offer an overview of the current economic situation in Kuwait and the general long-term economic outlook for the country.

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Kuwait is pushing Private sector reforms and growth

Arabtimes 11' [<http://www.arabtimesonline.com/NewsDetails/tabid/96/smld/414/ArticleID/167363/reftab/36/t/Oxford-Business-Group-launches-2011-Kuwait-report/Default.aspx>, Oxford Business Group launches 2011 Kuwait report Guide charts progress in economic diversification]

KUWAIT CITY, March 29: **Kuwait's efforts to boost foreign direct investment** by introducing a landmark privatisation bill are explored in a wide-ranging economic report just published by Oxford Business Group (OBG).

The Report: Kuwait 2011 provides comprehensive coverage of the ripple effects that **the new legislation is set to have as the country moves to diversify its economy.** It also looks in detail at additional **reforms earmarked by the government which are aimed at increasing the role of the private sector and driving economic growth.**

The Report includes a detailed, sector-by-sector guide for investors, together with a wide range of interviews with the country's most prominent political, economic and business leaders. The Emir Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah and Deputy Premier for Economic Affairs, Minister of State for Development Affairs and Minister of State for Housing Affairs Sheikh Ahmad Al-Fahad Al-Sabah both give their views on Kuwait's economic development.

Other high-profile interviewees include the Director-General of the Kuwait Fund for Arab Economic Development Abdulwahab Al-Bader and the Governor of the Central Bank of Kuwait Sheikh Salem AbdulAziz Al-Sabah.

The report also features contributions from key international personalities, including the UK Minister for Business and Enterprise Mark Prisk, and the CEO of Germany Trade and Invest Jürgen Friedrich.

OBG's new report places **Kuwait's** four-year Development Plan under the microscope, providing an analysis of the country's extensive plans to overhaul much of its infrastructure and public utilities. There is in-depth coverage of **legislative changes which could facilitate processes for foreign developers looking to invest in major projects, together with an account of the opportunities on the horizon for establishing public-private partnerships.**

(Oxford Business Group (OBG) is a global publishing, research and consultancy firm, which publishes

economic and political intelligence on the markets of the Middle East, Africa, Asia, Eastern Europe and the Caribbean.)

Government reforms lead to Private sector growth and economic recovery.

Kamco Research 11' [<http://www.kamconline.com/NewsDetails.aspx?newsId=43920&language=en>, KAMCO (March 6, 2011): A report prepared by KAMCO Research that analyzes the performance of the Kuwait Economy and provides a detailed analysis of the current economic situation in Kuwait as well as the effects of the global financial crisis on Kuwait economic prospects over 2011.]

Kuwait Economic Outlook

Kuwait's macroeconomic performance during the years prior to 2008 was strong due to high oil prices and growing private sector especially real estate and financial services, but performance during 2009 and the short to medium term outlook was adversely affected by the economic crisis and the drop in oil prices from its 2008 high of around USD 137 per barrel. The sharp drop in oil prices during late 2008 and the beginning of 2009 has substantially reduced the fiscal and external current account surpluses.

Kuwait's economy was hit hard during 2009 mainly on the back of lower oil prices and production cuts. During the first half of 2009, oil prices tumbled to USD 37.5 per barrel, real estate and asset prices plunged, and external financing dried up. Kuwait current account surplus fell to KD 8.2 bn (USD 28.5 bn) in 2009, after having increased by more than tenfold over the past decade to KD 17.4 bn (USD 64.8 bn) in 2008. According to the Central Bank of Kuwait's latest data, Kuwait Nominal oil GDP contracted by about 40 per cent during 2009 but a massive step-up in government spending along with central bank liquidity support to the banking sector helped mitigate the impact of the crisis on the non-oil sector which grew by 5.7 per cent over the period.

The output is projected to improve gradually over the medium to long term horizon mainly on the back of a strong projected oil demand in time with the global economic recovery. **The new government regulatory initiatives and increased projected spending are likely to play a major role in pushing the economic performance forward.** In addition, **the implementation of structural reforms**, the four year development plan and the establishment of the Capital Market Authority **are crucial measures in order to diversify the Kuwaiti economy through private sector-led growth.**

Supported by an expansionary fiscal stance and high oil prices **we estimate a recovery in 2010**, with Nominal GDP expected to grow by 17 per cent after a sharp contraction of 21.2 per cent during 2009. The 2010 projections stem from a modest recovery of around 5 per cent in the non-oil GDP upon sluggish credit markets and a struggling private sector, especially real estate and financial services. While Oil GDP projections are based on the recovery in oil prices from 2009 average of USD 60 per barrel to around USD 75 per barrel during 2010 along with an estimated 3 per cent increase in production levels driving the Oil GDP component to grow by KD 4.5 bn (USD 15.7 bn) over the period.

Political instability is high in Kuwait and is preventing key reforms and leads to social crackdowns.

Katzman 11' [Congressional Research Specialist: Kuwait: Security, Reform, and U.S. Policy. Kenneth Katzman Specialist in Middle Eastern Affairs February 8, 2011 <http://www.fas.org/sgp/crs/mideast/RS21513.pdf>]

Although Kuwait remains a staunch U.S. ally, it is troubled domestically. For the past five years, wrangling between the elected National Assembly and the ruling Al Sabah family primarily over the political dominance and alleged corruption of the Al Sabah has brought virtual political paralysis to Kuwait.

In March 2009, the infighting led to the second constitutional dissolution of the National Assembly in one year, setting up new parliamentary elections on May 16, 2009. That produced an Assembly that was considered more pro-government, and included four women, the first to be elected to the Assembly in Kuwait since women were given the vote in 2005. However, over the subsequent two years, **the Assembly has turned against the ruling family, producing two unsuccessful attempts** (the most recent on January 5, 2011) **to vote no confidence in Prime Minister Shaykh Nasser al-Muhammad al-Ahmad Al Sabah.** **The political deadlock has prevented breaking long-standing legislative and regulatory logjams holding up key energy projects, including some projects involving major foreign energy firms. The political infighting has also tarnished Kuwait's reputation in the Persian Gulf as a model of protections of rule of law and human rights as the Al Sabah have turned to increasingly harsh measures to suppress dissent.** These measures have included beatings of demonstrators and imprisonments of journalists. However, Kuwait's tradition of vibrant civil society and expression of opinion led to the resignation of the Interior Minister, held responsible for repressive measures, on February 7, 2011, in advance of a planned public demonstration.

Political tension is high in Kuwait. It is preventing privatization and economic reforms.

Katzman 11' [Congressional Research Specialist: Kuwait: Security, Reform, and U.S. Policy. Kenneth Katzman Specialist in Middle Eastern Affairs February 8, 2011 <http://www.fas.org/sgp/crs/mideast/RS21513.pdf>]

2010-2011 Parliamentary Session: Disputes Expand

The political deadlock continued through the summer of 2010, although muted by the tradition of Kuwait's leaders escaping Kuwait's searing summer heat to vacation in Europe or other parts of the Middle East, such as Lebanon. The fall session of parliament was opened on October 26, 2010, by the Amir, and included presentation of the government's program for the coming year, delivered by Prime Minister Nasser. In his opening statement, the Amir called for unity and an end to widening sectarian (Sunni-Shiite) splits. During the opening meetings, the government was able to achieve appointment of its allies to key permanent committees, including interior and defense, and the legal and legislative committee.²

However, opposition deputies resumed their criticism of the government in subsequent days, threatening to question Interior Minister Jabir (for the third time in two parliamentary sessions) for his decision to release from custody two Iranian drug traffickers. Some Assembly deputies are attempting to focus the session to concrete legislative issues, including consideration of draft anticorruption and consumer protection bills. Others want to question why the government has been slow to implement a privatization law passed in the winter-spring 2010 session, but which entered into force in September 2010.

The tensions that built throughout 2010 grew nearly unsustainable by the end of the year, and have carried over into 2011. A demonstration by parliamentarians and civil society activists on December 8, 2010, protesting what they asserted were government attempts to limit National Assembly powers, was broken up by security forces; several parliamentarians were reportedly beaten. That incident sparked

another call to formally question the Prime Minister on December 28, 2010 (the eighth time he appeared before the Assembly) and a date of January 5, 2011, was set for a no-confidence motion. Of the 50 elected Assembly members, 22 supported the no confidence motion and 25 opposed it, with one abstention, and two not voting.³ Some saw the vote as indicating that the government is losing support among tribal deputies mainly from the outer districts of Kuwait City, which are inhabited by generally less affluent, naturalized citizens.⁴

Some experts assert that the government is increasingly deriving support from Shiite parliamentarians, who in the past have tended to reliably side with the opposition. The no-confidence motion by no means resolved the conflict between the government and the opposition within the Assembly.

Oppositionists in the Assembly, supported by youths under a banner called the "Fifth Fence"—and who might have been inspired by the uprisings in Tunisia and Egypt—called for the resignation Interior Minister Jabir al-Khalid Al Sabah on the grounds of "undemocratic practice." They accuse him of failing to prevent the alleged torturing to death of a man in custody for illegal liquor sales. February 8, 2011, was set for a public protest—the same day the Interior Minister was to be questioned by the Assembly. However, in advance of the questioning, the Minister resigned and was replaced by Shaykh Ahmad al Humud Al Sabah; the Fifth Fence subsequently postponed the protest until March 8, 2011. Still, in consideration of Kuwait's relative affluence and tradition of free expression through editorials and commentary, very few experts predict a broad popular uprising in Kuwait along the lines of those seen in January-February 2011 in Tunisia, Egypt, and elsewhere in the Middle East.

Unrest leads to inaction on economic reforms.

Katzman 11' [Congressional Research Specialist: Kuwait: Security, Reform, and U.S. Policy. Kenneth Katzman Specialist in Middle Eastern Affairs February 8, 2011 <http://www.fas.org/sgp/crs/mideast/RS21513.pdf>] Kuwaiti Economic Policy

The global financial crisis of 2008-2009 caused unrest in Kuwait over falling stock prices and the effects of lower oil prices. As noted above, executive-legislative disputes delayed passage of stimulus measures to address the crisis. However, as the crisis has abated, the Assembly has taken some steps to try to ensure Kuwait's long term economic health. The body passed legislation, which took effect September 2010, to privatize major sectors of the Kuwait economy. The planned privatization of Kuwait Airways is reportedly moving forward as well.

However, some Kuwaitis, particularly those newly naturalized and less affluent than longtime citizens, fear that privatization will bring higher unemployment. The deflationary financial environment of late 2008 was a contrast with mid-2008; in June 2008, the National Assembly passed a salary increase for public sector employees and approved additional citizens' benefits to help them cope with the mounting inflation rate (then estimated at 10.14%).

The government-Assembly political deadlock also has prevented movement on several major initiatives, 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. As far as a project to build a fourth oil refinery, estimated to cost \$8 billion, the Assembly blocked the project in 2008 by alleging that the contracts awarded by the state oil company did not comply with procedures set out by Kuwait's Central Tenders Committee, which handles all public sector contracts. It has not advanced.

Kuwait economy forecasting growth reliant upon political and fiscal stability

Odion-Esene 10' [6/1/2010, Brai Staff Writer, <http://imarketnews.com/?q=node/14314>]

WASHINGTON (MNI) - Standard & Poor's Ratings Services Tuesday affirmed its 'AA-/A-1+' sovereign credit ratings for Kuwait, the outlook is stable, citing the government's strong financial position and

the Emirate's wealth of resources. Meanwhile the National Bank of Kuwait -- Kuwait's largest financial institution -- predicts Kuwait

real GDP will grow by 3% in 2010, before accelerating toward a 4% to 5% range by 2011-2012,

"depending on the government's ability to deliver on large plans and projects in coming months".

The ratings on Kuwait are supported by the sovereign's "rich resource endowment," S&P said, which, combined with prudent policies, has enabled the government to build very strong external and fiscal

balance sheet positions in recent years. According to the NBK, the Kuwait government's preliminary budget figures for FY'2009/10 show a surplus of KD 8.2 billion (\$25.7 billion). The bank expects that number to be revised, close to KD 6.0 billion (\$18.8 billion), when the final

accounts are released. This would be the 12th consecutive surplus and would leave the state's finances "in superb shape," it said. This, the bank added, gives Kuwait the flexibility and latitude to stand behind an estimated KD 31 billion (\$97.2 billion) worth of projects planned for the next 4 years "In our view, these strengths comfortably balance our view of the State's increased contingent liabilities, high institutional risks, and the slow progress thus far on structural reform, which remains a constraint upon economic growth," S&P said.

Kuwait economic health dependent upon regional and political stability- disruption cripples credit

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The ratings agency said the stable outlook on Kuwait balances the government's strong financial position against elevated regional geopolitical risks, increased contingent liabilities, and potential impediments to growth. It added that significantly reduced geopolitical risk could lead to a rise in rating in the future. Additionally, the firm said a stabilization of the relationship between the government and the parliament -- "along with a political consensus that helps to accelerate both private domestic and foreign investments" -- should alleviate major impediments to growth and would be positive for the rating. It warned, however, that a "sustained worsening" of political and event risks, such as a deterioration in relations with Iran, or a significant and sustained erosion of the government's asset position, could put Kuwait's creditworthiness under pressure. In a report on the Kuwait economy published over the weekend, the National Bank of Kuwait said the economy is recovering this year and real GDP should grow by 3.0%. The non-oil sector is expected to lead with growth of 4.0% while the oil sector will expand by 1.4%, recovering along with world oil demand. It noted that the consumer sector is growing, and real estate is improving, returning to levels of activity not seen since 2007-08. "Except in commercial real estate, where oversupply is weighing on the sector." The remaining sectors, though healthier, await government spending to improve further. The NBK added that as they gradually come on line, government projects should lead to faster growth in 2011 and beyond. Inflation in 2010 should be steady at 4.2%, it concluded.

Islamist disruptions to Kuwaiti democracy are destroying Democracy in the Middle East.

Pakistan Chronicle 4/9/11 [<http://www.pakistanchronicle.com/content/kuwait%E2%80%99s-democracy-troubles-arab-rulers>, Kuwait's democracy troubles Arab rulers, Published: June 25, 2009]

DUBAI: The ups and downs of parliamentary democracy in Kuwait are being used by Gulf Arab rulers to discredit the idea of representative government that dilutes their immense powers, analysts say.

A new episode in the soap opera of Kuwait's system began this week with an attempt by parliamentarians to force out the interior minister, who is a member of the ruling family. The Sabah family that dominates the cabinet is expected to remove him rather than see one of its own face a public thumbs-down in a no-confidence vote set for July 1. Last month the former British protectorate of 3.2 million — one of the world's largest oil exporters — held its third elections in three years, part of a protracted tussle for power between the ruling-family and elected parliamentarians.

But **the trend in the Gulf**, from commentary in state-dominated media to official statements, **has been to cite Kuwait** — unique in its wide, free vote for a parliament with teeth — **as an argument for more dynastic and autocratic rule.** The violence following Iran's recent elections has also raised Gulf fears of instability, giving another reason for no change.

Islamist and tribal deputies stand accused of holding back government development plans by voting down legislation proposed by cabinet and seeking no-confidence votes in Kuwaiti ministers.

"In recent months there was a lot of glee and schadenfreude about Kuwait's political problems. Many articles were written about the mess that Kuwait's democracy had got them into," said British academic Christopher Davidson, a Gulf specialist.

Gulf countries often cite "khususiyya", or special characteristics, to justify limiting popular participation in government and prefer to avoid the word "democracy". In 2006 elections to the Federal National Council of the United Arab Emirates, for example, less than one percent of the country's native population was eligible to vote.

"Our leadership does not import ready-made models that may be valid for other societies but are certainly not suitable for our society," Dubai ruler and UAE vice-president Sheikh Mohammed said in an interview in April this year.

Western governments, who back the Gulf ruling families, also look askance at the sight of Islamists spoiling plans for economic liberalisation in Kuwait or gaining a say elsewhere.

"The way things go are not encouraging with development (projects) blocked by deputies. Even Kuwaitis are embarrassed about their democracy," said a Western diplomat in Riyadh.

Saudi Interior Minister Prince Nayef said this year the Gulf's largest country at 25 million people had no need for elections to its advisory Shura Council, and last month the absolute monarchy delayed municipal council polls for two years, snuffing out for now a brief democracy experiment.

Islamists opposed to relaxing clerical influence were the main winners in the Saudi municipal vote in 2005, which was held after Western pressure to democratise. Now many Gulf Arab liberals look to the ruling families to protect them from the Islamists, who have popular support.

Saudi intellectual Abdullah al-Ghaddami said Western-allied Gulf governments would always brand the strongest opposition force, Islamist or otherwise, as an obstacle to progress. "If we'd had elections 40 years ago the socialists and leftists would have won, since that was predominant then. Now it's the Islamists," he said. **"Democracy cannot impose results that it wants. That's another form of dictatorship."**

Analysts and democracy activists say the wrong lessons are being drawn from Kuwait's system, where deputies are seeking public accountability from ministers resistant to the concept.

Parliament does not form cabinets, and the prime minister, deputy prime minister, defence minister, foreign minister, information and interior are all in Sabah hands. Assembly deputies are voted in as individuals since political parties are banned. The Emir has the power to pass legislation by decree and has suspended parliament three times, including for years on end. Yet still government websites tout Kuwait as a "thriving democratic society with a democratic government". Turki al-Rasheed, a Saudi columnist who has observed Kuwaiti elections and ran a programme to encourage Saudis to vote in 2005, said ruling family members could not have it both ways.

"You cannot have royal protection and be a salaried employee," he said, dismissing the idea that Kuwait set a bad example for democracy in the region. "We don't want decoration, we want to question people who call the shots."

He said the Emir and his prime minister should appoint ministers based on merit rather than on bloodline. Whole cabinets have resigned rather than have senior al-Sabah members appear before the elected body, which triggered last month's elections as well as numerous cabinet reshuffles.

Strong Kuwait economy sustains Middle East democracy

Terril 7 [Dr. W. Andrew, senior international security analyst at the Lawrence Livermore National Laboratory, September Strategic Studies Institute <http://www.strategicstudiesinstitute.army.mil/pubs/summary.cfm?q=788>]

Kuwait has been a close military partner of the United States since a U.S.-led military coalition liberated it from the iron grip of Iraqi occupation in 1991.

The **U.S.-Kuwait relationship since that time has been consolidated as an important alliance for both countries**. Although Kuwait is a small country, it is also strategically located and supports ongoing security relations with the United States. The importance of Kuwait's strategic position can be expected to increase as the United States reduces its presence in postSaddam Iraq but still seeks to influence events there and throughout the Gulf region. Kuwait's strategic importance also increased following the U.S. decision to remove its combat forces from Saudi Arabia in 2003.³ Additionally, **Kuwait rests upon approximately 10 percent of the world's known oil reserves and is expanding its efforts to explore for natural gas, making it a vital economic ally**. More recently, and also of interest to the United States, the Kuwaiti experience is emerging as an especially important ongoing experiment in democratic institution-building and the expansion of democratic practices. **This approach to governance is being implemented in ways that support U.S. goals for increased democratization of the region**, although elections have also helped to empower some extremely conservative Islamists, such as members of the Kuwaiti Islamic Constitutional Movement, which is the political arm of the Kuwaiti Muslim Brotherhood.⁴

Iran influence causes political instability in Kuwait recent revolutionary guard capture proves

Charbel 10 (Bechara Nassar, June 4, taught @ American University @Beruit, Middle East Online, <http://www.middle-east-online.com/english/opinion/?id=39390>)

Iran–Gulf relations further worsened after the Islamic Republic announced the resumption of its nuclear programs, which Gulf countries see as a direct threat to its security and oil installations, and as a pointer to growing Iranian influence in the region that could lead to a major imbalance in power. What do Gulf countries fear from a nuclear Iran? First, we find an upsurge in Shiite influence. There is growing concern among Arab leaders over Iran's influence and its effects on Shiite minorities in Gulf countries—like Saudi Arabia, Kuwait and Bahrain. These minorities live in complete harmony in their countries but foreign interference and instigation could fuel disturbance and instability. In the recent past, we witnessed the removal of a Bahraini minister of state, Mansour bin Rajab, in wake of charges of money laundering for Iranian Revolutionary Guard as a means to foil sanctions imposed on it. Although details of the investigations have not been revealed, the issue ranges from money laundering to the sale of banned Iranian drugs to countries like Azerbaijan and Columbia, and to other less serious concerns that are linked to influential parties in Tehran. In Kuwait, security agencies have arrested a network of spies that worked for Iranian Revolutionary Guard. The mission of these spies was to keep tabs on Kuwait's vital military facilities and locations of US forces in the country, in addition to sending reports on the political situation in Kuwait. Although Kuwaiti public prosecution issued a circular against the publication of the incident because it is sub-judice, the real concern was that national unity could be affected. The concern was legitimate as some Shiite media sources—sympathetic to Tehran—launched a counter attack by calling the news on the busting of the network as mere hearsay that was aimed at sectarian instigation and was in the interest of Israel. It is certain that when Iran gets a nuclear bomb it would further embolden these elements and increase the influence of Iran, if it continues with its current behavior. This attitude is deepening the contradictions in society and making a sizeable portion of Gulf citizenry believe that Iran is their protector and that it is capable of supporting them by participating in politics, economy and decision-making.