



Kuwait: Keystone of U.S. Gulf Policy

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Policy Focus #76 | November 2007

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Published in 2007 in the United States of America by the Washington Institute for Near East Policy, 1828 L Street NW, Suite 1050, Washington, DC 20036.

Design by Daniel Kohan, Sensical Design and Communication

Front cover: View of the Kuwait Towers in Kuwait City, taken December 2006. Copyright NATO Photos.

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Introduction

IN SPRING 2007, a cabinet minister from one of the small Gulf Arab states was asked, while visiting Washington, D.C., how those countries manage to stay so calm, apparently insulated from all the terrible troubles in nearby Iraq and the brewing storm over Iran. The response was unexpectedly poetic: “Think of a swan gliding across a pond. It all seems so serene—but right below the surface, the swan is actually pedaling as fast as it can just to stay on course.”

The metaphor is an apt one for Kuwait, although not for the reasons most often assumed. Many recent analyses have focused on issues that are largely irrelevant or marginal for Kuwait: the actual and potential movements of refugees, terrorists, insurgents, or even invading armies into and out of Iraq. Kuwait is indeed a very interested bystander, but mainly for different reasons. Those reasons have more to do with Kuwait’s own internal issues and with the indirect effects of Iraq’s crisis on another one of Kuwait’s close neighbors—Iran. To switch to architectural metaphors, Kuwait’s geography, arching across the narrow, oil-rich mouth of the Persian Gulf right in between Saudi Arabia, to the southwest, and Iraq and Iran, to the northeast, makes it a kind of keystone for any realistic concept of regional security. In the words of a prominent Saudi columnist in April 2007: “Kuwait is a platform from which one can see the burning palm trees of Iraq, and the Iranian reactors which are about to burn—as well as the sands of the Arabian Peninsula, which is used to tranquility, swallowing up all dangers only to return to calm once more.”¹

In this very precariously balanced neighborhood, Kuwait’s stability and friendship with the United

States are often taken for granted, but they should not be. Kuwait has an active Muslim Brotherhood-type Islamist movement and also a large Shiite minority—and a very vocal women’s rights movement. Its adult native population is outnumbered four to one by foreign workers. And it has been exposed within the past two decades not just to Iraqi but also to Iranian aggression, subversion, and terrorism.

The spate of press reports in the summer of 2007 about a major, multiyear U.S. arms sale package—reportedly valued at about \$20 billion—to Saudi Arabia and the smaller states of the Gulf Cooperation Council (GCC), including Kuwait, has refocused attention on these emerging issues.² Details of these proposed weapons deals, or even country-by-country totals, have not been released; but it is a safe bet, based on past performance, that Kuwait’s share will be several billion dollars. In announcing the overall package, Secretary of State Rice proclaimed that it was intended to “help bolster the forces of moderation and support a broader strategy to counter the negative influences of al-Qa’ida, Hezbollah, Syria and Iran.” Her Kuwaiti counterpart, foreign minister Sheikh Muhammad al-Salim al-Sabah, was more restrained, noting that “all military pacts signed with friendly nations were only for purely defensive purposes without targeting any other nations.”³

To be sure, compared with others in the region and beyond, Kuwait is actually only a minor player on Iraqi or Iranian issues, more often the object rather than the subject of this larger story. It is a small country, about the size of New Jersey⁴—but with barely a million citi-

1. Msharial-Dhaydi, “Al-Kuwait: ‘Awdalabid’” (Kuwait: back to the beginning), *al-Sharq al-Awsat* (London), April 17, 2007. Available online (www.alsharqalawsat.com/leader.asp?section=3&article=415453&issue=10367).
2. The GCC is a loose sub-regional consultative association, formed in 1981 soon after the start of the 1980–1988 Iran-Iraq War, comprising Saudi Arabia, Kuwait, Bahrain, Qatar, the United Arab Emirates (UAE), and Oman. These are the six hereditary Arab monarchies located around the Gulf, but they have considerably different histories, degrees of emerging democratic procedure, Islamic customs or sectarian communities, wealth derived from oil and natural gas, social structures, and other characteristics. Significant rivalries and disputes exist among GCC states as well, along with some actual cooperation.
3. “Wazir al-kharijyah: itifaqiyatunaa bil-aslihah li-ahdaaf al-difaa faqat” (Foreign Minister: our arms agreements are for defensive purposes only), *al-Anba* (Kuwait), August 1, 2007.
4. In regional geographic perspective, Kuwait could also be termed roughly as large (or as small) as Israel within its pre-1967 frontiers. Also, because 90 percent of the country’s entire population lives within a radius of barely twelve miles from central Kuwait City, it is occasionally described as almost a “city-state.”

zens (of whom 40 percent are under 15 years of age). Immediately upon securing independence from Britain in 1961, Kuwait's sovereignty was challenged by an earlier Iraqi dictator, General Abdul Karim Qassem. British troops thereupon returned to Kuwait for a while, to keep the Iraqis at bay. Thirty years later, Saddam Hussein's occupation army was kicked out of Kuwait by U.S.-led forces. Today, Kuwait continues to host thousands of U.S. soldiers supporting the struggling new, post-Saddam Iraqi government.

In terms of U.S. land-based access to Iraq, Saudi Arabia and Turkey have each bowed out of the picture for internal political reasons, and the overland route from Jordan through Anbar Province is both very long and very insecure. The other two neighbors, Iran and Syria, are unfriendly. Kuwait thus provides an essential corridor to the central portions of Iraq, which has lately been a quiet but crucial element in U.S. policy planning for the region. In other words, in the uncharacteristically blunt language of a July 2007 paper from the Department of State: "Kuwait provides indispensable support in terms of access to its facilities, resources, and land to support military operations in Iraq." Its major ports and airfields are in constant use by U.S. forces and contractors. In 2004, the same paper notes:

Kuwait rushed to construct a new *permanent* U.S. military base to the south of Kuwait City (Camp Arifjan), turning it over to us three years ahead of schedule. Kuwait turned over significant portions of its territory to Coalition forces in 2003 for OIF ["Operation Iraqi Freedom"], declaring these areas a closed military zone.⁵

According to one U.S. congressional document, the areas in question added up to an astonishing 60 percent of Kuwait's entire national territory—mostly empty desert, to be sure, but still an impressive offer.⁶ At any given moment over the past five years, nearly 100,000

U.S. troops have been stationed or on the move inside this small but strategic country.

Kuwait's wartime value is also significant, if a good deal smaller, when measured in purely economic terms. In the first year or so of the Iraq war in 2003–2004, Kuwait provided \$266 million worth of in-kind support for U.S. military operations in the form of basing facilities and equipment, personnel support, food, and especially fuel. In each subsequent year, Kuwait has contributed a bit less,⁷ but it has also shouldered an uncalculated though undoubtedly substantial amount in depreciation and actual wear and tear on roads, ports, and other infrastructure.

In addition, small and vulnerable as it may be, Kuwait remains (in Anthony Cordesman's phrase) "of major strategic importance as an oil power."⁸ It boasts approximately 10 percent of the entire planet's proven reserves, and its daily production of nearly 2.5 million barrels is both larger and more reliable than that of Iraq. This was the prize for which the U.S. first went to war against Saddam, a war in which Kuwait served as the first line of defense for Saudi Arabia as well. Yet Kuwait has a native population not even one-tenth that of Saudi Arabia. Kuwaitis number barely one-twentieth of Iraq's population, and, with just 15,000 men under arms, barely one-tenth the armed forces even of Iraq's current fledgling regime. The comparison with Iran is even starker; Iranians outnumber Kuwaitis by something like seventy to one.

The main issue now is thus not what Kuwait can do for Iraq, or against Iran, but how to keep Kuwait from being somehow engulfed in the turmoil and violence of its much larger northern neighbor—or in the regional ambitions of its even larger Iranian neighbor just across the narrow mouth of the Persian Gulf. As long as it is protected, Kuwait is an irreplaceable land bridge to Iraq and a key contributor both to global energy supplies and to the international "recycling" of petrodollars.

5. Bureau of Political-Military Affairs, U.S. Department of State, "Kuwait: Security Assistance," July 2, 2007, p. 1 (emphasis added). Available online (www.state.gov/t/pm/64722.htm).

6. Kenneth Katzman, "Kuwait: Security, Reform, and U.S. Policy," Congressional Research Service, RS21513, July 5, 2006, p. 4.

7. Ibid.

8. For this and much other very useful background, see Anthony Cordesman, *Kuwait: Recovery and Security after the Gulf War* (Boulder, Colo.: Westview Press, 1997).

These realities raise the obvious question of how such a vital asset can be protected in such turbulent surroundings. This essay addresses several key questions about Kuwait's medium-term future: What is the outlook for stability or reform in this evolving yet still essentially traditional society and governing system? How will it deal with possible democratic, demographic, or Islamist challenges? Will its fabulous oil wealth prove to be more of a lubricant for, or a solvent of, the social sinews that have held it together? What is the likely spillover effect on Kuwait of the continuing crisis in Iraq and of the emergence of Iran as a major contender for regional influence? What can Kuwaitis and their allies do about these twin dangers? In particular, how does Kuwait figure in calculations about responding to Iran's nuclear program? Are there

any lessons here for other Mideast countries, or other aspects of U.S. policy in the region?

An answer to these questions requires an analysis of Kuwait's domestic arena, which will set the political and economic stage for an exploration of its security and foreign policy posture and prospects. The primary focus is on recent and current developments, not on the earlier stages of Kuwait's eventful history, which have been well reviewed in other works. Political, social, economic, security, and foreign policy factors all have to be synthesized into a convincing explanation of what makes this country such a successful case. Whether it is also a special case, or perhaps one with lessons for other countries in the region, is quite another question, which is considered in the conclusion of this paper.

Kuwaiti Politics

AS IN MOST MONARCHIES,¹ politics in Kuwait are shadowed by the prospect of an aged and infirm ruler lingering on the throne—or else abruptly passing away, only to leave a succession crisis in his wake. Kuwait faced precisely this scenario at the start of 2006, when the venerable Emir Jabir finally succumbed to old age. He had ruled the country for three decades, surviving both an Iranian assassination attempt in 1985 and then eight months of Saudi exile during Iraq's occupation of Kuwait in 1990–1991.

But the crown prince, Sheikh Saad, was even older than the old emir and had also long been seriously ill. Several other leading princes, some of his own brothers and cousins, objected to his appointment as emir, announced in the name of the Kuwaiti cabinet on the day of the previous emir's passing. So the various senior princes of the Sabah clan, about a dozen of whom were also cabinet ministers or high-level military and security officers, caucused behind closed doors to head off the family feud and national emergency this impasse could engender. A few of the most powerful and prestigious merchant families, as is the custom in Kuwait, probably offered their advice behind the scenes as well. The Speaker of parliament initiated correct constitutional procedures to legitimize a consensus about the transition.² The rest of Kuwaiti society, meanwhile, was left to wonder uneasily, and with unaccustomed publicity, how this imbroglio would be resolved.

Within a few weeks, however, the royal family settled on a new, healthier scion, naming the prime minister, Sheikh Sabah al-Ahmed al-Sabah, age 76, as emir.

The country's fifty-member elected parliament was called back into session and unanimously approved that selection by the end of January 2006. As one American expert wrote a few weeks later, "For the first time in an Arab monarchy, an elected body effectively deposed the monarch, and empowered a new one, without anyone firing a shot."³

Looking ahead to secure the next succession, the new emir soon decreed that he would retain the recent system (in place only since 2003) of separating the offices of prime minister and crown prince. He named members of his own al-Jabir branch of the family to both positions, thus solidifying its hold on a succession that had usually alternated with the al-Salim line of descent in decades past. The new appointees were the emir's half-brother Sheikh Nawwaf al-Ahmed al-Sabah, age 68, as crown prince and his nephew Sheikh Nasir al-Muhammad al-Sabah, age 65, as prime minister. The al-Salim branch still holds one top position, in the person of Foreign Minister and Deputy Prime Minister Sheikh Muhammad al-Sabah al-Salim al-Sabah.⁴

These results were correctly viewed as a victory for common sense, demonstrating that Kuwait's elite are capable, when necessary, of cohering around an acceptable alternative, despite their family and factional divisions. The elite have proven to be careful, as well, committed to Kuwait's security "insurance policy" with the United States but adroit at balancing that policy with overtures toward Islamic, Iranian, and pan-Arab audiences.

Over the nearly two years since then, Kuwaiti politics have in some respects reverted to form, with par-

1. Technically, according to the U.S. government's definitions, Kuwait is a "constitutional, hereditary emirate," ruled by an emir whose powers are limited by a constitution. By contrast, Saudi Arabia is described simply as a "monarchy." See the relevant entries in U.S. Central Intelligence Agency, *World Factbook* (available online at www.cia.gov), and in U.S. Department of State, *Kuwait: Country Reports on Human Rights Practices—2006*, March 6, 2007 (available online at www.state.gov/g/drl/rls/hrrpt/2006/78856.htm).

2. Simon Henderson, "Kuwait's Parliament Decides Who Rules," *PolicyWatch* no. 1073 (Washington Institute for Near East Policy, January 27, 2006). Available online (www.washingtoninstitute.org/templateC05.php?CID=2437). It is noteworthy that because of this broader consensual framework of authority, both codified and traditional, the Sabahs of Kuwait are usually called the "ruling" rather than the "royal" family—unlike the case with most other monarchies.

3. Mary Ann Tetreault, "Three Emirs and a Tale of Two Transitions," *MERIP Middle East Report Online*, February 10, 2006, p. 1. Available online (www.merip.org/mero/mero021006.html).

4. The full names of these princes indicate their lineage: the second name is normally a patronymic, and the third or fourth name designates the Jabir or Salim branch of the Sabah family, dating from approximately a century ago. For a concise analysis of this subject, see the sections on Kuwait in Simon Henderson, *The New Pillar: Conservative Arab Gulf States and U.S. Strategy* (Washington, D.C.: Washington Institute for Near East Policy), 2003.

liament taking potshots at various cabinet ministers, emphatically including several prominent princes, but without fundamentally challenging either the government's basic policies or the royal family's prerogatives. The parliamentary Speaker, widely credited with helping manage the latest succession crisis through a new assertion of the elected deputies' role, aptly summed up this apparent return to the status quo ante in a July 2007 interview: "In case of any political dispute, I am sure His Highness the Emir ... and His Highness the Crown Prince ... can handle it with their traditional wisdom."

But this facade is obviously not the full picture. Parliamentary elections and other features of political life approaching a democratic constitutional monarchy also play important roles in Kuwait today. This dimension of Kuwaiti public life, coupled with the country's prosperous economy, supplies the safety valves to alleviate what might otherwise be troubling security, social, sectarian, or foreign policy-related tensions below the calm surface of Kuwait.

A Dose of Democracy: Parliament and Electoral Politics

In fact, the events of the past two years, starting with the succession crisis of January 2006, were a structural step forward in Kuwait's democratic evolution, even if they are not by nature absolutely irreversible. No sooner did parliament help define the royal succession than a new form of political representation emerged: effective popular protest. As many as several thousand mostly young demonstrators turned out in the spring of 2006, protesting against official corruption—and also in favor of reducing the number of electoral districts, to dilute royal and tribal influence.

In response, the emir called a snap parliamentary election, under the old system. But then the new par-

liament went ahead and approved electoral redistricting reform anyway, to be applied whenever the next vote occurs. Two particularly unpopular ministers were sacked from the new cabinet (though both were given other senior government posts).⁵ And the emir has since reportedly made clear, in private family discussions that for once were partly leaked to the public, that he would not exercise his legal right to dissolve parliament again anytime soon just to reassert royal prerogatives.⁶

Overall, although it remains a monarchy in fact as well as in name, Kuwait today also represents a success story for Arab democracy, for peaceful sectarian coexistence, and for partnership with the United States on these and other matters. The country has a freely elected, actively engaged parliament that substantially influences public policy. The most effective mechanism it uses for exercising its power is the threat of interpellating (questioning) any cabinet minister—often including leading princes from the royal family—whose policies, performance, probity, or even personality rubs a member of parliament the wrong way. In Kuwait, ministers will usually resign rather than face this kind of public scrutiny along with the prospect of a no-confidence vote that it could entail.

This parliament, moreover, manages to contain a solid Sunni majority along with a handful of Shiite deputies, as well as significant Islamist and more-liberal blocs—all in relative harmony or at least within the bounds of civility.⁷ Internal political violence of any kind is almost unheard of; and the press, public discussion, and popular associations—including religious ones, of many different denominations—are comparatively free. As one astute political scientist from another Arab country summed up the situation: "[T]here is no doubt ... that the emir and the executive branch do not have a free rein on power, and that

5. For additional details and analysis, see Mary Ann Tetreault, "Kuwait's Annus Mirabilis," *MERIP Middle East Report Online*, September 7, 2006. Available online (www.merip.org/mero/mero090706.html).

6. "No Parliament Dissolution," *Daily Star* (Kuwait), September 6, 2007. Available online (<http://dailystar.alwatan.com.kw/Default.aspx??MgDid=542113&pageId=282>). For purported details of these internal discussions a few months earlier, see, e.g., Mshari al-Zaydi, "Al-Kuwait: 'Awd 'ala Bid'" (Kuwait: back to the beginning), *al-Sharq al-Awsat* (London), April 17, 2007.

7. The Shiite minority as a whole reportedly opposed the electoral redistricting reform, fearing that larger districts would further reduce their already disproportionately small representation in parliament.

the National Assembly, civil society, the business community, and public opinion have important roles in the Kuwaiti decision-making process.⁸ And all of this takes place while the Kuwaiti government espouses, in word and deed, a close and very concrete alliance with the United States, embracing extensive military, commercial, and even cultural cooperation.

To be sure, Kuwaiti democracy is limited, and it also shares some of the typical inefficiencies of democracies in general. The emir, who is not elected in any popular vote, has more power than the elected parliament. In practice, he is almost never criticized directly, either in parliament or the press, and public opinion polls, which can be conducted and published fairly freely in Kuwait, are directed to refrain from asking any questions about the emir's personal popularity or other attributes. In August 2007, one Kuwaiti journalist was actually arrested for allegedly "insulting" the emir online, and one of his colleagues was also taken into custody for photographing that arrest. They were released after "the rallying of the efforts of political, youth, media, and civil society institutions," which one local paper described as "a victory for ... the constitutional Kuwait and the promising youth."⁹

More fundamentally, because four of every five adults in Kuwait are guest workers without citizenship rights, only about 15 percent of the resident population is eligible to vote at all—citizens 21 years of age and older, except for anyone in the armed forces, police, or security services, who are ineligible. Also, as others have noted, the Kuwaiti parliament—dominated as it is by Islamist, sectarian, traditionalist, and tribal elements—often acts as a brake rather than an accelerator with respect to either political and economic modernization at home or constructive engagement abroad.

Politics in Practice Today: Substance or Style?

In the current parliament, a majority of 32 or 33 of the 50 members can loosely be considered in "opposition" to the government. (However, an unusual provision in Kuwait's constitution allows the government to "pack" the chamber with up to 15 cabinet ministers for many types of votes, except votes of confidence.) These deputies divide into three informal but quite cohesive blocs, astutely analyzed by a leading American scholar as follows:

One of the three groupings—the Islamist—controls seventeen seats. A second bloc, which labels itself "nationalist," is liberal on both political and economic issues and holds eight seats. A third bloc, called "popular" and counting seven members, is the least compromising on matters of political reform; its approach towards economic issues is populist, suspicious of foreign oil concessions, and in favor of canceling citizen debts. It also includes some religious Shiite deputies, who complain that the Islamist bloc is sectarian Sunni. The remaining elected members are pro-government, tribal, or service [patronage-oriented] deputies.¹⁰

The Islamists are the largest single presence in parliament, but they are balanced by others and arguably constrained by the very public and relatively freewheeling nature of political debate in Kuwaiti society as a whole. As a result, they have been content with piecemeal initiatives. They have not pressed very hard to amend the constitution (as has happened in certain other predominantly Muslim states) to make *sharia* (Islamic law) *the* source rather than just *a* source of legislation or to strengthen a different article precluding laws contrary to *sharia*. Instead, they have so far patiently urged the standing government council on conformity with Islamic law to plod along with its ad hoc advisory opinions. A recent, fairly typical outcome was the imposi-

8. Paul Salem, "Kuwait: Politics in a Participatory Emirate," Carnegie Middle East Center Paper no. 3, Carnegie Endowment for International Peace, June 2007, p. 2.
9. "A Victory for the Active Forces," *al-Jaridah* (Kuwait), August 22, 2007, translated in *Middle East Wire*, August 22, 2007. Nevertheless, the criminal charges against these journalists are still pending. See also "Kuwait Interior Ministry Denies Kidnap of Reporter, Says Arrest Was Lawful," Kuwait News Agency (KUNA), August 23, 2007.
10. Nathan J. Brown, *Pushing toward Party Politics? Kuwait's Islamic Constitutional Movement*, Occasional Paper no. 79 (Washington, D.C.: Carnegie Endowment for International Peace, 2007), p. 17.

tion of a 1 percent *zakat* (Islamic charitable) tax on corporate profits. At the same time, the government recently decided to switch the official weekend to Friday and Saturday instead of Thursday and Friday, in a move that was openly defended as more in line with the rest of the world (not counting Saudi Arabia).

On this as on most issues, in a way all too familiar to Americans, the stuff of everyday politics centers on symbolism, scandals, and personalities. In the words of one outside Arab observer: “the relationship between the government and the National Assembly is often more about showboating and capturing headlines than comprehensive, well-thought out reform.”¹¹

Furthermore, when the Kuwaiti government does take action, it is often exquisitely incremental. An example is the perennial controversy over the *bidoon*: stateless Arabs, largely from tribes straddling the borders with Saudi Arabia or Iraq, most of whom have had Kuwaiti residence rights dating back several generations. Kuwaiti officials and commentators adamantly reject recommendations from United Nations (UN) or other interlocutors—allegedly including the U.S. ambassador—for a rapid regularization of their status.¹² In practice, Kuwait’s typically cautious response is a new trickle of special dispensations for a tiny percentage of *bidoon* families, totaling some 5,000 people of an estimated 100,000 or more. Even this much, it must be noted, is considered by many Kuwaitis to be a significant and controversial innovation.

Foreign policy initiatives are even less likely to play well politically, except for purely symbolic exercises.

To cite one egregious example, in November 2006 the parliament voted to break diplomatic relations with Denmark over the Muhammad cartoon controversy. Another example is this plaintive assessment from a leading parliamentarian: “Speaker Jassem al-Kharafi yesterday denied the National Assembly had ignored, in its recent sessions, political crises in Iraq, Lebanon, Iran, or Palestine.”¹³

Such distractions aside, parliamentary debates and informal political discussion—both of which are unusually open and adversarial in Kuwait, at least by regional standards—reflect an intense preoccupation with internal issues. The usual suspects in this lineup, as illustrated above, cover a wide but fairly shallow range: petty crime and corruption, oil and building contracts, personal rivalries, accusations of electoral or other shenanigans, and mundane questions of Islamic propriety.

All of this activity takes place, not coincidentally, against the backdrop of an extraordinarily affluent society, with an elaborate and virtually tax-free social welfare system practically guaranteed for life. The Kuwaiti government’s oil riches and the enormous leverage it exercises over economic activity as a whole are its tacit trump cards in case of political trouble. As the Arab political analyst Paul Salem puts it, “Students and youth agitate for change, but when they graduate they invariably turn to the public sector for jobs.... There is little in Kuwait that cannot be resolved by cooptation or throwing money at the problem or the person.”¹⁴ An appreciation of the full magnitude of this factor requires a brief discussion of Kuwait’s economy.

11. Salem, “Kuwait: Politics in a Participatory Emirate,” p. 2. See also “Kuwaitis Unhappy with Grill-Obsessed Parliament,” *Kuwait Times*, June 27, 2007.

12. Abdallah al-Najjar, “Al-Kuwayt: Ittifaqiyyat Adimay al-Jinsiyyah La Tataallaq Bil-Bidoon” (Kuwait: the accord on stateless persons has no bearing on the *bidoon*), *al-Watan* (Kuwait), August 10, 2007; “Interior Ready to Announce Citizenship List This Year,” *Kuwait Times*, May 31, 2007; Abdallah al-Najjar, “Only 5,000 Bedouins To Be Naturalized,” *Daily Star* (Kuwait Edition), September 25, 2007. Available online (www.dailystar.alwatan.com.kw/Default.aspx?MgDid=548485&pageId=282).

13. “NA Never Ignored Lebanon, Palestine,” *Kuwait Times*, July 25, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=NTc0NDAxNzk0).

14. Paul Salem, “Kuwait: Politics in a Participatory Emirate,” pp. 9–10.

Kuwait's Political Economy

THE CENTRAL FACT about Kuwait's economy is its extraordinary wealth derived from oil production and its extraordinary dependence upon it.¹ In fiscal 2006, in which oil revenues as usual accounted for 95 percent of the Kuwaiti government's income, its budget surplus (even after a spending increase of 16 percent) came to over \$23 billion dollars—equivalent to over \$23,000 for every Kuwaiti man, woman, and child.² The country's trade surplus in 2006 was even higher, at about \$40 billion, nearly double the previous year. Government foreign cash reserves reached more than \$10 billion. In just the first ten months of the last reported fiscal year, the outflow of foreign direct investment from Kuwait to the rest of the world, above and beyond huge acquisitions of government securities and similar safe deposits, was \$4.7 billion—and that was just the official figure.³

Still more impressive was the amount accumulated in the Kuwait Investment Authority, which each year since 1982 has deposited 10 percent of oil revenue into a "Reserve Fund for Future Generations" and also manages the State General Reserves. These assets alone are currently estimated at \$213 billion (the precise figure is a state secret), which the *Wall Street Journal* notes is "almost as big as the mammoth California pension fund known as Calpers."⁴ With even a conservative net annual return on this investment of about 10 percent, the entire citizenry of Kuwait could theoretically live indefinitely just on the income from this one fund,

even without pumping any oil at all, at a respectable rate of over \$20,000 per capita—in other words, for a family of five, more than twice the median U.S. household income.

Kuwait may someday fall upon harder times again, perhaps for purely economic reasons, even absent a political or security crisis. Oil may not stay near its current price forever, and one unofficial estimate of Kuwait's crude reserves, in the influential *Petroleum Intelligence Weekly*, was revised sharply downward—by half—last year. In May 2007, just before he was forced to resign, Oil Minister Sheikh Ali al-Jarrah al-Sabah suggested that he did "not disagree" with that much lower estimate of "proven" reserves, but he also said much more crude was probably available. More recently, in July, the Kuwaiti government restored the official estimate of just over 100 billion barrels in proven reserves, although several members of parliament continue to raise questions about this figure.⁵ Yet even by the lowest plausible estimate of half that number, enough proven oil is in the ground to keep Kuwait pumping at current rates—about 2.25 million barrels per day (mbd), of which about 2 mbd are exported—for about the next fifty years. Moreover, prices are expected to stay high for at least the next several years. To quote the chief economist at Kuwait National Bank: "Oil will stay strong for the rest of the decade. . . . Dependence on oil is going up but growth is strong. This is not something to cry over." In addition, in late 2006 the national oil com-

1. For recent overviews of Kuwait's economy and energy sector, see "Special Report: Kuwait—State of Inertia," *Middle East Economic Digest* (London), November 17–23, 2006, pp. 55–83; and U.S. Energy Information Administration, "Kuwait: Country Analysis Brief," November 2006 (available online at www.eia.doe.gov/Z:\NewCABs\V6\Kuwait\Full.html).

2. The announced figure for the current fiscal year (ending April 1, 2007) is much lower, at \$12.6 billion. But this decrease reflects another major increase in government expenditure, not a decline in government revenue. For additional details, see *Middle East Economic Survey* 50, no. 29 (July 16, 2007), p. 18; and *Middle East Economic Survey* 50, no. 37 (September 10, 2007), pp. 7–8: "Kuwait Reaps Budget Surpluses, but Fails to Tackle Underlying Constraints."

3. Basic recent information about Kuwait's oil economy is summarized in U.S. Department of State, "Background Note: Kuwait," June 7, 2007. Available online (www.state.gov/r/pa/ci/bgn/35876.htm).

4. Henry Sender, "How a Gulf Petro-State Invests Its Oil Riches," *Wall Street Journal* (New York), August 24, 2007.

5. For a detailed exposition of this controversy, see *Middle East Economic Survey* 50, no. 29, pp. 17–18. These estimates are somewhat arbitrary, depending upon certain economic and technological assumptions to distinguish "proven" from "probable" or less certain reserves. They are also subject to manipulation, whether by government or industry. For example, higher reserves mean a higher production quota from the Organization of the Petroleum Exporting Countries; lower reserves mean greater incentives for upstream investment in exploration and recovery. See also Jamie Etheridge, "Why Kuwait Should Keep Its Oil Reserves Secret," *Kuwait Times*, July 11, 2007. Available online (http://www.kuwaittimes.net/read_news.php?newsid=MTQxNzYwMDMxNQ==).

pany announced the first major find of a nonassociated gas field ripe for production in the near term.

For the general Kuwaiti public, these comfortable realities translate directly into high, government-subsidized incomes, with correspondingly positive perceptions both of themselves and of their government. According to the credible Pew Foundation multinational poll conducted in mid-2007, “no country is more positive about its economy than oil-rich Kuwait—nearly nine-in-ten (87%) Kuwaitis say their economy is in good shape.” About as many (85 percent) are also satisfied with their own household incomes, and two-thirds (66 percent) expect to be even better-off five years from now. The large majority (79 percent) voice satisfaction with their government as well. Interestingly, although these figures were never reported in the U.S. press, they made front-page headlines in Kuwait’s own largest daily paper.⁶ Occasionally, some loose talk surfaces about asking these citizens to stop counting so completely on their government’s largesse, but so far that retrenchment is always just beyond the horizon. An example is this quirky headline in the local *al-Nahar* daily, as reported by the official Kuwait News Agency on September 2, 2007: “Citizens Are Kuwait’s Greatest Asset, Taxes to Be Imposed”—Amir.”

Socioeconomic Issues

Nevertheless, many Kuwaitis are aware, at least to some degree, that their prosperity rests on narrow foundations. The same Pew poll respondents express overall satisfaction with “the way things are going in Kuwait” by a much slimmer margin (52 percent compared with 42 percent). Even more striking in view of Kuwait’s current prosperity and its citizens’ own medium-term

optimism, a plurality (44 percent compared with 35 percent) actually predict their children’s lives will be worse rather than better.⁷

As usual, the polling data provide no explanation for this puzzling discrepancy, but some hypotheses are worth mentioning. For one thing, the flip side of general complacency and government largesse is that Kuwaiti entrepreneurship and the work ethic are weak. Although, of course, individual exceptions exist, the hard fact is that fully 88 percent of Kuwaitis in the labor force are employed in the public sector. Workers in the much more productive private sector are overwhelmingly expatriates.⁸ In 2006, according to official figures, a grand total of just 41,000 Kuwaitis had private sector jobs—and even that represented a hefty (and statistically somewhat suspect) increase of 10,000 over the preceding year.⁹ One American observer stationed in Kuwait a few years ago described the resulting pattern this way:

A typical work day/week for Kuwaiti workers ... begins about 0730 and ends around 1400, Saturday through Wednesday. Throughout this time, numerous tea sessions and as many as two meals are consumed during the routine of work. So, actions are completed in a more relaxed atmosphere and over a much greater period of time.¹⁰

In a similar and equally tactful vein, a Kuwaiti researcher’s own recent detailed study concluded that, “specifically, expatriates and female managers showed a high commitment to work values and loyalty.”¹¹

Another issue is corruption. Although this problem has been perennial, the opportunities have recently expanded by an order of magnitude with contracting for

6. “Fi Istitlaa Aalami Ajraathu Muassasat Biyu Bawl al-Amrikiyah Tanaawala Ittijahaat Shuub al-Aalam: Al-Kuwaitiyin Raadun an Hukumatihim wa Dukhulihim al-Maaliyah” (In a global survey conducted by the American Pew poll dealing with the views of the world’s publics: Kuwaitis are satisfied with their government and their monetary incomes), *al-Watan* (Kuwait), July 27, 2007.

7. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007: A Rising Tide Lifts Mood in the Developing World,” July 24, 2007, pp. 21–26, 31. Available online (www.pewresearch.org).

8. For local coverage and analysis of this issue, see, for example, the recent series of articles in the *Kuwait Times*: “Expats Still Rule Private Sector,” July 11, 2007; “Kuwaitis Prefer Administrative Jobs,” July 15, 2007; “Kuwaitis Avoiding Private Sector,” August 24, 2007.

9. “Kuwait Releases Report on National Labor in 2005–06,” Kuwait News Agency (KUNA), July 11, 2007. Available online (www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1761835&Language).

10. Maj. Conrad H. Bonner, “Logisticians and Security Assistance: From the Kuwait Area of Operations,” *Quartermaster Professional Bulletin*, 1998, p. 3. Available online (http://quartermaster.army.mil/oqmg/Professional_Bulletin/Index).

11. Abbas J. Ali and Ali Al-Kazemi, “The Kuwaiti Manager: Work Values and Orientations,” *Journal of Business Ethics* (Amsterdam) 60, no. 1 (2005), p. 63.

U.S. military and other official business in Iraq, reported to total about \$16 billion funneled through Kuwait in the past four years.¹² Among the general Arab public in Kuwait, a surprisingly small proportion (28 percent) say that corruption is a “very big problem” in the country. A mere 15 percent of Arabs in Kuwait acknowledged that they had ever offered a “gift” to any official in the past year; the comparable figures were significantly higher in Egypt (50 percent), Jordan (38 percent), Lebanon (54 percent), or Morocco (36 percent).¹³ The Kuwaiti parliament, however, often takes up individual cases of questionable financial dealings on a larger scale, and occasionally the State Audit Bureau forces cancellation of a major public contract on the grounds of some irregularity. As a leading business weekly described the situation, “Corruption in Kuwait is no more prevalent than anywhere else in the Gulf—in its most recent report, Paris-based Transparency International rated Kuwait 45th in its annual corruption perceptions list—better than Saudi Arabia, Morocco, and Egypt, but behind the UAE, Bahrain, and Tunisia.”¹⁴

One businessman active in Kuwait put the issue in local context: “The problem is that there is so much money in the system that people think they can get away with so much more.”¹⁵ The vast Iraq-related increase in U.S. contracting in Kuwait has clearly compounded this problem.¹⁶

Complacency or corruption, however, cannot explain Kuwait’s seeming inability to spend its own huge surpluses on sorely needed infrastructure improvements at home. Water, electricity, and transport capacity are all stretched uncomfortably thin; yet the relevant construction projects remain on the drawing boards literally for years on end. For example, the \$2 billion Subiya causeway from Shuwaykh port, which should relieve some of the road and harbor congestion increasingly plaguing the very densely populated metropolitan capital, was approved in concept

five years ago—but it will not even be tendered until next year. The planned al-Zour refinery, which would help Kuwait cope with an expected electricity shortage, is still just that: bogged down in the planning phase, while the projected cost has more than doubled from \$6 billion to \$14 billion–\$15 billion over the past several years. The tourist and commercial development of Failaka and Bubiyan islands, more of a prestige project but still symbolically and socially important, remains largely stalled in the design stages while the municipality, the ministries, the politicians, and the private investors all argue about details.

In each case, bureaucratic and political obstacles loom at least as large as any technical, economic, or environmental concerns expressed by any of the players with fingers in these pies. Coordination and implementation were not enhanced by frequent organizational and personnel changes. Electricity and water were merged with the oil ministry in late 2003 and then split off again in early 2007. In the sixteen years since the liberation from Iraq, Kuwait has already had eight different oil ministers. Each one typically took some six months to review whatever was on the books, leaving him little more than a year in office to accomplish anything new. Tenders take so long to wend their way through the red tape that one would-be contractor ruefully says the country’s name should be spelled as the British pronounce it: “Queue Wait.”

Under these circumstances, Kuwait simply cannot compete with, say, Dubai’s dynamism and diversification away from oil dependence, or even Bahrain’s. The comparison is well put in a leading regional trade journal:

Kuwait still ranks highest among all the Arab states in terms of human development. . . . Nonetheless, given its massive potential and the great strides forward made by other Gulf states, Kuwait has substantially underperformed in recent times. The ways and means are there, but the question is, is there a will?¹⁷

12. For a fairly typical major case, see “Agility Cooperating with US Investigation,” *Kuwait Times*, August 4, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=MzUxNTg2ODMz).

13. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007,” pp. 35, 140.

14. Ed James, “Kuwait: Clamping Down,” *Middle East Economic Digest* (London), December 22, 2006–January 4, 2007, p. 58.

15. *Ibid.*

16. See, for example, Ginger Thomson and Eric Schmitt, “Graft in Military Contracts Spread from Kuwait Base,” *New York Times*, September 24, 2007.

In fact, many Kuwaitis appear comfortable with this state of affairs. Perhaps they prefer their own middling mixture of oil-based affluence and traditional social surroundings, somewhere in between the atmosphere of Dhahran and Dubai. If they want to escape, they can fairly easily head for the latter and then come home to a more sedate and familiar landscape. And they enjoy the safety-valve of a relatively free press and pluralist political life, which compensates for some of the everyday frustrations they may face on other fronts.

A fine illustration of this mixed mentality is a recent, outspoken op-ed in *al-Watan*, reportedly the most widely read of the half-dozen Arabic dailies in the country. After a long list of laments about official corruption and incompetence, political paralysis, power and water shortages, medical malpractice, and the “terrorism” of rush-hour traffic, the author concludes: “Thank God that in Kuwait we can criticize the government, the ministers and even the prime minister in the press, on television, and in public seminars, then go to bed without any fears of the “night visitors.”¹⁸

Resistance to Foreign Investment in Energy

A related long-term concern is how best to upgrade and expand Kuwait’s technological and financial position in the global marketplace, particularly in energy. As a major oil exporter and international investor, Kuwait is in certain respects well integrated into the international economy. But this is not the case with other key aspects of foreign economic policy: openness to foreign investment, active involvement in regional economic integration, or contributions to global economic initiatives and organizations. For better or worse, Kuwaiti policy on these issues seems locked into a narrowly parochial and nationalist mode, in part because of unusually active parliamentary oversight verging on micromanagement.

This attitude persists despite Kuwait’s charter membership in the World Trade Organization, the Organization of the Petroleum Exporting Countries, and other multilateral institutions and despite its close political and trade ties with the West (including a Trade and Investment Framework Agreement with the United States signed in 2004). Even more noteworthy is that Kuwait’s restrictive official policy flies in the face of popular attitudes. According to a Pew poll conducted in April/May 2007, as the parliament was again debating such issues, two-thirds (68 percent) of Arabs in Kuwait believed that “large foreign companies” had a positive effect on the country—as high a figure as in Israel or India, and considerably higher than in China or in any of the six major Western European countries polled.¹⁹ But it is the minority view that disproportionately affects key aspects of Kuwaiti economic policy.

A striking illustration is Kuwait’s continued refusal, even as its GCC neighbors edge further into the international economic mainstream, to open up any significant part of its upstream energy sector to multinational corporations. One major multinational has operated a full-scale office in Kuwait for nearly a decade, lobbying and waiting in vain for a chance to invest in developing the country’s ample oil or gas reserves.²⁰ Without this kind of investment, Kuwait has little chance of meeting its declared target of nearly doubling oil production capacity from 2.5 mbd to 4 mbd by the year 2020.

This failure is all the more striking in view of the Kuwaiti government’s long-standing nominal commitment to foreign energy investment. This commitment, to be applied in selected northern parcels, dates as far back as 1994, when a grandly styled “Project Kuwait” along those lines was first announced. But then nothing really happened for the next thirteen years, as a succession of seven oil ministers came and went while parliament endlessly debated the terms and even the basic propriety of this initiative. As the official Kuwait Information Office puts it, with refreshing candor,

17. “Kuwait: Missed Opportunity,” *Middle East Economic Digest* (London), March 23–29, 2007, p. 10.

18. Hamad Salem al-Marri, “Al-Irhab Al-Hukumi” (Government terrorism), *al-Watan* (Kuwait), August 9, 2007.

19. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007,” p. 43.

20. Author’s interview with senior oil company executive, Kuwait, October 2006.

“Project Kuwait has been repeatedly delayed, however, due to political opposition by nationalists and Islamists in parliament ... to foreign companies.”²¹ The Kuwaiti leadership has never pressed the point hard enough to prevail in the legislature. “I do not find any real enthusiasm in the government for pushing this through,” said Abdullah al-Nebari, a leading reformist and longtime parliament member.²²

The latest episode in this long-running saga was little different. In April 2007, the new minister of oil, Sheikh Ali Jarrah al-Sabah, announced that he would present a formal Project Kuwait proposal to the parliament within two months. One oil company executive responded wryly that “it has been two months for the past eight months ... knowing Kuwait that means never.”²³ In May 2007, parliamentary pressure managed to wring a major procedural concession from the government: agreement to submit each separate foreign investment contract, rather than just overall enabling legislation, to a vote in the National Assembly. “If parliament wants to approve each contract of the northern oil fields project individually and issue them like a law, it is fine with me,” said Oil Minister Sheikh Ali.²⁴ But two months later, parliamentary pressure forced him to resign his post—not because of differences over policy, but, more characteristically for Kuwait, because he acknowledged having taken advice from a predecessor who was likewise forced out, in that case over corruption questions. A leading trade publication headlined the story this way: “A blow to oil renaissance—the resignation of yet another Kuwaiti oil minister is a setback for the sector.”²⁵

Foreign Aid and Foreign Policy

Another noteworthy policy implementation gap is Kuwait’s refusal to use more than a small proportion of its oil wealth, which piles up more and more vast cash reserves in most years, in the service of any foreign policy objective. That is not to say Kuwait provides no foreign aid. The venerable Kuwait Fund for Arab Economic Development (KFAED) provides some fairly sizable concessionary project loans for Kuwait’s poor Muslim cousins and selected others abroad, averaging about \$300 million annually since its founding at Kuwait’s independence in 1961. The fund’s chairman is also Kuwait’s foreign minister, who recently told parliament that “Kuwait’s national interests will always be a priority while awarding the fund’s loans. The suspension of the loans [to five countries] was a political message for those countries which adopted negative policies toward Kuwait.”²⁶

The Arab Fund—hosted by Kuwait in a headquarters building so magnificent it is recognized for architectural extravagance in the Guinness Book of World Records—adds millions more in joint charitable and social projects funded with other, mostly oil-rich Arab donors.

Occasionally, too, Kuwait will make an extraordinary contribution to particular pan-Arab or humanitarian causes. It is reported to have pledged as much as \$300 million for reconstruction in Lebanon after the Israeli-Hizballah war in the summer of 2006, although how much of that figure was actually delivered is impossible to know (press reports as of mid-2007 account for just a fraction).²⁷ Kuwait also offered up to \$500 million in oil as aid for the victims of Hurricane

21. Kuwait Information Office - USA, “Business and Economy: Kuwait’s Oil Industry,” p. 2. Available online (www.kuwait-info.org/buseconomyoil.html).

22. “Playing Politics with Energy,” *Middle East Economic Digest* (London), April 20–26, 2007, p. 8.

23. *Ibid.*

24. “Assembly Wins Project Kuwait Concession,” *Middle East Economic Digest* (London), May 4–10, 2007, p. 14.

25. Ed James, “Briefing: Kuwait Oil,” *Middle East Economic Digest* (London), July 13–19, 2007, p. 8.

26. B. Izzak, “Kuwait Uses Funds to Serve Its Foreign Policy: FM,” *Kuwait Times*, July 4, 2007. Available online ([www.kuwaittimes.net/read_news.php?newsid=MTk\)NDk1OTE4OQ==](http://www.kuwaittimes.net/read_news.php?newsid=MTk)NDk1OTE4OQ==)).

27. According to Kuwait’s official news agency, as of July 2007, “Kuwait has delivered 651 tons of foodstuff and medicine to Lebanon so far, as well as a donation of USD 100,000 from KRCS [Kuwait Red Crescent Society] and six full-equipped ambulances.” See “Another 13 Tons of Kuwaiti Assistance Arrive in Beirut,” Kuwait News Agency (KUNA), July 12, 2007; available online (www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1762046&Language=en). Another source indicates that as of mid-August 2007, the KFAED was financing \$46 million worth of reconstruction projects in Lebanon (presumably with concessionary credits rather than grants). See “Kuwait Finances \$46m Projects in Lebanon,” Middle East North Africa Financial Network, August 12, 2007; available online (www.menafn.com/qn_print.asp?StoryID=1093162754&sub1=true).

Katrina in 2005, although the United States actually accepted very little, if any, of it.

But all of those programs put together, generous as they may be, pale hugely by comparison with the amount of Kuwait's disposable income that is regularly invested in the West or in other international safe havens. Why has Kuwait been so cautious in managing this cornucopia of energy riches? Why, in particular, has it refrained from spending more of it for humanitarian relief, reconstruction, or stabilization projects in Iraq and other regional hot spots, especially when such projects might confer political benefits upon Kuwait?

Partly this caution is caused by the market-driven, apolitical logic of Kuwait's investment policy, fairly candidly described in November 2006 by the Kuwait Investment Authority's managing director in these terms: "All of our investments are purely commercial, and are focused only on the potential returns. Political benefits are intangible—people would forget them in time—but the financial figures are always evident."²⁸

In part, too, Kuwait's conservative fiscal management is caused by memories of its gigantic emergency needs after liberation from Iraq in 1991. In the succeeding few years it had to dip very deeply into its Reserve Fund for Future Generations—which had been endowed with great foresight a decade earlier—for up to about \$80 billion in wartime and reconstruction financing. The important special case of Kuwaiti reaction to the post-Saddam reconstruction needs of Iraq is undoubtedly influenced by such memories, as is discussed in more detail in the following section.

A Special Case: Economic Ties with Iraq

At the first post-Saddam donor conference for Iraq in the fall of 2003, Kuwait pledged \$1.5 billion to help reconstruct its former enemy, of which about two-thirds was to be in grants and one-third in loans. U.S. government estimates claim that Kuwait has in fact provided \$400 million to \$500 million in humani-

tarian assistance to Iraq over the past several years. Beyond that very general figure, however, determining what contributions Kuwait may have actually delivered to its northern neighbor is difficult. In fact, taking into account the Saddam-era war reparations that Kuwait continues to obtain from Iraq, oil-rich Kuwait is almost certainly a net cash importer from rather than exporter to Iraq even today.

Some of the reasons for this odd state of affairs may be practical ones. Given Iraq's chaotic security, financial, legal, and infrastructure situation, Kuwait's careful managers would not easily find many prudent investment vehicles there. Even profitable trading ventures will likely be strictly limited, beyond military and other official requisitions. A prime example is the fate of an agreement, signed nearly four years ago in the immediate aftermath of Saddam's fall, for Kuwait to begin importing natural gas from Iraq through an existing pipeline. In February 2007, however, a Kuwaiti official publicly abandoned this project, noting that

We are not refurbishing the pipeline for the Iraqi gas now. Why should we, when the infrastructure on the Iraqi side has not been repaired, and is not ready to deliver the gas? We don't actually know when we might be able to receive the Iraqi gas, so we have to look elsewhere for supply, either from Iran or Qatar.²⁹

In addition, Kuwaitis can claim, with surprising justice, that Iraq does not really need their money. The country has ample cash reserves, estimated in early 2007 at about \$12 billion; instead, security and skilled manpower are the real impediments to Iraqi economic development. As a result of these non-monetary constraints, by December 2006, Iraq's own official audit chief conceded that his government had been able to spend a mere 20 percent of its \$6 billion capital budget that year. And, as one UN economic consultant on Iraq admitted in late 2006, "People we are trying to deal with and obtain additional funds for Iraq will come back and say, 'Iraq is not spending its

28. Ed James, "Kuwait Investment Authority: On the Move," *Middle East Economic Digest* (London), November 17–23, 2006, pp. 62–63.

29. "Kuwait Gives Up on Gas Supply from Iraq; Emirate Looks to Iran, Qatar for Imports," *Platt's Oilgram News* (New York), February 23, 2007. See also "Special Report: Iraq," *Middle East Economic Digest* (London), May 25–31, 2007, pp. 35–34.

own resources.”³⁰ In 2007, Iraq’s internal target figure for capital spending has risen to \$10 billion, but it is literally anybody’s guess how much of that will actually be spent, and how fruitfully.

By that time, Kuwaiti and most other aid to Iraq was being coordinated through an International Compact that attempts to marry Iraqi political reconciliation and economic reform with outside support for reconstruction. Setting the stage for this new bureaucracy, Iraqi vice president Adel Abdul Mahdi told the UN Security Council that “the birth of a new Iraq can only happen with the support of neighboring countries.” The lead U.S. delegate, Deputy Treasury Secretary Robert Kimmitt, was more specific, writing of his hope that “donors will provide technical assistance, debt forgiveness and other financial support to help reintegrate Iraq into the international community and complete its reconstruction.”³¹

Another donor conference was held in spring 2007, but Kuwait failed to fall in line with the international push for contributions. Quite the contrary. To quote Kuwait’s then foreign minister right after he hosted the previous, preparatory meeting of the International Compact in late 2006: While Iraq has “friends and brothers” who can assist it in various ways, “Iraq is a very rich country that does not need donations.”³² He has been very nearly true to his word; the fact is that Kuwait has pledged just \$5 million to the UN/World Bank International Fund for Iraq, to which twenty-four other nations have contributed a total of nearly \$1.5 billion.

Then there is the question of Iraq’s outstanding international debt. Kuwait has yet to move beyond its declared willingness in principle to forgive a “substantial portion” of the Iraqi debt it holds, estimated at \$27

billion, even as Iraq’s Paris Club (and some other) creditors have agreed to cancel 80 percent of those obligations.³³ At the Sharm al-Sheikh meetings in May 2007, even Saudi Arabia at last started to succumb to the international consensus on this issue, agreeing to hold detailed discussions with Iraq about forgiveness for up to 80 percent of its sovereign debt. And yet at the very same time, the Speaker of Kuwait’s parliament, Jassem al-Kharafi, told a BBC interviewer, “I don’t think the debts are Iraq’s major source of problems. . . . [Kuwait] has not demanded its debts be paid, so whether Kuwait gets paid at this time is immaterial.”³⁴

In reality, as Kuwaitis and others are well aware, the odds that any more of these loans will ever be repaid are very slim. Indeed, because the debts were incurred to fund aggression and genocide by a now-defunct and discredited regime, some international lawyers argue that these obligations should all be cancelled, under the quaintly titled doctrine of “odious debt.”³⁵ Kuwait does not agree.

At the same time, Kuwait continues to receive from Iraq the annual 5 percent of Iraq’s oil revenue—in practice, about \$800 million per year—due under UN mandate (as renewed after Operation Iraqi Freedom in May 2003) in compensation for losses incurred during the Saddam’s occupation of Kuwait more than fifteen years ago. In mid-2005 the UN closed the books on claims totaling something over \$52 billion, the “vast majority due to Kuwait,” of which just over \$21 billion had been paid by the end of 2006. At this rate, Kuwait will keep getting close to a billion dollars from Iraq each year for approximately the next thirty years. In June 2007, according to a local news story, the head of Kuwait’s Public Authority for Assessment of Compensation for Dam-

30. Yahia Said, quoted in “Iraqi Government Says \$100 Billion in Aid Needed in Next Few Years,” *USA Today*, October 31, 2006

31. Special Representative for Iraq, Briefing Security Council, Record of Statements. Available online (www.un.org/News/Press/docs/2007/sc8971.doc.htm).

32. “Iraqi Government Says \$100 Billion in Aid Needed in Next Few Years,” *USA Today*, October 31, 2006. Available online (www.usatoday.com/news/world/iraq/2006-10-31-iraq-money_x.htm).

33. “Foreign Trade and Payments: Kuwait Discusses US\$27bn Iraqi Debt Relief,” The Economist Intelligence Unit, Country Report Iraq, December 2006. Available online (w3.nexis.com/new/delivery/PrintDoc.do?fileSize=3300&jobHandle=1861%3A16092...).

34. “Al-Kharafi Denies Iraq’s Debts to Kuwait Major Source of Instability,” Kuwait News Agency (KUNA), May 3, 2007. Available online (www.kuna.net.kw/home/Story.aspx?Language=en&DSNO=979250).

35. See Martin A. Weiss, “Iraq’s Debt Relief: Procedure and Potential Implications for International Debt Relief,” U.S. Library of Congress, Congressional Research Service Report, RL 33376, April 21, 2006.

ages Resulting from Iraqi Aggression, on his way to Geneva for the sixty-third UN meeting on the matter, still “stressed on the necessity of regular payments as well as improving the financial status of the compensation fund so that it can provide compensations [sic] in full to all claimants.”³⁶

On top of such cold calculation is the continued personal and political resentment and contempt among many Kuwaitis concerning all things Iraqi. This widespread sentiment has now outlived both Saddam

and his regime and still shows little sign of fading. Certainly the spectacle of Iraq’s violent disintegration today leads many in Kuwait to count their blessings by comparison. In a grim irony and at a terrible cost, their own experience with Iraq from 1990 until now has probably helped cement, rather than sever, the Kuwaitis’ sense of social cohesion, even across their own sectarian and other divides. This important but too often overlooked dimension of security and political stability forms the next section of discussion.

36. Farakh Muhammad, “Asim Lil-Anba: 29.2 Milyar Dular Ijmali al-Mutalibat al-Hukumiyah Wal-Ahliyah Wal-Biiyah al-Mutabaqiyah” [Asim to al-Anba: 29.2 Billion Dollars Total Official, Personal, and Environmental Claims Remaining], *al-Anba* (Kuwait), April 6, 2007. Available online (www.alanba.com/kw/absolutetenm/templates/?a=9635&z=12). See also “Head of Kuwait’s War Compensation Body to Attend International Meeting,” *Kuwait Times*, June 11, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=MTI4NDY5MMDM2MA==); Nikola Krastev, “Iraq: UN Says Kuwait War Claims Now a Bilateral Matter,” RFE/RL Newline, July 7, 2005 (available online at www.rferl.org/featuresarticle/2005/07/83a58f3f-f292-4fad-9f7); “Kuwaitis Still Getting Payouts for Damage of 1990 Iraq Invasion,” *The Independent*, October 27, 2006 (available online at www.iraqupdates.com/p_articles.php/article/11369).

Kuwaiti Social Cohesion

IF THE ISLAMISTS in Kuwait, the largest bloc in parliament, are patient, it is partly because, alongside its active and relatively open political and commercial life, Kuwaiti society remains traditionally Islamic in many ways. True, there are no *mutawwa* (religious police) as in Saudi Arabia, nor do the five daily Muslim prayer times make much of an observable dent in public activities. Yet during the month of Ramadan, to take one example, all restaurants close during the day, and public observance of fasting is enforceable by law, even for foreign visitors. Alcoholic drinks are illegal—even foreigners have difficulty finding them outside the diplomatic compounds. Gambling, mixed dancing, and other such Western amusements are almost as hard to find, even in fancy hotels—a sharp contrast to many other Arab capitals. In mid-2007, a major Kuwaiti daily angrily reported, on its front page, that a local entrepreneur was only about a year away from opening the first “Hooters” restaurant in the Arab world—in Dubai!¹

The public seems to support traditionalist sentiments as well: in one recent poll, two-thirds of Kuwaiti Arabs said religious leaders have a positive effect on the country. This proportion is in the same ballpark as in the relatively traditional and increasingly Islamic societies of Egypt or Jordan—and considerably higher than in Israel (46 percent) or in Morocco (43 percent), at the opposite end of the Arab region.² And because all but a few hundred of the 1 million Kuwaiti citizens are Muslims—most of whom are at least somewhat religiously observant and socially traditional—while the vast bulk of all the foreign workers are simply not considered part of the social scene, Kuwaiti society simply feels naturally Islamic in some intangible but important ways.

Media treatment of religious topics has been a perennial issue in Kuwait, with censorship or self-censorship periodically invoked in an attempt—largely successful—to defuse sensitive issues. In the 1980s, the weekly magazine *al-Mujtama'* (Society) published by the powerful Salafi fundamentalist Reform Association, ran a detailed weekly article featuring “eyewitness accounts” of alleged moral decadence, Jewish influence, and unbounded greed for oil in the West, under the snappy title “Living Journey into the World of Confusion and Despair.”³ Since the U.S.-led liberation of Kuwait from Saddam Hussein in 1991, however, such diatribes have largely disappeared from print in local publications, although they can easily be imported in mainstream pan-Arab papers like *al-Hayat* or tuned in on al-Jazeera television and other such outlets. But the most extreme variants have been pushed underground or onto the internet, where they are monitored and sometimes suppressed.

More recently, the public controversy over certain internal Islamic issues has become too inflammatory to tolerate. In May 2007, Kuwait’s interior ministry issued the following regulations:

Newspaper and magazines will no longer be able to publish political slogans or images glorifying or supporting religious or political parties. The promotion of seminars about tribal or sectarian conflicts has been banned, as has advertising sorcery, magic, or massage services.⁴

It is reasonable to assume that, if such material had to be proscribed, it was becoming uncomfortably popular and potentially troublesome.⁵

1. “Mustathmir Kuwaiti Yatazim Ifitah Matam Nadilaatha Aariyaat al-Sadr!” (Kuwaiti investor plans to open a restaurant with bare-breasted waitresses!), *al-Qabas* (Kuwait), June 20, 2007.
2. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007: A Rising Tide Lifts Mood in the Developing World,” July 24, 2007, p. 42. Available online (www.pewresearch.org).
3. David Pollock, “Why Is Islamic Opposition More Potent in Some Countries Than in Others?” (paper delivered at a conference on Islamic Politics, Harvard University, Cambridge, Mass., September 1986). In the original Arabic, this weekly feature’s catchy title was “Jawlah Haayah ila Aalam al-Tiyaah wa al-Dhiyaa.”
4. “State Clamps Down on Media,” *Middle East Economic Digest Online*, May 10, 2007. Available online (www.meed.com/nav?page=meed.article.print&resource=6788304).
5. For diametrically opposed views on this subject in recent months, see, for example, “Kuwait Writers Stage Protest,” *Kuwait Times*, August 14, 2007.

On balance, however, Islam provides a unifying identity that supports Kuwait's social cohesion. Social discrimination certainly exists even within the native, overwhelmingly Muslim population, between *hadhari* ("civilized," or urban) and bedouin-origin Kuwaitis, or between light- and dark-skinned (*abd*, or "slave") ones—but this discrimination appears to be declining and relatively moderate.⁶ A more defined and potentially problematic social cleavage within this Muslim community is the sectarian one, which has revived in virulent form in certain societies around the region in recent years.

Sunni Majority, Shiite Minority: A Case of Consensual Sects

In this context, the possibility exists that Iraq's crisis, Iranian meddling, or internal cleavages could ignite trouble inside Kuwait's own population, which might seem to contain a combustible mix. In a February 2007 interview, Kuwait's internal security chief mused with atypical bluntness about possible spillover effects on his country from Iraqi sectarian strife: "We do not want these dossiers to have an impact on us domestically. The Kuwaiti society is a mixture of various sects, and hence these dossiers should be prevented from having an impact on us."⁷ The following section directly addresses this question: Have four years of sectarian strife in Iraq, coupled with the increasingly assertive Shiite mobilization campaign exported by Iran, started to spill across the border into Kuwait?

The short answer is no. Kuwait, unlike many of its neighbors, seems in some ways closer to the old American adage: all politics are local politics. Among the Sunni majority in Kuwait, there is less sense than in Saudi Arabia or Jordan of "Sunni solidarity" across the

border in Iraq. This attitude probably stems from the relatively mild nature of Kuwaiti Islamic identification, the comparative dearth of tribal ties with Iraq, and the general Kuwaiti sense of aloofness from (if not superiority over) all Iraqis.

Among the substantial Shiite minority of Kuwaitis, a few violent troublemakers have arisen in the past, but none to speak of in the present. In the mid-1980s, several dozen Shiite extremists, many of them Kuwaiti, were arrested for a series of terrorist incidents, almost certainly conducted on orders from Tehran. But the vast majority of Kuwaiti Shiites remained peaceful citizens, and the later ordeal of occupation by Iraq is widely credited with forging a stronger sense of national unity and identification among all Kuwaitis. To the extent that sectarian tensions exist, they tend to play out in the realm of parliamentary politics or parallel civil societies. In short, Kuwait appears to exemplify the triumph of social intercourse over sects or of democracy over demography.

With these caveats in mind, a closer look at the demography is nevertheless in order. Of Kuwait's approximately 1 million citizens, an estimated 70 to 75 percent are Sunni Muslims, while a minority of about 25 to 30 percent are Shiite Muslims—very roughly the reverse of the proportions in Iraq. (Kuwait also has 150–200 Christian citizens, who predate the 1981 law limiting naturalization to Muslims.) In addition, Kuwait's resident expatriate worker population of 2 million includes an estimated 100,000–200,000 Shiite Muslims. Overall, this total represents about three times the proportion of Shiites compared with Saudi Arabia next door.

In Kuwait, however, a "generally amicable relationship among religious groups in society" prevails,

(available online at www.kuwaittimes.net/read_news.php?newsid=OTE4ODcwNzUy); and "MPs Slam Weak Censorship," *Kuwait Times*, August 15, 2007 (available online at www.kuwaittimes.net/read_news.php?newsid=MjYxMzY3NTY5).

6. See, for example, Nancy Oteifa, "Racism Common within Kuwaiti Community," *Kuwait Times*, July 23, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=MjQxOTIxMjA5).

7. Interview with Sheikh Ahmed al-Fahd al-Sabah, *al-Sharq al-Awsat* (London) February 13, 2007. Similarly, at about the same time, Kuwait's prime minister made the following unusually alarmist statement, in an interview with the Egyptian magazine *al-Musawwar*, as reported by Kuwait's official news agency: "God help us against the sectarian strife which tearing up all countries around us, not just Iraq and Lebanon. The entire area is experiencing the sectarian threat at a very dangerous level and could explode at any moment, because of some parties who are determined to destabilize the region." See "Kuwait Seeks to End Iraq's Unrest," Kuwait News Agency (KUNA), February 28, 2007. Available online (www.kuna.net.kw/home/Story.aspx?Language=en&DSNO=956704).

as the State Department annual International Religious Freedom Report issued in 2007 accurately notes.⁸ For the most part, the two Muslim sects live intermingled, although a few predominantly Shiite neighborhoods present conspicuous exceptions to this pattern. Furthermore, the Shiites predominantly share in Kuwait's prosperity, rather than disproportionately forming an economic underclass as in Iraq, Lebanon, Saudi Arabia, or Bahrain. And in the past four years, the Kuwaiti government has approved long-standing requests for a Shiite *waqf* (Islamic endowment), a Shiite Supreme Court for *sharia* cases of family and personal status law, construction of several new Shiite mosques, and (except in 2005) public observance of the major Shiite holiday of Ashura, commemorating the martyrdom of Ali's son Hussein at the hands of his (Sunni) Muslim opponents in the first century of Islam.

Still another important safety valve is the existence of vibrant parliamentary debate and wide-ranging, largely unfettered informal political discourse throughout Kuwaiti society. Factions or social groups clearly identified with the Shiite minority are very vocal but peaceful participants. This phenomenon, relatively rare in the region, provides outlets for popular grievances or passions even if the sectarian divide is not usually explicitly addressed.

Nevertheless, some minor trouble spots exist, even in Kuwait, that could conceivably raise questions about possible contagion by sectarian tensions from Iraq or elsewhere in the region. Some de facto religious discrimination occurs against the Shiites. They have fewer than forty formal mosques in Kuwait, compared with more than 1,000 Sunni ones (although an estimated 650 Shiite *buseiniyahs*, more informal but sometimes quite elaborate gathering places, also serve quasi-religious functions).

Shiite imams, unlike their Sunni counterparts, are not supported by the state, and there is no Shiite clerical seminary. In October 2005, a Shiite mosque was vandalized by a gang of Islamic extremists in a mostly Sunni neighborhood, but this incident has so far proved to be an isolated one.

Other Sunnis joke privately about certain well-known Shiite religious customs, such as the practice of *zawaaj al-mutah* (temporary or "pleasure" marriage). In mid-September 2007, on the eve of Ramadan, Shiite protests compelled the cancellation of a TV serial titled *The Wages of Sin*, which allegedly depicted this custom as tantamount to prostitution.⁹ Kuwait's prime minister, after meeting with concerned local Shiite delegations, was moved to issue a public announcement that this unfortunate incident had been amicably resolved.¹⁰

More troubling is the pattern of de facto political discrimination. The Shiites, to quote the understated State Department language, are "under-represented in upper levels of government." In successive new cabinets with about a score of ministerial-level officials appointed by the emir in 2006, the number of Shiites doubled compared to previous years—to just two. In the National Assembly, with fifty elected members, the number of Shiite representatives has actually been going down in each of the past three parliamentary sessions: from six, to five, to just four today. Similar problems of under representation are reported at lower levels of government as well. Most striking of all is the finding that "there are no known Shi'a in the Kuwait State Security (KSS) forces," and relatively few in the National Guard, although the regular army has at least one Shiite senior officer.¹¹

On a personal level, the suspicions some Kuwaiti Sunnis privately direct at their Shiite brethren have more to do with Iran than with Iraq. Kuwaitis of both sects tend to see themselves as more civilized and much less prone

8. U.S. Department of State, Bureau of Democracy, Human Rights and Labor, "Kuwait," in *International Religious Freedom Report 2006*, September 15, 2006. Available online (<http://www.state.gov/g/drl/rls/irf/2006/71425.htm>).
9. "TV Offices Stoned; Protest Axes TV Sin Serial; Producer Receives Death Threats," *Arab Times* (Kuwait), September 11, 2007. Available online (www.arabtimesonline.com/client/pagesdetails.asp?nid=5242&ccid=9).
10. "Rais al-hukumah: Lan nasmah bi-itharat al-taifiyah aw al-massas bi-wahdatinah" (Prime Minister: we will not allow sectarianism or prejudice to affect our unity), *al-Seyassah* (Kuwait), September 11, 2007. Available online (www.alseyassah.com/alseyassah/news_details.asp?nid=16209&snapt=al-uula).
11. U.S. Department of State, *International Religious Freedom Report*.

to sectarian conflict than Iraqis of either sect. But some Kuwaiti Sunnis may see their own Shiite compatriots as having too close an affinity for, or even some kind of affiliation with, the Shiite theocratic regime in Iran, which, as previously noted, is perceived as more threatening to Kuwait now that Saddam is gone.

Some Kuwaiti Shiites, in turn, suspect their Sunni fellow citizens of secretly funding the Sunni insurgents and extremists in Iraq—not without reason in several cases, according to a number of outside observers.¹² Overall, social interaction between members of the communities has declined fairly steeply in the past couple of years, according to local informants.¹³ The nuances of these interactions are further complicated by the fact that in Kuwait, as in several other Gulf states, many of the families historically hailing from Iran (approximately 5 percent of Kuwait's total population) are actually descendants of the Sunni and Arabic-speaking minority in that country. According to a reputable poll taken in April/May 2007, fully three-quarters of Arabs in Kuwait say that tensions between Sunnis and Shiites are not “limited to Iraq” but are “a growing problem in the Muslim world more generally.” This percentage is surpassed only in Lebanon among the sixteen Muslim publics polled.¹⁴

Yet on the whole, what is remarkable is how calm the sectarian situation seems in Kuwait, in such sharp contrast to the bloodletting and ethnic cleansing occurring every day across the border in Iraq. Kuwaiti citizens, whether Sunni or Shiite, are generally secure in their homes and relatively content with their lot. As Shiite member of parliament Hassan Jawhar articulated his sense of the local “street” in late 2006: “The high standard of living and the stability of Kuwait provide a safety valve and ease people’s minds despite the tensions. The Shiites here, like other Kuwaitis, will never want to live

anywhere else.”¹⁵ That sentiment, as both polling data and personal observation indicate, is widely shared on the Sunni side of the street. Moreover, the Kuwaiti authorities, unlike their Iraqi counterparts, are considered quite capable of preserving public order in the unlikely event they might be called upon to do so. Fortunately for Kuwaitis, little reason exists to expect this stark difference between the two societies to deteriorate dramatically in the case of Kuwait any time soon.

Women’s Rights: Real Grassroots Reform, and Resistance

One recent and very noteworthy development in Kuwaiti society was the parliamentary vote in 2005 to allow women’s suffrage. In a certain sense, however, this move is the exception that proves the rule of parliamentary obstructionism and political inertia. The dramatic policy departure, supported by both the royal family and an assortment of very vocal Kuwaiti non-governmental organizations (NGOs) since 1999, had actually been blocked by conservatives in parliament all through the preceding decade. After all that time, in the mid-2006 election, not a single woman candidate won a seat, and Islamists actually increased their strength in parliament from fourteen to seventeen seats, often with substantial electoral support from female traditionalists.

Nevertheless, in the past two years, Kuwait has made significant strides toward women’s empowerment.¹⁶ Women actually turned out to vote in large numbers in their first national opportunity to do so, only slightly below par with men in an overall turnout of about 65 percent. Twenty-eight women ran for legislative office, of about 250 candidates for the fifty seats in the National Assembly. For the first time in Kuwait’s half-century of modern history, a woman, Minister of Planning Mas-

12. For rare recent examples of published specifics on this issue, see “Saudi Cleric in Kuwait Urges Support for Iraq’s Sunnis,” transl. text of report by Fahd al-Amir in Elaph website, BBC World Monitoring Service, Middle East Political, January 26, 2007; “Kuwait Upholds Jail Sentences of Afghanistan, Iraq Fighters,” Agence France-Presse, January 16, 2007.

13. Private discussions by the author with Kuwaitis in Kuwait, October 2006 and January 2007; comments by Prof. Nathan Brown of George Washington University, Washington, D.C., based on his recent visits to Kuwait, April 2007.

14. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007,” p. 58.

15. Hamza Hendawi, “Even in Kuwait, Shiite-Sunni Ties Fray,” Associated Press, November 1, 2006. For another timely personal view of this situation, see Ehsan Ahrari, “Kuwait on a Trailblazing Path to Democracy,” June 29, 2006. Available online (www.ehsanahrari.com/articles.php?id=491).

16. For background on this and related issues, see Mary Ann Tetreault, “Women’s Rights and the Meaning of Citizenship in Kuwait,” *MERIP Middle East Report Online*, February 10, 2005. Available online (www.merip.org/mero/mero021005.html).

soumah al-Moubarak, was appointed to Kuwait's cabinet that same year, and a cabinet shuffle in early 2007 made her minister of health and added another woman to the ministerial ranks, with the education portfolio.¹⁷ Also in 2007, on a more down-to-earth level, Kuwait hosted several international events featuring female achievers—including a large and well-publicized regional convention of “Women Leaders in Science, Technology, and Engineering”—in open partnership with American government officials and NGOs.

At the same time, as previously noted, Islamic and related cultural traditions retain considerable influence in Kuwaiti society, including certain constraints on women's roles. Censorship forbids public discussion or even university-level teaching of taboo topics related to sex or of overtly sexual content in Western art and literature. In mid-2007, the ministry of education reversed a tentative move to introduce sex-education classes into Kuwaiti high schools, substituting a “traffic education” class instead.¹⁸ Polygamy, although probably not very common any more, is legal in accordance with *sharia*; one recent poll suggests that it is approved in theory by about a quarter of Kuwaitis (mostly men).¹⁹

In 1996, parliament outlawed coed classes in Kuwaiti colleges; a decade later, it felt obliged to reiterate that prohibition, which a number of private institutions had honored in the breach. Among them, the American University of Kuwait, as its former president has reported, had “compromised by placing semi-transparent, three-foot-high partitions in classrooms while allowing students to mix on campus, in cafeterias and libraries.”²⁰ Also in 2007, parliament passed a law, over the vociferous objections of some women's NGOs, prohibiting women from working outside the home

after eight o'clock in the evening. And when the new minister of education appeared in parliament without a veil, she was roundly criticized by some of the (all male) members—but also defended by others.²¹

One important point about any of these significant, and clearly still controversial, steps toward women's empowerment concerns the U.S. role in promoting them: it was very limited. Some modest American government and NGO programs in Kuwait, or with Kuwaiti participation in regional and global forums, advocate and support democratic reforms. Some of those programs focus on women's empowerment, such as legal representation, business and technological training, and even political campaign tactics. Many observers believe that international and especially U.S. interest in Kuwaiti democracy, in the decade and a half since liberation from Iraq in 1991, influenced the ruling family and some of its entourage in this direction.

But the impetus for and the activities of Kuwaiti suffragists and other women's rights activists in recent years were almost entirely homegrown. In fact, some U.S. officials dealing with this issue made a deliberate decision that a higher American profile on it, at least in Kuwait, might well actually backfire, by playing into the hands of traditionalist charges about alien or “anti-Islamic” influences. But each time Kuwait's own reformists succeed in pressing forward with their own agenda, U.S. officials enthusiastically applaud that progress. They also incline to respond favorably to the occasional local requests for partnership in building upon such progress, mostly through small-scale NGO networking and visitor-exchange projects. This low-key formula, arrived at by lucky accident as much as anything, has so far succeeded in Kuwait.

17. In late August 2007, Minister Moubarak resigned, rather than face a grilling in parliament after a deadly hospital fire. By many accounts, several deputies had already been pressuring her on other issues, including alleged overcharges in a program of medical care abroad, but may really have resented her more for personal and gender reasons, and possibly also because of her Shiite religious identity. See, for example, Nawara Fatahova, “Al-Rasheed Hits Hard at MPs, NA,” *Kuwait Times*, August 29, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=MzU1MTYzNTUx).

18. “No Sex Ed in School,” *Kuwait Times*, August 5, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=MjI5NjM5MDAy).

19. “Polygamy Not Totally Accepted or Rejected in Kuwait Society,” *Kuwait Times*, August 3, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=NjYyMDAwNjYx).

20. Shafeeq Ghabra with Margreet Arnold, “Studying the American Way: An Assessment of American-Style Higher Education in Arab Countries,” *Policy Focus* no. 71 (Washington Institute for Near East Policy, June 2007), pp. 7–8.

21. “Jalsat... Tamaas!” (Session... of friction!), *al-Rai al-Amm* (Kuwait), April 2, 2007; I. Rapoport, “Kuwaiti Education Minister Would Not Wear the Veil,” Middle East Media Research Institute, Inquiry and Analysis Series no. 352, May 11, 2007; and “In Kuwait, Public Protest against Law Banning Women from Working Nights,” Middle East Media Research Institute, Special Dispatch Series no. 1674, August 7, 2007 (last two available online at <http://memri.org/persiangulf.html>).

Kuwait's Internal Security Environment

HAVING SKETCHED the broad domestic political, economic, and social context of Kuwait's policy, this paper examines in the next sections the more particular problems of Kuwait's national security posture. The discussion is divided into four parts. First, it offers a critical exploration of internal security issues from a Kuwaiti perspective. Second, it analyzes Kuwait's larger national defense issues, focusing on possible threats from two of its much larger and more truculent neighbors: Iraq and especially Iran. Third, it follows up with a brief analysis of Kuwait's options for coping with those issues, and fourth, a concluding section lists some policy recommendations.

Terrorist Threat: Firmly under Control

What are the odds of jihadist terrorism overflowing from Iraq into Kuwait? A number of individuals previously from Kuwait have surfaced in the al-Qaeda network in Afghanistan and Pakistan, including the notorious terrorist ringleader Khalid Shaykh Muhammad and at least one other senior operative, along with Taliban spokesman Sulaiman al-Ghaith. A handful of suspected al-Qaeda rank and file were captured and held in Guantanamo (but most of the latter have since been repatriated to Kuwait and allowed to go free there).

In Kuwait itself, isolated terrorist incidents and alleged plots against U.S. forces in 2002–2003 foreshadowed a flurry of more serious shoot-outs with terrorist cells in January and February 2005. Those events revealed a small Iraqi-oriented, al-Qaeda-modeled group called the Kuwaiti Mujahedin, along with an inward, Kuwaiti-focused group styled the Peninsula Lions. This episode was a more serious wake-up call, in which a total of eight suspected militants and four policemen

were killed. About half of the thirty-five men and one woman arrested turned out to be well-trained, comfortably employed Kuwaiti nationals. The apparent "spiritual leader" of these groups, one Amer Khlaif al-Enezi, died in custody in February 2005.¹ Seven defendants were subsequently acquitted, and the lone woman in the group was released with a warning. In June 2007, the final appeals court ruling on this case was handed down: death sentences against two Kuwaiti citizens and two *bidoon* (stateless Arab residents) were commuted to life in prison; life sentences and shorter prison terms were upheld against the remaining defendants.²

During the flurry of violent incidents in early 2005, an interesting debate about terrorism and the Islamic education required in Kuwait's public schools flared in the local Arabic-language newspapers. Reformists, women's rights advocates, and some Shiite leaders criticized alleged elements of incitement to jihad and *takfir* (denunciation as an apostate) in the official Kuwaiti curriculum. Spokesmen for the teachers' union and for the Ministry of Education countered that the concept of jihad was integral to Islam and had to be taught, but in its "proper," defensive or spiritual sense. The minister himself declared that "the curricula have no connection with the phenomenon of extremism ... [or] a call to the terrorism which [our] society has recently witnessed." Then-prime minister (now emir) Sabah al-Ahmed al-Sabah retorted that there were some pedagogical points "that should be examined, particularly those calling for divisiveness and for rejecting the other." A new committee was created to carry out this assignment, but one reformist sneered that it was "moving ahead by turtle steps." A few Kuwaitis complain even today that textbooks still disparage the Shiite sect of Islam.³

1. According to then Kuwaiti interior minister Nawwaf al-Ahmed al-Sabah, "There are no signs of torture on his body, and the cause of death is heart failure. I don't know why some people are casting doubts." See Nicholas Blanford, "Among Kuwait's Salafis, a Rejection of Violence," *Christian Science Monitor* (Boston), February 16, 2005.
2. "4 Kuwait Qaeda Men Skip Noose," *Kuwait Times*, June 20, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=MzUzNDY4NTAy).
3. "The Public Debate on Kuwait's School Curricula: To Teach or Not to Teach Jihad," Middle East Media Research Institute, Inquiry and Analysis Series no. 224, June 2, 2005; available online (www.memri.org/persiangulf.html). See also Ehsan Ahrari, "Kuwait on a Trailblazing Path to Democracy," June 29, 2006; available online (www.ehsanahrari.com/articles.php?id=491).

But in the past two years, as jihadist incidents inside Kuwait have halted, this controversy has largely faded from public view. As of mid-2007, according to a reputable poll, only about a third (37 percent) of Arabs in Kuwait rated terrorism a major problem in that country—just half the proportion registered in Turkey, Lebanon, Morocco, or Israel.

In other attitudinal measures, a clear majority (69 percent) of Kuwait's Arab residents, whether citizens or expatriates, reject "suicide bombing and other forms of violence against civilian targets" as "never justified," even "in order to defend Islam from its enemies." This percentage is identical to that in Morocco and considerably higher than in Egypt, Jordan, or even Turkey. (Even so, one of every five Arabs in Kuwait says such violence is justified at least "sometimes.") Similarly, in one of the rare questions for which valid trend data are available for Kuwait, popular "confidence" in Osama bin Laden has declined further from the already low level of 2003: to 13 percent, from 21 percent four years ago.⁴

Iranian Subversion

The greatest internal security threat Kuwait may face comes from a different source: state-sponsored terrorism and subversion directed by Iran. This actually happened sporadically from 1983 through 1987, during the Iran-Iraq War, in which Kuwait supported Iraq financially—most notably in 1985's serious assassination attempt against Emir Jabir, as previously mentioned. Today a few well-placed and well-timed bombs would seriously frighten the Western official and expatriate worker community, which would have real adverse implications for Kuwait's economy and sense of security—and it would raise significant force protection problems for the major U.S. military presence in the country.

For the time being, no visible evidence indicates that Iran is preparing to activate this unspoken threat,

but it is increasingly mentioned in private Kuwaiti conversations. Many Kuwaitis have not forgotten that some of the Iranian agents arrested for terrorism during the mid-1980s were apparently affiliated with the Iraqi Shiite Dawa Party, then largely operating in exile inside Iran in opposition to Saddam Hussein and his war against the Islamic Republic of Iran. This is the same Dawa Party, by a strange quirk of fate, that has now supplied the latest two post-Saddam Iraqi prime ministers, Ibrahim Jaafari and Nouri al-Maliki. Although the identity of any such terrorists today would probably be different, a proxy threat of this general type against Kuwait must figure prominently in any rational calculation of Iran's repertoire of responses to an assault against its nuclear or other installations. In September 2007, an English-language daily published in Kuwait carried the following comparatively explicit item:

Amid great uncertainty in the region, the State Security Department has placed Iraqi Shiite groups in the country under close surveillance ... the measures are purely precautionary ... [due to] fears over possible terrorist activities with support from Iran to deflect attention, and which faces possible military action from the U.S.⁵

This terrorist angle is but one aspect of Iran's overall increased leverage on Kuwait, which is examined separately below.

Nevertheless, since early 2005, the internal landscape has been remarkably quiet. This calm is especially striking in view of the continuing large-scale if generally low-profile U.S. military presence in the country—and of the continuing maelstrom in Iraq, beginning in Basra right across the border and a mere fifty miles from downtown Kuwait City. In part this success must be credited to stepped-up vigilance on the part of both local and U.S. security and intelligence forces. For example, in 2005 a State Department report noted approvingly that Kuwait had set up an office to moni-

4. Pew Global Attitudes Project, "Global Opinion Trends 2002–2007: A Rising Tide Lifts Mood in the Developing World," July 24, 2007, p. 55. Available online (www.pewresearch.org).

5. Abdulrazzaq al-Najjar, "Authorities Monitoring Shiite Groups," *Daily Star* (Kuwait), September 6, 2007. Available online (<http://dailystar.alwatan.com.kw/Default.aspx?MgDid=542114&pageId=282>).

tor Islamic charities within the Ministry of Social Affairs and Labor (though a year later a different report still claimed that Kuwait was “reluctant to confront extremist elements”).⁶ In part, this success can also be credited to another factor particular to Kuwait: the significant residue of popular goodwill—or at least the absence of significant anti-American fervor—that the United States continues to enjoy in the country, first for rescuing it from Saddam and then for toppling his regime.

Managing the U.S. Presence and Force Protection

In fact, in stark contrast to reports of rampant Arab anti-Americanism, a majority of Arabs in Kuwait (54 percent) identify the United States as a dependable ally, ahead of Saudi Arabia (48 percent) or Britain (23 percent).⁷ Although many ordinary Kuwaitis are no doubt troubled by daily media reports or dinnertime discussions of violence in Palestine, Lebanon, or Iraq, they generally do not direct their anger outwardly against the United States. Even the Kuwaiti Islamists, by most accounts, do not question the necessity of American protection.⁸ In the decade or so between the 1991 and the 2003 wars against Saddam, one U.S. officer summarized his impressions of his experience in this region as follows: “In Kuwait, quality of life is extremely high. The people of Kuwait respect U.S. citizens. Life in Kuwait is less restrictive than most of the Middle East. For example, women can drive, be alone in public, and go out with their heads and faces uncovered.”⁹

Remarkably, as the number of U.S. troops in Kuwait has climbed exponentially since 2003, from about 10,000 to somewhere in the 70,000–100,000 range,

their visibility has actually declined.¹⁰ All these U.S. soldiers hardly ever see any ordinary Kuwaitis and vice versa. The simple reason: the bases are set up to be as far away and as insulated as can be from the rest of Kuwait, which fortunately consists mostly of empty desert. These arrangements have proved very effective at keeping the substantial U.S. military presence as unobtrusive as is humanly possible. To cite just one telling bit of anecdotal evidence, here is how one popular website describes some of the facilities on one large compound near Kuwait’s international airport, Camp Doha, which helped keep the troops comfortably confined to base:

The theater also shows six free movies a day with all the free popcorn and water you can consume.... Service members can enjoy a meal in the best Dining Facility in the Middle East.... The Marble Palace is a great place to be. Not only can you lounge around the pool or lay out on the beach; it also supports foosball, pool, ping-pong, miniature golf, volleyball, tennis, soccer, basketball and horseshoes.¹¹

At the end of 2005, that compound was closed down and replaced with other, even bigger, better-equipped, and more-isolated ones for U.S. troops. As Camp Doha’s chief operations officer put it, “We need to bypass the populated area of Kuwait City, and we want to be less disruptive to the civilian population.” The largest new operating base for U.S. ground forces is Camp Arifjan, about an hour’s drive farther into the desert. This old-fashioned but effective expedient has largely precluded any potential problems stemming from contact with the local population. The U.S. military is hardly visible at all anywhere within metropoli-

6. Kenneth Katzman, “Kuwait: Security, Reform, and U.S. Policy,” Congressional Research Service, RS21513, July 5, 2006, p. 6.

7. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007,” p. 51.

8. I am indebted to Prof. Nathan Brown of George Washington University for his comments on this point, based on his recent extensive research and interviews in Kuwait. See also Nicholas Blanford, “Among Kuwait’s Salafis, a Rejection of Violence,” *Christian Science Monitor* (Boston), February 16, 2005. Available online (www.csmonitor.com/2205/0216/p07s01-wome.html). For a sampling of recent Kuwaiti Islamist and reformist discussions of this and related issues, see the series of 2002–2007 Persian Gulf reports by the Middle East Media Research Institute. Available online (<http://memri.org/persiangulf.html>).

9. Maj. Conrad H. Bonner, “Logisticians and Security Assistance: From the Kuwait Area of Operations,” *Quartermaster Professional Bulletin*, 1998, p. 3. Available online (http://quartermaster.army.mil/oqmg/Professional_Bulletin/Index).

10. By mid-2005, a congressional report noted that “about 90,000 U.S. military personnel are in Kuwait at any given time, mostly preparing to rotate into Iraq.... However, only about 20,000 are based in Kuwait more permanently.” See Kenneth Katzman, “Kuwait: Post-Saddam Issues and U.S. Policy,” Congressional Research Service Report RS 21513, updated May 18, 2005, p. 3.

11. Available online (www.globalsecurity.org/military/facility/camp-doha.htm). For additional details, see the various entries for Kuwait at this website.

tan Kuwait City, which is where almost everybody in the country resides. The sole exception is at the airport—but even there the American soldiers, while recognizable, are almost always out of uniform.

Foreign Labor: Outnumbering but Obeying Kuwaitis

A potentially risky factor even closer to home for Kuwaitis, but one that has also proved eminently manageable, is the continuing presence of some 2 million foreign workers, 80 percent of them men, who outnumber Kuwait's own citizens by a ratio of two to one.¹² These individuals come mostly from South or Southeast Asia as well as the Middle East. Probably about half are Muslims, alongside an estimated 300,000–400,000 Hindus and a roughly equal number of Christians. Yet reported incidents of political protest or violence are extremely rare, and the record also suggests that Kuwait is quite adept at policing, and if necessary isolating or deporting, potential troublemakers among this very large guest-worker population.¹³

In fact, social and police controls are so severe they sometimes cross the line into abuse, particularly for female domestic workers. In June 2007, the Department of State put Kuwait back on the Tier 3 “watch list” for trafficking in persons, a year after having reported some progress in 2006. The latest report notes that:

Victims suffer conditions including physical and sexual abuse, non-payment of wages, threats, confinement to the home, and withholding of passports to restrict their freedom of movement. . . . The Government of Kuwait does not fully comply with the minimum standards for the elimination of trafficking and is not making significant efforts to do so.¹⁴

Ironically, the State Department had to admit in August 2007 that some foreign workers brought in by the First Kuwaiti General Trading and Contraction Company for building the vast new U.S. embassy in Baghdad had been misled about pay and work conditions.¹⁵ Kuwaiti official and corporate spokesmen rejected these criticisms, while noting that their government was making greater efforts to deal with the problem.¹⁶ Indeed, in early 2007, Kuwait signed a formal protocol with India intended to codify the basic rights of the latter's half-million expatriates working in that oil-rich economy, the largest single national group in question.¹⁷ In any event, the last known instance of a large-scale, unruly expatriate public protest of any kind, mainly involving Egyptian workers angry about a wage dispute, was in 1999. Smaller sit-down strikes and similar incidents are reported from time to time, such as a daylong picket line by 200 or so Bangladeshi laborers in June 2007.¹⁸

Although not strictly a security issue, Kuwait's economic dependence on foreign workers extends to all the professional and highly skilled sectors, not just manual, domestic, or other “unskilled” labor. For example, as of late 2007, the relevant numbers stood as follows: engineers, 26,500 expatriates compared with 6,500 Kuwaitis; doctors and scientists, 9,500 expatriates compared with 3,000 Kuwaitis; economists and lawyers, 36,500 expatriates compared with 9,600 Kuwaitis; and, more surprisingly, businesspersons, 31,500 expatriates compared with just 2,600 Kuwaitis. Given its oil-driven ability to afford good wages for skilled workers, Kuwait has generally had no problem attracting the foreign professionals it needs to function. But a major security crisis could quickly cripple

12. This analysis makes use of the most recent official figures from Kuwait's own Ministry of Planning; see “Kuwait's Population up by 6.4 Percent in 2006—Report,” Kuwait News Agency (KUNA), May 29, 2007. Available online (www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1749418&Lang...).

13. For a recent example, see, “Six Nationalities Still under Blacklist,” *Kuwait Times*, August 20, 2007.

14. U.S. Department of State, Office to Monitor and Combat Trafficking in Persons, *Report on Trafficking in Persons, June 2006*, June 5, 2006, country section on Kuwait, p. 1. Available online (www.state.gov/g/tip/rls/tiprpt/2006/).

15. “Company Denies Workers Forced to Iraq,” Associated Press, August 13, 2007. Available online (www.iraquupdates.com/p_articles.php/article/20573).

16. “Interior Deflects US ‘Trafficking’ Criticism,” *Kuwait Times*, June 20, 2007 (available online at http://kuwaittimes.net/read_news.php?newsid=MTk5NTI4MDUxMg==); “Kuwait Vents Spleen on US Human Rights Report,” Kuwait News Agency (KUNA), June 27, 2007 (available online at www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1758237&Lang...).

17. “Workers Rights: A Diplomatic Solution,” *Middle East Economic Digest* (London), May 11–17, 2007, p. 36.

18. “200 Bangladeshis on Protest Strike,” *Kuwait Times*, June 10, 2007. Available online (www.kuwaittimes.net/read_news.php?newsid=NDA1ODI4NTIy).

Kuwait's economy, as happened within a few weeks of the Iraqi invasion in August 1990.

Border Control: Iraq's Only Effective Boundary

Kuwait's 222-kilometer-long border with Iraq is currently the only one of Iraq's large and largely desolate frontiers that is effectively policed. It has a combination of fencing and electronic sensors and moreover is subject to working agreements and active inspections by security forces from both sides.¹⁹

A possible security problem, however, could arise as a result of the upcoming, partial British military withdrawal from the Basra area, which will leave the Iraqi side of the frontier approaching Kuwait more vulnerable to smugglers, terrorists, or migrants. As of mid-summer 2007, British strength in that area was already way down, from a 2003–2004 peak of more than 30,000 troops to barely more than 5,000, mostly confined to base. In September 2007, the last 500 British troops in downtown Basra withdrew to the airport, some ten miles away. Plans were reportedly afoot to withdraw as many as half of their 5,000 comrades remaining at the airport, with the next tranche likely to leave around the scheduled November 2007 provincial security “handover” to Iraqi forces.²⁰

The 350-mile highway from Kuwait to Baghdad (“Main Supply Route Aspen” and “Main Supply Route Tampa”) passes through this area, carrying 2,000 or so heavily guarded trucks per day, whose loads account

for 90 percent of all the materiel and other supplies for coalition forces in Iraq. The entire area abuts the porous maritime border with Iran, is almost entirely Shiite in population, and is rife with rival militias. And yet, as one U.S. security consultant put it, “It’s the umbilical cord that connects the war in Iraq to the rest of the world. It will have to be secured.”²¹ By far the more serious challenge, certainly, will be on the Iraqi side of the border; according to several Kuwaiti press reports in September 2007, in at least one incident infiltrators from Iraq, possibly trying to plant bombs near a border observation post, were discovered and put to flight.²² The comparatively short portion of the trip inside Kuwait from the airport or seaports to the border is essentially empty and well defended. For the time being, at least, the Kuwait-Iraq border is secure, busy with military and related traffic, but essentially closed to other travelers.

As a result, Kuwait has virtually no Iraqi refugees. This major spillover problem for two of Iraq's other neighbors (Jordan and Syria), each with 1 million or more refugees already on board, is nowhere on Kuwait's horizon. Even individual Iraqi officials have a hard time obtaining visas for entry into Kuwait, and group visits by Iraqis, even official ones supported by the United States, are a rarity. It is no accident that, when the United States needs to train Iraqis outside their country because of security concerns, it flies them to Amman, Istanbul, Beirut, or even farther afield rather than send them to nearby Kuwait City.

19. The last reported residual dispute over border demarcation and fencing was apparently resolved in November 2006. “The Political Scene: Iraq and Kuwait Sign Border Accord,” The Economist Intelligence Unit, Country Report Iraq, December 2006. See also Darrin Mortenson, “120-Mile Barrier Keeps Iraq, Kuwait at Arm's Length,” *North County Times* (San Diego), March 5, 2003. Available online (www.nctimes.com/articles/2003/03/05/export5020.txt). For a detailed history, see Jan Bury, “The UN Iraq-Kuwait Observation Mission,” *International Peacekeeping* (London) 10, no. 2 (Summer 2003), pp. 71–88.

20. Jane Perlez, “Britain to Halve Its Force in Iraq By Spring of '08,” *New York Times*, October 9, 2007; Simon Henderson, “Leaving Basra City: Britain's Withdrawal from Iraq,” *Policy Watch* no. 1283 (Washington Institute for Near East Policy, September 7, 2007). Available online (<http://www.washingtoninstitute.org/templateC05.php?CID=2659>). See also Ann Scott Tyson, “Security Took ‘Turn for Worse’ in Southern Iraq, Report Says,” *Washington Post*, September 18, 2007.

21. John Pike, director of globalsecurity.org, quoted in “U.S. Worried UK Exit Will Leave Border with Iran undefended,” *Daily Telegraph* (London), August 13, 2007. See also Raymond Barrett, “A Tougher Journey to Stock US Troops in Iraq,” *Christian Science Monitor* (Boston), January 8, 2007.

22. “Al-hudud al-kuwaitiyah al-iraqiyah makshufah” (The Kuwait-Iraq borders are exposed), *al-Qabas* (Kuwait), September 6, 2007. Available online (www.alqabas.com.kw/Final/NewspaperWebsite/NewspaperPublic/ArticlePage.aspx). See also “Irhabiyyain iraqiyain yazraun qunbulatain dakhil hududna al-shimaliyah” (Two Iraqi terrorists plant two bombs inside our northern borders), *al-Anba* (Kuwait), August 31, 2007. Available online (www2.alanba.com.kw/AbsoluteNM/templates/?a=15966&z=12).

Kuwait's External Security Environment

AFTER IRAQ INVADED its small southern neighbor in 1990, one regional pundit was moved to announce, in a sarcastic allusion to a best-selling political science article of that era, that this local cataclysm heralded “the end of history—or maybe just of Kuwaiti history.” That facetious judgment proved highly exaggerated, to say the least. In fact, Kuwait not only survived Saddam Hussein’s brutal occupation, but also emerged from it to outlast his entire regime and then survey the wreckage of post-Saddam Iraq from a safe (if perhaps uncomfortably short) distance.

The question today is not whether Kuwait can manage any “spillover” effects from the continuing crisis in Iraq, but rather how Kuwait has managed to stay so untouched and unruffled by such dramatic upheavals so close to home.¹ The answer begins with Kuwait’s unique experience with Iraq, especially when that country was under the rule Saddam Hussein. However uncertain Iraq’s situation has become today, it is less of a threat to Kuwait than it was when Saddam was still in power.

That is why, in a sense unlike any other Arab country, Kuwait was gratified by the overthrow of Saddam’s regime and remains grateful for it four years later. This turnabout not only avenged Saddam’s earlier depredations but also removed the lingering sense of foreboding that he might somehow survive to strike again. Today, less than one-third (30 percent) of Arabs in Kuwait name Iraq as a serious threat to their country.² When the former Iraqi dictator was finally executed in December 2005, Kuwaitis, Sunni and Shiite alike, had precious few mixed feelings. Very seldom does one hear any Kuwaiti, in contrast to many Saudis, lamenting the fact that by invading Iraq, the United States wittingly

or unwittingly enhanced the regional power position of Iran.

In the four years since U.S. troops toppled Saddam, and as far into the future as one can foresee, Kuwait fears no direct threats from Iraq, notwithstanding the long history of such threats, both under Saddam and earlier Iraqi rulers. As Kuwait’s national security service chief, Sheikh Ahmed al-Fahd al-Sabah, told a leading pan-Arab paper in February 2007: “Today we witness the greatest Kuwaiti-Iraqi rapprochement in the modern history of relations between the two countries.”³ In early 2007, some progress was reported on the symbolic but highly emotional issue of identifying the remains of the 600 or so Kuwaitis still missing from the brief but brutal Iraqi occupation in 1990–1991 and also on the more tangible matter of planning for joint oil exploration and production in additional segments of the border area.

Ever since Saddam’s downfall, ironically, not the overweening strength but the unaccustomed weakness of Iraq causes Kuwait concern. As the same senior Kuwaiti security official put it in early 2007:

Iraq suffers from a huge security vacuum that has been caused by two factors: the first was the dismantling of the army and the police; and the second was the removal of a regime that had ruled for 35 years through the institutions of the state. This has created a vacuum that makes the situation shaky and unstable, and there is no one capable of restoring the situation to stability ... We fear three things in Iraq. First we fear the partitioning of Iraq, because Kuwait wants the unity of Iraq. Second, we fear that Iraq might slide into a civil war in any shape or form. Third, we fear a sectarian war.⁴

1. Portions of this section have been updated and adapted from the author’s chapter “Kuwait: Between Iraq and Iran,” in David Pollock, ed., *With Neighbors Like These: Iraq and the Arab States on Its Borders* (Policy Focus no. 70) (Washington, D.C.: Washington Institute for Near East Policy, 2007). Available online (www.washingtoninstitute.org/templateC04.php?CID=275).
2. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007: A Rising Tide Lifts Mood in the Developing World,” July 24, 2007, p. 51. Available online (www.pewresearch.org).
3. Sheikh Ahmad al-Fahad al-Sabah, interview in *al-Sharq al-Awsat* (London), February 13, 2007.
4. Ibid.

Underlying Kuwait's fear of Iraq's partition is not any sentimental attachment to its old enemy's territorial integrity but a rational calculation of Kuwait's interests in this precariously balanced part of the region. The partition of Iraq would raise the specter of a war spilling over its borders, intervention by other neighbors, pressure on Kuwait to take sides, and a Shiite or other rump state carved out of Iraq with renewed irredentist designs on Kuwait. Full-fledged civil war in Iraq, a possible step toward partition, would raise similar problems. Unrestrained Iraqi sectarian warfare, in particular, could conceivably threaten Kuwait's studiously neutral, consensus-driven regional posture; its internal order; and its relatively cordial relations with Saudi Arabia and especially with Iran, which would each be tempted to intervene in Iraq, directly or by proxy, and perhaps to press Kuwait for at least passive support.

Yet for the past four and a half years, and for the near future so long as large U.S. forces remain inside Kuwait, direct security spillover effects from Iraq have not and probably will not loom very large, for all the reasons previously outlined. Even without any further movement toward Iraqi civil war or partition, however, the drastic decline in Iraq's power raises a different question: the potential rise in hostile intentions and capabilities against nearby Kuwait of Iraq's regional archrival, Iran.

Iranian Adventurism: Renewed Threat, Same Old Protection

Does the weakening of Iraq mean that Kuwait is now exposed to a new direct military threat from Iran? The answer is probably not, for three reasons.

First, Iran has shown no intention to attack or threaten Kuwait militarily for almost twenty years, since the end of the Iran-Iraq War. Second, Kuwait's own armed forces, according to some analysts, might offer an unexpectedly meaningful deterrent or reaction against at least some types of Iranian military adventurism. As Michael Knights has pointed out, Kuwait's

military, while minuscule compared to Iran's, is reasonably effective, having carried out a "measured and successful" modernization program over the past decade. Kuwait, he writes,

has developed a small but powerful air and naval fleet armed with advanced anti-shiping missiles.... [These] have the capability to destroy tens of strategic targets on Iran's coast, with pinpoint accuracy and without exposing themselves to Iranian air defenses, and to block Iranian shipping with some effectiveness.⁵

Moreover, Iran's lack of land access to the GCC countries and the likelihood of advance warning of any major assault in Knights' judgment make the threat from Iran "manageable." Another 2005 assessment quotes U.S. military officers to the effect that Kuwait's military has shown some improvement, especially regarding its air force.⁶ Yet given the fact that Kuwait's own armed forces boast barely 15,000 men, and that its GCC partners have shown no disposition to take on Iran's military power, these judgments are by nature highly debatable.

But third, Kuwait possesses an ace in the hole against any Iranian threat or bluff. Clearly, the Kuwaitis can count on continuing U.S. protection against any overt military threat. In strictly legal terms, the United States and Kuwait are linked by a ten-year defense agreement, first signed in September 1991, after the Kuwaiti government returned home from exile, and renewed for another decade in September 2001. Although the text is classified, according to an official congressional document, this accord

does not explicitly require that the United States defend Kuwait in a future crisis, but provides for mutual discussions of crisis options. It also is said to provide for joint military exercises, U.S. training of Kuwaiti forces, U.S. arms sales, pre-positioning of U.S. military equipment (enough armor to outfit a U.S. brigade), and U.S. access to Kuwaiti facilities. A related Status of Forces Agreement (SOFA) provides

5. Michael Knights, *Troubled Water: Future U.S. Security Assistance in the Persian Gulf* (Washington, D.C.: Washington Institute for Near East Policy, 2006), pp. 148–149.

6. Kenneth Katzman, "Kuwait: Post-Saddam Issues and U.S. Policy," Congressional Research Service RS21513, updated June 29, 2005, p. 3.

that U.S. forces in Kuwait be subject to U.S. rather than Kuwaiti law.⁷

In addition to the strategic interest, the historical commitment, and the legal status Kuwait enjoys as a major non-NATO ally (MNNA) of the United States, tens of thousands of U.S. troops are either stationed in or rotating through Kuwait at any given time, along with a vast network of facilities and pre-positioned equipment. The closeness of this tie was expressed by Kuwait's foreign minister at the April 1, 2004, ceremony in which his country was awarded the MNNA designation, and in what may be the only recorded diplomatic reference to April Fools' Day: "I know, Mr. Secretary, that April 1st is a date that has some funny meaning in your country. But I can assure you, Mr. Secretary, that the commitment that my brother, Sheikh Jabir, and myself gave you today you can take to the bank."⁸

The salience of this relationship was symbolized recently by Kuwait's hosting Secretary of State Condoleezza Rice in January 2007 for a meeting of the "GCC + 2" group (adding Egypt and Jordan to the Gulf Arab monarchies), which issued a general endorsement of U.S. policy toward Iraq and an implicit warning against hostile Iranian designs on the region. The sentiment was reiterated most recently in July 2007, when the group met again with Secretary Rice and Secretary of Defense Robert Gates. That same month, the departing U.S. ambassador to Kuwait, Richard LeBaron, provided an impromptu, unusually expansive overview of this emerging issue in his farewell interview with local reporters. "Our consultations with Kuwait," he stated, "... both on military and political issues, have accelerated over the last year in recognition of the fact that the Iranians have been making statements, using a certain rhetoric, and acting with a certain attitude that does not inspire confidence either for us or for our friends in the region."⁹

The wild card in all these scenarios, of course, is the possibility of an American or Israeli strike against Iran's nuclear program, and then of Iran's probable retaliatory response. The latter might well include some forms of direct military or terrorist assault against targets, American or otherwise, located in the nearby GCC states. As Iranian propaganda never tires of repeating, this is a hellish prospect for these vulnerable bystanders to contemplate.

In June 2007, Kuwait witnessed an unusually blunt, high-level public exchange on this topic. The visiting Iranian speaker of parliament, Gholam Ali Hadad Adel, declared that if U.S. forces used GCC bases to attack Iran, "we will be forced to defend ourselves. ... We will target those bases or points." Kuwait's defense and interior minister, Sheikh Jaber al-Mubarak al-Sabah, offered this response the next day: "The United States did not ask, and even if it did, we will not allow anybody to use our territory." The minister reiterated this position in late September 2007, while also noting that the defense budget had just been augmented with an "emergency" supplement.¹⁰

Kuwait and its GCC partners are thus pinned on the horns of a real dilemma: they dread the prospect of a nuclear-armed Iran, but they dread the consequences of a strike against Iran as well. This uneasy and ambiguous situation shows every indication of enduring for a protracted period.

The Shadow of Iranian Influence

If Kuwait today feels liberated from the danger of Iraqi aggression, unfazed by the specter of direct or unprovoked Iranian assault, and generally on top of its internal security situation, it is nevertheless exposed to a more indirect but no less significant threat. Of all Iraq's neighbors, little Kuwait stands out as the one likely to be most discomfited by a key consequence of the situation in Iraq, indirect and unintended as it may be:

7. Kenneth Katzman, "Kuwait: Security, Reform, and U.S. Policy," Congressional Research Service, RS21513, July 5, 2006, pp. 3–4.

8. "Kuwait Designated Major Non-NATO Ally of U.S.: Rumsfeld, Armitage Praise Kuwait's role in Operation Iraqi Freedom," U.S. Department of State press release and transcript, April 2, 2004.

9. Velina Nacheva, "Iranian Posturing Brings Kuwait, United States Closer Together," *Kuwait Times*, July 10, 2007.

10. "Jaber al-Mubarak: Lan Nasmah Bi-Istikhdam Aradina Li-Darb Iran" [Jaber al-Mubarak: We Will Not Allow the Use of Our Lands to Strike Iran], *al-Qabas* (Kuwait), September 27, 2007; "Kuwait Says U.S. Cannot Use Bases for Any Iran Strike," *Agence France-Presse*, June 11, 2007.

the increase in Iran's regional influence and ambition, right next door. This Kuwaiti reaction stems in part from fears of renewed sectarian incitement by the Shiite regime in Tehran; but even more so it derives from familiar reasons of power politics, beginning with pressure on disputed oil fields, shipping lanes, energy or other policies, other neighbors, and Iran's overall drive for regional hegemony.

Kuwait's uneasy relations with Iran give the lie to the old Arab adage that "the enemy of my enemy is my friend." The year after Iran's Islamic Revolution, in 1979, significant protest demonstrations in Kuwait showed that antigovernment Islamic fervor could conceivably cross the narrow Gulf between the two countries, if only sporadically. The following year, when Saddam's Iraq invaded Iran, Kuwait's massive financial support for the Arab Iraqis naturally aroused Iranian ire. Iran apparently sponsored a couple of terrorist bombings in Kuwait in 1983, an attempted assassination of the emir in 1985, and a renewed series of terrorist bombings in 1986–1987. Iran's gradually escalating attacks on Kuwait's vital oil shipping and installations eventually led to the "reflagging" episode of 1987–1988, in which U.S. warships protected Kuwaiti tankers flying American flags of convenience against Iranian assault.

But within a year or so after that war ended in stalemate, Iraq attacked and in this case actually occupied Kuwait. Iran immediately condemned this aggression but stayed out of the ensuing U.S. campaign to liberate Kuwait. Afterward, Kuwait's ties to Iran were generally correct, as Kuwaitis sought Iran's backing to counter their Iraqi nemesis, but still somewhat distant. Not until a decade later, in 2001, did Kuwait offer (according to Iran's official news agency) an "apology" for having supported Iraq during the 1980–1988 Iran-Iraq War. This warming trend followed President Khatami's "charm offensive" toward the Arabs and the West, including an unprecedented visit to and formal friendship treaty with Saudi Arabia. Since then, Kuwaiti and Iranian leaders—including the current President

Ahmadinezhad and Emir Sabah al-Ahmed al-Sabah—have met about once a year, issuing vague statements about friendship and regional cooperation.

At the practical level, only modest economic or other interaction has taken place between Kuwait and Iran. Two-way trade climbed to just over \$400 million in 2005, according to the most recent available statistics, up only moderately from about \$100 million annually a decade earlier. Talks about joint oil or gas projects, however, have been stymied all during the past seven years by friction over the contested Dorra offshore gas fields.

The overthrow of Saddam in 2003 and consequent severe weakening of Iraq, and the increase in Iranian influence there, have given Kuwait some serious grounds for rethinking this nonchalant attitude. What is still not easily apparent, however, is how far and in which direction this reassessment will incline: toward confronting Iran's ascendant power in some fashion, toward currying favor with it, or (most typically) some combination of the two.

Interestingly, the current prime minister of Kuwait, Sheikh Nasser al-Muhammad al-Ahmed al-Sabah, who has led all three cabinets formed since the accession of the current emir in early 2006, previously served as Kuwait's ambassador to Tehran. He was there for the entire final decade of the reign of the last shah of Iran (1968–1979) and is still officially listed as able to speak Persian (in addition to English, French, and of course his native Arabic).¹¹ One can only guess the effect of his early experience in Tehran on his thinking today. Common sense, however, suggests that Iran's Islamic Revolution, which coincided with his departure from that country, did not leave a very favorable impression on this conservative member of another royal family in the region.

Other senior Kuwaiti officials have occasionally pointed out the danger of Iran's stirring up trouble, including sectarian trouble. In mid-2004, after Iranian embassy officers met with Shiite activists in Kuwait, Foreign Minister Muhammad al-Sabah publicly termed Iran

11. "Profiles of New Kuwaiti Cabinet Members," Kuwait News Agency (KUNA), March 27, 2007. Available online (www.kuna.net.kw/home/story.aspx?Language=en&DSNO=965273).

“a strategic threat to the Gulf.”¹² In late 2006, the Iraq Study Group reported, “Ambassadors from neighboring countries told us that they fear ... Shia insurrections—perhaps fomented by Iran—in Sunni-ruled states.”¹³ And in mid-2007, Kuwaiti officials and parliamentarians vehemently protested the beating of a Kuwaiti diplomat in Tehran and the statement by Ayatollah Hussein Shariatmadari, the Supreme Leader’s personal representative and director of the dominant *Kayhan* media establishment, that Bahrainis really wanted to “return to their [Shiite] motherland” and that the GCC as a whole was an “artificial organization.”¹⁴

In September 2007, Ayatollah Shariatmadari reiterated and embellished upon this threat of regime change, extending it to each individual GCC state. In a startling commentary titled “The Wolf’s Repentance,” he argued as follows:

If the current rulers of Bahrain are sincere in their claims and the people of Bahrain are not in favor of that province rejoining mainland Iran, why don’t they stage a referendum and ask their people that very question? ... There is also a proposal for the other five members of the Persian [sic] Gulf Cooperation Council. If the rulers of those countries do not consider themselves as parts of regimes installed [by infidels], and if they claim to be popular and people-based—which of course is a rather laughable claim—then, in order to prove their claim, they should ask for the opinion of their people through the vehicle of a national referendum.¹⁵

This time, interestingly, no Arab response to this latest rhetorical blast from Tehran has been observed as of this writing. The omission can probably be taken to mean that GCC officials and analysts are inclined to take the threat quite seriously and are now correspond-

ingly reticent about engaging in an escalating war of words with Iran.

Ordinary Kuwaitis today express differing views about Iran’s increasing role in their neighborhood. A benign (and most likely minority) view is that voiced by the usually liberal commentator Shafiq Ghabra in March 2007: Now, he writes in a leading Kuwaiti paper, is the time to “upgrade” Kuwait’s relations with Iran, because “Iran and Kuwait have Iraq in common.” Others lean toward the more ominous view of a different Gulf-based commentator, Abdul Rahman al-Rashed, who writes that “the conflict with Iran, although it is calm for now, could erupt at any moment... even without the nuclear escalation, there is a real fear of Iranian expansion in southern Iraq, which is adjacent to the Saudi-Kuwaiti borders.”¹⁶

This point is one on which the available polling data are both counterintuitive and stunningly clear. Overall, a majority (52 percent) of Arabs in Kuwait now name Iran—not Iraq, or Israel, or the United States—as the single greatest threat to their country. Furthermore, of all the nearly fifty international publics polled by the Pew Foundation, only Israelis surpass this percentage in viewing Iran as their most serious threat. And as in Egypt or Jordan, Arabs in Kuwait predominantly have a generally unfavorable view of Iran (43 percent compared with 36 percent).¹⁷

Either way, in line with the conspiracy theories so prevalent in the region, some indeterminate but probably substantial number of Kuwaitis must privately wonder if the rise of Shiite parties in Iraq (and of Hizballah in Lebanon) indicates that Kuwait’s American protectors have somehow decided to throw their lot in with a Shiite revival—even if it is also supported by Iran. And few Kuwaitis are likely to accept the Western

12. Cited in Riad Kahwaji, “U.S.-Arab Cooperation in the Gulf: Are Both Sides Working from the Same Script?” *Middle East Policy Council Journal* 11, no. 3 (Fall 2004), p. 57.

13. James A. Baker III and Lee H. Hamilton, co-chairs, *The Iraq Study Group Report* (New York: Vintage Books, 2006), p. 34. Available online (http://permanent.access.gpo.gov/lps76748/iraq_study_group_report.pdf).

14. “Masul Irani Yaatabir al-Bahrain Juzan Min Biladihi: Dawah Sarikhah Li-Talib al-Khalijiyin Ala Anthimatihim Ghair al-Shariyah” [Iranian official considers Bahrain ‘part of his country’: A blatant invitation for Gulfis to rally against their ‘illegitimate regimes’], *al-Qabas* (Kuwait), July 10, 2007.

15. *Iran* (Tehran), September 4, 2007, translated in *Mideast Wire*, September 7, 2007.

16. Shafiq Ghabra, comments to *al-Ray al-Amm* (Kuwait), March 5, 2007; Abdul Rahman al-Rashed, “Why We Fear Iran,” *al-Sharq al-Awsat* (London), April 22, 2006 (available online at <http://aawsat.com/English/news.asp?section=2&id=4650>).

17. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007,” pp. 47, 51, 62.

view that Iran itself may end up at the mercy of local feuds in Iraq and elsewhere over which it has little control. The result of these conflicting assessments and impulses is a policy suffused with ambiguity: counting on American protection, yet not trusting totally in it; hoping Iraq will somehow stabilize, yet not daring to do very much to support its new Shiite-led government; suspecting Iran's intentions, yet trying to put the best face on much of what Tehran is up to.

A perfect example from early 2007 is the commentary offered by Kuwait's Navy commander, Ahmed Yusuf al-Mullah, on recent exercises conducted separately in the Gulf by Iran and by a U.S.-led flotilla. Iran's maneuvers, he opined, were "routine, and had nothing to do with the nuclear program"; the U.S.-led maneuvers, in which Kuwait participated only as an observer, "did not target Iran, because Kuwait considers Iran a friendly neighbor."¹⁸ Finding any public statement by a Kuwaiti official that explicitly singles out Iran for unequivocal criticism would be difficult. Still, Kuwait has signed up to several recent joint statements—including a couple issued after the GCC + 2 meeting with Secretary Rice in January 2007 and again in July 2007—that allude more vaguely to rejecting hostile external pressures, a formulation widely regarded as a reference to Iran. The overall approach was well summed up by a British observer: "Washington's Arab allies want Iran deterred, not provoked."¹⁹

The Iranian Nuclear Issue

Iran's nuclear program poses a severe test for this temporizing stance. Beginning in March 2006, even before the current impasse over Iran's uranium enrichment, the GCC as a group went on record in declaring the country's nuclear activities "a major concern" and urged Tehran "to respond positively to the interna-

tional demands and initiatives" in this regard. Kuwait and its neighbors have, in addition, their own special environmental concerns about even Iran's ostensibly civilian nuclear power program. A British expert, Prof. Anoush Ehteshami of Durham University, deftly summarized these concerns to the House of Commons in March 2007 as follows:

Two key problems vex the GCC states. First, that Iran's nuclear reactor (Bushehr) was well within the internationally agreed 500 km distance radius of settlements ... and any accident at the reactor would require the resettlement of entire countries, which would be an unprecedented problem for the region and the international community to manage. In the case of Kuwait, Bahrain, and Qatar, they were 200 km or less from the reactor.... The second issue relates to water supplies. As the GCC states are dependent on Gulf [desalinated] waters for some 80% of their water supplies any radiation leaks from Bushehr would spell disaster for virtually every neighbouring country.²⁰

Especially in Kuwait, where memories of the staggering environmental costs of the 1991 war against Iraq are still fresh, such issues are genuinely taken to heart. A reliable 2007 survey shows an unexpectedly high proportion of the public (62 percent) rates pollution as a "very big problem" in the country, just behind illegal drugs (70 percent).²¹ Kuwait's postwar environmental protection policies are serious enough to impose real costs on its own industrial and processing plants,²² and any environmental threat from just across the Gulf would surely be cause for concern. Russia's announcement in August 2007 that it would not supply fuel for Bushehr until late 2008 at the earliest has postponed but not resolved these concerns.

On the Iranian nuclear issue, Kuwait has so far mainly taken refuge in the language of "interna-

18. "Kuwaiti Defense Minister [sic] Terms 'Routine' Iranian Military Exercises in Persian Gulf," Islamic Republic News Agency (IRNA), March 13, 2007. Available online (www.irna.com/en/news/view/line-22/0611199510163902.htm).

19. Edmund O'Sullivan, "Hardline Approach from U.S. Puts Tehran on the Spot," *Middle East Economic Digest* 51, no. 4 (January 26–February 1, 2007), p. 56.

20. "Evidence" in House of Commons, Foreign Affairs Committee, *Global Security: The Middle East*, Eighth Report of Session 2006-07 (London: The Stationery Office, Ltd., 2007), p. 31.

21. Pew Global Attitudes Project, "Global Opinion Trends 2002–2007," p. 35.

22. Mustafa Babiker, "The Impact of Environmental Regulations on Exports: A Case Study of Kuwait Chemical and Petrochemical Industry," Kuwait: The Arab Planning Institute, Working Paper, n.d.

tional legitimacy,” that is, the Nuclear Nonproliferation Treaty, International Atomic Energy Agency reports and regulations, and UN Security Council statements and resolutions. Kuwaiti spokesmen pointedly note that Iran has the right to a peaceful nuclear program while also proclaiming their adherence to the still very limited UN sanctions targeting Iran’s clandestine nuclear activities. In February 2007, in his most extensive public remarks on this issue, Emir Sabah offered *The Times* of London this remonstrance with Iran:

The president of Iran visited me here. We had a very frank talk. We told him that if nuclear energy will be used for peaceful purposes we will be the first to welcome it. But if it is the intention of his leadership to use this energy for military purposes, then we will be very unhappy. I hope they use their heads, that they will be reasonable, that wisdom will prevail. They must avoid this very dangerous stage which at present they are in and avoid the dangerous situation that might befall them.... I hope that the [military] confrontation will not happen, but everything is possible.²³

Similarly, soon after the second UN Security Council Resolution (UNSCR 1747) imposing nuclear-related sanctions on Iran, Kuwait’s foreign minister called it “a timeline of escalation against Tehran,” . . . adding that he feared ‘what happened to Saddam Hussein might happen to the Iranians.’²⁴

As a long-term precaution, Kuwait joined in the announcements in September and again in December 2006 that the GCC would examine the option of acquiring a civilian nuclear capability. Privately, Gulf officials say this option had already been under active consideration for the past couple of years or so. Although too soon to tell how seriously to take these claims, their mere assertion should be seen as at least a rhetorical shot across Iran’s bow.²⁵

In early May 2007, on the margins of the Sharm al-Sheikh multilateral meetings on Iraq, the Kuwaiti and the Iranian foreign ministers held a bilateral meeting to consider some of these concerns. Afterward, Kuwait’s Sheikh Muhammad Sabah al-Salem al-Sabah publicly noted clear differences with Iran, on both the Iraqi and the nuclear issues:

Asking for rapid departure of these [coalition] forces might have negative consequences on the Iraqi government and then serve the interests of the terrorists, and this is against the interest of the neighboring countries . . . Kuwait is dismayed that Iran is confronting the international community over this [nuclear] issue, and it does not please Kuwait.²⁶

All together, then, the specter of Iran, emboldened by the situation in Iraq, looms as Kuwait’s most significant danger from any direction. Internal issues, obviously including Kuwait’s own sectarian balance, could in turn be aggravated more by Iranian meddling or inspiration than by any direct spillover from Iraq. Kuwait’s first line of defense against that possibility is to keep its reasonably open political, social, and economic systems functioning normally, even in the face of great uncertainty and instability on its borders. That method has proven successful, at least for most of Kuwait’s modern history, for ensuring domestic tranquility.

When facing any frontal outside threat or just a serious foreign policy problem, however, Kuwait’s options, although not negligible, are far more constrained. The next section looks at some realistic Kuwaiti options for dealing with its rough neighborhood in the years ahead, along with its happily less-daunting challenges at home. The emphasis is not on any immediate fallout from Iraq, which has proven to be quite manageable, but on longer-term issues that are bound to become increasingly important over the next decade.

23. “Emir of Kuwait Implores Iran to Be Reasonable over Nuclear Programme,” Agence France-Presse, February 6, 2007.

24. Quoted in “Kuwait Warns Against Escalation of Iran N-Crisis,” *Arab Times* (Kuwait), April 9, 2007. Available online (www.arabtimesonline.com/arabtimes/world/Viewdet.asp?ID=9311&cat=a).

25. For a compilation of recent events and views on this subject, see Joseph A. Kechichian, “Can Conservative Arab Gulf Monarchies Endure a Fourth War in the Persian Gulf?” *Middle East Journal* 61, no. 2 (Spring 2007), pp. 283–306. See also William J. Broad and David E. Sanger, “With Eye on Iran, Rivals Also Want Nuclear Power,” *New York Times*, April 15, 2007.

26. “Kuwait Says International Community Should Help Iraq,” Kuwait News Agency (KUNA), May 3, 2007. Available online (www.kuna.net.kw/home/Story.aspx?Language=en&DSNO=979235).

Kuwait's Options for the Future

ALTHOUGH NO MATCH for a determined external aggressor, at just over 15,000 strong, Kuwait's own armed forces are no longer trivial. In combination with some effective regional security structure, they could conceivably be a larger factor in coping with some of the security implications of the unsettled situation surrounding either Iraq or Iran. U.S. military officers, according to a recent congressional report, give Kuwait's armed forces relatively high marks for quality if not quantity—particularly the air force, which has spent upward of \$7 billion over the past decade to acquire several squadrons of F-18s, Apache helicopters, and related missiles and equipment.¹ Total defense spending has recently been running at a respectable \$3 billion or more annually, according to unofficial estimates.² The next step toward greater effectiveness, as Anthony Cordesman has argued, may be better bilateral cooperation with Saudi Arabia, rather than some more elaborate multilateral framework. This would need to be complemented, however, with better overall GCC military coordination. On a visit to the Gulf in mid-September 2007, the new CENTCOM commander, Admiral William Fallon, told the press that “we are not looking for a new NATO-type alliance against Iran... [but] a group united in response to Iranian hegemonic behavior.”³ Similarly, Secretary of Defense Robert Gates recently told an interviewer that

part of the long-range security structure would be stronger military partnerships with some of America's friends in the Gulf area, helping them to build better counter-terrorism forces as well as regional air- and missile-defense systems to check Iranian ambitions.⁴

Yet even such seemingly natural cooperation confronts a major obstacle: the ingrained distrust and resent-

ment that divide one Gulf society from another, even (or especially) when they are the closest neighbors. Furthermore, Saudi Arabia's own military modernization program is generally seen as disappointing over the past decade, especially in comparison with Iran's. In the short term, then, no effective regional Arab security structure is on the horizon, nor can one be anticipated to arise even in the medium term. Despite all the academic models of a new Gulf security architecture, Kuwait's dependence on U.S. protection in case of need can therefore be expected to continue indefinitely. It may be “preferable,” as Michael Knights maintains, “for GCC states to have sufficient internal strength to deter Iran from low-level or persistent harassment.” Yet he, too, concedes that “extended deterrence provided by the United States will remain an essential feature of GCC defensive strength.”⁵

As a result, Kuwait will undoubtedly continue to take great care of its security tie to the United States, which has long been its primary protection against any external threat. It will keep hosting substantial U.S. forces and an equally wide array of privatized security and logistics operations oriented toward Iraq. Fortunately, Kuwait is mostly empty space, and the U.S. military presence has moved away from any densely populated areas. It is hardly visible at all to the casual observer anywhere within Kuwait City, which is where almost everybody in the country resides.

If the United States decides to redeploy some troops from Iraq to create a larger contingency force on the Kuwaiti side of the border, Kuwait can be expected to comply readily with this request. If, in contrast, Washington decides simply to evacuate most troops from Iraq through Kuwait, U.S. officers say that the facilities and procedures are already in place to deal smoothly

1. Kenneth Katzman, “Kuwait: Post-Saddam Issues and U.S. Policy,” Congressional Research Service RS21513, updated June 29, 2005, p. 3.
2. “Kuwait to Take Delivery of US Attack Helicopters,” *Middle East Times*, October 9, 2006.
3. Brian Murphy, “Arabs Urged to Join Forces Against Iran,” *Washington Times*, September 19, 2007.
4. Greg Jaffe, “Gates Crafts Long-Term Iraq Plan, With Limited Role for U.S. Forces,” *Wall Street Journal*, September 19, 2007.
5. Michael Knights, *Troubled Waters: Future U.S. Security Assistance in the Persian Gulf* (Washington, D.C.: Washington Institute for Near East Policy, 2006), p. 148.

with that contingency. This movement would not be “the California gold rush,” Lt. Gen. R. Steven Whitcomb told reporters in August 2007. When necessary, however, Kuwait has handled as many as 240,000 U.S. troops moving in and out of Iraq over as little as a three-month period.⁶

A much more difficult question, and one rarely answered (or even asked) in public, is this: How can Kuwait deal with the fallout, in terms of Iranian retaliation, from a hypothetical American or Israeli military strike on Iran? Like Saudi Arabia, although on a smaller scale, Kuwait is already quietly stepping up its physical security posture around key energy targets. It is also moving to expand and upgrade its Patriot anti-missile defenses in consultation with U.S. officials and experts.⁷ It has taken the initiative in consulting with both NATO and GCC technical experts on anti-radiation measures.⁸ The Kuwaiti foreign minister recently confirmed that civil defense studies, at least “in the areas of water and electricity,” are under way to identify coping strategies in case of the kind of disruption that might result from a hypothetical, unspecified military confrontation with Iran.⁹ And in October 2007, one Arabic-language Kuwaiti daily reported that an entire array of government agencies was actively preparing for this eventuality.¹⁰

The threat is decidedly not an idle one. According to one Kuwaiti analyst, the desalination plants on which his country depends completely are more vulnerable, and even more vital in the short term, than are its oil installations. Those water sources could be targeted

directly or else indirectly damaged beyond quick repair by contamination at the coastal intake source, either deliberately or accidentally. A correspondingly desirable goal, in this analysis, would be a well-protected “strategic water reserve” of as much as six months’ supply: approximately 50 billion gallons.¹¹ This reserve would reflect an ironic mirror image of the U.S. Strategic Petroleum Reserve, designed to withstand a disruption in oil supplies.

On the tactical level, beyond such measures, Kuwait may choose to solicit greater international cooperation in coping with potential Iranian missile and anti-ship-mining threats. Naval officers at the U.S. military theater headquarters responsible for the Gulf, the Central Command, are already engaged in preparations for this contingency. Their institutional memory recalls the 1987–1988 “reflagging” episode, in which direct U.S. protection for Kuwaiti tankers in international waters, while effective, did not stop Iran from carrying out damaging mine and missile attacks against oil-related targets within the country’s territorial waters and boundaries. In coordination with the United States and other allies, Kuwaiti actions today could include some or all of the following prudent defensive steps: further upgrades to Patriot (and possibly other) antimissile defense batteries; enhanced integration of radar and other warning and tracking systems with counterparts in Dhahran, Dubai, and Bahrain; and intensified scheduling or stationing of U.S. aircraft carrier and Aegis-class cruiser deployments in nearby coastal waters.

6. Josh White, “Kuwait Facilities Could Handle Big Troop Pullout, General Says,” *Washington Post*, August 2, 2007.

7. “Kuwait to Tighten Security at Oil Installations,” *Arab Times* (Kuwait), September 11, 2007 (available online at www.arabtimesonline.com/client/pagesdetails.asp?nid=5241&ccid=9); “Kuwaiti Official Meets with U.S. Energy Figure,” Kuwait News Agency (KUNA), September 9, 2007; Tom Stundza, “Kuwait Boosts Oil Field Security,” *Purchasing Magazine Online*, May 9, 2007, citing *Platt’s Oilgram* (available online at www.purchasing.com/index.asp?layout=articlePrint&article1).

8. “Kuwait Presents Working Paper on Nuke Radiation,” *Kuwait Times*, June 26, 2007 (available online at www.kuwaittimes.net/read_news.php?newsid=MTU4MTE3ODcxOQ==); “Kuwait Seeks NATO’s Assistance to Combat Nuclear Radiation,” Kuwait News Agency (KUNA), April 2, 2007 (available online at www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1720965&Language=en). See also “NATO Experts Assess Kuwait’s Nuclear Emergency Contingency Plans,” Associated Press, May 6, 2007.

9. Kuwait News Agency, Headlines, Briefing of Kuwaiti Dailies Issue, Tuesday, April 24, 2007 (available online at <http://168.187.77.132/newsagenciespublicsite/ArticleDetails.aspx?id=1727462&Language=en>); interview with Kuwaiti foreign minister Sheikh Muhammad al-Sabah, *al-Ray al-Amm* (Kuwait), April 24, 2007, translated in *Middle East Wire*, April 24, 2007 (Available by subscription.)

10. Ahmed al-Najjar, “Thamaniya Jihat Hukumiyah Tada Ijraat Himayat al-Biah Al-Kuwaitiyah Min Khatr Darbah Askariyah Amrikiyah Li-Iran” [Eight government agencies are undertaking measures to protect Kuwait’s environment against the danger of an American military strike on Iran], *al-Watan* (Kuwait), October 7, 2007.

11. For a detailed analysis of potential Iranian missile and mine threats to Kuwait, see the presentation by the Kuwaiti security expert Dr. Sami al-Araji at the Washington Institute for Near East Policy’s May 2007 Soreff Symposium. Available online (www.washingtoninstitute.org/templateC07.php?CID=353).

On the political level, the Kuwaitis will assiduously keep cultivating the close networks of contacts and understandings with American officialdom that reinforce this relationship. In the words of a senior Kuwaiti security official, “Kuwait has special relations with the United States, the United Kingdom, and the rest of the coalition countries, which means that we can play a role in stabilizing the situation in the region.”¹² As of this writing, however, although the emir entertained very senior American officials during his extended visit to the United States for medical tests in the summer of 2007, detailed formal bilateral strategy sessions were still being held at a relatively low level on the U.S. side.¹³ As fateful decisions loom in late 2007 and beyond about U.S. policy toward Iraq and Iran—either or both of which will assuredly implicate Kuwait as well—the emir and his senior cohorts may understandably press for more-comprehensive briefings and discussions at higher levels.

At the same time, Kuwait will keep making some effort to diversify its sources of allied protection or at least to implicate additional friendly outsiders in its defense. In August 2007, for instance, Kuwait hosted two Indian warships in its harbor for a five-day visit; one of those ships, as both Indian and Kuwaiti official spokesmen pointedly noted, “equipped with precision-guided missiles, is capable of confronting nuclear, chemical, and biological warfare at sea.”¹⁴ In September 2007, Kuwait hosted NATO deputy secretary general Alessandro Minuto-Rizzo to discuss a new military transit agreement,¹⁵ which would presumably codify the multilateral cooperation on missions to Afghanistan, counterterrorism, and related concerns in which Kuwait has actively engaged ever since the immediate aftermath of September 11, 2001. Such cooperation can supplement but not substitute for U.S. leadership in Kuwait’s defense in case of any major external threat.

Therefore, like the other Arab Gulf states, Kuwait will discreetly advocate sustaining a very robust U.S.

military presence in its vicinity, including a continued commitment to Iraq sufficient to keep that country from disintegrating or falling into the hands of Iran. Kuwait will be watching closely to see which way the winds are blowing in Washington. If U.S. strategy generally appears to be holding, Kuwait can afford to stay supportive but in the background. If, in contrast, U.S. policy seems to be lurching toward some drastic departure (for example, either toward a military confrontation with Iran or toward a greatly reduced role in the region), or if Iran does succeed in acquiring an unambiguous nuclear weapons capability, then Kuwait will have to scramble for some new sources of protection.

Depending upon the particulars, this protection could take the form (in descending order of likelihood) of requests for a more-overt American defense umbrella, for a stronger regional self-defense mechanism, or for accelerated rapprochement with Iran. Most likely of all, because of the regional penchant for ambiguity, hedging one’s bets, and muddling through, Kuwait will paradoxically try to pursue all three of those avenues simultaneously, for as long as it can. And for a small, rich, and weak country like Kuwait, one with powerful friends and enemies, that is perhaps not an elegant but probably an effective strategy for success.

Economic Initiatives: How Much “Globalization”?

One of the most valuable initiatives that Kuwait could undertake today in any area would be to move rapidly forward, at long last, with Project Kuwait, which would open promising northern parcels to foreign direct investment in new oil and gas projects. This investment would bestow on Kuwait a welcome infusion of technical and management capability, helping secure the country’s long-term economic future. Even in the short term, it would give Kuwait and its closest partners more international economic leverage—including economic

12. Ahmed al-Fahd al-Sabah interview, *al-Sharq al-Awsat* (London), February 13, 2007.

13. “Kuwait, US Talk Gulf Security,” *Kuwait Times*, May 24, 2007. This article opens as follows: “Acting US Assistant Secretary of State for Political-Military Affairs and President of Kuwait’s National Security Bureau Sheikh Ahmed al-Fahd al-Ahmed al-Sabah co-chaired Tuesday the second meeting of the US-Kuwait Gulf Security Dialogue (GSD).” Available online (www.kuwaittimes.net/read_news.php?newsid=MTU0MTz2N...).

14. “Two Indian Warships Visit Kuwait,” Kuwait News Agency (KUNA), August 7, 2007.

15. “NATO to Sign New Transit Agreement with Kuwait,” *Daily Star* (Kuwait), September 6, 2007. Available online (<http://dailystar/alwatan.com.kw/Default.aspx?MgDid=542124&pageId=322>).

leverage vis-à-vis their potential Iranian adversary. One sometimes hears an additional argument: that developing these new fields near the Iraqi and Iranian borders would somehow, by their very location, help insure international protection for Kuwait. That argument seems specious, redundant in view of Kuwait's existing assets, and needlessly provocative. Economic factors alone are more than sufficient to justify this venture.

The problem is rather an internal political one. Attractive as this project is to Kuwait's leaders, it does appear to infringe upon the country's long-standing policy of energy nationalization. It would therefore require a more sustained expenditure of political capital than they have so far been willing to offer to push Project Kuwait through parliament. Perhaps the most pragmatic path ahead lies in tackling this needed transformation one project at a time, as parliament has demanded, rather than overshooting the goal with an unduly ambitious bloc proposal.

A lesser priority, but still worthwhile, awaits action on the economic front with Iraq. Given Kuwait's painful history and Iraq's own parlous present condition, Kuwait is highly unlikely to take the initiative with any sort of economic package for its northern neighbor. Even prudent official investments in Iraq are likely to be very limited, judging by Kuwait's paltry record over the past four years. Beyond its longstanding participation in selected pan-Arab aid programs (such as the venerable Kuwait Fund for Arab Economic Development and the newer Kuwait-based Arab Fund), little prospect exists of spontaneous movement toward a regional approach to economic development—certainly not one that would include Iraq in any meaningful fashion.

Some observers are inclined to attribute this parsimony mainly to Kuwait's displeasure with the Shiite and therefore "pro-Iranian" cast of the new Iraqi government, but this factor can hardly be the whole story. In reality, even if the entire Iraqi government were Sunni and somehow ethnically connected to Kuwaitis, it would be almost inconceivable that Kuwait's largesse

would rise by more than a modest measure. Kuwait's universally conservative foreign economic policy, which goes beyond any sectarian or other sociopolitical criteria, is much more likely to prevail.

For this reason, significant improvements in Kuwait's official economic ties to Iraq would require some form of outside encouragement. Kuwait's reluctance to relinquish reparations for Saddam's 1990–1991 invasion and occupation, or to write off Saddam's debt from his earlier war against Iran, is understandable. Nevertheless, Kuwait could be encouraged to offset these demands on Iraq's limited resources with an aid, trade, and investment package of some kind.

Such adjustments would make at least a symbolic and possibly also a real contribution to the stabilization of Iraq, which on balance is in Kuwait's own enlightened self-interest. Although this kind of gesture is hardly the top priority compared with Kuwait's vital land link to Iraq, it may be worth pressing in the context of the UN-sponsored International Compact for Iraq, or in follow-up meetings of Iraqi neighbors, GCC + 2, and others.

One new bright spot in this picture is the interest some Kuwaiti firms are showing in certain potentially profitable sectors of the Iraqi economy, where there is money to be made even in the midst of something like civil war. An August 2007 auction of cell phone rights in Iraq, for instance, found the Kuwait-based company MTC Atheer winning one of three successful bids, at an impressive \$1.25 billion price tag.¹⁶ (Press reports immediately followed this bid, however, indicating that this company, among the largest private sector operations in Kuwait with more than 1,000 employees, was considering relocation to Bahrain or Dubai, where commercial laws and practices promised to be easier.¹⁷) Similarly, Kuwait's National Petroleum Company participated, along with several major multinationals, in the September 2007 investment fair for the Iraqi oil sector in Dubai. Encouraging more such pragmatic commercial linkages with Iraq, perhaps with U.S. corporate participation in appropriate business consor-

16. "Iraq Sells 3 Mobile Licences for \$3.75 Bln," Reuters, August 20, 2007. Available online (www.iraquupdates.com/p_articles.php/article/20822).

17. "MTC May Move Headquarters out of Kuwait," *Kuwait Times*, August 28, 2007.

tiums, would be a useful adjunct to existing Kuwaiti (and American) economic policies in the region.

Gulf Regional Conflict Management: Rhetoric vs. Reality

Kuwait can be counted on as a staunch advocate of regional and international dialogue (with the glaring exception of any direct dialogue with Israel). Ideally, these sorts of conclaves might ultimately create a more stable and less dangerous regional environment for Kuwait and the other temptingly weak and wealthy states of the Gulf coast—or even the much-bruited inclusive regional security architecture that might foster real rapprochement among the GCC, Iraq, and Iran. But even well short of that, support for regional dialogue is intended to mitigate the kind of acute polarization or outright conflict that might force the Kuwaitis to take sides or jeopardize their security in even more tangible fashion.

A noteworthy new instance of this posture came in mid-January 2007, in an unusually forward-leaning comment by Kuwait's foreign minister, Sheikh Muhammad al-Sabah. He went out of his way to tell the media that the emir had asked Secretary Rice, during her visit for a GCC +2 meeting on regional issues, to initiate "dialogue" with both Syria and Iran "to safeguard Gulf security." Because the United States in fact agreed to do this in some fashion only a month later, one can probably safely assume that Sheikh Muhammad knew he was pushing on an open door and that both the United States and Saudi Arabia had already signaled their comfort with this public plea.

In line with this approach, a Kuwaiti ambassador was a willing if quiet participant in the unprecedented conference of Iraq's neighbors (plus the five permanent members of the UN Security Council and a few additional Arab or Islamic representatives) that convened in Baghdad for one day on March 10, 2007. The participants agreed on a bland communiqué supporting Iraqi security and reconstruction and agreed as well to meet again somewhere in the region before too long, report-

edly at a higher, ministerial level. They did not, however, go so far as to offer even verbal support, as U.S. officials had hoped, for any concrete political or economic overtures to Iraq, such as the UN-sponsored International Compact for Iraq. Presumably, however, Kuwait did not support calls from the Iranian and Syrian delegates for a timetable for U.S. withdrawal from Iraq either.

When follow-up meetings to this Baghdad "neighbors' conference" took place later in 2007, whether at Sharm al-Sheikh in Egypt, Damascus in Syria, or elsewhere, Kuwait again attended at the appropriate level and subscribed to whatever vague consensus emerged. This pattern can be expected to continue almost indefinitely. Even in this multilateral framework, Kuwaiti consent to any specific pledges of economic or other assistance to the hard-pressed Iraqi government would take more prodding.

Much the same can be said about the various unofficial proposals for some new kind of Gulf security "architecture" that would include Iraq, Iran, or perhaps both. Ever since the GCC was created in 1981 and excluded both those giant neighbors, well-meaning academics and others have been advocating such an expanded approach to regional conflict management, or even active cooperation. In theory this approach has its attractions, but in practice Kuwait and the other Arab Gulf states have shown little real interest in anything of the sort. Their governments see any formal framework of this nature, especially one that had any practical pretensions, as a chimera, ineffective at best, intrusive at worst.

Kuwait can therefore be expected to continue meeting with both Iraqi and Iranian officials from time to time, and mouthing slogans about peaceful cooperation, but not to go beyond that point. The prospects as of late 2007 were well put by Muhammad al-Saqer, the Kuwaiti member of parliament serving as this year's president of a ceremonial pan-Arab forum styled the Arab Transitional Parliament, who made headlines back home with this memorably Orwellian quote: "Arab-Iranian dialogue on track, but postponed indefinitely!"¹⁸

18. Kuwait News Agency (KUNA), September 7, 2007. Available online (www.kuna.net.kw/NewsAgenciesPublicSite/ArticleDetails.aspx?id=1839739&Language=en).

Arab-Israeli Peacemaking: Engagement or Just “Conference-Building Measures”?

Beyond its own Gulf sub-region, Kuwait is almost certain to follow the Saudi lead in seeking Arab agreement on other topical issues, whether on Lebanon or on the “Arab Peace Initiative” calling for Israel’s withdrawal to the 1967 lines to create a Palestinian state.¹⁹ For Kuwait again, this is primarily a rhetorical exercise, not insincere but also not tied to any concrete Kuwaiti action. If this kind of diplomacy does produce real movement toward accommodation, Kuwait would be content to reap the rewards of regional stability. And if, as Kuwait surely anticipates, such diplomatic overtures produce little immediate outcome, then the process is its own reward—in the sense that it may relieve the pressure of regional polarization and at least postpone a day of reckoning that could drag even distant neighbors into unwanted conflict. As the emir himself put it, perhaps with unwitting irony, following the March 2007 Arab Summit in Saudi Arabia: “The wise management of the summit session did not allow for controversy, despite the serious and important nature of topics on the agenda—especially the issue of reactivating the Arab peace initiative.”²⁰

On the Arab-Israeli peace process, Kuwait has traditionally taken a back seat. In the immediate aftermath of its 1990–1991 ordeal with Iraq, it famously expelled (or just refused to readmit) nearly 400,000 resident Palestinian workers and their families in retribution for the pro-Saddam sympathies some of them evinced during that crisis (with Yasser Arafat in the lead). Soon afterward, for the first few years after the Madrid peace conference of late 1991, Kuwait sent a representative to a few of the Arab-Israeli multilateral working groups on economic and regional security issues. Within a year of the initial PLO-Israeli Oslo agreement of September 1993, Kuwait joined

the other GCC states in abandoning the secondary and tertiary boycotts of countries or companies doing business with Israel. But these small steps were followed by a deep freeze after the Oslo process stalled, even as the other small GCC countries (Qatar, Oman, Bahrain, and the UAE) kept up low-level official or commercial contacts with Israelis.

Then, during the fall of 2005, in the wake of Israel’s unilateral evacuation of Gaza, a flurry of open debate took place in Kuwait about the possibility of some kind of opening to Israel. A couple of favorable op-eds appeared, first in the English-language *Arab Times* and then in its Arabic-language sister publication, *al-Siyasah*, and several other prominent pundits or businessmen publicly concurred. In response, however, Islamist voices were raised in protest. Mansour al-Khuzam of the fledgling, unrecognized Umma Party maintained: “This is not about Israel; it is about the holy sites in Palestine and the blood of Palestinians being shed every day. I don’t think any Islamic country could tolerate this. It can only be based on foreign pressure.”²¹ Muhammad al-Saqer, the chair of the foreign affairs committee in parliament (and a patriarch from a leading merchant clan), voiced a similarly trenchant view on Israel. “Kuwait will be the last state to have relations with Israel,” he predicted, “and I hope that this will never happen.”²² In the event, no initiatives of this sort occurred.

Still, overall Kuwaiti public opinion appears relatively permissive in this area. In a reasonably reliable April/May 2007 poll, a mere one in five Kuwaitis named Israel as one of the top three threats to their country—compared with four in five Egyptians or Jordanians, whose countries are formally at peace with the Jewish state. Kuwaiti attitudes were split down the middle rather than favorably inclined toward Hamas, even before its “secession” from Fatah in Gaza, and only narrowly favorable (49 percent compared with 34 percent) toward Hizballah. On both of these counts, too,

19. For a recent example of high-level Kuwaiti coordination with Saudi Arabia on these issues, see “Saudi King, Emir of Kuwait Discuss Situations in Iraq, Palestine and Lebanon,” *Voices of Iraq News Service*, July 29, 2007.

20. “We Can’t Pretend Not to Be Concerned about Iraq: Amir; Kuwait Ready to Host Arab Economic Summit” *Arab Times* (Kuwait), April 9, 2007.

21. Hassan M. Fattah, “Kuwaitis Quietly Breach a Taboo: Easing Hostility Toward Israel,” *New York Times*, October 5, 2005.

22. *Ibid.*

Kuwaitis were more moderate than either Egyptians or Jordanians. The leader of Hizballah, Sheikh Hassan Nasrallah, rates at least “some confidence” among just half of Arabs in Kuwait—approximately on a par with Egyptian or Jordanian attitudes and way behind his approval rating among Palestinians (79 percent). By way of comparison, popular confidence in Saudi Arabia’s King Abdullah shows the opposite pattern: about 80 percent of Arabs in Kuwait, Egypt, Jordan, and even Lebanon, compared with a mere 52 percent among Palestinians.²³

In view of this climate, the next time an international Arab-Israeli peace conference or meeting is in the offing, if Saudi Arabia agrees to attend—as at Madrid and Sharm al-Sheikh in the 1990s—then Kuwait plausibly could be prevailed upon to participate as well. Also, in the aftermath of the Hamas takeover of Gaza, Kuwait’s share in pan-Arab aid pledges to the Palestinians is murkier than ever. The record suggests that this uncertainty will not soon be resolved, but raising the issue for discussion, with an eye to a more substantial and positive Kuwaiti contribution, would certainly be useful.

23. Pew Global Attitudes Project, “Global Opinion Trends 2002–2007: A Rising Tide Lifts Mood in the Developing World,” July 24, 2007, p. 151. Available online (www.pewresearch.org). Also notable is that, among the Lebanese public as a whole, Sheikh Nasrallah garnered just 32 percent confidence, compared to a startling 55 percent voicing “no confidence at all.”

Conclusion

KUWAIT, OFTEN OVERLOOKED in discussions of the region, in reality has a major role to play. Sandwiched directly between Iran and Iraq, its location alone makes it a prime strategic asset. Moreover, Kuwait has about as much oil (and probably natural gas) buried under its tiny territory—another century’s worth at current production levels—as exists in either of its much larger and more populous northern neighbors. For Kuwaitis, Americans, and the entire global economy, protection of these assets is essential. Indeed, to the extent that Kuwait’s importance has been neglected, that is mostly because it has proved so surprisingly successful lately at averting the threats of spillover—either from a weakened and fragmented Iraq or from a strengthened and increasingly emboldened Iran.

Overall, Kuwait remains surprisingly insulated from direct negative repercussions of the situation in Iraq. Little immediate prospect exists that this happy anomaly will take a sharp turn for the worse, almost no matter what happens inside Iraq. Refugees, terrorists, hostile armies, or sectarian strife have not recently crossed, and probably will not cross, this border in appreciable numbers or effect, in either direction. Yet Kuwait could become vulnerable to the indirect implications of Iraq’s troubles—particularly the expanding regional reach of Iran. In the short term, the first hedge against this problem is Kuwait’s own success story of preserving its parliamentary system, its energy and economic lifeline, and its enviable record of communal coexistence. Nevertheless, Kuwait needs and deserves a continued U.S. security umbrella against any direct military threat as well as against any unintended or undesirable consequences of American intervention elsewhere in the region.

Can Kuwait Be a Model?

Kuwait’s apparent ability to thrive as a calm oasis in such a troubled time and place has inspired some

observers to suggest that its experience might offer lessons for other countries in the region. One thoughtful Lebanese scholar, Paul Salem, has recently made the case that

the Arab countries have much to learn from Kuwait, a country that has been able to match traditional power structures with a growing margin of democracy. . . . While the Arab republics have regressed into military or one-party dictatorships or collapsed into failed states, and even recently promising Arab monarchies like Jordan have pulled back from real democratic accommodation and empowerment, Kuwait increasingly stands out as an important, even if imperfect, example.¹

Yet Kuwait’s recent history stands apart in a way that weakens its utility as a model. Indeed, in another, equally arresting passage, the same Arab author comes close to arguing that Kuwait enjoys a unique secret of success—derived from a bitter lesson—that other Arabs have a hard time assimilating: “the Iraqi invasion [of 1990–1991] and the support of the PLO for the invasion shattered the credibility of pan-Arabist ideology and reinforced Kuwaiti nationalism.” This added factor, Salem writes, offers Kuwait “inoculation against the temptations or illusions of . . . other political communities in the region.” Among other Arab states, perhaps Jordan a generation ago underwent a parallel political transformation in the wake of the Black September civil war. But this analogy is the only one that comes readily to mind, and it is not a very close one. Even Kuwait’s closest neighbors among the GCC states, who may once have admired (or feared) its relatively democratic example, have in many respects gone their own way lately, with different mixtures of more modest political reform and greater emphasis on local business development.

1. Paul Salem, “Kuwait: Politics in a Participatory Emirate,” Carnegie Middle East Center Paper no. 3, Carnegie Endowment for International Peace, June 2007, p. 19.

As a result, it makes sense to think of Kuwait not so much as a model but more as a useful counterexample to some of the most notorious stereotypes about Arab political behavior. Kuwait is living proof that under certain conditions, even today, Sunni and Shiite Arabs can continue to coexist quite peacefully together, as they often have before. It also provides proof that not all Arabs are anti-American, even if their country is full of American soldiers. It demonstrates that oil wealth, even when it is on the ascendant, does not necessarily preclude democratic reforms—belying the elegant but oversimplified proposition that, in all oil-rich “rentier” regimes, there can be “no representation without taxation.” And Kuwait’s parliamentary experience over the past several decades suggests as well that, at least in some cases, Islamist participation in electoral politics can be accommodated within a pluralistic, essentially moderate framework. Rather than try to transpose these attributes elsewhere in some wholesale manner, it would be more reasonable to think through which particular ones might have rough equivalents, and in what combinations, in other Arab or Muslim societies.

If Kuwait’s experience supports one generalization about Arab politics, it is the increasingly familiar (yet still paradoxical) one that monarchs have lately made better reformers than elected rulers. Diverse explanations are possible for this striking pattern. Some revolve around the notion that a king can supply a kind of balance to other political forces, including Islamic ones. He can act as an arbiter, allowing other players to contend over the country’s direction without undermining his own ultimate authority, and thus allow reform to proceed at a measured pace. Other interpretations emphasize oil wealth as the lubricant of gradual political and social change, but this approach fails to account for the progress of either Jordan or Morocco.

One additional possibility may be that monarchies can offer a kind of built-in legitimacy for long-lived rule and then for succession. Perhaps this anachronistic arrangement serves to avoid some of the pressures of prolonging tenure in ostensibly republican political systems, and the problems of eventually transferring power there—often in hereditary fashion anyway.

Whatever the real reasons for this apparent royal advantage, the experience of Kuwait, the other small GCC states, and a few others should serve as a cautionary note whenever U.S. policymakers are tempted to tinker with the internal political workings of a friendly Middle Eastern country. Full-fledged democracy may not be the best way forward in this thicket—either in monarchies that are managing to reform in their own way or in nominal republics that are stagnant or struggling but lack the stabilizing anchor of a king in case mob rule threatens to take over. With this caution in mind, the following final section of policy recommendations concentrates on a short list of suggestions for U.S. and Kuwaiti consideration, strictly limited to the realm of foreign economic and security policy, rather than domestic politics on either side.

Policy Recommendations

The central issue for Kuwait, and for its American and other friends, is not so much any direct spillover from Iraq; it is how to contain the potential threats from the rising power of Iran. Clearly, Kuwait cannot cope with this major issue on its own. Precisely for that reason, some creative new quiet diplomacy is called for. The Kuwaitis will surely look for reassurance that the United States is not drifting toward a hasty or ill-considered military confrontation with Iran. By the same token, they will want to know that the newly announced ten-year plan to sell Kuwait and the other Arab Gulf monarchies advanced arms of their own is not a signal of American withdrawal from the theater. Whatever happens with Iran or Iraq, the United States must not unwittingly jeopardize the security of its other vital allies in the region.

Given Kuwait’s small size and conservative political and economic instincts, it is highly unlikely to adopt any major initiatives on its own to tamper with today’s essentially tolerable status quo or with its current means of maintaining it. Nor should Kuwait be prodded to do so; the ancient wisdom of “first, do no harm” should be carefully heeded here. Especially in terms of developing its internal political system, Kuwait has done well enough on its own. Greater U.S. or other outside involvement in this domestic arena would probably be counterproductive.

Nevertheless, despite its negligible hard power, Kuwait has the potential to contribute in new ways to regional security—and to become much more of an international economic powerhouse, with potentially more significant strategic consequences. Even as today's focus is on short-term crisis management with Iraq and Iran, such longer-term possibilities also warrant more-thoughtful attention.

The preceding analysis suggests that Kuwait is stable, friendly, rich, relatively democratic, and potentially even more valuable as a regional ally in the near future than it has been in the recent past. For all these reasons, it warrants just a bit more discreet U.S. prodding on a few key issues of common interest: upstream energy investment and capacity expansion, support for Arab-Israeli peacemaking, and collective self-defense against Iran. With these issues in mind, Kuwait could usefully be encouraged to make some adjustments in the following areas.

On the security front, these adjustments include:

- Shifting more of the intelligence and internal security focus, in cooperation with close allies, toward potential terrorist and other threats from Iran.
- Planning military acquisitions and strategy with even greater emphasis on potentially hostile Iranian intentions and capabilities, preferably in closer coordination with other GCC states. Clearly, the planned \$20 billion American arms sales package for those countries is intended to be a big step in this direction—but the specifics have yet to be worked out.
- Consulting immediately and intensively on practical “consequence management” for Kuwait in case of different levels of possible military confrontation with Iran. This would be a prudent preventive measure, regardless of the probabilities in question.

On the economic front:

- Removing the impediments to American and other friendly investments in upstream oil and gas development. This step would benefit Kuwait's economy while also indirectly helping contain Iranian expansionism by moderating the price of oil and offering an attractive investment alternative.
- At the same time, holding more-serious U.S.-Kuwaiti discussions on how to create direct financial pressures and incentives for Tehran to modify its behavior. Kuwait can contribute both on its own and in stiffening the resolve of GCC neighbors that do more business with Iran.

On the political front:

- Adopting a more activist pursuit of regional dialogue and reconciliation—but make material progress with Iran explicitly conditional on resolution of the nuclear impasse.
- For Iraq, offering more than mere token economic support, whether in the form of debt relief, trade and investment, or aid offsets for the stream of reparations payments to Kuwait. This step would contribute at least marginally to the stabilization of Iraq and help balance Iranian influence there—both of which are clearly in Kuwait's own enlightened self-interest.
- In the Arab-Israeli arena, enlisting Kuwait to provide more financial support to Palestinian president Mahmoud Abbas and the Palestinian Authority, thereby helping undercut Hamas and improving the prospects of agreement with Israel. Also, if plans for a new regional peace initiative materialize, Kuwait should rise to the occasion by participating constructively, alongside Saudi Arabia and the smaller GCC states.

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