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NOTE on Kuwait

Abstract: Domestically, issues of reform and succession to the current Emir dominate politics in Kuwait. External relations with neighbour countries are improving despite some persisting tensions on the Iraqi border question. This note highlights the political, economic and human rights situation in Kuwait and identifies key issues to be discussed during the Delegation's visit: women and political life, human rights, media reform, the admission of political parties and prospects of economic diversification.

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1. Domestic affairs

The Emir, Sheikh Jaber al-Ahmed al-Jaber al-Sabah, who was born in 1926 and acceded in 1977, has been reluctant to share his power. In 1986, he dissolved the National Assembly, reinstating it in 1992 under pressure from Western powers after the Gulf War, only to dissolve it again in 1999 when relations between the government and parliament had become tense. Iraq's invasion of Kuwait severely damaged public respect for the Emir and the ruling family, who were blamed for lack of foresight.

The Crown Prince, Sheikh Saad al-Abdullah al-Salem al-Sabah, five years younger than the Emir but also in poor health, resigned as Prime Minister in 2003. There is speculation that he will also resign the title of Crown Prince soon. Traditionally, there is an understanding to alternate the country's leadership between two lines of the Al-Sabah family (the Al-Jabr and the Al-Salem line) but locally, it is widely assumed that Sheikh Sabah al-Ahmed al-Jabr al-Sabah will be the next Emir with a trade-off compensating the Al-Salem line of the family. Sheikh Sabah is the country's de facto leader and Prime Minister since 2003 and has underscored his growing political stature in recent months.

On the one hand, Kuwait feels pressure for **governance reform**. Since 2002 US policy has shifted in favour of encouraging democratisation throughout the region. Western governments in general find it difficult to convince their publics to remain committed to the defence of Kuwait on grounds of power-politics alone and Kuwaitis understood that their very survival as an independent nation-state in one of the world's roughest neighbourhoods depended on strong US and Western support.

On the other hand, the overall approach to political and economic reforms remains cautious. Economic incentives are low as high oil prices continue to generate increasing revenues. Moreover a long-standing tradition of rule by consensus and growing weight of Islamic and conservative tribal forces make wholesale or rapid change unlikely.

The **National Assembly** has increasingly begun to assert itself in recent years, and has blocked or slowed down various legislative reforms, often because reform is seen as benefiting individuals but not the state as a whole. Indeed, reform is likely to mean a reduction in protection offered by the welfare state or a threat to the traditional social structures.

Political parties are illegal and political affiliations loose. However, **political groupings** exist but the constitution does not pronounce on their legal position. Although it does not explicitly approve the right to form political parties, article 45 gives organisations the right to address the authorities and some take it as a proof of the legitimacy of forming political parties. The uncertain legal status of these political groups limits their effective functioning.

The main Sunni Islamist groupings are the Salafi groups - the Islamic Popular Grouping and the New Salafi bloc, with a new one, the Hizb al-Umma (Umma party), founded in January 2005 - and the Muslim Brotherhood (known as the Islamic Constitutional Movement). The main Shia Islamist group is the National Islamic Alliance. The National Democratic Grouping is a liberal,

pro-reform group. Most MPs sit as independents, and many are loyal primarily to their tribal interests. Tribal opponents of the liberals and reformers hold the balance of power in the Assembly.

An attempt by the 15 founder members of the Umma party to have their party legalised earlier this year made no progress, however, with its leaders arrested and currently awaiting trial. However, in early July the parliamentary speaker, Jassem al-Khorafi, called openly for political parties to be legalised. This high-profile support from such an influential figure makes clear that despite the arrest of the Umma leaders, debate over the issue is set to persist.

At the last elections in July 2003 the Islamist-affiliated opposition in the 50-seat National Assembly was strengthened, even though those identified with Islamic parties fell from 15 to 12. Numbers of liberal supporters of reforms were also reduced. Next parliamentary elections are scheduled for July 2007.

One longstanding issue in domestic affairs has been the **political rights of women**. Although Kuwaiti women have reached high positions in the oil industry, education and the diplomatic corps, the 1962 election law limited political rights to men.

In May 1999, the Emir had issued a decree granting women the right to vote and hold elected office, but the measure was stiffly opposed by Islamist and tribal members of parliament and was struck it down in November 1999.

External pressure and determined advocacy from inside the emirate finally pushed the government to force a vote on female enfranchisement in May 2005 by invoking an “order of urgency” in parliament and pressuring MPs to support it. However, the vote was passed only when the government made a number of concessions, including bowing to parliamentary pressure (the National Assembly attached an addendum to the bill that said women voters and those who run for political office must abide by Islamic Sharia law) and reversing previous undertakings not to increase public-sector pay.

The move was followed mid-June by the appointment of Massouma al-Mubarak as the emirate’s **first female cabinet minister** holding the portfolio of planning and administrative development affairs. Ms Mubarak is also a member of Kuwait’s minority Shia community (one third of Kuwaiti nationals) and, in this capacity, was seen as filling a vacancy left since the cabinet’s previous lone Shia member resigned in January under pressure from Sunni Islamist MPs.

Yet Kuwaiti women will not be able to exercise their rights immediately. The municipal council elections on 2 June 2005 were still held under a male-only suffrage. The government withdrew a bill which proposed delaying municipal elections for six months to give women time to register. Shortly after the all-male list of winners was announced, however, the government stated that two of the six appointed members of the council would be women.¹

¹ Both of the female councillors named have worked in engineering and public works. One, Fatima Nasser al-Sabah, is also a member of the ruling family and sister to Saud Nasser al-Sabah, a former information minister and oil minister.

The first opportunity for women to vote and run for office will be the 2007 parliamentary elections. Five women have already announced themselves as candidates.¹

Rather than focusing on the formation of political parties, Prime Minister Sheikh Sabah announced that **expanding media freedom** was the next logical step to take following the establishment of equal political rights for men and women. A new press and publications law would allow more latitude for political content and also enable new daily newspapers to be set up. No new newspaper licences have been issued in Kuwait over the past 25 years, and as a result only a few occasional changes of ownership have shaken up the newspaper scene. The press is currently governed by a law that dates from 1961, and draft amendments aimed at liberalising this law have been with parliament since 2001 but have failed to gain approval. In June 2004, the number of absences of MPs left the National Assembly inquorate and the debate on a new press law was not held.

According to the annual Worldwide Press Freedom Index by Reporters without Borders, Kuwait ranks 103 of 167 countries.

2. International relations

Kuwait's primary strategic relationship is with the **United States**. **EU-Kuwait relations** are conducted exclusively in the context of EU links with the Cooperation Council for the Arab States of the Gulf (GCC) and structured by the EC-GCC Cooperation Agreement on trade, investment and cooperation signed in 1988. The latest Joint Council/Ministerial Meeting took place in Manama on 5 April 2005.

Although some tensions still exist over disputed territory, Kuwait's long-troubled relations with **Iraq** should continue to strengthen, supported by the close relationship that both countries have with the US and by the prospect of generous Kuwaiti economic aid and debt right-offs when circumstances allow. Any easing of the Iraqi reparations burden arising from the 1990 invasion, however, may be difficult for Kuwait to agree to, given Iraq's ambiguity over the current borders which, after being subject of disagreement over several decades, were demarcated for the first time by the UN following the Gulf War in 1991².

Relations with **Iran** have been improving steadily. Military clashes between the two countries occurred during the Iran-Iraq war in the 1980s, when Kuwait was a major backer of the military effort of Iraq. During the last few years, a series of high-level visits between the two countries has led to growing ties between them, inspired, in part, by a mutual mistrust of Iraq.

Kuwait has been slower to normalise relations with the countries that did not clearly oppose the Iraqi invasion in 1990, such as Yemen, Jordan and the Palestinian National Authority.

Relations with **Israel** have traditionally been tense. However, following the Israeli withdrawal from Gaza, a debate between businessmen and academics has begun about taking a softer stance on Israel after recent similar moves by Bahrain, Qatar and Tunisia. The talk of normalisation breaks a taboo going to the core of Kuwait's identity as the country was one main sponsor of Arab nationalism and considered itself among the standard-bearers for the Palestinian cause.

¹ Rola Dashti, president of the Kuwaiti Economists Association and political activist; Badriya al-Awda, a local writer; Khadija al-Muhamid; environmentalist Fatima al-Abdali and Emirates University lecturer Maasuma al-Mubarak. These five are well-known in Kuwait and liberal in their political outlook.

² UN Security Council Resolution 833.

The country is perhaps the most oil-dependent economy in the region (oil and oil products account for 95 % of the country exports). High oil income provides a source of revenue that could help fund a more diverse economy, while the level of oil reserves mean that Kuwait will have high and secure export earnings for many years ahead.

At the same time Kuwait has been **investing abroad**. Since 1982 the **Kuwait Investment Authority** (KIA) is responsible for managing and **developing the financial reserves of the State** and manages the Reserve for Future Generations to which 10% of the oil revenue is transferred each year. The KIA holds among others 7,2% of Daimler-Chrysler, 20.7% of the Global Engineering Alliance (GEA Group, formerly Metallgesellschaft AG), 3.2 % of British Petroleum (BP) directly, and another large share indirectly through its holdings in different banks (which hold 32.5% of BP). The state-owned Kuwait Petroleum Corporation (KPC) used to hold a 24.5 % share in Hoechst AG, which has become part of Aventis-Sanofi. KIA now owns 3.4% of the company's ordinary shares. In Spain KIA took over Torras Hostench SA (paper manufacturing) in 1986 and holds shares in country's largest chemicals company (Union Explosives Rio Tinto) and the country's largest sugar producer (Ebro; 7.82%).

With Kuwaiti **oil production** currently close to full sustainable capacity of around 2.6m-2.7m b/d, the government is eager to increase **capacity** without further delay. For this reason the long-delayed '**Project Kuwait**' is seen as having major strategic importance for the economy. Designed to open the oil and gas industry to foreign firms and involving US\$7bn foreign investment in the northern oilfields, this project has been blocked for several years. Parliament objects that it threatens the country's national interests. Parliament will be called upon to vote a draft law governing the project in October. A parliamentary report suggests significant revisions including a limit of the geographical and time scope of the project and several restrictions for foreign companies.

As well as boosting crude oil production, Kuwait is also expanding its **refinery capacity** with preparations under way for the construction of its fourth facility. This is now slated to have capacity of 615,000 b/d, making it the biggest in the Middle East.

The massive surpluses due to continued high oil prices have curbed the impulse toward **expenditure reform**, with the government continuing to create well-paid public-sector jobs for its nationals, despite the inefficiencies this frequently generates, and the labour market distortions it necessarily results in. Nor has it sought to rationalise use of key goods and services such as health, education, electricity, water and fuel by raising charges. Instead, the National Assembly in late June approved a new subsidy that will mean that all Kuwaiti families will be exempted from paying the first KD 2,000 of their annual electricity bills. The move appears directly contrary to IMF advice that electricity, petroleum products and water should be priced "appropriately" to encourage the growth of the private sector, ensure efficient allocation of resources and reduce the burden on the budget.

The efforts of Kuwait to reform are dogged by conflicting influences. The government recognises the need to diversify the economy, foster privatisation and ease the financial burden on the state. However, Parliament is not keen to begin dismantling a generous state system that has taken decades to create, though the imperatives for doing so are seeping through gradually.

Yet a number of significant reforms have been passed by Parliament. Restrictions on foreign investment and foreign ownership have been eased, a law allowing foreign investors from outside the GCC to invest in the Kuwait Stock Exchange was passed and the Banking Law was amended to allow foreign banks to operate in Kuwait. The free trade zone (FTZ) of Kuwait also continues to expand.

The challenge for Kuwait is not simply one of changing the economic structure, foreign investment regulations and the legal and business environment, but also one of competing with the increasingly aggressive GCC neighbours. Dubai and Bahrain have been quick to open up their economies to tourism, finance and trade. They have geographic advantages (better for trading with Iran and international markets, for example) and more liberal religious regimes. Kuwait will not simply have to equal these competitors in economic liberalisation, but surpass them if the economy of the country is to become more diversified.

Education

The development of the Kuwaiti educational system can be largely attributed to the wealth that oil has brought to the country. At the turn of the 20th century, there were very few educational facilities (Quranic schools that taught reading, writing, and some arithmetic. Today, Kuwait's education system is larger than ever. There are currently close to 500,000 students enrolled in Kuwaiti schools, constituting approximately 30 percent of the entire population.

Schooling is compulsory for all children ages six to 14 (primary and secondary levels) and all stages of state education, including higher education, are free. Private education is not free, although it is generously subsidised. Unlike many mixed gender private schools, Kuwaiti public schools are segregated by sex starting in the first grade, but all women have the same right to education as men. Girls have even a higher enrolment rate in secondary education than their male counterparts.

Kuwaiti women comprise two-thirds of all university students and graduate at higher levels than men. They are employed in a variety of fields but are barred from employment in the police, the army or judiciary. Many women even after receiving years of education are pressured by families not to work outside the home.

Human Rights situation

The first official human rights non-governmental organization in Kuwait was established in August 2004 when the Ministry of Social Affairs and Labour granted a licence to the Kuwait Human Rights Society, some 10 years after it was formed.

Security measures were tightened following a surge of violence in neighbouring Iraq and bombings in Saudi Arabia. In May 2004 the Gulf Cooperation Council signed a “counter-terrorism” pact, strengthening cooperation and coordination among security agencies and improving the exchange of intelligence information.

In May 2005 Kuwaiti parliament members submitted a draft law to combat religious extremism and violence in the context of the violence that took place in the country at the beginning of the year. The draft law bans the issuing of religious fatwas by individuals and calls for the setting up

of a supreme council for fatwas and religion to be entrusted with issuing fatwas related to contemporary issues. It also bans declaring any individual or group as infidels and proposes heavy jail terms for those carrying arms with the aim of using these against security forces or other people.

Women still face some degree of legal inequality, largely in relation to personal status law. For instance, a married woman may not obtain a passport without the written permission of her husband; however a single woman at the age of 21 can directly receive one. Women's testimony is given less value in court proceedings. Women do participate in civic associations, professional associations and trade unions whereas men are not allowed to become members of women NGOs. The father determines a child's nationality. Women also face discrimination in divorce and inheritance decisions, but these rules vary in accordance with Shiite and Sunni doctrine. The law forbids marriage between Muslim women and non-Muslim men.

The abuse of foreign women working as domestic servants is another significant problem, and there are continuing reports of the rape of these women by their employers and co-workers. Dozens of domestic servants reportedly committed or attempted to commit suicide.

Foreign workers and "Bidoon"

As in other Gulf States there is massive employment of immigrant labour in Kuwait. The non-Kuwaitis are mainly Iranians, Indians and Pakistanis, as well as other Arabs. Some 140 nationalities are represented in Kuwait conferring a unique demographic situation to the country in which non-Kuwaitis outnumber Kuwaitis. Of a total population of approximately 2.5 million inhabitants, citizens are estimated to be less than 1 million. Foreigners are not allowed to participate in local political life.

All foreign workers are required to have sponsors for their stay in Kuwait. The International Labour Organisation (ILO) described the current system as "not up to international standards" and proposed that it either be scrapped, or be replaced by a system that would see the labour and social affairs ministry take on direct responsibility for them. The ILO also proposed that private establishments should be required to sign employment contracts with their foreign workers and that would ensure both sides have access to the courts in the case of dispute. The Ministry of Labour and Social Affairs agreed with the International Organisation for Migration in late June to establish a resource centre to provide training and act as a "forum for sharing information, experience and good practice" on employment of expatriates, including domestic workers.

The Constitution states that all people are equal in human dignity and in public rights and duties before the law yet the legal status of between 110,000 and 150,000 bidoon (trans. without) residents remains unresolved. Bidoon are Arabs who are residents in the country, some for generations, but who either lack or have failed to produce documentation of their nationality. Their undefined legal status is a result of state formation and the introduction of the European notion of citizenship in diverse and semi-nomadic societies where until recently the continuous movement of tribal peoples across the borders with neighbouring countries was an accepted fact. The Bidoon of Kuwait are the largest such group. Since the mid 1980s, the Government has discriminated against the bidoon in areas such as education, medical care, employment and mobility. In May 2000 the Government introduced legislation to attempt to resolve the issue of

the bidoon. This included provision annually to extend citizenship to up to 2,000 bidoon who meet certain criteria. In 2004 the government approved free education for all children of bidoon parents and announced that bidoon would receive free healthcare starting in 2005.

European Parliament

Kuwait has figured prominently in EP resolutions concerning the situation in Iraq but the only resolution concerning Kuwait specifically is that of 16 December 1999 on voting rights for women. The EP expressed deep disappointment at decisions taken by the National Assembly of Kuwait which prevent women from exercising an elementary right.

Key suggestions for discussion

Women and elections

- ✓ Inquire as to concerns that many Kuwaiti women are likely to simply vote for the same candidates as their husbands. Could female vote undermine the reform oriented part of the urban elite with conservative Islamists and tribal elements in parliament being particularly likely beneficiaries?
- ✓ How can the EP help strengthening women's participation in the 2007 elections?

Admission of political parties

- ✓ establishing political parties would weaken the current practice of gaining votes through tribal allegiances or other loyalties unrelated to public policy
- ✓ back the Parliament Speaker's efforts to push for reform in this sense

Media reform

- ✓ Inquire as to the timetable for changing the press law and to what the key aspects of the reforms would be

Foreigners' rights

- ✓ state of play as to the integration of bidoon
- ✓ policy of naturalisation

Economy

- ✓ suggest to spread the benefits of Kuwait's mounting fiscal surpluses among all citizens in an environment friendly way

Map of Kuwait



Some Prominent Kuwaiti Women

*Dr. Rasha Al-Sabah: Under-Secretary of Higher Education and one of the Emir's most trusted advisors. Named International Woman of the Year for 1996-1997 by the International Biographical Center (IBC) in Cambridge, England., Dr. Rasha Al-Sabah has exerted most of her efforts in the fields of education, culture, and women's causes.

*Nabila Al-Mulla: Appointed as Kuwait's first female Ambassador. She was formerly a deputy permanent representative of Kuwait at the United Nations. Presently serving as Kuwait's Ambassador to Austria.

*Fayza Al-Khorafi: Distinguished scholar and professor and accomplished scientist, she is the first Arab woman to be appointed Rector of an Arab university (1993).

*Sara Akbar: Petroleum engineer, member of the Kuwait Oil Company since 1981. Played a distinguished role in extinguishing the oil fires following the Gulf War and cleaning up one of the worst environmental disasters in history. Received the 'Global 500' award from the United Nations Environmental Program in recognition of her work.

*Badriya Al-Awadi: Considered the top legal expert on human rights and women's rights in Kuwait. She holds a Ph.D. in international law, has published over ten books, and has taught law at Kuwait University for the past seven years. Ms. Al-Awadi's concerns include eliminating illiteracy and raising awareness of women's legal and political rights.

