

Political and economic issues in kuwait



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Kuwait, officially known as the state of Kuwait, is situated in the western Asia and is an Arab country. Kuwait has parliamentary form of government and the city Kuwait serves both as the economical and political capital. It is considered as the 11th richest country in the world in terms of per capita income and has the 5th largest oil reserves. It is one of the major economies of the world.

People who live through melodramatic democratic changes and evolutions, whether in Pakistan, India, Spain or Poland, often states a very comparable sequence of emotions and feelings that they face- firstly they face tufts of hopefulness, then remarkable ambiguity and doubt that is later on followed by jubilation during the evolution itself, settling with the dawdling disenchantment that the unexpected emergence of democracy leads to monotonous customary politics in individuals or even groups are only interested in their own good and self-interest whereas they ignore the society.

Most of the people living in Arab world would not accept that they have gone through this set of emotions and feelings. But in the case of Kuwaitis, they have lived out through a very strained out and haggard form of a democratic evolution and transition that is taking place. They have also experienced and gone through the set of emotions described above even though the order in which they might have experienced these feelings would be different.

Political Issues

The residents or people of Kuwait see that over the years and decades, their parliament has grown from a mere debating society or platform into a proper

authoritative political configuration. The same people have seen that matters and talks that were previously whispered and carried out privately found their way in the media and they have seen how with the passage of time, elections have become so competitive and political affiliations have become stronger.

These changes took place over a very long period of time and these transitions have been ongoing but still they remained incomplete, which has made Kuwaitis miss the drama and excitement of a proper democratic revolution. Even though the country can't be called fully democratic today but the evolution and transition has been taking place through more than a generation and lifetime but the outcome is still very doubtful as to what will happen in the future.

However, even after these differences with the intense democratizers, the experience of Kuwaiti people is not bereft of some acquainted features from other evolutions. Kuwaitis nowadays are effusively and concurrently feeling what their colleagues experienced independently at the start and the conclusion of the process.

Even though, Kuwaiti's democracy has increased in the recent years especially in the 1970's and 1980's but when we take a look at the Kuwaiti's politics, it is moving in an opposite direction, against democracy. Kuwait has always been proud of itself and its political history that is a part of their heritage.

There history was made up of ruling families who consulted the general public before making a decision rather than ruling in a very uncontrolled and

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free manner without considering the rights and will of other people. This arrangement and method of making decisions has also been supported by the social customs of Kuwait such as diwaniyya, which is a customary gathering of Kuwaiti's men in order to discuss the political issues and problems.

These social customs followed by the people of Kuwait were later formalized as they were made a part of the 1962's constitution of the country. The constitution, even though has been not amended since the day it was issued, allowed an elected parliament that had some authority for decision-making. However, the meaning of the constitution has now changed over time as the meanings of unwritten conventions have also been attached to it. In case of Kuwait, most of these unwritten rules related to the constitution have generally and over the passage of time kept the parliament in check. When this was just not sufficient, the rulers of the country intruded and introduce various new groups to the political process in order to balance against the problematic voters in the core of the country. Later on it could be said that these new groups were the one who had led to the splintering of the current political system of Kuwait.

Later on, the parliament was suspended twice, once in 1976 and then in 1986. During these suspensions that took place, a ruling family ruled Kuwait like other monarchies of gulf. There was a lot of pressure by the population to restore the parliament in 1989, which led to the revision of the constitution and an attempt to replace the parliament with a more flexible assembly.

This slow surge against democracy was upturned in the 1990's when Kuwait was invaded by Iraq. This incident demanded the need for unity among the country's population and therefore it resulted in a treaty between the ruling family of Kuwait and the leaders of the country to restore the constitution and the parliament once the country is liberated. Since that time, the people of Kuwait have seen their political life

In the later on years, United States compelled the restoration of democracy in Kuwait and the parliament resumed life in 1992 with a new potential and strength. Since that time, the people of Kuwait have seen their political life gradually influence the inviolable parts.

The people living in Arab societies usually speak about the “ red lines” in most of their political systems. These are the regions where the freedom of speech and communication come to an end and the offenders or wrongdoers have to face punishment and measures against them. These red lines existed in Kuwait in the past but with the passage of time especially since the last decade or two, these red lights have now transformed into amber lights, which means that the residents of Kuwait are cautious even today but they are no longer intimidated or scared and this has contributed to the growing sense of doubtfulness and ambiguity that we seen in Kuwait today.

Another issue faced by the country is the existence of a proper elections system. The current election system of Kuwait is not majority based which means that a member of parliament can easily win a seat without even winning the mainstream of votes in a particular constituency. Changes need to be introduced in this part of law but that would mean reducing the

reliance on tribal and religious association, which has always hindered the productivity of the National Assembly in getting legislation passed.

Kuwait is also facing a problem in terms of lack of pluralism. It is said that no democracy in this world can ever exist without an honest and modern pluralism. This pluralism symbolized by various parties and platforms would help Kuwait to get rid of the individualism that has portrayed the political life of the country for more than half the century. This structural problem need to be resolves otherwise people would resort to pluralism in shape of tribes and sects which is not beneficial for the political structure of the country and if not resolved it would lead to parliament being dissolved over and over again.

Apart from these issues, other political issues faced by the National Assembly of Kuwait, includes the rights for women in Kuwait, rights for immigrant workers and the educational reforms.

As far as education is concerned, reforms took place that was crucial if Kuwait wanted to compete with other countries in terms of better skills and knowledge. The government gave permission to operate private universities in 2002, which was a big step and led to the development of new and more modernized research universities. Apart from that government also provided funds for students who couldn't afford the fees. However the problem of co-education is still not solved due to the presence of strict and conservative Islamic leaders in Kuwait. Even though a bill has been passed to give students the right to choose that whether they want to study in co-ed or not but the bill have not been approved yet.

Rights to immigrant workers are also trying to be granted by increasing the minimum wage and by creating a black list and strict punishments for those employers who mistreat the foreign workers. Human trafficking is also being taken care of by introducing new laws to control it.

Even though, Islam provides equal rights to both men and women but the extremists in Kuwait have always tried to suppress the rights of women, as they had no right to vote or stand for any parliamentary position in elections. However, reforms were introduced and women have been given the right to vote and stand in elections now. Women of Kuwait are also allowed to work in the police force now and with the passage of time they might be allowed to be a part of the army as well.

However these reforms are not enough as a recent ban has been imposed on women in Kuwait for not working after 8 pm or strict actions would be taken against them. Therefore, these rights are still in a very turbulent stage and needs to be improvised and adjusted according to other countries otherwise Kuwait would never be able to compete with them if it can't treat its own citizens equally.

Lastly, protests are taking place in Kuwait on and off over the parliamentary structure of the country. These disputes and marches have further added to the political turmoil that was already present in the country and the opposition has decided to internationalize the issue as it has gone out of control now.

Economic Issues

Moving forward from the political situation of the country, Kuwait has an open economy and is considered to be wealthy but geographically small, with crude oil reserves of 102 billion barrels and 7% reserves. Nearly half of the GDP of Kuwait constitutes of petroleum, as it accounts for 95% of the export revenue and 95% of the total government income of the country. Though Kuwait is viewed as one of the richest countries of Arab world it still lacks water and le land, discouraging development of agriculture exports of. The country largely being a desert with a minute portion of fertile land can be another reason for the almost non-existent agriculture industry in Kuwait.

Kuwait is actively involved in production of petroleum and as oil dominates the world economy, this has benefited the economy of Kuwait in various ways. It is ranked as the third largest oil producing country in the world, the first and second being Saudi Arabia and Iraq. A joint British-American firm initiated exploitation of oil in 1974 after, which the local government seized control of the operations. The profits generated from the production of oil have been dedicated to the modernization of the country by improving the standard of living of the people and the quality of basic education for the residents of Kuwait.

As the credit for a large portion of the country's export revenues goes to the petroleum industry, the damage endorsed by the industry in the Persian Gulf War had significant impacts on the economy of Kuwait as well. To prevent any future oil exhaustion of the country's oil reserves, a program of industrial diversification and oversees investment was launched by the government of Kuwait in the 1960s, present industries being building of

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ships and their repair, liquid desalinization, food dispensation and monitoring, building, and manure production. Vehicles, clothing, food, and construction material are the principal imports. Most of the Kuwait's trading activities are conducted with Japan, USA, Taiwan, Germany and South Korea.

Though Kuwait is a small country but it has massive oil reserves and this constitutes a major chunk of the economy of the country. The current GDP per capita of the country touched the shocking peak growth of 439% in the 1970's but was proved untenable and was constricted by 58% in the 1980's. During the 1970's, the rise in oil prices benefited Kuwait, which was largely promoted by Kuwait as they were active members of OPEC.

The economy of the country faced trauma due to the drop in oil prices in oil prices in the mid-1980 from the triple shock of 1982 Souk Al-Manakh stock market crash and the Iraqi invasion and occupation in 1990. The government-in-exile of Kuwait was heavily dependent on its \$100 billion in overseas investments for the payments of reconstruction during the Iraqi occupation. Nonetheless the rise in global oil demand aided in registering growth of 91% in the 1990's with diversification classified as a long-term issue for the over exposed country. But by the year 1993, the balance was cut down to half of its pre-invasion level.

The end of the Gulf War in February 1991 damaged 749 Kuwaiti oil wells damaged by the Iraqi occupation forces. Though the economy of the country suffered tremendously, it still was able to extinguish the burning fire within a years' time and restore production. Facilities and refineries were modernized

and oil exports outshined there before invasion levels in 1993 with manufacture levels constrained only till OPEC quotas.

Higher oil prices aided in the reduction of budget shortfall from around \$5.5 billion to \$3 billion in the year 1999 and the prices were predicted to remain comparatively strong and stable throughout the year 2000. Reforms are being formed and dealt with by the government in a slow and constant manner, the first free-trade zone was inaugurated in 1999 with continued discussions with various oil companies so that they could open up in the northern areas of Kuwait.

Focusing on the purchasing power parity comparisons, only 0.288 Kuwaiti Dinars make up 1 US dollar. Mean wages being \$27.83 per man-hour in 2009. As for the skilled labor of Kuwait the average monthly income is hiked up to an average of almost 10,000+ dollars per month, which does not include living and other fringe benefits. As Kuwait is a tax-free country all the figures being quoted refer to the actual take home numbers.

A target was set by the official of Kuwait to increase oil production by 4 million barrels per day by 2020. In the year 2010, an economic development plan was passed by the government assuring to spend up to \$130 billion over 5 years to spread the economy away from oil, encourage private sector participation in the economy and attract more foreign investment. An upward trend in the global oil prices during 2011 and 2012 revived economic growth as well as government consumption as the Kuwaiti government qualified a 20% growth in the budget revenue of government, which had led to higher budget expenditures, specifically wage hikes for several public

sector employees. As Kuwait had a positive fiscal situation along with a poor business climate and a traditionally discordant relationship with the National Assembly and the executive branch, the government to diversify the economy of the country did little.

Conclusion

However, in the end we could say that Kuwait has the most liberal political government if compared to other Gulf countries but in order to gain competitive edge over other countries especially the western countries, they need to liberalize more. The basic reason for their wealthy status and high rankings in the world are the oil reserves they have but that is not enough as it is a non-renewable resource, which will exhaust one day. Therefore they need to build competencies in other terms as well.

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