During the period from 1981 to 1990 Kuwait witnessed a spate of political protests and unrest often verging on mindless violence. The tremors caused by the Islamic revolution in Iran and the subsequent conflict between Iran and Iraq war were not only felt but also firmly influenced the domestic affairs of Kuwait. The Iranian revolution in particular posed an immense threat to Kuwait, as the Emir thought that it may possibly trigger a wave of Islamic fundamentalism in the country. On the other hand, the prolonged conflict between Iran and Iraq created a grave concern to Kuwait on account of its geographical proximity to the war zone. Internally, Kuwait was also faced with political crisis that arose out of the dissolution of the National Assembly in 1976. Both the external as well as the internal factors were so complicated in nature and essence that required a cautious handling of the affairs of Kuwait from the ruling family, however, whose foremost concern was the stability and security of the country. In the light of this background, this chapter examines in detail the various aspects and incidents that essentially shaped the political affairs of the state in Kuwait during the period from 1981 to 1990.

Aftermath of Dissolution and Iranian Revolution

The dissolution of National Assembly in 1976 was ensued by a series of events that caused political instability in Kuwait. On the other hand, the clergy induced Islamic revolution in Iran in 1978-79 inspired a wave of Islamic fundamentalism that swept across the Muslim world and Kuwait was not an exception. One of the main reasons for the outbreak of the Islamic revolution
was the alleged misrule of the Shah of the Pahlavi regime in Iran. The economic policies and the overdependence on United States, in particular, further contributed to the unpopularity of the regime. Added to this, the agricultural policies pursued by the Shah’s regime had led to the large scale human displacement and eventual migration of the rural poor to the neighbouring cities and here too the Shah regime miserably failed in ensuring basic necessities such as housing facilities, social welfare and employment opportunities.¹

During 1977-78 several protest demonstrations were held against the unpopular Shah and his policies and the incidences of political violence steadily increased in Iran. In order to control the deteriorating law and order situation and restore status quo in the country the Shah brought about a series of changes in the government by replacing those headed the very important portfolios with those who had the benefit of his confidence. In this context in 1977, the Shah removed the then Prime Minister, Amir Abbas Hoveida and appointed Dr. Jamshid Amouzegar, but he was allowed to remain in power and serve only for a year to be replaced by Jaafar Sharif Emami in August 1978. The Shah’s efforts to reorganise the governmental machinery proved to be a futile exercise as it failed to generate any tangible results, as the mass movement continued to gain momentum. However, “the political unrest continued, violence erupted in Qum and it was followed by an uprising in

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Tabriz, the protests spread throughout the country and it can be viewed as the beginning of the real mass mobilization organised by the clergy, loyal to Khomeini, in alliance with the religious educated youth".\(^2\) As the mass movement was assuming shape in an alarming proposition the Shah was left with hardly few options other than resorting to the martial law, which was in any way promulgated in September 1978. In November in the same year, a military government headed by the Army Chief of Staff, Gen. Gholamreza Azhari was established. The promulgation of martial law was accompanied with several repressive laws, which among other restrictions, imposed excessive censorship regulations on the media to quell the anti-government protests. But the military government could achieve very little in terms of restoring normalcy as the mass movement progressed with more vigour to paralyse the state of Iran with hardly any economic activity. The fall of the military government was appeared to be imminent with the gradual disintegration of the government machinery. The Shah as a last attempt in vain appointed Dr. Shapour Bakhtiar, a former deputy leader of the liberal National Front, as the Prime Minister. Soon after assuming charge, Dr. Bakhtiar dissolved the SAVAK - the government’s secret police agency that used to employ ruthless cold-blooded third degree methods to stifle and strangle all opposing view points. Having sensed the overwhelming popular support for the Islamic ideology propagated by the clergy, Dr. Bakhtiar sought to woo the Iranians by sending obvious signs that the government is not averse to observe

\(^2\) Ibid., p. 149
Islamic tenets and one such instance was the government’s explicit offer to lend support to the Palestinian cause. But the Shah was so unpopular that the anger of the masses against him hardly diminished and left him with no other alternative but to abdicate the country, which he ultimately resorted to in January 1979. The next important phase of the Islamic revolution was marked by Khomeini’s return to Iran in February 1979, which brought an end to his exile to Iraq for fourteen years. With the return of Khomeini, Dr. Bakhtiar resigned as the Prime Minister and fled the country. On 5th February, Khomeini nominated Dr. Mehdi Bazargar as the provisional Prime Minister. Thus, the Islamic revolution in Iran was brought towards its logical culmination with the Shah’s armed forces that was in complete disarray owing allegiance to Khomeini and the governmental machinery and its related institutions having been taken over by the followers of Khomeini and the subsequent proclamation of the Islamic Republic of Iran.

Khomeini and the articulation of Universal Islamic Ideology

The Islamic Shi’ite ideology propounded and elaborated by Khomeini had not to remain contented with its successful consolidation of the gains of the revolution and its ideological hegemony over Iran. Soon after scripting an Islamic revolution in Iran, Khomeini and his fellow clerics who were impressed by the response their Islamic ideology evoked, sought to embark on an ambitious project of conceptualising an Islamic ideology with a universal
appeal to export and replicate similar revolutions of Islamic overtones to rest of
the Islamic world.

The political ideology, devised and made popular by Khomeini and his fellow clerics that triumphantly altered the political landscape of Iran was deeply rooted in Shi’ite beliefs and traditions. An Islamic ideology with Shi’ite overtones was quite improbable to generate a universal appeal. Hence, Khomeini had to make certain amendments to his Islamic ideology in order to broaden its ambit of appeal and sphere of influence particularly among the Sunnis. The most notable aspect of Khomeini’s ideological discourse in the post 1980’s was his preference for themes or elements in Islamic ideology that could be reconciled and transmitted, without linking them to either the Shiite’s or Sunnis political and social doctrine in one universal language. In his quest to disseminate a universal Islamic ideology that transcended Shi’ite ideology, Khomeini’s overriding points of deliberation were issues, such as the plight of the Muslims, ills of Islamic society, Muslim unity, spiritual unity, justice and above all, the ills of western powers and their ideas.

Another important aspect that had a direct bearing on the whole project was the range of methods pursued by the Islamic regime in Iran to export to the Arab world the universal version of Khomeini’s doctrine. The Islamic Republic of Iran established, among other things, radio broadcasting stations at several places to promote and propagate its universal version of Islamic ideology in
Arabic and Persian among all the Islamic states. Besides the broadcasting services, the Iranian clerics exhausted considerable amount of resources in the production of propagandist materials such as books, pamphlets, cassettes, visuals, etc in vast quantities for distribution. The Islamic Republic of Iran in its bid to disseminate the universal vision of Islamic ideology organised yearly conferences that was attended by Islamic activists from all around the world and engaged several clerical networks that functioned, essentially, as the most powerful conduits of its ideology. These clerical networks performed a significant responsibility in the whole scheme of things, as they were largely instrumental in effecting indoctrination, training camps, persuading youths, ensuring coordinated activism, training in weapons and arms, and most importantly cultivate and broader similar set of active networks in their respective countries.

The whole scheme of exporting Iran’s Islamic vision to the rest of Islamic world was unsuccessful in realising its desired results. In spite of Khomeini’s vigorous and dynamic articulation of an Islamic ideology with a universal outlook to tie together the Islamic world and formulation of various methods to ensure the receptivity of his ideology and its translation to political power. The Shi’ite political activism that unwaveringly sought with conviction to replicate the experience of the Iranian revolution among the Arab states, required, besides the efforts of Khomeini and the fellow clerics, a favourable social, economic, political and regional factor. In the absence of the latter, it
was highly improbable to shape or transform the gains of the receptivity of a religious ideology into a significant force of political transformation. However, the fervour and sincerity with which the clerics rallied around to unify the Islamic world by disseminating their Shi’ite doctrine did inspire popular response that was manifested through the religious activism, demonstrations, rebellion and the use of violence. Thus the success of the Islamic Revolution in Iran and its subsequent attempts to broaden its sphere of influence beyond its boundaries had, in fact, influenced significant implications, which dominated the politics of the region in the 1980’s. In this context, it is necessary to analyse the political affairs of Kuwait in the background of Iran’s efforts to widen its ideological hegemony, to unravel, what the Islamic Revolution in Iran was meant to Kuwait?

The Iranian Revolution and Kuwait

The Islamic Revolution and the related events that were inspired by Khomeini’s doctrine in Iran, besides evoking a probing attention of the region, had cast a lasting impression on the psyche of the region’s masses that did not preclude Kuwait. As soon as the revolution began to take shape, the Iranians who constituted 4 percent of the total population of Kuwait received it with joy. At first, the politically sensitive Kuwaitis admired the Iranians for displaying political will, courage and determination to remove the unpopular regime of the Shah. The Islamists in Kuwait on the other hand viewed and interpreted the revolution as a testimony to the fact that the Islamic nations could fashion by
means of mass mobilisation the downfall of governments that are anti-Islamic. It gave them the "psychological boost and the political support they needed and they saw Iran as a model of popular Islam, genuine Islam based on Quranic principles and the people's rule."3 The political developments induced by the Islamic revolution in Iran had an immense sway on the minority Shiite groups in Kuwait who made up 17 percent of the total population as against the 70 percent of the Sunni population. The activities of the Shia community in Kuwait began to gain momentum and was slowly taking shape much more of a mass political movement. The presence of the Shiite activists with close family ties to Khomeini did help in promoting a sort of popular rebellion, which was led by Khomeini's brother-in-law, Hujjat al-Islam Abbas Muhri and his son, Ahmad Muhri.4 The sentiments of the Shi'ites in Kuwait was so closely identified with the Islamic Revolution that the Iranian embassy in Kuwait was the first to recognise the regime. Moreover the Iranians in Kuwait seldom hesitated to heed to Ayatollah Khomeini's calls particularly the merchants who closed their business to express their solidarity and sympathy with the cause.

In September 1979, the Shias organised huge demonstrations in Kuwait. The Mosques in particular became centres of political activism and the sermons delivered by the religious leaders were often embedded with more political overtones. In 1979, the Kuwaiti Ministry of Religious Affairs ordered the Shia religious leaders to restrict themselves to religious topics and avoid

4 Marvin Zonis & Daniel Brumberg, Khomeini, The Islamic Republic of Iran & Arab World, (Centre for Middle Eastern Studies: Harvard University, 1987), p.44.
politics, inter-Arab disputes and criticisms of people or factions. In November 1979, following the seizure of the Grand Mosque in Mecca by a group of extremists, which included four Kuwaitis, prompted the Kuwaiti government to act tough and ordered the immediate expulsion of undocumented workers. A majority of those 3000 Kuwaitis who were expelled were of Iranian background. The Kuwaiti authorities' dislike for Islamic activism and their determination to deal firmly with those abetting such anti-government activism became obvious when Kuwait withdrew the citizenship granted to Abbas Muhri - the brother in law of Khomeini and eighteen members of his family and expelled them. Besides, the government withdrew the passports of three prominent Shiites who were charged of instigating unrest among the Kuwaiti Shiites by organising political meetings in a mosque. This was followed by several instance of additional expulsions and the arrest and imprisonment of 25 Iranian nationals in January 1980. Though there were few cases of popular demonstrations openly expressing support to the Islamic revolution that were forcibly dispersed by police, the Kuwaiti government feared that the revolution might spread or gain deep roots in Kuwait by way of the activities of Khomeini's highly potent propagandist networks such as indoctrination, distribution of pamphlets and cassettes of Khomeini's sermons. The Kuwaiti government acted swiftly by reorganising the police force to face the new developments efficiently. The regime gradually but systematically cleansed the

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6 Ibid., p.102
8 Zonis, n.4, p. 44.
security, military and other vital departments of Shia persons and ensured that the upper echelons of security forces were composed entirely of reliable loyalist elements.\textsuperscript{9} The political unrest induced by the Iranian Islamic revolution in Kuwait reached an alarming stage in the 1980s when it was found that out of the seventeen reported cases of political violence, at least eleven had clear Iranian connection.\textsuperscript{10} And on November 1980, for the first time Iran directly attacked a Kuwaiti border post at Abdali.

The post-Islamic revolutionary period was the most challenging time for the ruling al-Sabah regime, which had to cope with several delicate concerns as the threat appeared to be double edged as it was capable of subverting the balance in the domestic situation and the external relations of Kuwait. While negotiating hard to come in to terms with the worsening internal stability, Kuwait became conscious of the imperative of alerting and regrouping the regional allies to ensure adequate protection against its potential vulnerability to external threats. In resonance with this broad objective, the Crown Prince and the Prime Minister of Kuwait Saad Al-Abdullah embarked on a diplomatic journey to other Gulf Arab countries to discuss the notion of improved cooperation among themselves in the milieu of the intensifying instabilities and the increased significance of the Gulf region to the world. The foreign ministers of the six Arab states met at Taif in Saudi Arabia in 1979 to discuss issues such as mutual defence and political stability in the region. After

\textsuperscript{9} Assiri, n.7, p.68.
\textsuperscript{10} ibid, p.69.
extensive consultations, the foreign ministers of the states of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates met in Riyadh and Muscat to fine tune their plans for establishing the Gulf Cooperation Council. On 25th May 1981 the Gulf Cooperation Council (GCC) was officially inaugurated by the heads of six Gulf countries in Abu Dhabi. One of the first acts of the GCC was to develop, “mutual-defence structures, including a rapid-development force, air defence, transport and procurement reinforced by internal security pacts between Saudi Arabia and all Gulf states.”

These developments seldom deterred Kuwait from sustaining its official contacts with Iran. The foreign minister Sabah Al-Ahmad visited Tehran to convey the good wishes of Kuwait to the new regime at the helm of affairs and held deliberations on issues such as the security scenario in Gulf region and ways of improving Arab-Iranian relations. Kuwait attempted to impress upon Iran by various means and the instances of which are worth mentioning. In the early 1980s Kuwait sent humanitarian aid for the victims of floods in southern Iran and in 1980 Kuwait agreed to supply Iran with refined oil products and establish technical co-operation between them. In the meantime, the domestic pressure was on steady rise to revert to the democratic setup and conduct elections for the constitution of the National Assembly. Adding on to this was the disquieting increase in Islamic fundamentalism, which created grave

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12 Ibid
13 Ibid, p.28.
concern within the ruling family. The overall outcome of these uneasy developments was the Emir's pronouncements on the formation of a thirty-five member Constitutional Review Committee to recommend measures to reform the overall political situation in the country. The Committee held its first meeting on 19 February 1980 that was attended by the Crown Prince and Prime Minister, Sheikh Saad Al Abdullah Al Sabah. In the meeting, the Crown Prince appealed to the members of the Review Committee to assess the previous parliamentary experiences of Kuwait and propose, in particular, remedies for the shortcomings of the previous National Assemblies. He also urged the Committee to ponder over the possibility, if any, of amending necessary Constitutional provisions. The Committee, at the end of its assigned task, unequivocally recommended that the country should return to the parliamentary democracy without further ado and proposed as many as seventeen amendments to Constitutional provisions.

The Iran-Iraq War

The war that began between Iran and Iraq in 1980 set in motion a fierce armed conflict, which continued, devoid of any respite, for eight years to torment the region in a variety of ways. All the Gulf States, Kuwait in particular was distressed over the not so distant possibility of other neighbouring states being drawn into the vortex of this conflict. The war zone was less than 150 miles from the centre of the Kuwait city and often the sound

15 Ibid.
of bombardment could be heard in Kuwait. The problem between Iran and Iraq dated back to many decades, however in the instant case confrontation flared up after Iran ignored the off repeated appeals from Iraq to withdraw the Iranian forces from the joint border province of Zain ul-Qus in Diali. Iraq based its claim that the territory should be handed over under the terms of the 1975 Shatt- al Arab agreement with Iran. Moreover, Iraqi president Saddam Hussein hoped to overthrow Khomeini, who had been overtly attempting to spread his Islamist revolution into Iraq, where the minority regime of Sunni Muslims ruled over a majority population of Shia Muslims. Full-scale warfare erupted in September 1980 as Iraqi military units swept across the Shatt al Arab waterway—which forms the confluence of the Tigris and Euphrates rivers—into the province of Khuzestan, Iran's richest oil-producing area. Thus, on the pretext of the Diali dispute Iraq invaded Iran on 22 September 1980 and began an armed conflict that was set to continue amidst of severe misery and vast destruction for nearly a decade.

Initially, Iran resisted the Iraqi incursions and sought to resolve the issue through the peace missions which ultimately failed and forced Iran to launch retaliatory attacks on Iraq. By November 1980, the Iraqi offensive had lost its momentum. Rejecting an Iraqi offer to negotiate, Khomeini launched a series of counter offensives in 1982, in 1983, and in 1984 that resulted in the recapture of the Iranian cities of Khorramshahr and Abadan. Though Iran succeeded in regaining its territories, it went on a major offensive in the Iraqi
territory of Misan province. These attacks kept Iraq not only on war footing but paralysed its economy as the war prevented Iraq from exporting Oil through Gulf. The destruction of huge oil facilities caused to both Iran and Iraq sharp decline in the flow of oil revenues. However, Iraq was able to continue and sustain the war with Iran largely due to the substantial financial aid provided by Saudi Arabia and Kuwait. In early 1986, an Iranian offensive across the Shatt al Arab resulted in the fall of the Iraqi oil-loading port of Faw and the occupation of much of the Faw Peninsula almost to the Kuwait border. But the Iranians could not break out of the peninsula to threaten Basra. The last great offensive, which began in December 1986, was ultimately repelled with heavy losses. In the spring of 1988, the freshly equipped Iraqi ground and air forces succeeded in retaking the Faw Peninsula and, through a succession of frontal assaults, continued into Iran. Iranian battlefield losses, combined with Iraqi air and missile attacks on Iranian cities, forced Khomeini to accept a ceasefire, which took effect in August 1988.

Though Kuwait officially maintained neutrality it was sympathetic and unofficially supportive of Iraq’s war designs during this crisis. Kuwaiti newspapers and other organs of media were quite categorically biased in their portrayal of events in favour of Iraq and tended to give one sided interpretation of the war and related developments.16 Kuwait’s unofficial support to Iraq provided interesting twist to the conflict when Iran began attacking the oil ships

16 Assiri, n.7, pp. 70-71.
of Kuwait. Initially, the fighting between Iran and Iraq only peripherally affected the other Persian Gulf states. In May 1981, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the UAE decided together in the Gulf Cooperation Council (GCC) to protect their interests and, if necessary, to defend themselves. In 1984 Iran reacted to Iraqi air attacks on Iran's main oil terminal on the island of Khark by attacking ships destined for ports in Gulf countries that assisted Iraq's war effort. Iranian links with a coup attempt in Bahrain in 1981, Shia terrorist activity in Kuwait, and Iranian inspired violence in Mecca underscored the conviction of the Arab states of the Gulf that Iran was the primary threat to their security.

Iran stepped up the tanker warfare in early 1987 by introducing high-speed small craft armed with Italian Sea Killer missiles. The first Iranian attack on Kuwaiti ships was carried out in the beginning of Iran-Iraq war in September 1980.\footnote{Ibid, p.71.} Kuwait had already sought the protection of United States naval escorts through the Gulf for the Kuwaiti vessels. Determined to protect the flow of oil, the United States approved and began tanker convoys in May 1987. Eleven Kuwaiti ships--one-half of the Kuwaiti tanker fleet--were placed under the United States flag. Other Kuwaiti tankers sailed under Soviet and British flags. Although United States escorts were involved in a number of clashes with Iranian forces and one tanker was damaged by a mine, Iran generally avoided interfering with Kuwaiti ships sailing under United States
protection. Along with the increasing intensity of the war, political protest and violence too began to rise at an alarming rate and threatened above everything else production and export of oil.

In the midst of this war, Emir announced in December 1980, that elections to the National Assembly would be held in February 1981. Before the elections, the Cabinet passed the new electoral law. Until then, the country was divided into 10 districts each sending 5 members to the legislature, but according to the new electoral law, the country was divided into 25 districts each electing two members and most of these districts have been divided in the tribal areas, which were the strongholds of the regime. It also reduced the size of the voting blocs such as the Shia and the other larger tribes though not the tribe per se. The result of this new electoral law is the seats in the tribal districts increased from 25 to 31 and in the Shiite dominated area it decreased from 10 to 4.

The National Assembly of 1981

The results of the elections of February 1981 were devastating to the liberal/leftist alliance as only 3 of its representatives were elected. Due to the divisions of the districts the liberals and leftists were not able to face the competition in the tribal districts, the Sunni religious conservative candidates

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19 Ibid
20 Ibid.
won but the Shia representation reduced from 10 in 1975 to 5 in 1981.\textsuperscript{21} The tribal representation increased from 22 in 1975 to 27 in 1981.

The religious conservatives in the opposition consist of mainly five Sunni Islamists. The religious opposition, the Islamists, comprised two divisions; the Muslim Brotherhood oriented Social Reform Society and the Salafiyyin of the Islamic Heritage Society.\textsuperscript{22} The composition of Kuwaiti Assembly can be seen below.

\textbf{Table. No: 3.1}  

<table>
<thead>
<tr>
<th>Legislative terms</th>
<th>Bedouins</th>
<th>Prominent Businessmen</th>
<th>Middle Class (Nationalists, intellectuals, professionals and religious factions)</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>1981-1985</td>
<td>27</td>
<td>8</td>
<td>15 ~</td>
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<td>1985-1986</td>
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<td>2</td>
<td>21</td>
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The 1981 Assembly that was convened on 9 March 1981 began its functions by an elaborated debate on the Constitutional amendments proposed by the Review committee. The Assembly was deeply divided as a group of members criticised the proposal of amending the Constitution as a step towards restricting democracy and denying the Assembly of its vital legislative powers

\textsuperscript{22} Crystal, n.5, p. 103
whereas the other group supported the proposal on the reason that the present conditions of the country necessitated such Constitutional amendments.\textsuperscript{23} In the course of the proceedings, a well-known member of the opposition group, Ahmed El Sadoun urged the Assembly to stand firm against any amendment to the Constitution and criticised that this would lead to suppression of democratic rights as well as a probable encroachment on the powers of the National Assembly.\textsuperscript{24} The opposition members were in fact successfully mobilised public opinion against the proposed amendments to the Constitution through the Press in particular, which made a vigorous campaign against the proposals.\textsuperscript{25} Eventually, the opposition was able to muster enough support and requested the ruler to withdraw the proposal to the Constitutional amendment, which was ultimately withdrawn by him. The other most pressing items on the agenda of the opposition were the deplorable economic conditions and the concerns of security. The collapse of the unofficial stock market (Suq al-Manakh) that made several banks to crash produced an acute economic crisis. The worst affected were the merchants who had to negotiate with the hard realities of liquidity crisis. The ramification of the collapse of Suq al-Manakh was noticeably intense that it stalled the construction industry to render many migrant workers redundant and thereby affecting a cross section of people.\textsuperscript{26}

\textsuperscript{23} Salih, n.14, p. 59.
\textsuperscript{24} Ibid.
\textsuperscript{25} Ibid.
\textsuperscript{26} Rosemarie Said Zahlan, The making of the modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman, (London: Unwin Hyman, 1989), p. 43.
Suq al-Manakh

The beginnings of the Suq al-Manakh can be traced back to the economic and fiscal developments of the late 1970s. In 1977, as soon as the oil boom burst, prices automatically crashed down to impinge on hundreds of merchants who became insolvent. The state however supported the merchants by bailing them out during this instant of financial crisis but desired to get underway a mechanism that might offer financial assistance to the merchants. The government after elaborate consultation with the Kuwaiti Chamber of Commerce introduced a stock market and ordered the local banks to offer loans to the merchants for which the government would pay the interest. But the government brought into force strict regulations when the markets became stable and improved on its financial wellbeing. The new set of regulations sought to exclude some merchants from involving themselves in the trade in the stock market on the premise that their respective companies are not registered in Kuwait. These restrictions along with other related regulations impelled the merchants who were denied permission by the government to take part in the stock market to establish Suq al-Manakh - a parallel stock market in.

The Suq al-Manakh was an unofficial stock market as the government did not officially recognise its entity. At the same time the government hardly made any attempt to close or discourage the stock market from carrying out its activities. The fiscal dealings of Suq al-Manakh were so deeply entrenched in

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27 Crystal, n.5, p. 97.
Kuwait to encompass vast spectrum investors who included, among others, several from the government itself.

The *Suq al-Manakh* mainly attracted the small investors, as mandatory minimum investment was much less than the official stock market and its dealings were with the shares primarily of those companies that were prevented from trading in the official stock market, as these companies were not registered in Kuwait.\(^{28}\) The main weakness of *Suq al-Manakh* was "not just that companies often existed only on paper, but also that speculation increasingly involved the widespread use of forward dealings- post dated cheques carrying premiums of 25 to 500 percent and stocks were transferred immediately against cheques written two or three years in advance".\(^{29}\) By 1981, the market further expanded with the increase in the land purchase and easy bank credits. The value of the shares also expanded tremendously to induce thousands of Kuwaitiis including members from the ruling family to get involved in its financial dealings. But in 1982 the market began to show symptoms of crash down and by August the same year the post dated cheques began to bounce. The *Suq al-Manakh* plummeted within weeks and plunged into grave financial crisis as the whole market was swamped with claims and counterclaims.\(^{30}\)

The government consulted the Kuwait Chamber of Commerce on the crisis. On the advise of the Kuwait Chamber of Commerce the government

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\(^{28}\) Ibid, p.98.  
\(^{29}\) Ibid.  
\(^{30}\) Ibid.
created the ‘Kuwait Clearing and Financial Settlement Company’ to register and net out the post dated cheques.31 The government helped the small investors by buying their shares and asked the Central Bank to extend loans. The voluntary associations too played a commendable job by helping the investors to clear their investments. The Emir called an extraordinary Assembly session in July to discuss the implications of the economic crisis. In August the Assembly passed a bill to settle the debts at the prevailing market price and the Cabinet too approved a new bill thereby regulating the activities of the stock market. This crisis increased the role of the State and also gave an opportunity for the merchant class to play an important role in resolving the crisis.

The Opposition groups in the National Assembly, however, held the ruling family primarily responsible for the economic decline. Another major concern often found expression was the security. Kuwait’s political, financial, media and other popular support for Iraq’s war efforts upset not only Iran but alienated a large segment of the Shiite community in general and Iranians in particular in Kuwait.32 This was found expression in the risings of the political protest, sabotage and violence that rose at an alarming rate during this period. In December 1983, a series of car bomb blasts occurred at many vital establishments such as the US and French embassies, airport, residential areas, ministries and the industrial areas killing five and critically wounding many.

32 Assiri, n.11, p.71.
The responsibility for the attack was claimed by *al-Dawa*- a Tehran based Iraqi Shia group. In 1984, Kuwait security court convicted as many as seventeen men in connection with the bomb blasts among whom mostly were expatriates, Iraqis and Lebanese and quite interestingly all of them were Shia. The conviction of the Shia terrorist however did not deter political violence that continued unabated and the two important events in this regard included the 1984 hijacking of Kuwaiti airliner and the hijacking of a TWA flight in 1985.

There were attacks against the Kuwait oil tankers in 1984. The Islamic Opposition in the Assembly voted against the Women's suffrage and supported a ban on public Christmas celebrations and banned the diplomatic alcohol.

**The National Assembly of 1985**

In 1985 election, economy and security remained the major campaign issues. The other issues, which surfaced during the campaign, were the administrative reforms, suffrage for women, foreign affairs etc. The Muslim fundamentalist candidates called for the amendment of the article two of the Constitution to call for an Islamic source for all jurisprudence, making the shari'a the source of all laws constitutionally but the leftists opposed this on the reason that the constitution should not be touched as it guarantees civil liberties and called for the formalisation of political parties. The leftists raised the issue of women's right to vote. They supported it on the basis of true representation, democracy and equality but it was opposed by the Islamists and tribal groups.

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33 Crystal, n.5, p. 103.
34 Ibid
35 Gavrielides, n.21, p. 175.
and argued that the women are not ready for the vote because they are not politically mature in a traditional society like Kuwait.\textsuperscript{36} Regarding the foreign affairs, the leftists called for a neutral non-aligned foreign policy. The candidates were able to express their views through seminars, debates and through the mosques, which served as a platform for the Islamist groups.

The leftists/liberalists, faced by the failure in the 1981 elections, decided to field only one candidate in the districts where they had a chance to win and in the tribal dominated districts they selected the tribal candidates with leftist leanings. The leftists made an impressive comeback by winning 13 seats and the pro government tribal representation reduced to 21 in the 1985 Assembly. The religious candidates did not do well as they got only six seats and even two prominent religious candidates, Khalid al-Sultan and Isa al-Shahin lost the election.\textsuperscript{37} Among the Shia community only four of its candidates won the election and only one of whom can be considered as a fundamentalist whereas the others were a doctorate from Harvard University, Dr. Yacoub Hayati, and the others were the young, middle-class technocrats.\textsuperscript{38}

The 1985 Assembly proved to be very assertive from the beginning. The issue of corruption in high places was raised. At the initiative of the Islamists members, the liberal-minded Education minister came under pressure

\textsuperscript{36} Ibid, p. 177
\textsuperscript{37} Ibid, p. 104
\textsuperscript{38} "Kuwait Election shakes the Establishment", \textit{Middle East Economic Digest}, (London), 1 March 1985. p. 22
to resign and some members began to interfere in the work of the Education Ministry.\textsuperscript{39} The collapse of the Suq al-\ Manakh (unofficial stock market) again surfaced in the Assembly. The Opposition provided the evidence of wrongdoings by the Fund for the Relief of Small Investors (FRSI), which was setup to compensate the small investors who has incurred losses in the 1982 crash and they were able to show that the fund was used to write off the debt of extremely wealthy and well connected individuals who could have easily paid the debts.\textsuperscript{40} The Opposition's constant criticism forced the Minister of Justice, who was a member of a ruling family, to resign as his son won the compensation after he had been classified as a small investor.\textsuperscript{41} On the other hand, the political violence continued unabated. In May 1985, there was an unsuccessful attempt on the life of the Emir, Jaber al-Ahmad al-sabah and the Islamic Jihad claimed the responsibility for this attack and this was followed by a series of bomb blasts on the seaside cafes in June, which claimed many lives. This prompted the government to deport several thousands of non-nationals and identity cards were distributed to all the adults in the country.\textsuperscript{42} In July the National Assembly unanimously approved the legislation to impose the death penalty for terrorist act resulting in loss of life and the government announced plans to establish popular security committees in all the districts. In June 1986 four simultaneous explosions occurred at Kuwait's main Oil installations at Mina al-Ahmadi. An unknown organisation, the 'Arab Revolutionaries Group',

\textsuperscript{39} Baaklini, n.18, p. 183.
\textsuperscript{40} Ibid.
\textsuperscript{41} Ibid.
\textsuperscript{42} Crystal, n.5, p. 104.
later claimed responsibility for the attacks, which had been intended to force Kuwait to reduce its petroleum output. This incident almost closed the Oil industry in Kuwait, which witnessed the severe security crisis. In 1985 and 1986 almost 27,000 expatriates, many of whom were Iranian, were deported, and concern over the security of the country continued.

The attack on the Oil installations in June 1986 that almost closed the Oil industry in Kuwait witnessed the severe security crisis. The National Assembly blamed the Minister of the Interior, Shaikh Nawwaf al-Ahmad, half-brother of Emir and the Minister of Oil, Shaikh Ali Khalifah for the inadequate security around the Oil installations and demanded the resignation.43 And on 1 July 1986, the Prime minister submitted the resignation of the Cabinet to the Emir blaming the National Assembly’s continuous criticism, which prevented them from performing their duties. The Emir dissolved the Assembly on 3 July 1986.

The Dissolution of the National Assembly

The factors that led to the dissolution of the National Assembly in 1986 bear as striking resemblance to those that had prompted the Emir to those that had prompted the Emir to suspend it ten years earlier. In both instance, the decision came out as a result of a combination of internal and external causes. Internally, the parliamentary opposition had directly and repeatedly attacked

43 Zahlan, n.26, p. 44.
members of the al-Sabah family and sought to use parliament to embarrass them. There was also a fear of the Assembly’s approving one of its members to investigate the financial problems of the Central Bank of Kuwait and the role of the government in the foreign investments. Further more, as in 1986, security concerns generated by a tense regional situation also contributed to the assembly’s demise. Particularly important in this regard was the wave of political violence that rocked Kuwait in 1985-1986. Iran occupied Faw peninsula in February 1986 which was less than ten miles from Kuwait and this posed a direct Iranian military and political threat to Kuwait. After the occupation of Faw peninsula Hasheimi Rafsanjani, the speaker of the parliament of Iran referring to the Gulf states’ subsidies to Iraq, “Iran would not continue to tolerate the berthing of ships at your ports with military hardware for Iraqi regime” and referring to Kuwait he said, “we figured it was necessary for them to see our troops across the waters.” The unstable regional environment, fuelled by the Iran-Iraq war and replete with domestic repercussions, convinced the ruler that the country could no longer afford the divisiveness that the National Assembly seemed to exercise.

After the dissolution of Assembly, Emir imposed censorship on the press, some parts of the constitution including article 107 which provides the elections to be held within the two months of the dissolution of the National Assembly, were suspended and the public meetings were banned. The press

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45 Assiri, n.7, p.71.
censorship was introduced for the first time after independence and the two main words the government's censors were ordered to censor were democracy and constitution.\textsuperscript{46} Meanwhile, the crown prince was appointed as the Prime Minister and a great portion of the cabinet positions was given to the al-Sabah family.

**Pro-Democratic Movement for the restoration of National Assembly**

The dissolution of the National Assembly triggered the pro-democratic movement in the country and several main opposition groups came together. The moderate Sunnis were aligned under the two main groups- the Islamic Constitutional movement (al-\textit{Haraka al- Islamiyya al- Dusturiyya}), which advocated gradual, moderate changes towards an Islamic lifestyle and People's Islamic Bloc (al-\textit{Tajammu al- Islami al- Sha'bi}), which sought to turn Kuwait into a Sharia state.\textsuperscript{47} The leftist/liberalist groups, \textit{al- Minbar al- Dimuqrati} (Democratic Forum) led by veteran leaders such as Ahmad al-Khatib and Jarim al-Qatami advocated the restoration of the National Assembly and argued that the thousands of educated Kuwaitis with a tradition of democracy deserve more than a rule by decree.\textsuperscript{48} The significant opposition to the regime came from the merchants. The merchants who maintained a low profile in politics before 1986 reasserted themselves. In 1950's a deal was made between the merchants and the ruling family, according to which the ruling family


\textsuperscript{48} Ibid.
would leave the business to the merchants and in return they should accept the ruling family's political dominance. But in early 1980's the merchants saw the increased involvement of the ruling family in the business activities. The younger members of the ruling family were becoming more involved in the business thus encroaching on the merchants' traditional turf and were taking unfair advantage of their privileged access to the higher places in government in order to cut out some of their private-sector competitors.\textsuperscript{49} This triggered the merchant's resentment towards the policies of the ruling family. Though the disgruntled merchants did not insist the realisation of a polity marked by full-fledged democracy, they desired the restoration of the National Assembly that existed prior to 1986. Thus, the position taken by the merchants during this period did hardly express in any way a paradigm shift from their long cherished stand on democratic reforms. The merchants support was scarcely anything but the manifestation of their apprehension of losing their position in the state's commerce and convey a message to the ruling family that the merchants would not be indecisive to make uncomfortable the ruling family by joining forces with the pro-political reformists in case their interests are shown a raw deal.

Another popular dissatisfaction was on the state's Oil investments especially the Santa Fe International by Kuwait's National Oil Company which was in losses. This also fuelled the parliamentary criticism of the oil minister, Shaik Ali al-Khalifa. His activities were under investigation at the time of the

\textsuperscript{49} Baaklini, n.18, p. 185.
dissolution of the assembly. This economic crisis further deepened with the sharp fall in the oil prices. This further added to the insecurity of the people in Kuwait. The persistent economic recession added greatly to the sense of insecurity among the people. The Kuwait economy began to stagnate from time it experienced the crash of the Suq al-Manakh and the slowdown was further aggravated by the other local factors such as the Iran-Iraq war, which disrupted oil exports and also diverted Kuwaiti export trade to the Saudi ports of Damman and Jubail. But the most important factor, which contributed to the economic problems in 1990, was the sharp drop in world oil prices that had began to fall in 1985. The consequent drop in government income led to the reductions in non-oil related government expenditures, especially for construction projects, further aggravating the domestic recession.

The cross-section of opposition leaders including the merchants came together to form the pro-democracy movement after the Iran-Iraq ceasefire in August 1988. They demanded the full restoration of the National Assembly and the Constitution. In December 1989, a group of former Assembly members began holding regular Monday night diwaniyyas with an explicitly political agenda and here they reported on the events and sought the advise and the assistance of the fellow citizens. In the beginning, these diwaniyyas started with twenty-five members and later this group was broadened by recruiting the ordinary citizens who represented the various social groups in Kuwait including women. They submitted a petition signed by thousands of Kuwaiti
citizens to the Emir demanding the restoration of the Constitution and the National Assembly.\textsuperscript{50} These meetings soon developed into large-scale demonstrations, culminating in tense confrontations with the police.\textsuperscript{51} The Government made several arrests in effort to prevent the meeting, but then \textit{diwaniyyas} continued to draw several thousand individuals and some meetings have been transformed into silent sit-ins.\textsuperscript{52} On 8 January 1990, the Monday \textit{diwaniyya} was held outside the Kuwaiti City in Jahra. The venue was surrounded by the troops and they refused to let anyone pass without showing their civil identification cards. A number of persons were beaten, including an elderly former member of the parliament, Mohammad Rushid and Mohammad al- Qadir, former ambassador\textsuperscript{53} and the opposition leaders were permitted to use loud speakers to ask people to disperse. In another incident, when huge number of people and the leaders of opposition met in Farwaniya, they faced the regular police, the Kuwait National Guard, riot police and tanks shooting chemical foam. The level of violence, the desecration of a mosque and the targeting of notables and members of the foreign press led to the suspension of the special Monday \textit{diwaniyyas}. There was widespread tension prevailing in the country and this made the crown prince Sa'd al- Abdullah to hold a series of meetings with citizens’ groups and members of the opposition in February
and March 1990. During the month of Ramadan, the pro democracy leaders visited the diwaniyyas to mobilise supporters. The government did not interrupt but they also sent the representatives to the diwaniyyas to make the points and speak against the opposition by accusing them of being provocative and irresponsible. The pro democracy movement was engaged in protracted political battle with the regime and in January 1990 a several thousands of people held a peaceful demonstration demanding the restoration of National Assembly, but the Government reacted violently and the police dispersed it forcibly.\textsuperscript{54}

The continuous pressures to restore the National Assembly made the Emir to consider an interim arrangement. On 23 April 1990, the Emir announced the establishment of an advisory National Council (Majlis al-Watani), he presented this as a compromise between the statuesque and the reconvening of the National Assembly. It was a consultative body, which composed of 50 elected, and 25 appointed members and it cannot pass legislations and its most important task would be to study the advisability and feasibility of a restoration of parliament.\textsuperscript{55} The opposition leaders did not accept the Majlis al- watani. They argued that the council could delay the complete restoration of National Assembly for another four years and the council was just a consultative body and cannot act as a check on the Cabinet. The opposition leaders visited the Diwaniyyas again urging the citizens not to contest and vote in the elections for the Majlis al- watani. But the members of

\textsuperscript{54} Baaklini, n.18, p. 185
\textsuperscript{55} Ibid, p. 186.
the opposition were prevented from visiting the Diwaniyyas by the police and seven of the most prominent members of the opposition like Ahmad al-Khatib, Abdullah Nibari, Jasim al Khatami and Ahmad al-Rabi were arrested from the Diwaniyyas they were speaking. These arrests prompted the widespread protests and on 20 May 1990 Abdal-'Aziz al-saqr, president of the Kuwait Chamber of Commerce presented a declaration to the Emir signed by the merchants, professionals and former members of the National Assembly opposing the Majlis al-watani and demanded the immediate release of the opposition members arrested. The Emir withdrew the charges against the members those arrested and all were released within few weeks. Despite the opposition to the Consultative Council, the elections were held in June 1990. There were three hundred and fifty candidates and the voters registered for this election were 563. The turn out was unusually low as the opposition has boycotted the elections and the members elected were mostly pro-regime. The Assembly had fifty elected members and the twenty-five members were appointed by Emir. There were twenty ministers in the Cabinet and all the al-sabah ministers in the Cabinet were allowed to continue. In this Assembly, the new body could propose legislation, but it would have to be approved by the Cabinet and the Emir, it could question ministers but not force them to take any action, it could debate the budget, but the government could implement it without any compulsion. As the discussions for further constitutional

57 Ibid.
amendments to be held in the Consultative Council, Kuwait was invaded by Iraq on 2 August 1990.

To sum up, the political developments in Kuwait from 1981-1990 point towards inconsistency on the part of the ruling family to take firm decisions that would usher political stability. Similar to the pre 1981 period, the domestic and foreign policies of Kuwait were increasingly determined and shaped by the volatile nature of politics in the region. The Iranian revolution posed a great threat to the ruling family through the revival of Islamic fundamentalism at a time when Kuwait was negotiating its own political problems. Kuwait also encountered a delicate situation in 1980 when Iraq invaded Iran and resumed a military conflict that continued up to 1988. The prolonged period of the conflict was of great concern to Kuwait on account of its geographical proximity. Kuwait suffered a lot to ensure the stability of its socio-political, economic and security structures during the crisis. Further, the economic lifeline too experienced a blow as a result of a downward trend in oil prices and the collapse of the financial market. The economic adversity coupled with the unpredictable nature of the region's politics, in a way, forced the otherwise non-political influential merchants to involve and play a greater role by demanding political reforms.