

Kuwaiti Humanitarianism: The History and Expansion of Kuwait's Foreign Assistance Policies¹

Mara A. Leichtman
Michigan State University²

Changing Landscape of Assistance to Conflict-Affected States: Emerging and Traditional Donors and Opportunities for Collaboration Policy Brief # 11

Policy brief series edited by Agnieszka Paczynska, School for Conflict Analysis and Resolution, George Mason University/Stimson Center

August 2017

“Thus, charity work, governmental and private/civil, travelled all over the world via relief, developmental and productive projects, achieving by that the sublime goal adopted by the state of Kuwait since its establishment; i.e. providing assistance for all the needy people everywhere regardless of religion, origin, sex, or color.

-- The First Report of The State of Kuwait on Foreign Humanitarian and Development Aid, 2015, 21.

Introduction

Kuwait's self-perception as a humanitarian and benevolent country is often at odds with public opinion of Muslim countries in the West, which remains focused on the financing of terrorism, the propagation of Islam, and other “undemocratic” political positions.³ This policy brief will discuss the history and rationale behind Kuwait's emergence as a global actor in humanitarian relief and development assistance, and will conclude with a discussion of future challenges. As the lines between charity, relief, and development become increasingly blurred, this brief will provide an overview of Kuwait's changing policies, highlighting the activities of select - and in many ways intertwined – state and civil society institutions.⁴

The six countries of the Gulf Cooperation Council (GCC) are among the world's most generous providers of foreign assistance, yet these financial flows remain an understudied example of South-to-South aid. Kuwait is often analyzed along with Saudi Arabia and the United Arab Emirates as one of the top three Arab donors that provide more than 90% of Arab Official Development Assistance (ODA).⁵

Yet Kuwait, which is still considered a developing country, while also ranked “very high” in the Human Development Index, has a unique history and foreign policy that led the vulnerable young state to develop the first national development fund in the region immediately after its independence in 1961.⁶ “Kuwaiti exceptionalism” has been extensively studied – Kuwait has free elections, a parliament, and a relatively free press, whereas other Gulf monarchies do not. Herb argues that the Kuwaiti National Assembly gives the citizen majority a voice in determining economic policy.⁷ More recently, Kuwait’s charitable contributions, in particular to Syria after 2011, led the then United Nations Secretary-General Ban Ki-moon to name the small Gulf country “an international humanitarian center” and His Highness the Emir Sheikh Sabah al-Ahmad al-Jaber al-Sabah a “humanitarian leader” in 2014. Kuwait hosted three international humanitarian and donor pledging conferences for Syria (in 2013, 2014, and 2015), during which Kuwait’s total pledges reached USD 3.8 billion.⁸ The Islamic International Charitable Organization (IICO), one of Kuwait’s oldest and best established transnational Muslim NGOs, set up “model villages” for Syrian refugees in Turkey, Jordan and Lebanon.⁹ Kuwait, however, has been heavily criticized for not opening its own borders to refugees, even though Syria is separated from the Gulf states by an expansive desert, and the high cost of living and bureaucracy do not make these countries choice destinations for refugees.¹⁰ Syria, in addition to Iraq and Yemen, continues to be one of the top recipients of Kuwaiti donation campaigns today.

Kuwait has also given considerable foreign assistance to Africa, highlighted by its hosting of the third Arab-African Summit in 2013 on the theme “Partners in Development and Investment.”¹¹ At that conference, USD 1 billion was allocated from the parastatal Kuwait Fund for Arab Economic Development to finance development projects in Africa for a period of five years, in addition to an equivalent amount of USD 1 billion to be invested in Africa by the Kuwait Investment Authority, the world’s oldest sovereign wealth fund. Kuwait also announced the Abdul-Rahman al-Sumait Award for Development Research in Africa, named after the legendary Kuwaiti doctor who founded Direct Aid (previously called Africa Muslims Agency) in 1981. Direct Aid, Kuwait’s largest non-governmental organization dedicated almost exclusively to working in Africa, is active in 30 African countries, and now also in Yemen. The annual Sumait prize of USD 1 million is “to honor individuals or institutions who help to advance economic and social development, human resources development and infrastructure on the African continent.”¹² There is currently a campaign coordinated by Kuwait’s NGOs with support from the state to assist Yemen, Somalia, Sudan and Nigeria with drought and famine relief.

Nevertheless, Kuwait’s ranking as a donor country is difficult to determine. The First Report of The State of Kuwait on Foreign Humanitarian and Development Aid, published by the Ministry of Foreign Affairs in 2015, states that Kuwait was ranked first among Gulf countries. However, it was ranked 14th out of 20 countries internationally by the British organization Global Development Initiatives in the 2014 report on international humanitarian aid.

In 2013 Kuwait's development aid comprised 1.3% of its GDP, which exceeds the 0.7% recommended by the United Nations (a goal most Western donors do not reach). Kuwait thereby ranked first among Gulf states and second internationally in regards to the most generous countries to offer international humanitarian aid in 2013 as a percentage of its GDP.¹³

According to Global Humanitarian Assistance, which uses United Nations Office for the Coordination of Humanitarian Affairs (OCHA) Financial Tracking Service (FTS) data, Kuwait is the third largest Gulf donor in absolute terms, after Saudi Arabia and the United Arab Emirates, when examining overall volume of humanitarian aid among Arab donors between 2000 and 2010.¹⁴

Unfortunately, available methods for tracking development assistance developed by the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC) do not always capture the sum of all Arab aid. Major Gulf donors have different understandings of aid and report only partial information, if they report it at all. Whereas the OECD only counts public aid in the country's "official" development assistance, many Arab countries have a fluid understanding of public and private aid, as many "non-government organizations" receive some funding from the government in addition to private donations. Religious aid is also excluded from the OECD reporting, whereas zakat, an obligatory alms of 2.5% of wealth and one of the five pillars of Islam, is an important source of Kuwait's domestic and international assistance.¹⁵ Barakat and Zyck include in their definition of "Gulf state donorship" bilateral and multilateral ODA as well as private contributions to foundations or zakat funds.¹⁶ They note that Gulf ruling families and general populations have given generously and actively to charity outside formal, state-controlled channels. Kuwait is not a member or an observer member of the DAC, but it does report its assistance data, and there is some discussion within Kuwait's ministries of Kuwait joining the DAC.¹⁷ Kuwait is also a signatory of the international conventions of the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action and was committed to the Millennium Development Goals and now to the Sustainable Development Goals.

Humanitarianism as Foreign Policy

Humanitarianism is a source of Kuwaiti pride, and government officials as well as private citizens often comment that Kuwait does not have a strong army, and the country's unsustainable economic dependency on oil faces many future challenges, but the one thing Kuwait is good at is charity. Kuwaitis are socialized into the spirit of humanitarianism and charitable giving at a very young age. Kuwait Awqaf Public Foundation (KAPF) is the independent governmental body responsible for managing registered waqf (charitable Islamic endowments) as well as educating the public about waqf. KAPF headquarters include a children's library of interactive games and illustrated books, which regularly hosts school groups as young as six years old. Kuwait's Zakat House also publishes children's books.

The national textbook for Grade 12 includes a section on Kuwaiti humanitarian organizations, and the Ministry of Education is in the process of developing a new curriculum for a full course on humanitarianism to be taught in the public schools. Many Kuwaitis believe that they were spared from national disasters because they gave back to others, and the greatest test of Kuwaiti humanitarianism was the overwhelming global support favoring Kuwait during the Iraqi invasion of 1990-1991.

Since the 19th century, Kuwait – strategically positioned between East and West – actively participated in trade between India and Africa. The small country rapidly evolved from its dependency on trade, pearling, and fishing to the economic boom resulting from oil discovery and the beginning of its export in 1946. Scholars have argued that the root of Kuwait’s humanitarianism lies in the country’s long history of seafaring and overseas trading relationships. While men were away at sea for up to six months at a time, women and children who remained in Kuwait assisted each other’s families.¹⁸ Dr. Abdullah Matouq al-Matouq, Chairman of the Board of IICO, Advisor to the Emir, and formerly the UN Secretary General’s Envoy for Humanitarian Affairs, wrote that “love of charitable work” is “deeply rooted in the Kuwaiti people.” Their “humanitarian heritage” was passed on from their ancestors, who also built schools, established awqaf (s. waqf), aided neighbors whose families were traveling for long periods of time, cared for the poor, and showed solidarity during times of misfortune. Charity practices significantly increased after the discovery of oil, and Kuwait built schools, hospitals, and wells, supported orphans, and inaugurated charitable institutions, helping countries in need while implying “gratitude to Allah.” In this way, al-Matouq stated, “charitable work converted from individual to institutional activities.”¹⁹

However, Kuwaiti humanitarianism is also strategic. Assiri began his book on the country’s foreign policy by noting that state security and the ruling al-Sabah family’s stability have been at the forefront of Kuwait’s concerns since its inception.²⁰ Since independence from British rule in 1961, the Kuwaiti government has developed a foreign policy where security was based on avoiding regional and inter-Arab rivalries. Assiri called Kuwait’s foreign policy “reactive” and “triggered by events and stimuli outside its boundaries.”²¹ As a migrant society, where native citizens trace their population to three neighboring countries, Iran, Iraq and Saudi Arabia (including the country’s 30-35% Shi‘i minority), Kuwait must play a “centrist” role to avoid a more “active or initiatory” foreign policy, given that its neighbors are often at odds with one another.²² The small Gulf country, thus, established “friendly relations with as many countries of the world as possible, regardless of their political inclinations. The obvious assumption is that more friends equal more leverage, and more leverage is a better deterrent.”²³

From the beginning, then, Kuwait's foreign policy was based on providing development assistance to other countries. As its gross national product (GNP) increased due to significant oil wealth, Kuwait dedicated some of these revenues to serve foreign interests and to establish friendly relations with as many countries as possible (this also dissuaded potentially unfriendly countries from acting against Kuwait).²⁴ Kuwait was therefore the first country in the Middle East to establish a regional development fund, the Kuwait Fund for Arab Economic Development, only six months after its independence on December 31, 1961. Scholars have referred to "dinar diplomacy," which Assiri defined as "the power to capitalize on the financial might of the state for political and security purposes, i.e., to win friends and thwart enemies."²⁵ This policy to considerably redistribute Kuwait's oil wealth resulted from the Kuwait-Iraq crisis in 1961, when Iraq threatened to invade Kuwait one week after the country gained independence from British rule on June 19, declaring Kuwait to be a rightful part of Iraq. When this first Iraqi threat subsided by the end of 1963, Kuwait began to play "the roles of donor, investor, mediator and, indeed, honest broker" in inter-Arab politics.²⁶

Assiri argued that the 1979 Iranian revolution and the 1980-1988 Iran-Iraq war, the first real external threat to Kuwait, which itself became a site of bombings and terrorist attacks, had a significant effect on national politics. Kuwait's centrist foreign policy began to change as its priorities shifted to domestic and regional security. The Gulf country resumed its parliament, cracked down on its Shi'i population, joined the Gulf Cooperation Council, and realigned with Iraq.²⁷ Kuwait learned that if it was to survive, it needed friends, and if its goodwill helped others, then others would be willing to help Kuwait in return.²⁸ This later proved true when Iraq did ultimately invade Kuwait in 1990 and the small country received overwhelming worldwide support for its struggle for freedom and sovereignty.

Tensions with Iraq continue post-Saddam, for example with ongoing disputes over the Khor Abdullah canal, a maritime canal between Kuwait and Iraq, and Kuwait cautiously also watches the dynamics of its other large and powerful neighbors, Saudi Arabia and Iran.²⁹ Turki points out that, "Kuwait was thus more than eager to use its oil revenues to strengthen not only its political ambitions, but also its national sovereignty, food security, and internal stability."³⁰ Kuwait's financial assistance to other countries is therefore inextricably tied to its effort to gain political support. This began with independence, continued during the first Gulf War when Kuwait was dependent upon its allies to send soldiers and military aid, and persists today in the form of United Nations votes. Kuwait's "friend to all" foreign policy paid off most recently on June 2, 2017: the country received 188 votes – many from its allies and the countries it assists – electing Kuwait to a two-year term beginning in January 2018 as a non-permanent member of the U.N. Security Council.³¹ The Kuwaiti government is also playing a mediatory role in the ongoing blockade on Qatar by other GCC members Saudi Arabia, U.A.E., and Bahrain, in addition to Egypt, that broke the first week of June 2017.³²

The Ministry of Finance

Villanger notes that one feature of aid from the three major Arab donor countries, Saudi Arabia, Kuwait and the U.A.E., is that they give most aid (around 85%) bilaterally in the form of low-interest concessionary loans, with a large share (about 50% of national and multilateral Arab aid) going to Arab countries.³³ He also suggests that most Arab bilateral aid is channeled through Ministries of Finance, which therefore become the most important aid institutions in the Arab region and ones not open to public scrutiny. Indeed, The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid (2015) lists the Ministry of Finance before the Kuwait Fund, Kuwait Red Crescent Society, Zakat House, and IICO, as the five bodies in the government or that coordinate with the government sector responsible for distributing relief and development aid.

As the Ministry of Finance oversees the State Treasury; it is considered the main government body through which Kuwait offers all relief, aid and assistance to Arab, Asian, African and friend countries with the aim of strengthening ties of friendship with peoples and nations of the world to boost the Arab, Gulf and Islamic aspects of activity, and help counter disasters and calamities striking (sic.) those countries.³⁴

The Kuwait Fund for Arab Economic Development

Much has been written about the Kuwait Fund for Arab Economic Development (KFAED), the country's first official channel to provide foreign assistance (calculated in 1997 as approximately one third of Kuwait's national income) through funding development programs in the region. KFAED was established with an initial capital of 50 million Kuwaiti Dinars (approximated by McKinnon to be USD 140 million in 1961). McKinnon writes: "Kuwait is a tiny country, rich in oil but little else, yet the Kuwait Fund has consistently given loans averaging an annual equivalent of 4 per cent or more of its gross national product (GNP)."³⁵ In 1997 McKinnon estimated that the Kuwait Fund's annual disbursement of 500 million USD constituted almost a tenth of all bilateral aid provided by organizations outside the OECD and around a quarter of all aid provided by the Arab world.³⁶ A decade later, Villanger calculated that the Kuwait Fund has been the largest Arab bilateral donor agency from 1961 through 2006, with cumulative financing operations in this period representing 17% of total Arab aid finance and 55% of total bilateral development finance from the three contemporary Arab donor countries (Saudi Arabia, Kuwait, U.A.E.).³⁷ The Kuwait Fund partnered over the years with the World Bank, the International Fund for Agricultural Development, the World Health Organization, and the United Nations Development Programme. It is a member of important Arab multilateral development finance institutions, international multilateral institutions, such as the U.N., the World Bank, the IMF and the WTO, and also a non-regional member of the African Development Bank.

Robert McNamara, President of the World Bank in 1968-1981, was full of praise for the Kuwait Fund, with which he collaborated on many projects. In his forward to Michael McKinnon's book *Friends in Need*, McNamara writes:

When first established in 1961, the Kuwait Fund was without precedent. Here was Kuwait, a tiny country, until recently among the poorest places on earth, establishing a development fund in the year of its political independence. While welcoming its new-found prosperity it was declaring a willingness to share its future wealth with its Arab neighbors. It was the first aid agency to be established in the developing world and in time would become the touchstone for other Arab aid agencies and the OPEC Fund (...) The Kuwait Fund is showing us how small nations can play a constructive role in the universal effort for sustainable development.³⁸

In order to request a concessionary loan, a national government must first send the Kuwait Fund a written application and project evaluation report. The Fund might help with this report, sometimes by offering the country a technical assistance grant in order to finance the necessary feasibility study or by assisting the government with finding consultants. If the feasibility study makes a convincing case for the project, the Fund will then send its own team to evaluate and appraise the proposal and meet with relevant individuals in the applicant country. McKinnon notes that Fund staff are deployed on the basis on technical expertise, not regional assignments, as in the World Bank. The project must prioritize economic development, in addition to poverty alleviation, redistribution of wealth, employment opportunities, and/or improved health care. One third of the money lent by the Kuwait Fund in its first ten years funded agricultural projects; half of its expenditures were in the transportation sector.³⁹ The Fund also evaluates a recipient country's debt service ratio, offering poorer countries better concessionary terms; agricultural and infrastructure projects receive better terms than revenue-earning projects. The country's managerial capabilities are also evaluated, as are legal ramifications.⁴⁰

The Kuwait Fund was established at a time when many recipient countries were gaining independence. McKinnon suggests "the Fund's full title – the Kuwait Fund for Arab Economic Development – is now something of a misnomer."⁴¹ While Kuwait's priority has always been the Arab world, it expanded its assistance after the adjustment in world oil prices in 1974 to include Africa and Asia, in addition to other countries. The October 1973 Arab-Israeli War led to the hike in oil prices that changed the balance of world power in favor of the Arab oil producing states. Increased government revenues in Kuwait led to a new law in July 1974 that enabled the Kuwait Fund's reorganization to extend its operations to cover all developing countries and increased its capital from KD 200 million to KD 1 billion (USD 3.4 billion), which was doubled again in 1981 to KD 2 billion (USD 7 billion). McKinnon writes: "Altruism undoubtedly influenced the government's decision to expand the Fund's role, diplomacy – and the forging of new relationships – certainly did as well. But so, one suspects, did a heightened

sense of responsibility. The members of the Organization of Petroleum Exporting Countries had raised the price of oil to levels which inevitably had some impact on the economies of poorer nations.”⁴²

McKinnon compares the role of the Kuwait Fund in much of the developing world to that of the World Bank and the Marshall Plan in leading to the reconstruction of Europe and contributing to the growth of the Asian tiger economies, with the potential to help countries come out of their underdevelopment and reduce the number of poor countries in the 21st century.⁴³ Due to mistrust of the former colonial powers, many newly independent nations in Africa and Asia turned to the Soviet Union for assistance, which encouraged them to become self-sufficient by building heavy industry, which was not ultimately successful. Once the developing countries built the necessary infrastructure, their needs changed to education, health care, family planning, and technical training, whereas the development of infrastructure continued to be a priority for countries ravaged by war.⁴⁴ The Fund now also gives loans to projects whose benefits are more social than economic.

KFAED describes its mission in its promotional material as follows: “Today, Kuwait Fund forms a solid bridge of friendship and solidarity between the State of Kuwait and the developing nations.” For Turki, however, the Fund’s goals go further than mere friendship: “The fund was also a political message to Arab and African countries: Kuwait would help those who supported Kuwaiti national security, internal stability, and independence.”⁴⁵ He also suggests that the Fund’s interest in assisting African countries competed with the increasing influence of Israel after the 1967 Arab-Israeli War. Kuwait used its financial resources and foreign policy to support independence movements in Africa, condemn apartheid in South Africa, and gain the sympathy of African countries for the Palestinian cause and other vital regional concerns.⁴⁶ Turki states that KFAED and “dinar diplomacy” ultimately allowed Kuwait to gain support from the United Nations Security Council while establishing Kuwait “as a leader in facilitating cooperation, solidarity, and mutual assistance among neighboring countries.”⁴⁷

Western scholars have questioned whether Gulf aid favors Muslim countries. McKinnon argues that while this was initially true – with Arab nationalism perhaps a more important rationale than religion – this is no longer the case and the Kuwait Fund actively denies religious bias and has supported loans in non-aligned countries such as Angola and Zimbabwe.⁴⁸ Furthermore, projects submitted to the Fund are usually selected by the loan-seeking government, not by Kuwait.⁴⁹ Yet development funds can also be political in other ways. Third World politics aside, KFAED’s role is often compared to that of the World Bank, but without the conditions for democracy and the problematic structural adjustment programs often attached to the Bank’s loans.

Another difference from Western development agencies is the Kuwait Fund’s provision of untied loans, where recipient countries are encouraged to choose international contractors who offer the most competitive bids (which can benefit countries other than the loan recipient countries) and are not required to purchase goods or services from Kuwait. In contrast, DAC members often tie aid to procurement in the donor country, which is good for business in Europe, but raises costs for the recipient country.⁵⁰ In avoiding conditionalities and “tying” of aid, the Kuwait Fund follows Islamic principles of charity, if not Islamic finance, which is rooted in the belief that assistance should be offered without “hidden agendas.”⁵¹ Yet Barakat and Zyck point out that while choosing to fund uncontroversial projects such as neutral infrastructure and technical assistance, KFAED misses an opportunity to contribute to wider social change in the region, such as good-governance reforms or environmental policies. Furthermore, Neumeyer concludes that Western aid is more focused on poor countries than Arab aid, with the share of Arab country aid going to least developed countries being roughly comparable to that of DAC countries. However, Arab countries give comparatively less to low-income and more to lower middle-income countries than DAC countries.⁵²

In the 1960s, the Kuwait Fund was the only such development institution in the Arab world. Its model was later followed by other Gulf countries: the Abu Dhabi Fund for Development (1971), the Saudi Fund for Development (1974), which became the largest of all Arab donors, the Iraqi Fund for External Development (1974), and most recently the Qatar Development Fund (2002). The Kuwait Fund continues to advise some of these other Gulf national funds based on its extensive experience worldwide. Recent KFAED figures for total number of loans, grants and technical assistance by region are provided below (in million KD from January 1, 1962 - March 31, 2017):

Continent	Loans	Grants and Technical Assistance
Latin America and Caribbean	183.9	1.95
Central Asia and Europe	338.23	8.05
East, South Asia, Pacific	1026.04	12.83
Africa	1051.94	10.64
Arab Countries	3260.45	199.43
Total	5860.57	232.89

Source: Adapted from Highlight of the Activities of the Fund, 1st January 1962 - 31th March 2017, KFAED.

Kuwait Red Crescent Society

Kuwait Red Crescent Society (KRCS) was established in 1966 as a voluntary society that enjoys an independent status and has a separate legal entity while working as a complementary organization to official authorities in Kuwait in the humanitarian field. It works in accordance with the four Geneva conventions and the international treaties that constitute International Humanitarian Law. Together with the Kuwaiti government, KRCS is a main source of aid and assistance in times of war and natural disasters “regardless of religion, sect, gender or ethnicity and without consideration of intellectual or political trends.” Total assistance offered by KRCS between 1992-2014 reached KD 85.63 million.⁵³

Zakat House

Zakat House was established in 1982 as an “independent governmental body” concerned with the collection and distribution of zakat domestically and internationally “according to the development needs of society...by adopting financial and administrative systems that go in line with the Islamic Law (Sharia) and the Standard of Institutional Governance and Quality.” Supervised by the Ministry of Awqaf and Islamic Affairs, Zakat House has an independent budget and legal entity and provides an outlet for Kuwaitis and other Muslims to donate their 2.5% or 1/40th of total savings and wealth, a religious obligation for those who meet certain economic criteria. Total foreign assistance offered by Zakat House between 1990-2014 was calculated at KD 227.8 million and given to countries suffering from natural disasters and emergency crises.⁵⁴

Assistance was divided into the following categories:

Item	Percentage
Charity Projects	30
Sponsoring Orphans	41
Sponsoring Students	4
Projects of Aid and Relief	22
Projects of Breakfast Banquets (Ramadan)	2
Projects of Adha Sacrifices. ⁵⁵	1

Source: The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid, 2015, 81⁵⁶

Another chart lists the following project types: Rehabilitation Projects, Productivity Projects, Orphanages, Health Care, Schools, Islamic Centers, Mosques, Poor Houses, and Relief Projects.⁵⁷ Approximately 20-30% of Zakat House's annual budget is spent on projects outside of Kuwait, with the majority of zakat going to those in need domestically.

International Islamic Charitable Organization

The Ministry of Foreign Affairs report includes International Islamic Charitable Organization (IICO) as part of their ODA. IICO was established in 1984 by an Emiri Decree by the late Sheikh Jaber al-Ahmad al-Sabah as an independent multi-activity institution. As such it is given a different status than other charitable and development organizations in Kuwait and does not need to report to the Ministry of Social Affairs and Labor, whereas its activities are audited. IICO is considered an international organization with its headquarters in Kuwait, not a Kuwaiti organization, although a manager informed me that 99.9% of donations come from Kuwait with the remainder from Qatar. IICO has at times worked through the Kuwait Joint Relief Committee, which was constructed as a coordination committee for the government to distribute relief aid to the various charity and humanitarian organizations to carry out emergency international work. This committee was eventually dissolved following the formation of Kuwait Society for Relief in 2012, a legally recognized body meant to serve as an umbrella organization whose board consists of members of all of Kuwait's major charities. The Ministry of Foreign Affairs report states the total amount of assistance offered by IICO from 2010-2013 reached KD 17.4 million, with a majority going to Syria, followed by Somalia, Pakistan, Turkey, Yemen, Burma, East Sudan, Mauritania, and other destinations.⁵⁸ IICO's 2015-2016 annual report declares a total budget of KD 13.15 million in 2015, down from KD 14.23 million in 2014.⁵⁹

Policy Analysis

There is currently much uncertainty in the Gulf region that could significantly impact the future of humanitarian assistance. The Kuwait Fund will continue to be a dominant global player, as the organization is no longer dependent on financing from the Kuwaiti government and since 1982 has been self-financing from its activities and investments.⁶⁰ Other humanitarian and development organizations, however, have begun to witness a reduction in donations. The decrease in the price of oil (by approximately 60%) has caused domestic tensions in Kuwait as the government develops new plans to decrease the country's dependence on oil exports. Unpopular policies have aimed at lowering Kuwait's annual budget and patterns of spending, increasing the price of gasoline by 50%, lifting tariffs on electricity and water, with the possibility of reducing subsidies for fuel and public utilities, and slowing the growth of public sector wages.⁶¹ This has also led to a vocal campaign by some members of parliament to impose more taxes on expat workers and reduce their benefits, including restricting access to health care and driving licenses.

The State of Kuwait has developed a five-year plan comprising the government's "Vision 2035," aimed at transforming Kuwait into a financial and commercial hub that will attract private sector investment, raise production efficiency, reduce corruption, and provide suitable infrastructure and advanced legislations for a more favorable business environment.⁶² Targeted sectors include transportation, electricity, and information technology, and development projects of the airport, railways, metro, bridges, seaports, and desalination plants are underway or being further evaluated, as are discussions of how to encourage tourism.⁶³

There are also new electronic systems being developed by Kuwait's Ministry of Foreign Affairs and Ministry of Social Affairs and Labor to register individuals and organizations seeking Kuwait's assistance in order to create a centralized database, facilitate reporting and auditing, and make the transition from cash donations to electronic transfer of funds.⁶⁴ Organizations must have government authorization to work with foreign entities and this database aims to protect Kuwaiti organizations from vulnerability to infiltration by terrorist organizations. This system, under development over the past two years, has led to a (perhaps temporary) decrease in the number of foreign recipients of Kuwaiti assistance, who must undergo a more rigorous approval and documentation process both within Kuwait as well as in their home countries. Furthermore, a significant increase in the allocation of funds over the past few years going to help Syria, Yemen and Iraq have inadvertently reduced available funds for other world regions.

Aside from Kuwait's imminent economic challenges and bureaucratic changes, regional tensions have led to questions about political stability in the Gulf region. Kuwaitis are anxiously waiting out the current Gulf crisis between Qatar and Saudi Arabia, the U.A.E., and Bahrain, where Kuwait continues to play a mediatory role. Kuwaitis remain shocked that other countries in the Middle East, such as Egypt, which experienced a "revolution" and coup d'état, and Syria, whose civil war turned half its population into refugees, are no longer pillars of stability. In reaction to the so-called "Arab Spring," the Kuwaiti government has reached out to Kuwait's youth (aged 14-34, who comprise approximately 70% of Kuwait's population), including young women.⁶⁵ A new Ministry of State for Youth Affairs was created in 2013 in order to facilitate the voice of the youth to be heard by the government and includes a Department of Voluntary Work, established to encourage youth to make a positive impact in society and provide volunteer opportunities with approved non-governmental organizations. Volunteering for charity is a recent trend among young people in the region (as well as globally) who are searching for more productive ways to spend their free time.⁶⁶ Furthermore, Kuwaiti students who study in the United States and the United Kingdom are exposed to different freedoms and lifestyles, and some feel frustrated when they return to Kuwait, where the older generation remains in power and family connections continue to hold much weight in networking for employment opportunities. The government hopes that working with and potentially empowering the youth will further discourage the possible attractiveness of joining terrorist networks.

Donations required by some of the semi-governmental organizations discussed above to carry out their work (KRCS, Zakat House, IICO) will likely continue to become less generous as regional economic and political uncertainty endures.⁶⁷ Nevertheless, Kuwait will remain a global player, has demonstrated willingness to play by the rules set out by the United States and DAC, and supports regional and global peacekeeping and development efforts. As oil funds continue to dry up, competition among Gulf countries and organizations will turn towards more opportunities for collaboration with other GCC members, traditional donors, and other emerging donors such as China and India. Western donors can facilitate future partnerships by focusing on areas of common interests.

Barakat and Zyck suggest that Gulf country reliance on trusted institutions such as Red Crescent societies and UNRWA “shows a desire to engage with implementing partners which are viewed as politically neutral and overwhelmingly concerned with humanitarian well-being or human security rather than with modifying gender relations, instituting new forms and patterns of governance or advocating in favour of democracy and human rights,” standards they themselves have not met.⁶⁸ Kuwait, like other GCC countries, favors the sovereignty of recipient states and therefore provides bilateral funds directly to states, rather than to non-governmental or international implementing agencies. Traditional donors, on the other hand, often favor funding civil society organizations for capacity building. The majority of Gulf state aid funds projects devoid of political significance, such as infrastructure, economic development, education and humanitarian assistance, which ranges from donations of food, water and medication to the provision of ambulances and other vehicles, over technical assistance. The key difference between the Gulf states and Western donors has thus been characterized as “hardware” versus “software”, yet Barakat and Zyck caution against measuring Gulf states against the standards of OECD-DAC donor countries, which have themselves been criticized for their occasionally self-interested conditionalities and coercive relationships with fragile states.⁶⁹ Keeping these key differences in mind will allow for more opportunities for traditional and emerging Gulf donors to work together going forward.

¹I am grateful to Agnieszka Paczynska, Chuck Fee, and Cindy Al-Abdulelah for their feedback on this report.

²Mara A. Leichtman is an Associate Professor of Anthropology at Michigan State University and was a visiting Fulbright Scholar at American University of Kuwait (2016-2017). Her research highlights the interconnections among religion, migration, politics, and economic development through examining Muslim institutions and the communities they serve. Her current research project examines Islamic humanitarianism in the Gulf directed to global economic development, in particular in Africa.

Dr. Leichtman is the author of *Shi'i Cosmopolitanisms in Africa: Lebanese Migration and Religion Conversion in Senegal* (Indiana University Press, 2015); co-editor of a special issue of *City and Society* on Muslim Cosmopolitanism: Movement, Identity, and Contemporary Reconfigurations (2012); and co-editor of *New Perspectives on Islam in Senegal: Conversion, Migration, Wealth, Power and Femininity* (Palgrave Macmillan, 2009). Her articles appeared in *Anthropological Quarterly*, *Contemporary Islam*, *International Journal of Middle East Studies*, *Journal of Religion in Africa*, *Ethnic and Racial Studies*, and *Oxford Islamic Studies Online*. She has been a visiting fellow at the Ali Vural Ak Center for Global Islamic Studies at George Mason University, Zentrum Moderner Orient in Berlin, Germany, and the International Institute for the Study of Islam in the Modern World in Leiden, the Netherlands. She is a member of the International Editorial Advisory Committee for the journal *Islamic Africa* and served as Book Review Editor for *Contemporary Islam*. She was elected to the board of the Society for the Anthropology of Religion (2016-2018) and also served as Secretary of the Middle East Section (2008-2011) of the American Anthropological Association.

³For example, Neumayer found that poorer, Arab, Islamic and sub-Saharan African countries are more likely to receive Arab aid, as are countries not maintaining diplomatic relations with Israel, and those with United Nations General Assembly voting patterns similar to Saudi Arabia (from 1974-1997). Eric Neumeyer. "Arab-related Bilateral and Multilateral Sources of Development Finance: Issues, Trends, and the Way Forward," *World Economy*, 27, (2), 2004, 281-300. See also Espen Villanger. "Arab Foreign Aid: Disbursement Patterns, Aid Policies and Motives," Chr. Michelsen Institute, CMI Report R 2007: 2. (<https://www.cmi.no/publications/2615-arab-foreign-aid-disbursement-patterns>).

⁴For a general overview of Kuwait's other philanthropic sectors and civil society organizations, see Nural Abdulhadi. "The Kuwaiti NGOs: Their Role in Aid Flows to Developing Countries," Policy, Research, and External Affairs Working Paper, The World Bank, October 1990. (<http://documents.worldbank.org/curated/en/706321468774313634/pdf/multi-page.pdf>); Mahi Khallaf. "The State of Kuwait," in Barbara Ibrahim and Dina H. Sherif, editors. *From Charity to Social Change: Trends in Arab Philanthropy*, American University in Cairo Press, 2000, 133-48; Ali Z. Al-Zuabi. "Civil Society in Kuwait: Challenges and Solutions," *African and Asian Studies*,

11, (3), 2012, 345-70.

⁵See “Arab Development Assistance: Four Decades of Cooperation,” The World Bank, June 2010, in addition to many of the other reports cited here: <http://documents.worldbank.org/curated/en/725931468277750849/pdf/568430WP0Arab010Box353738B01PUBLIC1.pdf>.

⁶ United Nations Development Programme. Human Development Report 2016. Human Development for Everyone: Briefing Note for Countries on the Human Development Report. Kuwait. New York: United Nations Development Programme, 2016. (http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/KWT.pdf).

⁷Michael Herb. *The Wages of Oil: Parliaments and Economic Development in Kuwait and the UAE*, Ithaca: Cornell University Press, 2014.

⁸The Ministry of Foreign Affairs, *The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid*, 2015, 17.

⁹As reported in Kuwait News Agency (KUNA). Sheikh Sabah Al Ahmad Al Jaber Al Sabah: A Humanitarian Leader, 2014. (<http://www.kuna.net.kw/KUNA%20Ameer%20English%20Book.pdf>).

¹⁰ There has been much media coverage on the Gulf States and the refugee crisis. See, for example, Amira Fathalla. “Migrant Crisis: Why Syrians do Not Flee to Gulf States,” BBC News, September 2, 2015. (<http://www.bbc.com/news/world-middle-east-34132308>); Afzal Ashraf. “Refugee crisis: Where are the Gulf countries?” Aljazeera.com, September 6, 2015. (<http://www.aljazeera.com/indepth/opinion/2015/09/refugee-crisis-gulf-countries-150905085458691.html>); Michael Martinez. “Syrian Refugees: Which Countries Welcome Them, Which Ones Don’t,” CNN, September 10, 2015 (<http://edition.cnn.com/2015/09/09/world/welcome-syrian-refugees-countries/index.html>); Chaker Khazaal. “No, Arab Gulf Countries are Not Taking in Refugees,” Huffington Post, October 13, 2015. (http://www.huffingtonpost.com/chaker-khazaal/no-arab-gulf-countries-ar_b_8280448.html).

¹¹For a list of Resolutions see: https://www.au.int/web/sites/default/files/documents/30953-doc-kuwait_resolutions_e.pdf; for a summary of the Kuwait Declaration see <http://www.da.gov.kw/eng/africa-arab-summit-2013/kuwait-declaration.php>

¹² The Board of Trustees for the prize includes prominent Kuwaiti and African ministers and directors as well as Bill Gates. (<http://www.alsumaitprize.org/>).

¹³ The Ministry of Foreign Affairs. *The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid*, 2015, 18-19.

¹⁴ Kerry Smith. “Non-DAC Donors: Arab Donors’ Humanitarian Aid Contributions,” Global Humanitarian Assistance, July 2011. (<http://www.globalhumanitarianassistance.org/wp-content/uploads/2011/07/Arab-donors-humanitarian-aid.pdf>).

¹⁵ Allison Minor. “Measuring Development Finance from Arab Donors,” Aid Data, October 28, 2014. (<http://aiddata.org/blog/measuring-development-finance-from-arab-donors>). For recent OECD international development statistics of Kuwait as compared with Saudi Arabia, the UAE, the US, and DAC countries, see: <http://stats.oecd.org/qwids/#?x=1&y=6&f=4:1,2:1,3:51,5:3,7:1&q=4:1+2:1+3:51+5:3+7:1+1:2,24,176,191,76+6:2011,2012,2013,2014,2015,2016>. However,

Kuwaiti officials have claimed that the U.A.E. has over-reported whereas Kuwait has under-reported (these figures are limited to the Kuwait Fund and not Kuwait's total ODA), so this is not an accurate measure of Kuwait's ranking.

¹⁶ Sultan Barakat and Steven Zyck. "Gulf States Assistance to Conflict-Affected Environments," The Centre for the Study of Global Governance, Kuwait Programme on Development, Governance and Globalisation in the Gulf States, London School of Economics and Political Science, Research Paper no. 10, July 2010, 3. (http://eprints.lse.ac.uk/55240/1/Barakat_2010.pdf).

¹⁷ See also Peter Carroll and William Hynes. "Engaging with Arab Aid Donors: the DAC Experience," IIS Discussion Paper No. 424, April 2013. (<http://ssrn.com/abstract=2267136>).

¹⁸ See Benyan Turki. "The Kuwait Fund for Arab Economic Development and Its Activities in African Countries, 1961-2010," *Middle East Journal*, 68, (3), 2014, 421-35; Michael McKinnon. *Friends in Need: The Kuwait Fund in the Development World*, London: I.B. Tauris, 1997.

¹⁹ KUNA. Sheikh Sabah Al Ahmad Al Jaber Al Sabah: A Humanitarian Leader, 2014, 21-22. This book was published in September 2014 on the occasion of Kuwait's UN title.

²⁰ Abdul-Reda Assiri. *Kuwait's Foreign Policy: City-State in World Politics*. Boulder, CO: Westview, 1990.

²¹ *Ibid.*, 11.

²² On Kuwait's Shi'a see Laurence Louër. *Transnational Shia Politics: Religious and Political Networks in the Gulf*, NY: Columbia University Press, 2008.

²³ Assiri 1990, 8.

²⁴ Turki 2014, 424.

²⁵ Assiri 1990, 10.

²⁶ *Ibid.*, 32.

²⁷ *Ibid.*, 64. See also Louër 2008.

²⁸ McKinnon 1997, 24.

²⁹ Habib Toumi. "Kuwait, Iraq Embroiled in a New Territorial Dispute," *Gulf Times*, February 2, 2017. (<http://gulfnews.com/news/gulf/kuwait/kuwait-iraq-embroiled-in-new-territorial-dispute-1.1971891>).

³⁰ Turki 2014, 425.

³¹ Abubakar A. Ibrahim. "Kuwait Wins Security Council Seat – Amir Congratulates FM," *Arab Times*, June 3, 2017.

(<http://www.arabtimesonline.com/news/kuwait-wins-security-council-seat-amir-congratulates-fm/>).

³² Anne Barnard and David D. Kirckpatrick. "5 Arab Nations Move to Isolate Qatar, Putting the U.S. in a Bind," *New York Times*, June 5, 2017. (https://www.nytimes.com/2017/06/05/world/middleeast/qatar-saudi-arabia-egypt-bahrain-united-arab-emirates.html?_r=0; <http://www.arabtimesonline.com/news/gulf-hopes-rest-kuwaiti-mediation/>).

³³ Villanger 2007, v.

³⁴ The Ministry of Foreign Affairs, *The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid*, 2015, 25.

³⁵ McKinnon 1997, 17. By contrast, McKinnon noted that the United States contributed less than 0.3% of its GNP in aid (18). This percentage of Kuwait's GNP later decreased, as described in my introduction above, but remains significant. The Ministry of Planning reported that Kuwait kept a percentage of aid in relation to GNP that ranged between 5-8% in the 1970s, 3-4% in the 1980s, when the price of oil dropped, before rising again in the early 1990s. Kuwait and Social Development: Leadership, Planning, Popular Participation and Humanitarian Orientation, Ministry of Planning and Center for Research and Studies on Kuwait, 1995, 172-73.

³⁶ McKinnon 1997, 18.

³⁷ Villanger 2007.

³⁸ McKinnon 1997, 7, 9.

³⁹ Ibid., 31, 33.

⁴⁰ Ibid., 54-55.

⁴¹ Ibid., 37.

⁴² Ibid., 59.

⁴³ Ibid., 37.

⁴⁴ Ibid., 40.

⁴⁵ Turki 2014, 425.

⁴⁶ Ibid., 427.

⁴⁷ Ibid., 426.

⁴⁸ The first three aims of Kuwait's international aid as listed by the Ministry of Planning and Center for Research and Studies on Kuwait report (1995, 152) are:

1. Affirming the Arab, Islamic, and human affiliation of Kuwait. This emanates from the fact that this aid to different countries is without any political strings attached.
2. Affirming international cooperation entails support for the course of peace and international development through the various UN organizations.
3. Consolidating the relations of cooperation and mutual interests with all the friendly developed and developing countries to affirm their non-alignment in international relations.

The report also describes the "philosophy for Kuwaiti International Aid" following the Gulf War (1990-1991), which included principles of "humane aid" and "universality," where Kuwaiti aid should not be limited to Arab and Islamic countries, but should cover all "rising and advanced countries with their different social and political systems, as long as this aid leads to obligatory human care, mutual interests, and fruitful applications" (200).

⁴⁹ McKinnon 1997, 61-62.

⁵⁰ Ibid., 73-74.

⁵¹ Barakat and Zyck 2010, 38.

⁵² Neumeyer 2004.

⁵³ The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid, 2015, 74-75. I have not verified these numbers, which might be higher. See the author's interview with Yousef al-Merag, Director of Disaster Management and Emergency, KRCS, Policy Brief #9, for additional information about the society and its relief work.

⁵⁴ Ibid., 80.

⁵⁵ Eid al-Adha is the Islamic holiday of sacrifice when a sheep is sacrificed and a portion of the meat is distributed among the poor and needy. This honors the willingness of Abraham to sacrifice his son as an act of submission to God's command. God sent his angel Gabriel to intervene by replacing the son with a sheep. Islamic charities often provide sheep to poor Islamic communities for this holiday.

⁵⁶ These figures and the following charts have been taken from this report and cannot be independently verified.

⁵⁷ The First Report of the State of Kuwait on Foreign Humanitarian and Development Aid, 2015, 82.

⁵⁸ Ibid., 88.

⁵⁹ For an excellent account of IICO's aid ideology see Marie Juul Petersen. *For Humanity or for the Umma: Aid and Islam in Transnational Muslim NGOs*, London: Hurst, 2015.

⁶⁰ Fund directors are also very proud of having been able to continue business from London during the 1990-1991 Iraqi invasion of Kuwait, from where they signed six loan agreements.

⁶¹ Wafaa Sbeiti. "Low Oil Prices: Causes, Consequences and Challenges," *Kuwait Times*, October 5, 2016. (<http://news.kuwaittimes.net/website/low-oil-prices-causes-consequences-challenges/>).

⁶² Faye Al-Saeed. "Kuwait Vision 2035 Includes Effective Management," *KUNA*, May 17, 2017. (<http://www.kuna.net.kw/ArticleDetails.aspx?id=2612378&Language=en>).

⁶³ Nasser Al-Shalabi. "Kuwait Eyes Developing Different Transport Sectors," *KUNA*, May 24, 2017. (<http://www.kuna.net.kw/ArticleDetails.aspx?id=2613580&Language=en>).

⁶⁴ This is in accordance with US Treasury requirements post-September 11, 2001.

⁶⁵ For an account of protest movements in the Gulf – and their suppression, see Toby Mattiesen. *Sectarian Gulf: Bahrain, Saudi Arabia, and the Arab Spring that Wasn't*, Stanford Briefs, 2013.

⁶⁶ Abdulsalam Sallat. "Youth at Center Stage in Kuwait 2035 Vision," *KUNA*, April 19, 2017. (<http://www.kuna.net.kw/ArticleDetails.aspx?id=2603089&Language=en>).

⁶⁷ Whereas zakat is an obligatory Islamic tax and limited to 2.5% of wealth to be spent only within specific categories to help the poor, sadaqa, voluntary almsgiving, is less restrictive and can constitute a larger percentage of charitable donations.

⁶⁸ Barakat and Zyck 2010, 33.

⁶⁹ Ibid., 36.

Changing Landscape of Assistance to Conflict-Affected States: Emerging and Traditional Donors and Opportunities for Collaboration Policy Briefs are part of a multiyear collaborative project, Emerging Powers in Post-Conflict and Transitional Settings: the New Politics of Reconstruction, directed by Dr. Agnieszka Paczynska (George Mason University/Stimson Center) and funded by the United States Institute of Peace.